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As filed with the Securities and Exchange Commission on August 31, 2011

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Forum Energy Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware	3533	61-1488595
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

920 Memorial City Way, Suite 800
Houston, Texas 77024
(281) 949-2500
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

James L. McCulloch
Senior Vice President, General Counsel and Secretary
Forum Energy Technologies, Inc.
920 Memorial City Way, Suite 800
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(281) 949-2500
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Copies to:

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box: ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Proposed maximum aggregate offering price (1)(2)	Amount of registration fee
Common Stock, par value $0.01 per share	$300,000,000	$34,830

(1) Includes shares of common stock issuable upon exercise of the underwriters' option to purchase additional shares of common stock.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We and the selling stockholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we and the selling stockholders are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated August 31, 2011

Prospectus

shares

Forum Energy Technologies, Inc.

Common stock

Forum Energy Technologies, Inc. is offering shares of its common stock and the selling stockholders are offering shares of common stock. This is an initial public offering of our common stock. We anticipate that the initial public offering price of our common stock will be between $ and $ per share.

We intend to apply to list our common stock on the New York Stock Exchange under the symbol "FET."

	Per share	Total
Initial public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds to Forum Energy Technologies, Inc., before expenses	$	$
Proceeds to selling stockholders, before expenses	$	$

Forum Energy Technologies, Inc. has granted the underwriters an option for a period of 30 days to purchase up to additional shares of common stock and the selling stockholders have granted the underwriters an option for a period of 30 days to purchase up to additional shares of common stock. We will not receive any proceeds from the sale of shares by the selling stockholders.

Delivery of the shares of common stock is expected to be made on or about , 2011.

Investing in our common stock involves risks. See "Risk factors" beginning on page 21.

Neither the Securities and Exchange Commission nor any other state securities commission has approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

J.P. Morgan

, 2011

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You should rely only on the information contained in this prospectus and any free writing prospectus prepared by or on behalf of us or to which we have referred you. Neither we nor any of the selling stockholders has authorized anyone to provide you with information different from that contained in this prospectus and any free writing prospectus. We and the selling stockholders are offering to sell shares of common stock and seeking offers to buy shares of common stock only in jurisdictions where offers and sales are permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of the common stock.

Until , 2011, all dealers that buy, sell or trade our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This requirement is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Industry and market data

The market data and certain other statistical information used throughout this prospectus are based on independent industry publications, government publications or other published independent sources. Some data is also based on our good faith estimates and our management's understanding of industry conditions.

Prospectus summary

This summary provides a brief overview of information contained elsewhere in this prospectus. Because it is abbreviated, this summary does not contain all of the information that you should consider before investing in our common stock. You should read the entire prospectus carefully before making an investment decision, including the information presented under the headings "Risk factors," "Cautionary note regarding forward-looking statements" and "Management's discussion and analysis of financial condition and results of operations" and the historical consolidated financial statements and related notes thereto included elsewhere in this prospectus. Unless otherwise indicated, information presented in this prospectus assumes that the underwriters' option to purchase additional common stock is not exercised. We have provided definitions for certain industry terms used in this prospectus in the "Glossary" beginning on page A-1 of this prospectus.

In this prospectus, unless the context otherwise requires, the terms "we," "us," "our" and the "Company" refer to Forum Energy Technologies, Inc. and its subsidiaries. In this prospectus, unless the context otherwise requires, the term "SCF" refers to SCF-V, L.P., SCF-VI, L.P. and SCF-VII, L.P., collectively, or any of them individually.

Unless the context otherwise requires, the pro forma financial and operational data presented in this prospectus give effect to: (i) our acquisition of: Wood Flowline Products, LLC, completed in February 2011 (the "Wood Flowline Acquisition"); Phoinix Global LLC, completed in April 2011 (the "Phoinix Acquisition"); Specialist ROV Tooling Services, Ltd., completed in May 2011 (the "Specialist Acquisition"); Cannon Services LP, completed in July 2011 (the "Cannon Acquisition"); SVP Products Inc., completed in July 2011 (the "SVP Acquisition"); AMC Global Group Ltd., completed in July 2011 (the "AMC Acquisition"); P-Quip Ltd., completed in July 2011 (the "P-Quip Acquisition"); and Davis-Lynch LLC, completed in July 2011 (the "Davis-Lynch Acquisition"); and (ii) this offering and the use of proceeds therefrom, in each case as described in our unaudited pro forma condensed combined financial data included elsewhere in this prospectus. We refer to the transactions described in the preceding clause (i) as the "2011 Acquisitions."

Forum Energy Technologies, Inc.

Overview

We are a global oilfield products company, serving the subsea, drilling, completion, production and process sectors of the oil and natural gas industry. We design and manufacture products, and engage in aftermarket services, parts supply and related services that complement our product offering. Our product offering and related services include a mix of highly engineered capital products and frequently replaced items that are consumed in the exploration and development of oil and natural gas reserves. In 2010, approximately 41% of our pro forma revenue was derived from the sale of capital products, while approximately 52% was derived from consumable products, spare parts or aftermarket services, with the balance of the revenue coming from rental or other sources. Our capital products are directed at drilling rig new build, upgrade and refurbishment projects; subsea construction and development services; the placement of production equipment on a per well basis; and downstream capital projects. Our highly engineered systems are critical components used on drilling rigs or in the course of subsea

operations, while our consumable products are vital to maintaining efficient and safe operations at well sites, within the supporting infrastructure and at processing centers and refineries. Our revenues are generated throughout land and offshore markets and across several international regions, with 43% of our 2010 pro forma revenue derived outside the United States.

We seek to design, manufacture and supply reliable, cost effective products that create value for our broad and diverse customer base, which includes oil and gas operators, land and offshore drilling contractors, well intervention service providers, subsea construction and service companies, pipeline operators and refinery and petrochemical plant operators, among others. We believe that we differentiate ourselves from our competitors on the basis of the quality of our products, the level of related service and support we provide and the collaborative approach we take with our customers to help them solve critical problems. Our goal is to be the supplier of choice for our customers by offering innovative, reliable and cost effective products, and by investing in long-term relationships that add value to our customers' operations.

Our business consists of two segments:

Drilling and Subsea Segment. We design and manufacture products and provide related services to the drilling, well construction, completion, intervention and subsea construction and services markets. This segment contributed $626 million, or 66% to our 2010 pro forma revenue.

- *Subsea solutions*. We design and manufacture subsea capital equipment; specialty components and tooling; and applied products for subsea pipelines; and we also provide a broad suite of complementary subsea technical services and rental items. We have a core focus on the design and manufacture of unmanned submarines known in the industry as remotely operated vehicles ("ROVs") as well as other specialty subsea vehicles. We believe that our Perry™ and Sub-Atlantic™ vehicle brands are among the most respected in the industry. Our related technical services complement our vehicle offering by providing the market with a broad selection of critical product solutions and rental items that enhance our customers' ability to operate in harsh subsea environments. We have a long tradition of working with customers to develop innovative product solutions to address the increasingly complex challenges of deepwater operations.
- *Downhole products*. We design and manufacture downhole products that serve the well construction and production enhancement markets. Among the products we supply are proprietary Davis-Lynch™ cementing and casing tools, such as float equipment, stage tools and inflatable packers, as well as Cannon™ downhole protection solutions for permanent gauges, sub surface safety valve ("SSSV") control lines, electrical submersible pump ("ESP") cabling and other downhole control lines and flatpacks.
- *Drilling products*. We provide both drilling consumables and capital equipment, including powered and manual tubular handling equipment, specialized torque equipment, customized offline crane systems, drilling data acquisition management systems, pumps, valves, manifolds, drilling fluid-end components, pressure control equipment for both coiled tubing and wireline well intervention operations and a broad line of items consumed in the drilling process. We have a core focus on products that enhance our customers' handling of tubulars on the drilling rig. Our drilling capital equipment offering is concentrated on targeted, high value added products and equipment where we have identified a clear market opportunity, such as our Wrangler™ branded catwalks and iron roughnecks.

Production and Infrastructure Segment. We design and manufacture products and provide related equipment and services to the well stimulation, completion, production and infrastructure markets. This segment contributed $329 million, or 34% to our 2010 pro forma revenue.

- *Flow equipment*. We design, manufacture and provide flow equipment to the well stimulation, testing and flowback markets. Our product offering includes the critical components typically found in the flow equipment train from the well stimulation pressure pump to the manifold at the wellhead. These components routinely encounter high pressures, requiring frequent refurbishment or replacement. We also provide related flow equipment recertification and refurbishment services, which are critical to the safe and reliable operation of completion activities.
- *Surface process and pipeline equipment*. We design, manufacture and provide engineered process systems and related field services from the wellhead to inside the refinery fence. Once a well has been drilled, completed and brought on stream, we provide the well operator-producer with the process equipment necessary to make the oil or gas ready for transmission. Our engineered product offering includes a broad range of separators, packaged production systems, tanks, pressure vessels, skidded vessels with gas measurement, modular process plants, headers and manifolds. We also provide specialty pipeline construction equipment on a rental basis.
- *Valve solutions*. We design, manufacture and provide a wide range of industrial valves that principally serve the upstream, midstream and downstream markets of the oil and gas value chain. We provide a comprehensive suite of ball, gate, globe, check and butterfly valves across a wide range of sizes and applications. Our manufacturing and supply chain systems enable us to design and produce high-quality, engineered valves, as well as provide standardized products, while maintaining competitive pricing and minimizing capital requirements.

The following table summarizes our key product lines, grouped by our two business segments:

Drilling and subsea segment			Production and infrastructure segment		
Drilling products	**Downhole products**	**Subsea solutions**	**Flow equipment**	**Surface process and pipeline equipment**	**Valve solutions**
•Tubular handling equipment •Wrangler Roughnecks™ •Wrangler Catwalks™ •Specialized torque machines and bucking units •Crane systems •Drill floor instrumentation and monitoring systems •Choke and kill manifold mud systems •Coiled tubing and wireline blowout preventers •Drilling and production valves, chokes and flowline connections •Centrifugal pumps and fluid end-components •Patented mud pump liner retention and mud pump rod piston systems •Specialty oilfield bearings	•Centralizers •Float equipment •Stage cementing tools •Inflatable packers •Flotation collars •Cementing plugs •Fill and circulate tools for running casing •Casing hangars •Surge reduction equipment •Stamped metal protection systems •Customized downhole protection installation tools	•Work class remote operating vehicles •Observation class remote operating vehicles •Remote operating seafloor coring tools (ROVDrill™) •Specialty vehicles •Subsea pipeline joint infill and coating products •Rescue submarines •Tether management systems •ROV thrusters, valve packs, hot stabs •Standardized and specialized ROV tooling •Dynamic positioning equipment •Geotechnical and geoscience services •Related subsea technical services	•Triplex and quintuplex fluid end assemblies (600 & 2250 HP) •Swivel joints, including large diameter •Pup joints •Swages •Hammer unions •Crossovers •LT and TE Plug valve (up 5 inch) •Chokes •Relief valves •Bull plugs •Pressure pumping manifold trailers •Flowback manifolds skids •Flow equipment trucks	•Tanks •Separators •Vapor Recovery Units •Scrubbers •Well test units •Compressor headers and manifolds •Pipeline bending equipment •EDGE™ Desalination and Dehydration •Lease Automatic Custody (LACT) Units •Skids	•Flanged floating ball valves •Threaded and socket welded ball valves •Butterfly valves •Metal seated ball valves •Trunnion mounted ball valves •Full opening check valves •Pressure seal valves •Cast iron valves

Current trends in our industry

We are currently focused on the following trends that we believe will positively affect our business in the coming years. The majority of these are secular growth trends that we believe will outpace general industry growth.

- *Increasing complexity of well construction*. As conventional sources of oil and gas are depleted, our industry continues to develop new well construction technologies and techniques that allow operators to recover more hydrocarbons from each well and make previously uneconomic reservoirs profitable. These techniques, most pronounced in the North American market, include drilling deeper, more highly deviated well paths, increasing the number of hydraulic fracturing stages and generally employing more complex completion practices on the surface and downhole. This trend is driving demand for new products and equipment that are specifically designed to address these new requirements. As these practices mature and spread to international markets, we believe that the market for the associated products and technologies could significantly expand.
- *Growing service intensity associated with unconventional resources*. The dramatic growth in the development of unconventional shale and tight sand formations, principally in North America, is placing increasing demands on the service equipment. In the U.S., 58% of the active land rigs, as of August 26, 2011, are drilling horizontal wells, the well path best suited to developing shale and tight sands, compared to 18% of the active land rigs as of five years ago, according to data from Baker Hughes. This change in development activity requires investment in new equipment to address the unique demands of these resource plays and places a much greater strain on drilling and completion equipment, which results in shorter replacement cycles for capital equipment and consumables, and drives greater demand for maintenance and refurbishment activity.
- *Increasing investment in subsea equipment and related services*. As the industry develops more deepwater fields, the amount of subsea infrastructure is expected to continue to increase and the ability of service companies and producers to control operations in a safe and effective manner will become more challenging. Subsea infrastructure is also becoming more complex given the focus on larger, more interconnected fields in ultra deepwater environments. This growing complexity is expected to result in greater demand for technologies and products, such as ROVs, that are specifically designed to help service companies and producers gain situational awareness and preserve operational effectiveness. In addition, maintaining and servicing this additional subsea infrastructure is expected to become a larger market as the number of subsea well completions increases and the population of producing subsea wells ages.
- *Heightened focus on product maintenance and certification*. Our customers and the relevant regulatory authorities are increasingly focused on product and equipment integrity, particularly in applications or environments in which products are exposed to high pressure, high temperature or corrosive elements. We have observed many of our customers implementing more regular and rigorous maintenance and recertification programs for equipment with long useful lives, which we believe could increase the demand for aftermarket services and parts across many product categories.
- *Increased capital spending in the oil and gas industry*. The growing global demand for energy has resulted in substantial capital spending increases by oil and natural gas producers.

According to Spears & Associates, annual global oilfield capital spending has increased from $85 billion in 2000 to $259 billion in 2010, representing a compounded annual growth rate of 12%. Spears & Associates projects capital expenditures will rise to $275 billion in 2011.

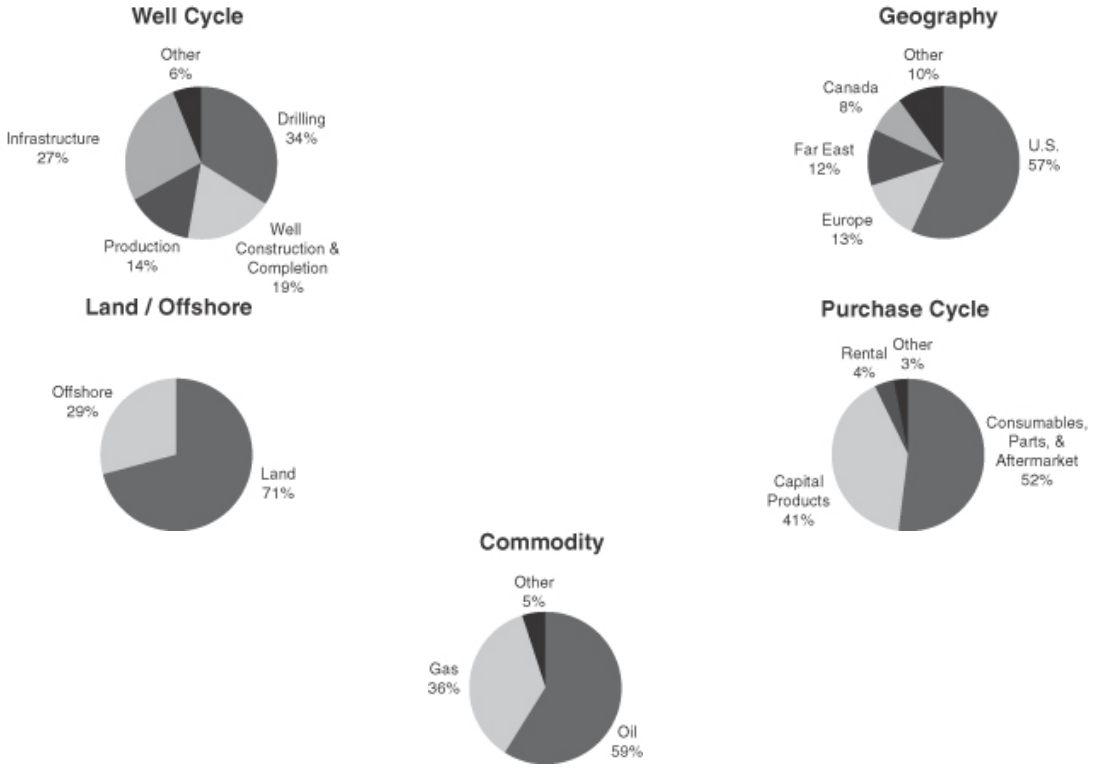
- *Recovery in global drilling activity and new rig replacement cycle*. As global drilling activity has steadily recovered since the 2009 economic downturn, there has been a corresponding increase in new build rig activity as operators require newer technology to meet increasingly challenging drilling conditions, with a focus on mobility, drilling efficiency, power and safety. According to RigLogix, 94 new offshore rigs have been ordered since January 2010, with an aggregate price of over $35 billion. Additionally, over 60% of all currently deployed offshore rigs were commissioned prior to 1990, generating a need for replacement rigs that employ the latest drilling and safety equipment. We believe this trend will continue to fuel a high level of capital investment in drilling rigs, which presents an opportunity for capital equipment manufacturers and value added component suppliers.
- *Development of heavy oil reserves in Canada*. Canadian heavy oil reserves offer a large, stable and reliable source of oil for North America. Recent advances in technologies and development practices have lowered both the cost of producing these reserves and the environmental impact of these operations. The lowered cost of production, combined with a stable and robust outlook for oil prices, have enabled the heavy oil producers to undertake long-term development initiatives. The Canadian Association of Petroleum Producers (“CAPP”) has estimated total Canadian heavy oil crude production, including oils sands, will increase from 1,845 Mbpd in 2010 to 3,981 Mbpd by 2015, representing a compound annual growth rate of 5%. We believe that this trend will continue, and that opportunities to provide reliable severe service products used in the heavy oil development process will offer a long-term growth market.

While we believe that these trends will benefit us, our markets may be adversely affected by industry conditions that are beyond our control. Any prolonged substantial reduction in oil and gas prices would likely affect oil and gas drilling and production levels and therefore would affect demand for the products and services we provide. For more information on this and other risks to our business and our industry, please read “Risk factors—Risks related to our business.”

Our business strategy

Our objective is to build a leading global oilfield products company that supplies high quality, mission critical products and related aftermarket services, serving customers globally across the oil and gas value chain. We intend to accomplish that objective and capitalize on the key long-term industry growth trends through the execution of the following strategic elements:

Tailor our product offering and capacity to customer spending. On an annual basis, we conduct a bottoms-up analysis of the sources and drivers of our revenue. Our analysis is focused on various types of revenue splits and exposures, including: (1) phases of the life of the well; (2) geographic exposure by shipment destination; (3) land or offshore application; (4) product purchase cycles; and (5) commodity mix. This process relies on a combination of financial analysis and management estimation. Our analysis of our 2010 pro forma revenues is as follows:



As part of the bottoms-up analysis described above, we also estimate the broad industry drivers of our business. We believe that our 2010 pro forma revenue was strongly driven by North American unconventional resource developments, global deepwater development activity, shallow offshore activity and international land activity, with lesser contributions from Canadian

heavy oil developments and downstream activity. Although acquisitions may cause fluctuations in our business mix, we intend to preserve and enhance the diversity of our business as a core part of our strategy. We believe this diversity reduces the impact of the volatility of any single well cycle phase or equipment spend cycle on our financial performance. A description of how we define each of the categories within each revenue split above is included in the “Glossary” beginning on page A-1 of this prospectus.

Leverage our product lines’ strengths across our platform. Each of our respective product lines has particular strengths that can be leveraged across the entire platform. We intend to cross-fertilize technologies, share research and development initiatives and leverage key geographic, supply chain and customer strengths to grow and improve the profitability of our overall business.

Expand our geographic presence. We intend to enhance our access to key global markets and to grow or establish our presence across the North American unconventional resource basins. We also plan to build upon our existing presence in the North American, North Sea, Middle East, South American and Asia Pacific regions through deployment of sales, distribution, service and manufacturing resources. We believe this expansion will provide more points of contact with our customers, allowing us to respond more quickly to their needs.

Invest in manufacturing capacity and excellence. We focus on the continuous improvement of our manufacturing processes and quality controls, which are vital to ensuring product reliability. We also continue to invest in expanding our manufacturing capacity by increasing output, upgrading machinery or adding “roofline” in strategically important geographies. We believe that in certain product lines, particularly those sold into the North American unconventional resource plays, locating manufacturing and service capabilities in close proximity to field locations improves response time, reduces freight costs and enhances customer service.

Pursue disciplined growth through acquisitions. We have a track record of successfully growing our earnings and product offerings by making attractive acquisitions. We intend to continue to selectively pursue acquisitions that increase our exposure to the most important growth trends in the oil and gas industry, fill critical product gaps and expand our geographic scope. With a strong balance sheet and sufficient financial resources, we believe that we can continue to acquire companies in high growth product areas and expose the acquired product lines to new customers and distribution channels, while preserving the entrepreneurial attributes that made them attractive on a stand-alone basis.

Develop new products. We conduct strategic reviews to identify underserved market opportunities and invest in continuous product development efforts. We believe this process allows us to enhance our exposure to key secular trends and serve our customers’ needs more effectively. We have developed strong working relationships with our major customers, several of which routinely approach us with requests for solutions to specific application challenges. We plan to continue to invest in new product engineering capabilities and leverage our expertise to address customer needs. Recent examples include the land and offshore versions of our Wrangler Roughneck™, a critical makeup and breakout tool for tubulars on a drilling rig, and our subsea ROVDrill™, a unique tool designed to perform subsea drilling functions independent of the support vessel while using only the associated ROV for power and control.

Focus on product quality and customer service. We have a track record of providing innovative, reliable, fit-for-purpose products at competitive prices while remaining responsive to the needs

of our customers. We work closely and flexibly with our customers on delivery timing and service after the sale. We seek to ensure that our businesses have the facilities and personnel to maintain the highest level of quality and service as we grow around the world.

Our competitive strengths

We believe that we are well positioned to execute our strategy based on the following competitive strengths:

Broad product offering with exposure to key long-term industry trends and a diverse customer base. Our exposure to a mix of consumable products, capital products and aftermarket parts and services enables us to participate in the construction, capacity expansion, maintenance, upgrade and refurbishment phases of the energy cycle. In addition, we have exposure to multiple sectors of the oil and gas industry and a diverse mix of customers across the full oil and gas value chain. We believe our broad product offering, diversified exposure to industry trends and extensive customer base reduces our dependence on any one phase, purchase cycle, segment or region and should result in more stable financial results.

Focus on critical peripheral products. Many of our products, particularly those serving the drilling and well stimulation markets, are non-discretionary components that represent a small percentage of the life cycle cost associated with large capital equipment. We believe that focusing on specialized, peripheral products affords us full exposure to the most powerful investment trends in the oil and gas industry while insulating us from the intense competitive environment and construction risks often associated with selling the largest capital equipment packages.

Solid base of recurring revenues from consumable products. In 2010, we generated approximately 52% of our pro forma revenues from consumable products, spare parts or aftermarket parts and services, which are critical to large capital equipment or energy infrastructure. In some cases, these products must be replaced multiple times throughout the life cycle of the related capital equipment or infrastructure installations. These products have replacement cycles ranging from a few months to a few years, resulting in a stable base of recurring revenues. We often complement these products with a recertification and refurbishment service, which helps us preserve strong customer relations. We have also observed that our customers often return to the same vendors for replacement parts, lending further revenue stability and visibility.

Experienced management team with proven public company track record. Our executive officers and senior operational managers have an average of over 30 years of experience in the oilfield manufacturing and service industry. Each of our top three operational executives served as the chief operational officer of one or more large publicly held oilfield service companies or of a significant division thereof. We believe their collective background provides our management team with an in-depth understanding of our customers' needs, enhances our ability to deliver customer-driven solutions and allows us to operate effectively throughout industry cycles. Several members of our management team were executives or directors at one of the five companies that combined to form Forum Energy Technologies, Inc. in August 2010.

Multiple avenues for growth and strong cash flows. We are focused on a core set of product platforms that we believe offer strong long-term growth. The breadth of our product offering affords us multiple organic growth avenues in which to deploy our capital, and we invest in the highest value opportunities that meet our return objectives and further our strategic goals.

Similarly, we believe the scope of available acquisition opportunities will be enhanced by the numerous strategic directions available to us. In the face of particularly strong competition for acquisitions in a specific sector, we can deploy capital to other areas of our Company that afford better relative value. We also believe that our breadth and size allows us to meaningfully change our financial profile and business composition with modestly sized acquisitions. Finally, our manufacturing operations are not capital intensive to maintain or expand, which allows us to generate strong cash flow. This provides us with capacity to finance organic growth opportunities with internally generated resources.

Proven ability to grow earnings and improve product offering through a focused acquisition strategy. We have a strong track record of strategically targeting key product opportunities, completing accretive transactions and effectively integrating these businesses. We have a disciplined acquisition strategy that allows us to develop proprietary deal flow by identifying emerging industry trends, identifying existing platforms positioned to capitalize on these trends, and in some cases isolating acquisition opportunities that are largely missed by our competitors due to smaller size and scale. Each of the original five companies that combined to form Forum Energy Technologies, Inc. was itself the result of a similar acquisition strategy focused on a specific industry growth theme. Our current acquisition strategy is a continuation of that successful model. Since the Combination in August 2010, we have completed eight acquisitions, three of which were focused on enhancing existing product offerings, while the remaining five permitted us to establish two new product offering platforms: downhole products and flow equipment related to well stimulation.

Customer responsive product innovation. We have grown our business by being responsive to customer needs and developing strong relationships at multiple levels of our customers' organizations. We believe our ability to develop new products is enhanced because of these customer relationships. Our experienced engineering and technical staff has partnered with our customers to design and develop new products that add value to their operations or reduce their total cost of doing business. As a result, we have developed and commercialized a number of new products that have improved the efficiency and safety of our customers' operations including our powered Wrangler™ catwalk and iron roughnecks, powered mousehole tool, Perry ROVDrill™, low profile urban gas processing unit and others.

Recent developments

- *Established consumable flow equipment product line*. In late 2010, we launched a strategic effort to expand our product offering to include consumable products used in the well stimulation and completion processes. Our initial focus was on the consumable flow equipment and pressure control equipment used in the well stimulation, testing and flowback processes. In 2011, we closed three acquisitions to form our core platform with an aggregate capital deployment of approximately $115 million. Taken together, these acquisitions have established our consumable flow equipment platform within our Production and Infrastructure Segment. These acquisitions provide us with a full product offering, expert managers, key customer relationships and critical expertise in the design, engineering and manufacture of the full range and sizes of flow equipment. Moreover, as recertification and refurbishment operations are critical to ensuring the reliable and safe operation of a pressure pumping company's fleet, we operate a fleet of sophisticated mobile recertification and refurbishment tractor trailers, which we can deploy to the customer's yard or to the well site.

- *Established downhole products line*. In late 2010, we undertook a strategic initiative to build a platform that would provide exposure to the growing market of downhole products associated with the increasing complexity of well construction and completion. We targeted niche downhole products that were consumed during the well construction, completion, intervention and production enhancement processes, as well as those that were associated with the growth in intelligent well construction. We recently completed two acquisitions to form this new product platform for an aggregate capital deployment of $365 million. We acquired market leading companies with strong brands in Davis-Lynch, a 64 year old manufacturer of proprietary cementing and casing tools, and Cannon Services, a 25 year old manufacturer of downhole control line and gauge protection systems.
- *Strengthened subsea product offering*. We believe that the interface between ROVs and subsea hardware will become more critical as the complexity and number of subsea installations increases. One of our strategic objectives is to create a capability to efficiently develop and manage this interface for our customers through a custom tooling organization. In May 2011, we completed a UK based acquisition to strengthen our existing subsea tooling and specialty product offering.
- *Strengthened drilling products offering*. Our drilling products offering has a core focus in products that are involved in the handling of tubulars and in flow control equipment that supports drilling rig operations. We recently completed two acquisitions to enhance our drilling products offering for an aggregate capital deployment of approximately $80 million. The product additions included specialized torque equipment for tubular connections, proprietary mud pump fluid end assemblies, liner retention systems and valve cover retentions systems.
- *Recent product developments*. We invest in continuous product development efforts to enhance our exposure to key, long-term growth trends in the oil and natural gas industry and support our ability to serve our customers needs more effectively. Recent product developments include:
  - *ROVDrill™ achieves technical milestone*. The ROVDrill™ is a unique tool designed to perform subsea drilling functions independent of the support vessel while using only the associated ROV for power and control. During the first quarter of 2011, the ROVDrill™ successfully completed a drilling program to validate subsurface mineral deposits for a mining customer. We believe this technology also has significant applications outside the mining industry, implications for the existing seafloor coring market and applications for use in better understanding geologic fault lines.
  - *Wrangler Roughneck™ completes initial drilling well program*. The Wrangler Roughneck™ is a power tool used to make-up and break-out drill pipe and we believe it is a vital piece of drilling rig equipment. We designed this product to meet the growing need for a high-torque tool optimized for drilling complex wells. Our initial unit successfully concluded a three well land drilling program for a key customer during which it completed over 4,000 connections. We also recently developed and sold an offshore version of this tool to a major contractor. We believe this technology has significant applications in unconventional resource basins and in the growing offshore drilling market.

Risk factors

Investing in our common stock involves risks. In particular, the following considerations may offset our competitive strengths or have a negative effect on our business strategy, which could cause a decrease in the price of our common stock and result in a loss of all or a portion of your investment:

- We derive a substantial portion of our revenues from companies in or affiliated with the oil and natural gas industry, a historically cyclical industry, with levels of activity that are significantly affected by the levels and volatility of oil and natural gas prices. As a result, this cyclicality may cause fluctuations in our revenues and results of our operations.
- Our inability to control the inherent risks of acquiring and integrating businesses could disrupt our business, dilute stockholder value and adversely affect our operating results going forward.
- Our operating history may not be sufficient for investors to evaluate our business and prospects.
- Growing our business organically through the expansion of our existing product lines and facilities subjects us to risks of construction delay and cost overruns.
- We may be unable to employ a sufficient number of skilled and qualified workers.
- The current pace of spending for drilling rigs and other capital intensive equipment may not be sustainable over time, and our financial results may suffer to the extent they are dependent on sales of such equipment.
- Our business depends upon our ability to obtain key raw materials and specialized equipment from suppliers. Increased costs of raw materials and other components may result in increased operating expenses.
- We are subject to the risk of supplier concentration.
- Our operations and our customers' operations are subject to a variety of governmental laws and regulations that may increase our costs, limit the demand for our products and services or restrict our operations.
- The markets in which we operate are highly competitive, and some of our competitors hold substantial market share and have substantially greater resources than we do. We may not be able to compete successfully in this environment and, in particular, against a much larger competitor.
- L.E. Simmons & Associates, Incorporated ("LESA"), through SCF, will control the outcome of stockholder voting and may exercise this voting power in a manner adverse to you.
- We have renounced any interest in specified business opportunities, and SCF and its director nominees on our board of directors generally have no obligation to offer us those opportunities.

For a discussion of these risks and other considerations that could negatively affect us, including risks related to this offering and our common stock, see "Risk factors" beginning on page 21 and "Cautionary note regarding forward-looking statements."

The combination

SCF Partners, L.P. ("SCF Partners") is a private equity firm that has specialized in investments in the oilfield services sector since it was founded in 1989. From May 2005 to August 2007, SCF Partners made investments in product and manufacturing companies targeted at specific oilfield growth trends. During that time, SCF Partners acquired Forum Oilfield Technologies, Inc. ("FOT"), Global Flow Technologies, Inc. ("Global Flow"), Triton Group Holdings, LLC ("Triton"), Allied Production Services, Inc. ("Allied") and Subsea Services International, Inc. ("Subsea"). In addition to growing organically after their acquisition by SCF Partners, FOT, Global Flow, Triton, Allied and Subsea completed, in the aggregate, 28 acquisitions from May 2005 to January 2009.

Beginning in 2009, and in collaboration with SCF Partners, several of the companies initiated long-term strategic discussions concerning the formation of a broadly based oilfield products company that would be capitalized to take advantage of growth opportunities as the industry recovered from the industry wide downcycle that occurred in 2009. On August 2, 2010, each of FOT, Global Flow, Triton, Allied and Subsea were combined (referred to in this prospectus as the "Combination"). In the Combination, FOT became the parent company and was renamed Forum Energy Technologies, Inc.

The strategic rationale for the Combination was based on the following key objectives and benefits:

- *Increase access to growth capital*. Many of the Combination companies projected that there would be significant growth opportunities available during a 2010-2012 recovery, both in terms of organic and acquisition growth. However, many of these growth opportunities required financial commitments that would strain the individual company's balance sheets. On an aggregate basis, and with a new credit facility and equity commitment from SCF Partners, the combined Company could have the capability to make those investments.
- *Enhance ability to serve our customers and improve cross selling of products*. A larger platform with better financing would instill greater confidence in customers and better position the business to pursue larger capital equipment orders, multi-year fleet renewal programs, consumable product inventory management and other long-term strategic supplier arrangements. In addition, access to a more expansive geographic platform would provide several of the Combination companies with a greater capacity to provide aftermarket service. Finally, the management teams believed that we would have more opportunities to reach certain targeted customers and the ability to leverage those interactions to drive incremental revenue opportunities. For example, management believed that Allied's customer relationships with producers would provide introductory opportunities for Global Flow's valve business, which generally is pulled through distribution companies to the producer.
- *Leverage the strengths of each company across the combined Company*. Each of the Combination companies had particular strengths, many of which would benefit one or more of the others. For example, the controls technology expertise imbedded within Triton's ROV development group could provide FOT's tubular handling capital equipment development effort with access to highly skilled engineers who had solutions to controls technology challenges. A second example involved Global Flow's robust supply chain system, which involved outsourced manufacturing and critical vendor relationships in Asia. The combined

management believed that access to this supply chain and the knowledge that produced it would accelerate similar efforts across the other companies.

- *Enhance financial stability*. Each of the Combination companies was subject to different industry drivers, many of which have historically experienced different cycles. The management teams believed that a combined company participating in each of these varying cycles would provide an enhanced measure of stability to the business and to the long-term planning process by decreasing the volatility of its financial results.
- *Internally source products*. Some of the Combination companies used products of other Combination companies in their manufacturing process. The management teams believed there would be an opportunity to generate incremental business by internally sourcing some of these products.

Having concluded the Combination, we believe that the investment thesis and the associated operational benefits to us have been proven. As integration has proceeded, we have discovered benefits and opportunities incremental to those described above. We believe that the operational and financial benefits realized through the Combination have: (1) enhanced our growth potential; (2) offered ongoing synergistic opportunities; (3) provided the opportunity to develop broader and more diversified product lines; (4) enabled us to compete with larger companies; (5) provided an opportunity to leverage discrete internal initiatives across a broader platform; and (6) established a good foundation for long-term growth. Several of these opportunities are under development and we believe that there will be strong benefits to the business as we continue to grow.

Stock split

Prior to the completion of this offering, we expect our board to approve a proposal to amend our certificate of incorporation to give effect to a for stock split of our issued and outstanding common stock. For additional information, see “Stock split.”

Corporate information

Our principal executive offices are located at 920 Memorial City Way, Suite 800, Houston, Texas 77024, and our telephone number at that address is (281) 949-2500. Our website is available at *http://www.f-e-t.com*. Information on our website or any other website is not incorporated by reference herein and does not constitute a part of this prospectus.

The offering

Common stock offered by Forum Energy Technologies, Inc.	shares (shares if the underwriters' option is exercised in full)
Common stock offered by the selling stockholders	shares (shares if the underwriters' option is exercised in full)
Total common stock offered	shares (shares if the underwriters' option is exercised in full)
Common stock to be outstanding after the offering	shares (shares if the underwriters' option is exercised in full)
Common stock owned by the selling stockholders after the offering	shares (shares if the underwriters' option allotment is exercised in full)
Over-allotment option	We have granted the underwriters an option for a period of 30 days to purchase up to additional shares of our common stock and the selling stockholders have granted the underwriters an option for a period of 30 days to purchase up to additional shares of our common stock.
Use of proceeds	We will receive net proceeds of approximately $ million from the sale of the common stock by us, assuming an initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus) and after deducting estimated expenses and underwriting discounts and commissions. Each $1.00 increase (decrease) in the public offering price would increase (decrease) our net proceeds by approximately $ million. We intend to use net proceeds from this offering and any proceeds from any exercise of the underwriters' option to purchase additional common stock from us to repay approximately $ under our revolving credit facility. We will not receive any of the proceeds from the sale of shares of our common stock by the selling stockholders. See "Use of proceeds."
Dividend policy	We do not anticipate paying any cash dividends on our common stock. In addition, our revolving credit facility prohibits us from paying any cash dividends prior to January 1, 2012, and also contains restrictions on making cash dividends after that date.

Risk factors	You should carefully read and consider the information beginning on page 21 of this prospectus set forth under the heading “Risk factors” and all other information set forth in this prospectus before deciding to invest in our common stock.
Proposed New York Stock Exchange (“NYSE”) symbol	FET
Conflicts of interest	We may use more than 5% of the net proceeds of this offering to repay indebtedness owed by us to affiliates of the underwriters that are lenders under our credit agreement. See “Use of proceeds.” Accordingly, this offering will be made in compliance with the applicable provisions of Rule 5121 of the Financial Industry Regulatory Authority, Inc. This rule requires that a “qualified independent underwriter” meeting certain standards participate in the preparation of the registration statement and prospectus and exercise the usual standards of due diligence with respect thereto. has agreed to act as a “qualified independent underwriter” within the meaning of Rule 5121 in connection with this offering. See “Underwriting (conflicts of interest).”

The number of shares of common stock that will be outstanding after the offering includes shares of restricted common stock issued to officers and other employees under our stock incentive plan that are subject to vesting. As of August 31, 2011, there were 19,470 shares of restricted stock outstanding that remain subject to vesting.

The number of shares of common stock that will be outstanding after the offering excludes:

- 209,555 shares issuable upon the exercise of options outstanding as of August 31, 2011 under our stock incentive plan;
- 193,292 shares issuable upon the exercise of warrants outstanding as of August 31, 2011;
- an aggregate of 170,975 shares of common stock reserved and available for future issuance as of August 31, 2011 under our stock incentive plan; and
- an aggregate of up to 15,253 shares, which may be issued as contingent consideration based on certain operating results of companies previously acquired.

Summary historical and pro forma financial data

You should read the following summary historical consolidated and pro forma condensed combined financial data in conjunction with "Unaudited pro forma condensed combined financial data," "Selected historical consolidated financial data," "Management's discussion and analysis of financial condition and results of operations" and the historical consolidated combined financial statements and related notes thereto included elsewhere in this prospectus. The financial data included in this prospectus may not be indicative of our future results of operations, financial position and cash flows.

The summary historical financial data as of December 31, 2009 and 2010 and for the years ended December 31, 2008, 2009, and 2010 are derived from our audited consolidated financial statements and the related notes thereto included elsewhere in this prospectus. The historical financial data as of June 30, 2011 and for the six months ended June 30, 2010 and 2011 are derived from our unaudited consolidated financial statements and the related notes thereto included elsewhere in this prospectus, have been prepared on a basis consistent with the audited financial statements and the notes thereto and include all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the financial data.

The summary pro forma condensed combined financial data as of June 30, 2011 and for the year ended December 31, 2010 and the six months ended June 30, 2011 are derived from the unaudited pro forma financial statements of Forum Energy Technologies, Inc. included in this prospectus under "Unaudited pro forma condensed combined financial data." The pro forma financial data for the year ended December 31, 2010 gives effect to the 2011 Acquisitions, the issuance by us of shares of common stock pursuant to this offering and the application of the net proceeds therefrom as described in "Use of proceeds," in each case as if each such transaction had occurred on January 1, 2010. The pro forma financial data for the six months ended June 30, 2011 gives effect to the 2011 Acquisitions, the issuance by us of shares of common stock pursuant to this offering and the application of the net proceeds therefrom as described in "Use of proceeds," in each case as if each such transaction had occurred on January 1, 2011. The pro forma balance sheet as of June 30, 2011 gives effect to the five acquisitions completed subsequent to June 30, 2011 (the Cannon Acquisition, the SVP Acquisition, the AMC Acquisition, the P-Quip Acquisition and the Davis-Lynch Acquisition), the issuance by us of shares of common stock pursuant to this offering and the application of the net proceeds therefrom as described in "Use of proceeds," in each case as if each such transaction had occurred on June 30, 2011. For additional information regarding the estimates and adjustments made to prepare the pro forma financial data, please see "Unaudited pro forma condensed combined financial data" included elsewhere in this prospectus.

(in thousands, except per share information)	Actual					Pro forma	
	Year ended December 31,			Six months ended June 30,		Year ended December 31,	Six months ended June 30,
	2008	2009	2010	2010	2011	2010	2011
				(unaudited)		(unaudited)	
Statement of income data:							
Net sales	$972,551	$677,378	$747,335	$349,290	$460,506	$ 955,449	$ 570,508
Cost of sales	691,824	491,463	533,078	245,957	324,517	637,060	372,540
Gross profit	280,727	185,915	214,257	103,333	135,989	318,389	197,968
Operating expenses							
Selling, general and administrative expenses	146,943	128,562	141,441	64,597	78,880	186,915	100,473
Contingent consideration	—	—	—	—	5,800	—	5,800
Transaction expenses	—	—	—	—	2,616	—	—
Impairment of goodwill and other intangible assets	44,015	7,009	—	—	—	—	—
(Gain) loss on sales of assets	(619)	137	(461)	(123)	(420)	(461)	(420)
Total operating expenses	190,339	135,708	140,980	64,474	86,876	186,454	105,853
Income from operations	90,388	50,207	73,277	38,859	49,113	131,935	92,115
Other expense							
Expenses related to the Combination	—	—	6,968	—	—	6,968	—
Deferred loan costs written off	—	—	6,082	—	—	6,082	—
Interest expense	24,704	19,451	18,189	9,242	7,689	31,569	12,744
Other, net	(2,065)	(1,088)	(2,308)	(981)	751	(2,486)	476
Total other expense	22,639	18,363	28,931	8,261	8,440	42,133	13,220
Income from continuing operations before income taxes	67,749	31,844	44,346	30,598	40,673	89,802	78,895
Provision for income tax expense	32,938	11,011	20,297	10,235	14,383	35,325	27,035
Income from continuing operations	34,811	20,833	24,049	20,363	26,290	54,477	51,860
Loss from discontinued operations, net of taxes	(396)	(1,342)	—	—	—	—	—
Net income	34,415	19,491	24,049	20,363	26,290	54,477	51,860
Less: Income attributable to noncontrolling interest	(39)	(155)	(111)	(73)	(187)	(111)	(187)
Net income attributable to common stockholders	$ 34,376	$ 19,336	$ 23,938	$ 20,290	$ 26,103	$ 54,366	$ 51,673
Weighted average shares outstanding							
Basic	1,232	1,304	1,454	1,309	1,591		
Diluted	1,261	1,322	1,468	1,322	1,658		
Earnings per share							
Basic	$ 27.90	$ 14.83	$ 16.46	$ 15.50	$ 16.41		
Diluted	27.26	14.63	16.31	15.35	15.74		

(in thousands)	As of December 31,		As of June 30, 2011	Pro forma As of June 30, 2011
	2009	2010	(unaudited)	(unaudited)
Balance sheet data:				
Cash and cash equivalents	$ 26,894	$ 20,348	$ 66,137	$ 76,881
Net property, plant and equipment	96,747	90,632	104,496	120,570
Total assets	840,226	818,332	1,068,511	1,561,866
Long-term debt	236,937	204,715	279,668	453,558
Total stockholders' equity	401,927	462,523	571,671	869,727

(in thousands)	Year ended December 31, 2008	Year ended December 31, 2009	Year ended December 31, 2010	Six months ended June 30, 2010 (unaudited)	Six months ended June 30, 2011 (unaudited)	Pro forma Year ended December 31, 2010 (unaudited)	Pro forma Six months ended June 30, 2011 (unaudited)
Other financial data:							
Net cash provided by operating activities	$ 112,463	$107,751	$ 65,981	$ 25,861	$ 1,906		
Net cash used in investing activities	$(160,937)	$ (10,914)	$ (19,216)	$ (5,045)	$ (84,825)		
Net cash provided by / (used in) financing activities	$ 58,871	$ (94,532)	$ (54,265)	$(21,370)	$126,057		
EBITDA(1) (unaudited)	$ 127,328	$ 89,578	$ 95,640	$ 54,480	$ 64,530	$ 170,345	$ 114,694
Adjusted EBITDA (1) (unaudited)	$ 171,343	$ 96,587	$108,690	$ 54,480	$ 72,946	$ 183,395	$ 120,494

(1) EBITDA and Adjusted EBITDA are non-GAAP financial measures. For definitions and a reconciliation of these measures to our net income, see "—Non-GAAP financial measure" below.

Non-GAAP financial measure

EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our consolidated financial statements, such as industry analysts, investors, lenders and rating agencies.

We define EBITDA as net income attributable to common stockholders before interest expense, taxes, depreciation and amortization and loss from discontinued operations. EBITDA is not a measure of net income or cash flows as determined by U.S. generally accepted accounting principles ("GAAP").

We define Adjusted EBITDA as EBITDA discussed above further adjusted for (1) impairment loss related to goodwill and other intangible assets, (2) expenses related to the Combination, (3) deferred loan costs written-off (4) contingent consideration for acquisitions and (5) transaction expenses for acquisitions.

Management believes EBITDA and Adjusted EBITDA are useful because they allow us to more effectively evaluate our operating performance and compare the results of our operations from period to period without regard to our financing methods or capital structure. We exclude the items listed above from net income in arriving at these measures because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. These measures should not be considered as an alternative to, or more meaningful than, net income or cash flows from operating activities as determined in accordance with GAAP or as an indicator of our operating performance or liquidity. Certain items excluded from these measures are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of these measures. Our computations of these measures may not be comparable to other similarly titled measures of other companies. We believe that these are widely followed measures of operating performance and may also be used by investors to measure our ability to meet debt service requirements.

The following tables present a reconciliation of the non-GAAP financial measure of EBITDA and Adjusted EBITDA to the GAAP financial measure of net income.

(in thousands)	Year ended December 31, 2008	Year ended December 31, 2009	Year ended December 31, 2010	Six months ended June 30, 2010 (unaudited)	Six months ended June 30, 2011 (unaudited)	Pro forma Year ended December 31, 2010	Pro forma Six months ended June 30, 2011 (unaudited)
EBITDA Reconciliation:							
Net income attributable to common stockholders	$ 34,376	$19,336	$ 23,938	$20,290	$ 26,103	$ 54,366	$ 51,673
Interest expense	24,704	19,451	18,189	9,242	7,689	31,569	12,744
Depreciation and amortization	34,914	38,438	33,216	14,713	16,355	49,085	23,242
Income tax expense	32,938	11,011	20,297	10,235	14,383	35,325	27,035
Loss from discontinued operation	396	1,342	—	—	—	—	—
EBITDA	$127,328	$89,578	$ 95,640	$54,480	$ 64,530	$ 170,345	$ 114,694
Adjusted EBITDA Reconciliation:							
EBITDA	$127,328	$89,578	$ 95,640	$54,480	$ 64,530	$ 170,345	$ 114,694
Impairment of goodwill and other intangible assets	44,015	7,009	—	—	—	—	—
Expenses related to the Combination	—	—	6,968	—	—	6,968	—
Deferred loan costs written off	—	—	6,082	—	—	6,082	—
Contingent consideration for acquisitions	—	—	—	—	5,800	—	5,800
Transaction expenses for acquisitions	—	—	—	—	2,616	—	—
Adjusted EBITDA	$171,343	$96,587	$108,690	$54,480	$ 72,946	$ 183,395	$ 120,494

Risk factors

You should carefully consider the risks described below before making an investment decision. Our business, financial condition, results of operations or cash flow could be materially adversely affected by any of these risks. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment.

Risks related to our business

We derive a substantial portion of our revenues from companies in or affiliated with the oil and natural gas industry, a historically cyclical industry, with levels of activity that are significantly affected by the levels and volatility of oil and natural gas prices. As a result, this cyclicality may cause fluctuations in our revenues and results of our operations.

We have experienced, and expect to continue to experience, fluctuations in revenues and operating results due to economic and business cycles. The willingness of oil and natural gas operators to make capital expenditures to explore for and produce oil and natural gas and the willingness of oilfield service companies to invest in capital equipment depends largely upon prevailing industry conditions that are influenced by numerous factors over which we have no control, such as:

- the supply of and demand for oil and natural gas;
- the level of prices, and expectations about future prices, of oil and natural gas;
- the cost of exploring for, developing, producing and delivering oil and natural gas;
- the level of drilling activity and drilling day rates;
- the expected decline rates of current and future production;
- the discovery rates of new oil and natural gas reserves;
- the ability of our customers to access new markets or areas of production or to continue to access current markets;
- weather conditions, including hurricanes, that can affect oil and natural gas operations over a wide area;
- more stringent restrictions in environmental regulation on activities that may impact the environment;
- moratoriums on drilling activity resulting in a cessation or disruption of operations;
- domestic and worldwide economic conditions;
- political instability in oil and natural gas producing countries;
- conservation measures and technological advances affecting energy consumption;
- the price and availability of alternative fuels; and
- merger and divestiture activity among oil and natural gas producers and drilling contractors.

The oil and natural gas industry historically has experienced significant volatility. For example, since January 1, 2008, the WTI Cushing crude oil spot price has ranged from a low of $30.52 per Bbl on December 23, 2008 to a high of $146.30 per Bbl on July 11, 2008. Since January 1, 2008, the Henry Hub natural gas spot price has ranged from a low of $1.64 per Mcf on September 4, 2009 to a high of $13.41 per Mcf on July 2, 2008. The Henry Hub natural gas spot price on August 30, 2011 was $3.86 per Mcf, while the WTI Cushing crude oil spot price on August 26, 2011 was $88.90 per barrel.

Any prolonged reduction in the overall level of exploration and development activities, whether resulting from changes in oil and natural gas prices or otherwise, could adversely impact our business in many ways by negatively affecting:

- revenues, cash flows, and profitability;
- the ability to maintain or increase borrowing capacity;
- the ability to obtain additional capital to finance our business and the cost of that capital; and
- the ability to attract and retain skilled personnel needed in the event of an upturn in the demand for services.

Our inability to control the inherent risks of acquiring and integrating businesses could disrupt our business, dilute stockholder value and adversely affect our operating results going forward.

We have pursued and intend to continue to pursue strategic acquisitions of complementary assets and businesses in the future, which could distract management from day-to-day tasks. Acquisitions involve numerous risks, including:

- unanticipated costs and exposure to unforeseen liabilities;
- difficulty in integrating the operations and assets of the acquired businesses;
- potential loss of key employees and customers of the acquired company;
- potential inability to properly establish and maintain effective internal controls over an acquired company; and
- risk of entering markets in which we have limited prior experience.

Our failure to achieve consolidation savings, to incorporate the acquired businesses and assets into our existing operations successfully or to minimize any unforeseen operational difficulties could have a material adverse effect on our business. In addition, we may incur indebtedness to finance future acquisitions and also may issue equity securities in connection with such acquisitions. Debt service requirements could represent a burden on our results of operations and financial condition and the issuance of additional equity securities could be dilutive to our existing stockholders.

In addition to potential future acquisitions, the ongoing integration of our business in connection with the Combination and the eight acquisitions we have completed since the Combination presents a number of risks that could affect our results of operations. In particular, integrating the businesses from the Combination and our subsequent acquisitions is difficult and involves a number of special risks, including the diversion of management’s attention to the assimilation of the operations, the unpredictability of costs related to the Combination and our subsequent acquisitions and the difficulty of integration of the businesses, products, services,

technology and employees. The ability to achieve the anticipated benefits of the Combination and each of our other recent acquisitions will depend, in part, upon whether the integration of the various businesses, products, services, technology and employees is accomplished in an efficient and effective manner, and there can be no assurance that this will occur.

The difficulties of such integration may be increased by the geographic breadth of the combined operations and the necessity of integrating and combining different corporate cultures. The inability of management to successfully integrate any one or all of the businesses could have a material adverse effect on our business, operating results and financial condition. Moreover, there can be no assurance that we will be able to gain market share or penetrate new markets successfully or that we will obtain the anticipated or desired benefits of the Combination and our other recent or future acquisitions. Despite management's belief that each of our products, services and operations will provide an increased breadth of services and sufficient "critical mass" in key operating areas, there can be no assurance that each of the services will gain acceptance by our other business segments or our current customers or that they will enable us to gain market share or penetrate new markets. If we fail to manage these risks successfully, our results of operations could be adversely affected.

Our operating history may not be sufficient for investors to evaluate our business and prospects.

We are a recently combined company with a short combined operating history. In addition, we have completed eight acquisitions since the Combination. These factors may make it more difficult for investors to evaluate our business and prospects and to forecast our future operating results. The historical consolidated financial statements included in this prospectus are based on the separate businesses of FOT, Global Flow, Triton, Allied and Subsea for the periods prior to the Combination. The unaudited pro forma condensed combined financial statements included in this prospectus are based on the separate financial statements of our company and the eight businesses we have acquired prior to the dates of such acquisitions. As a result, the historical and pro forma financial data may not give you an accurate indication of what our actual results would have been if the Combination or the 2011 Acquisitions had been completed at the beginning of the periods presented or of what our future results of operations are likely to be. Our future results will depend on our ability to efficiently manage our combined operations and execute our business strategy.

If we cannot continue operating our manufacturing facilities at current levels, our results of operations could be adversely affected.

We operate a number of manufacturing facilities. The equipment and management systems necessary for such operations may break down, perform poorly or fail, resulting in fluctuations in manufacturing efficiencies. Such fluctuations may affect our ability to deliver products to our customers on a timely basis.

Growing our business organically through the expansion of our existing product lines and facilities subjects us to risks of construction delays and cost overruns.

One of the ways that we grow our businesses is through the construction of new facilities and expansions to our existing facilities. These projects, and any other capital asset construction projects which we may commence, are subject to similar risks of delay or cost overrun inherent in any construction project resulting from numerous factors, including the following:

- difficulties or delays in obtaining land;

- shortages of key equipment, materials or skilled labor;
- unscheduled delays in the delivery of ordered materials and equipment;
- unanticipated cost increases;
- weather interferences; and
- difficulties in obtaining necessary permits or in meeting permit conditions.

We may be unable to employ a sufficient number of skilled and qualified workers.

The delivery of our products and services requires personnel with specialized skills and experience. Our ability to be productive and profitable will depend upon our ability to employ and retain skilled workers. In addition, our ability to expand our operations depends in part on our ability to increase the size of our skilled labor force. The demand for skilled workers is high, the supply is limited and the cost to attract and retain qualified personnel has increased over the past few years. A significant increase in the wages paid by competing employers could result in a reduction of our skilled labor force, increases in the wage rates that we must pay, or both. If either of these events were to occur, our capacity and profitability could be diminished and our growth potential could be impaired.

The current pace of spending for drilling rigs and other capital intensive equipment may not be sustainable over time, and our financial results may suffer to the extent they are dependent on sales of such equipment.

In various segments of the energy industry there is significantly increased demand for construction of capital intensive equipment, some of which has a long life once introduced into the industry. This could produce excess supply of equipment for many years, reducing dayrates and undermining the economics for new capital equipment orders. In addition, many oil field products manufacturers have increased manufacturing capacity to accommodate the increased demand for capital intensive equipment. If these levels of activity do not continue, an increased competitive environment for capital equipment could result, which could lead to lower prices and utilization for our customers and a decreased demand for capital equipment products. Similarly, excess manufacturing capacity in our industry could lead to increased competition. Our strategy is to serve a variety of segments and spend cycles, but to the extent our financial results are impacted by capital equipment construction, our results may decline should an excess supply of capital equipment materialize.

Our business depends upon our ability to obtain key raw materials and specialized equipment from suppliers. Increased costs of raw materials and other components may result in increased operating expenses.

Should our current suppliers be unable to provide the necessary raw materials or finished products or otherwise fail to deliver such materials and products timely and in the quantities required, resulting delays in the provision of products or services to customers could have a material adverse effect on our business. In particular, because many of our products are manufactured out of steel, we are particularly susceptible to fluctuations in steel prices. Our results of operations may be adversely affected by our inability to manage the rising costs and availability of raw materials and components used in our products.

If suppliers cannot provide adequate quantities of materials to meet customers' demands on a timely basis or if the quality of the materials provided does not meet established standards, we may lose customers or experience lower profitability.

Some of our customer contracts require us to compensate customers if we do not meet specified delivery obligations. We expect to rely on numerous suppliers to provide required materials and in many instances these materials must meet certain specifications. Managing a geographically diverse supply base inherently poses significant logistical challenges. Furthermore, the ability of third party suppliers to deliver materials to our specifications may be affected by events beyond our control. As a result, there is a risk that we could experience diminished supplier performance resulting in longer than expected lead times and/or product quality issues. For example, we have in the past experienced issues with the quality of certain forgings used to produce materials that are used in our products. As a result, we were required to seek alternative suppliers for those forgings, which resulted in increased costs and a disruption in our supply chain. We have also been required in certain circumstances to provide better economic terms to some of our suppliers in exchange for their agreement to increase their capacity in order to satisfy our supply needs. The occurrence of any of the foregoing factors could have a negative impact on our ability to deliver products to customers within committed time frames.

We are subject to the risk of supplier concentration.

Certain of our product lines depend on a limited number of third party suppliers and vendors. As a result of this concentration in some of our supply chains, our business and operations could be negatively affected if our key suppliers were to experience significant disruptions affecting the price, quality, availability or timely delivery of their products. For example, we have a limited number of vendors for our bearings product lines. The partial or complete loss of any one of our key suppliers, or a significant adverse change in the relationship with any of these suppliers, through consolidation or otherwise, would limit our ability to manufacture and sell certain of our products.

Our operations and our customers' operations are subject to a variety of governmental laws and regulations that may increase our costs, limit the demand for our products and services or restrict our operations.

Our business and our customers' businesses may be significantly affected by:

- federal, state and local and non-U.S. laws and other regulations relating to oilfield operations, worker safety and protection of the environment;
- changes in these laws and regulations; and
- the level of enforcement of these laws and regulations.

In addition, we depend on the demand for our products and services from the oil and gas industry. This demand is affected by changing taxes, price controls and other laws and regulations relating to the oil and gas industry in general. For example, the adoption of laws and regulations curtailing exploration and development drilling for oil and gas for economic or other policy reasons could adversely affect our operations by limiting demand for our products. In addition, some non-U.S. countries may adopt regulations or practices that give advantage to indigenous oil companies in bidding for oil leases, or require indigenous companies to perform oilfield services currently supplied by international service companies. To the extent that such

companies are not our customers, or we are unable to develop relationships with them, our business may suffer. We cannot determine the extent to which our future operations and earnings may be affected by new legislation, new regulations or changes in existing regulations.

Because of our non-U.S. operations and sales, we are also subject to changes in non-U.S. laws and regulations that may encourage or require hiring of local contractors or require non-U.S. contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. If we fail to comply with any applicable law or regulation, our business, results of operations or financial condition may be adversely affected.

If we are unable to accurately predict customer demand or if customers cancel their orders on short notice, we may hold excess or obsolete inventory, which would reduce gross margins. Conversely, insufficient inventory would result in lost revenue opportunities and potentially in loss of market share and damaged customer relationships.

Customers can generally cancel or defer purchase orders on short notice without incurring a significant penalty. As a result, we cannot accurately predict what or how many products such customers will need in the future. Anticipating demand is difficult because our customers face unpredictable demand for their own products and are increasingly focused on cash preservation and tighter inventory management.

Orders are placed with our suppliers based on forecasts of customer demand and, in some instances, we may establish buffer inventories to accommodate anticipated demand. These forecasts are based on multiple assumptions, each of which may introduce errors into the estimates. In addition, many of our supplies require a longer lead time to provide products than our customers demand for delivery of our finished products. If we overestimate customer demand, we may allocate resources to the purchase of material or manufactured products that we may not be able to sell when we expect to, if at all. As a result, we would hold excess or obsolete inventory, which would reduce gross margin and adversely affect financial results. Conversely, if we underestimate customer demand or if insufficient manufacturing capacity is available, we would miss revenue opportunities and potentially lose market share and damage our customer relationships. In addition, any future significant cancellations or deferrals of product orders or the return of previously sold products could materially and adversely affect profit margins, increase product obsolescence and restrict our ability to fund our operations.

The markets in which we operate are highly competitive, and some of our competitors hold substantial market share and have substantially greater resources than we do. We may not be able to compete successfully in this environment and, in particular, against a much larger competitor.

The markets in which we operate are highly competitive and our products and services are subject to competition from significantly larger businesses. One competitor in particular holds substantial market share in our largest product line’s market and has substantially greater resources than we do. We have several other competitors that also are large national and multi-national companies that have longer operating histories, greater financial, technical and other resources and greater name recognition than we do. Some of our competitors may be able to respond more quickly to new or emerging technologies and services and changes in customer requirements. In addition, several of our competitors provide a much broader array of services and have a stronger presence in more geographic markets. Our larger competitors may be able to use their size and purchasing power to seek economies of scale and pricing concessions.

Furthermore, some of our customers are also our competitors and they may cease buying from us. We also have competitors outside the United States with lower structural costs due to labor and raw material cost in and around their manufacturing centers.

New competitors also could enter these markets. We consider product quality, performance, price, distribution capabilities and breadth of product offerings to be the primary competitive factors. Competitors may be able to offer more attractive pricing, duplicate strategies, or develop enhancements to products that could offer performance features that are superior to our products. In addition, we may not be able to retain key employees of entities that we acquire in the future and those employees may choose to compete against us. Competitive pressures, including those described above, and other factors could adversely affect our competitive position, resulting in a loss of market share or decreases in prices. In addition, some competitors are based in foreign countries and have cost structures and prices based on foreign currencies. Accordingly, currency fluctuations could cause U.S. dollar-priced products to be less competitive than our competitors' products that are priced in other currencies. For more information about our competitors, please read "Business—Competition."

Our operations are subject to hazards inherent in the oil and gas industry and, as a result, we are exposed to potential liabilities that may affect our financial condition and reputation.

Risks inherent to our industry, such as equipment malfunctions and failures, equipment misuse and defects, explosions and uncontrollable flows of oil, natural gas or well fluids and natural disasters, can cause personal injury, loss of life, suspension of operations, damage to formations, damage to facilities, business interruption and damage to or destruction of property, equipment and the environment. These risks could expose us to substantial liability for personal injury, wrongful death, property damage, loss of oil and gas production, pollution and other environmental damages. The frequency and severity of such incidents will affect operating costs, insurability and relationships with customers, employees and regulators. In particular, our customers may elect not to purchase our services if they view our safety record as unacceptable, which could cause us to lose customers and substantial revenues. In addition, these risks may be greater for us because we may acquire companies that have not allocated significant resources and management focus to safety and have a poor safety record requiring rehabilitative efforts during the integration process.

Our customers could seek damages for losses associated with these errors, defects or other performance problems. Our insurance policies may not be adequate to cover all liabilities. Further, insurance may not be generally available in the future or, if available, insurance premiums may make such insurance commercially unjustifiable. Moreover, even if we are successful in defending a claim, it could be time-consuming and costly to defend.

Our operations are subject to environmental and operational safety laws and regulations that may expose us to significant costs and liabilities.

Our operations are subject to numerous stringent and complex laws and regulations governing the discharge of materials into the environment, health and safety aspects of our operations, or otherwise relating to human health and environmental protection. These laws and regulations may, among other things, regulate the management and disposal of hazardous and non-hazardous wastes; require acquisition of environmental permits related to our operations; restrict the types, quantities, and concentrations of various materials that can be released into the environment; limit or prohibit operational activities in certain ecologically sensitive and other

protected areas; regulate specific health and safety criteria addressing worker protection; require compliance with operational and equipment standards; impose testing, reporting and record- keeping requirements; and require remedial measures to mitigate pollution from former and ongoing operations. Failure to comply with these laws and regulations or to obtain or comply with permits may result in the assessment of administrative, civil and criminal penalties, imposition of remedial or corrective action requirements and the imposition of injunctions to prohibit certain activities or force future compliance. Certain environmental laws may impose joint and several liability, without regard to fault or legality of conduct, on classes of persons who are considered to be responsible for the release of a hazardous substance into the environment.

The trend in environmental regulation has been to impose increasingly stringent restrictions and limitations on activities that may impact the environment. The implementation of new laws and regulations could result in materially increased costs, stricter standards and enforcement, larger fines and liability and increased capital expenditures and operating costs, particularly for our customers.

Our executive officers and certain key personnel are critical to our business and these officers and key personnel may not remain with us in the future.

Our future success depends in substantial part on our ability to hire and retain our executive officers and other key personnel. We may not be able to enforce all of the provisions in any employment agreement we have entered into with certain of our executive officers and such employment agreements may not otherwise be effective in retaining such individuals. In addition, we may not be able to retain key employees of entities that we acquire in the future. This may impact our ability to successfully integrate or operate the assets we acquire.

The industry in which we operate is undergoing continuing consolidation that may impact results of operations.

Some of our largest customers have consolidated and are using their size and purchasing power to achieve economies of scale and pricing concessions. This consolidation may result in reduced capital spending by such customers or the acquisition of one or more of our other primary customers, which may lead to decreased demand for our products and services. If we cannot maintain sales levels for customers that have consolidated or replace such revenues with increased business activities from other customers, this consolidation activity could have a significant negative impact on results of operations or financial condition. We are unable to predict what effect consolidations in the industries may have on prices, capital spending by customers, selling strategies, competitive position, ability to retain customers or ability to negotiate favorable agreements with customers.

If we are unable to continue operating successfully overseas or to successfully expand into new international markets, our revenues may decrease.

For the year ended December 31, 2010, we derived approximately 43% of our pro forma revenue from sales outside the United States (based on product destination). In addition, one of our key growth strategies is to market products in international markets. We may not succeed in marketing, developing a recognized brand, selling, distributing products and generating revenues in these new international markets.

Our non-U.S. operations will subject us to special risks.

We are subject to the various risks inherent in conducting business operations in locations outside the United States. These risks may include changes in regional, political or economic conditions, local laws and policies, including taxes, trade protection measures, and unexpected changes in regulatory requirements governing the operations of companies that operate outside of the United States. From time to time, fluctuations in currency exchange rates could be material to us depending upon, among other things, our manufacturing locations and the sourcing for our raw materials and components. In particular, we are sensitive to fluctuations in currency exchange rates between the United States dollar and each of the Canadian dollar, the British pound sterling, and, to a lesser degree, the Mexican Peso, the Euro, the Chinese Yuan and the Singapore dollar. There may be instances in which costs and revenue will not be matched with respect to currency denomination. As a result, to the extent that we continue our expansion on a global basis, management expects that increasing portions of revenue, costs, assets and liabilities will be subject to fluctuations in foreign currency valuations. We may experience economic loss and a negative impact on earnings or net assets solely as a result of foreign currency exchange rate fluctuations. Further, the markets in which we operate could restrict the removal or conversion of the local or foreign currency, resulting in our inability to hedge against these risks.

In addition, if a dispute arises from international operations, courts outside the United States may have exclusive jurisdiction over the dispute, or we may not be able to subject persons outside the United States to the jurisdiction of U.S. courts.

Local laws and customs in many countries differ significantly from those in the United States. In many countries, particularly in those with developing economies, it is common to engage in business practices that are prohibited by U.S. regulations applicable to us. The United States Foreign Corrupt Practices Act (“FCPA”) and similar anti-bribery laws in other jurisdictions, including the UK Bribery Act 2010, prohibit corporations and individuals, including us and our employees, from engaging in certain activities to obtain or retain business or to influence a person working in an official capacity. We are responsible for any violations by our employees, contractors and agents, whether based within or outside the United States, for violations of the FCPA. In addition, our non-U.S. competitors that are not subject to the FCPA or similar laws may be able to secure business or other preferential treatment in such countries by means that such laws prohibit with respect to us. The UK Bribery Act 2010 is broader in scope than the FCPA and applies to public and private sector corruption and contains no facilitating payments exception. A violation of any of these laws, even if prohibited by our policies, could have a material adverse effect on our business. Actual or alleged violations could damage our reputation, be expensive to defend, and impair our ability to do business.

Compliance with U.S. regulations on trade sanctions and embargoes administered by the United States Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) also pose a risk to us. We cannot provide products or services to certain countries subject to U.S. trade sanctions. Furthermore, the laws and regulations concerning import activity, export recordkeeping and reporting, export control and economic sanctions are complex and constantly changing. Any failure to comply with applicable legal and regulatory trading obligations could result in criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from governmental contracts, seizure of shipments and loss of import and export privileges.

Unionization efforts and labor regulations in certain areas in which we operate could materially increase our costs or limit our flexibility.

We are not a party to any collective bargaining agreements, other than in our Monterrey, Mexico facility. We operate in certain states within the United States and in international areas that have a history of unionization and we may become the subject of a unionization campaign. If some or all of our workforce were to become unionized and collective bargaining agreement terms, including any renegotiation of our Monterrey, Mexico collective bargaining agreement, were significantly different from our current compensation arrangements or work practices, our costs could be increased, our flexibility in terms of work schedules and reductions in force could be limited, and we could be subject to strikes or work slowdowns among other things.

We may incur liabilities to customers as a result of warranty claims.

We provide warranties as to the proper operation and conformance to specifications of the products we manufacture or install. Failure of our products to operate properly or to meet specifications may increase costs by requiring additional engineering resources and services, replacement of parts and equipment or monetary reimbursement to a customer. We have in the past received warranty claims, and we expect to continue to receive them in the future. To the extent that we incur substantial warranty claims in any period, our reputation, ability to obtain future business and earnings could be adversely affected.

We are subject to litigation risks that may not be covered by insurance.

In the ordinary course of business, we become the subject of various claims, lawsuits and administrative proceedings seeking damages or other remedies concerning our commercial operations, products, employees and other matters, including occasional claims by individuals alleging exposure to hazardous materials as a result of our products or operations. Some of these claims relate to the activities of businesses that we have acquired, even though these activities may have occurred prior to our acquisition of such businesses. Our insurance does not cover all of our potential losses, and we are subject to various self-insured retentions and deductibles under our insurance. A judgment may be rendered against us in cases in which we could be uninsured or beyond the amounts that we currently have reserved or anticipate incurring for such matters.

The number and cost of our current and future asbestos claims could be substantially higher than we have estimated and the timing of payment of claims could be sooner than we have estimated.

One of our subsidiaries has been and continues to be named as a defendant in asbestos related product liability actions. The actual amounts expended on asbestos-related claims in any year may be impacted by the number of claims filed, the volume of pre-trial proceedings, and the number of trials and settlements. As of December 31, 2010, our subsidiary had a recorded liability of $250,000 net of anticipated insurance recoveries of $750,000, for the estimated indemnity cost associated with the resolution of its current open claims and future claims anticipated to be filed during the next five years.

Due to a number of uncertainties that may result in significant changes in the current estimate, the actual costs of resolving these pending claims could be substantially higher than the current estimate. Among these are uncertainties as to the ultimate number and type of claims filed, the amounts of claim costs, the impact of bankruptcies of other companies with asbestos claims and potential legislative changes and uncertainties surrounding the litigation process from jurisdiction to jurisdiction and from case to case. In addition, future claims beyond the five-year

forecast period are possible, but the accrual does not cover losses that may arise from such additional future claims and, therefore, we have not accrued a liability for such additional future claims.

Significant costs are incurred in defending asbestos claims and these costs are recorded at the time incurred. Receipt of reimbursement from our insurers may be delayed for a variety of reasons. In particular, if our primary insurer claims that certain policy limits have been exhausted, we may be delayed in receiving reimbursement as a result of the transition from one set of insurers to another. The excess insurer may also dispute the claim of exhaustion, or may rely on certain policy requirements to delay or deny claims. Furthermore, the various per occurrence and aggregate limits in different insurance policies may result in extended negotiations or the denial of reimbursement for particular claims. For more information on the cost sharing agreements related to this risk, please read “Business—Legal proceedings.”

Our indebtedness could restrict our operations and make us more vulnerable to adverse economic conditions.

As of August 29, 2011, we had approximately $687 million of borrowings under our credit agreement and capacity to borrow an additional $58 million under our credit agreement. Our level of indebtedness may adversely affect our operations and limit our growth, and we may have difficulty making debt service payments on our indebtedness as such payments become due. Our level of indebtedness may affect our operations in several ways, including the following:

- our indebtedness may increase our vulnerability to general adverse economic and industry conditions;
- the covenants contained in the agreements that govern our indebtedness limit our ability to borrow funds, dispose of assets, pay dividends and make certain investments;
- our debt covenants also affect our flexibility in planning for, and reacting to, changes in the economy and in its industry;
- any failure to comply with the financial or other covenants of our indebtedness could result in an event of default, which could result in some or all of our indebtedness becoming immediately due and payable;
- our indebtedness could impair our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions or other general corporate purposes; and
- our business may not generate sufficient cash flows from operations to enable us to meet our obligations under our indebtedness.

If we fail to develop or maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud.

Effective internal controls over financial processes and reporting are necessary for us to provide reliable financial reports and effectively prevent fraud and to operate successfully. Our efforts to continue to develop and maintain internal controls may not be successful and we may be unable to maintain adequate controls in the future. In addition, the entities that we acquire in the future may not maintain effective systems of internal controls or we may encounter difficulties integrating our system of internal controls with those of acquired entities. If we are unable to

maintain effective internal controls and, as a result, provide reliable financial reports and effectively prevent fraud, our reputation and operating results would be harmed.

We may be impacted by disruptions in the political, regulatory, economic and social conditions of the foreign countries in which we are expected to conduct business.

Instability and unforeseen changes in the international markets in which we conduct business, including economically and politically volatile areas such as North Africa, the Middle East, Latin America and the Asia Pacific region, could cause or contribute to factors that could have an adverse effect on the demand for the products and services we provide.

In addition, worldwide political, economic, and military events have contributed to oil and natural gas price volatility and are likely to continue to do so in the future. Depending on the market prices of oil and natural gas, oil and natural gas exploration and development companies may cancel or curtail their drilling programs, thereby reducing demand for our products and services.

Climate change legislation or regulations restricting emissions of greenhouse gases could increase our operating costs or reduce demand for our products.

Environmental advocacy groups and regulatory agencies in the United States and other countries have focused considerable attention on the emissions of carbon dioxide, methane and other greenhouse gases and their potential role in climate change. The U.S. Environmental Protection Agency (the “EPA”) has already begun to regulate greenhouse gas emissions under the federal Clean Air Act. The adoption of additional legislation or regulatory programs to reduce emissions of greenhouse gases could require us to incur increased operating costs to comply with new emissions-reduction or reporting requirements. Any such legislation or regulatory programs could also increase the cost of consuming, and thereby reduce demand for, hydrocarbons that our customers produce. Consequently, legislation and regulatory programs to reduce emissions of greenhouse gases could have an adverse effect on our business, financial condition and results of operations. Finally, some scientists have concluded that increasing concentrations of greenhouse gases in the Earth’s atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, droughts, and floods and other climatic events.

Adverse weather conditions adversely affect demand for services and operations.

Adverse weather conditions, such as hurricanes, tornadoes, ice or snow may damage or destroy our facilities, interrupt or curtail our operations, or our customers’ operations, cause supply disruptions and result in a loss of revenue, which may or may not be insured. During the first and fourth quarters winter weather conditions, and during the second and third quarters tornadoes and tropical weather conditions in the Northern Hemisphere, may interrupt or curtail our operations, or our customers’ operations, in those areas.

A natural disaster, catastrophe or other event could result in severe property damage, which could curtail our operations.

Some of our operations involve risks of, among other things, property damage, which could curtail our operations. For example, damage to a manufacturing plant could reduce our ability to produce products and satisfy customer demand. If one or more plants we own are damaged by severe weather or any other disaster, accident, catastrophe or event, our operations could be

significantly interrupted. Similar interruptions could result from damage to production or other facilities that provide supplies or other raw materials to our plants or other stoppages arising from factors beyond our control. These interruptions might involve significant damage to, among other things, property and repairs might take from a week or less for a minor incident to many months or more for a major interruption.

Potential legislation or regulations restricting the use of hydraulic fracturing could reduce demand for our products.

Hydraulic fracturing is an important and common practice in the oil and gas industry, which involves the injection of water, sand and chemicals under pressure into a formation to fracture the surrounding rock and stimulate production of hydrocarbons. Certain environmental advocacy groups have suggested that additional federal, state and local laws and regulations may be needed to more closely regulate the hydraulic fracturing process, and have made claims that hydraulic fracturing techniques are harmful to surface water and drinking water resources. The EPA has already begun to regulate certain hydraulic fracturing operations involving diesel under the auspices of the Underground Injection Control program under the federal Safe Drinking Water Act. Legislation has been proposed at the federal, state and local levels to restrict or further regulate certain hydraulic fracturing activities, and the EPA is conducting a study to determine if additional regulation of hydraulic fracturing is warranted. The adoption of legislation or regulatory programs that restrict hydraulic fracturing could adversely affect, reduce or delay well drilling and completion activities, increase the cost of drilling and production, and thereby reduce demand for our products and services.

Our financial results could be adversely impacted by the Macondo well incident and the resulting changes in regulation of offshore oil and natural gas exploration and development activity.

The United States Department of the Interior has issued Notices to Lessees and Operators (NTLs), implemented additional safety and certification requirements applicable to drilling activities in the U.S. Gulf of Mexico, imposed additional requirements with respect to exploration, development and production activities in U.S. waters and delayed the approval of drilling plans and well permits in both deepwater and shallow-water areas. The delays caused by new regulations and requirements have and will continue to have an overall negative effect on Gulf of Mexico drilling activity, and to a certain extent, our financial results.

The Macondo well incident and resulting moratorium on drilling has caused offshore drilling delays, and is expected to result in increased state, federal and international regulation of our and our customers' operations that could negatively impact our earnings, prospects and the availability and cost of insurance coverage. There have been a variety of proposals to change existing laws and regulations that could affect offshore development and production, including proposals to significantly increase the minimum financial responsibility demonstration required under the federal Oil Pollution Act of 1990. Any increased regulation of the exploration and production industry as a whole that arises out of the Macondo well incident or otherwise could result in fewer companies being financially qualified to operate offshore in the United States, result in higher operating costs for our customers and reduce demand for our products and services. Additionally, a similar incident in another region could result in increased regulation in that market or in other offshore markets and could have a similar effect.

Our success depends on our ability to implement new technologies and services.

Our success depends on the ongoing development and implementation of new product designs and improvements, and on our ability to protect and maintain critical intellectual property assets related to these developments. If we are not able to obtain patent or other intellectual property protection of our technology, we may not be able to recoup development costs or fully exploit systems, services and technologies in a manner that allows us to meet evolving industry requirements at prices acceptable to our customers. In addition, some of our competitors are large national and multinational companies that may be able to devote greater financial, technical, manufacturing and marketing resources to research and development of new systems, services and technologies than we are able to do.

Our success will be affected by the use and protection of our proprietary technology. There are limitations to our intellectual property rights in our proprietary technology, and thus our right to exclude others from the use of such proprietary technology.

Our success will be affected by our development and implementation of new product designs and improvements and by our ability to protect and maintain critical intellectual property assets related to these developments. Although in many cases our products are not protected by any registered intellectual property rights, we rely on a combination of patents and trade secret laws to establish and protect this proprietary technology.

We currently hold multiple U.S. and international patents and have multiple pending patent applications, for products and processes. Patent rights give the owner of a patent the right to exclude third parties from making, using, selling, and offering for sale the inventions claimed in the patents in the applicable country. Patent rights do not necessarily grant the owner of a patent the right to practice the invention claimed in a patent, but merely the right to exclude others from practicing the invention claimed in the patent. It may also be possible for a third party to design around our patents. Furthermore, patent rights have strict territorial limits. Some of our work will be conducted in international waters and would, therefore, not fall within the scope of any country’s patent jurisdiction. We may not be able to enforce our patents against infringement occurring in international waters and other “non-covered” territories. Also, we do not have patents in every jurisdiction in which we conduct business and our patent portfolio will not protect all aspects of our business and may relate to obsolete or unusual methods, which would not prevent third parties from entering the same market.

In addition, by customarily entering into confidentiality and/or license agreements with our employees, customers and potential customers and suppliers, we attempt to limit access to and distribution of our technology. Our rights in our confidential information, trade secrets, and confidential know-how will not prevent third parties from independently developing similar information. Publicly available information (e.g. information in expired issued patents, published patent applications, and scientific literature) can also be used by third parties to independently develop technology. We cannot provide assurance that this independently developed technology will not be equivalent or superior to our proprietary technology.

Our competitors may infringe upon, misappropriate, violate or challenge the validity or enforceability of our intellectual property and we may not able to adequately protect or enforce our intellectual property rights in the future.

We may be adversely affected by disputes regarding intellectual property rights and the value of our intellectual property rights is uncertain.

As discussed above, we may become involved in legal proceedings from time to time to protect and enforce our intellectual property rights. Third parties from time to time may initiate litigation against us by asserting that the conduct of our business infringes, misappropriates or otherwise violates intellectual property rights. We may not prevail in any such legal proceedings related to such claims, and our products and services may be found to infringe, impair, misappropriate, dilute or otherwise violate the intellectual property rights of others. Any legal proceeding concerning intellectual property could be protracted and costly and is inherently unpredictable and could have a material adverse effect on our business, regardless of its outcome. Further, our intellectual property rights may not have the value that management believes them to have and such value may change over time as we and others develop new product designs and improvements.

In the past we have incurred certain impairment charges. We may incur additional impairment charges in future years.

We evaluate our long-lived assets, including property and equipment, for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable. In performing our review for impairment, future cash flows expected to result from the use of the asset and its eventual value upon disposal are estimated. If the undiscounted future cash flows are less than the carrying amount of the assets, the asset is impaired. The amount of the impairment is measured as the difference between the carrying value and the estimated fair value of the asset. The fair value is determined either through the use of an external valuation, or by means of an analysis of discounted future cash flows based on expected utilization. The impairment loss recognized represents the excess of the asset's carrying value as compared to its estimated fair value.

For goodwill and intangible assets with indefinite lives, an assessment for impairment is performed annually or whenever an event indicating impairment may have occurred. Goodwill is reviewed for impairment by comparing the carrying value of each reporting unit's net assets, including allocated goodwill, to the estimated fair value of the reporting unit. We have four reporting units. We determine the fair value of our reporting units using a discounted cash flow approach. Determining the fair value of a reporting unit requires judgment and the use of significant estimates and assumptions. If the reporting unit's carrying value is greater than its fair value, a second step is performed whereby the implied fair value of goodwill is estimated by allocating the fair value of the reporting unit in a hypothetical purchase price allocation analysis. We recognize a goodwill impairment charge for the amount by which the carrying value of goodwill exceeds its reassessed fair value. For the year ended December 31, 2010, no impairment loss was recorded, but for the years ended December 31, 2008 and 2009, we recorded impairment charges of $44.0 million and $7.0 million, respectively.

If we determine that the carrying value of our long-lived asset, goodwill or intangible assets is less than their fair value, we may be required to record additional charges in the future.

Risks related to our common stock

The initial public offering price of our common stock may not be indicative of the market price of our common stock after this offering. In addition, an active liquid trading market for our common stock may not develop and our common stock price may be volatile.

Prior to this offering, our common stock was not traded on any market. An active and liquid trading market for our common stock may not develop or be maintained after this offering. Liquid and active trading markets usually result in less price volatility and more efficiency in carrying out investors' purchase and sale orders. The market price of our common stock could vary significantly as a result of a number of factors, some of which are beyond our control. In the event of a drop in the market price of our common stock, you could lose a substantial part or all of your investment in our common stock. The initial public offering price will be negotiated between us and representatives of the underwriters, based on numerous factors which we discuss in the "Underwriting (conflicts of interest)" section of this prospectus, and may not be indicative of the market price of our common stock after this offering. Consequently, you may not be able to sell shares of our common stock at prices equal to or greater than the price paid by you in the offering.

The following factors could affect our common stock price:

- our operating and financial performance;
- quarterly variations in the rate of growth of our financial indicators, such as net income per share, net income, EBITDA and revenues;
- changes in revenue or earnings estimates or publication of reports by equity research analysts;
- speculation in the press or investment community;
- sales of our common stock by us or other stockholders, or the perception that such sales may occur;
- general market conditions, including fluctuations in commodity prices; and
- domestic and international economic, legal and regulatory factors unrelated to our performance.

The trading markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock.

We will incur increased costs as a result of being a public company.

As a privately held company, we have not been responsible for the corporate governance and financial reporting practices and policies required of a publicly traded company. As a publicly traded company with listed equity securities we will need to comply with new laws, regulations and requirements, including corporate governance provisions of the Sarbanes-Oxley Act of 2002, and rules and regulations of the SEC and the NYSE. Complying with these statutes, regulations and requirements will occupy a significant amount of time of our board of directors and management and will significantly increase our costs and expenses. We will need to:

- institute a more comprehensive compliance function;

- design, establish, evaluate and maintain a system of internal controls over financial reporting in compliance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and the related rules and regulations of the SEC and the Public Company Accounting Oversight Board, or "PCAOB";
- comply with rules promulgated by the NYSE;
- prepare and distribute periodic public reports in compliance with our obligations under the federal securities laws;
- establish new internal policies, such as those relating to disclosure controls and procedures and insider trading;
- involve and retain to a greater degree outside counsel and accountants in the above activities; and
- establish an investor relations function.

In addition, we also expect that being a public company subject to these rules and regulations will require us to accept less director and officer liability insurance coverage than we desire or to incur substantial costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our Audit Committee, qualified executive officers and key personnel.

Future sales of our common stock in the public market could lower our stock price, and any additional capital raised by us through the sale of equity may dilute your ownership in us.

We may sell additional shares of common stock in subsequent public offerings. After the completion of this offering, we will have outstanding shares of common stock (assuming the full exercise of the underwriters' over-allotment option). Following the completion of this offering, SCF will own shares, or approximately % of our total outstanding shares (assuming the full exercise of the underwriters' over-allotment option), all of which are subject to a lock-up agreement between SCF and the underwriters described in "Underwriting (conflicts of interest)," but may be sold into the market in the future. SCF is a party to a registration rights agreement with us which requires us to effect the registration of its shares in certain circumstances no earlier than the expiration of the lock-up period contained in the underwriting agreement entered into in connection with this offering.

As soon as practicable after this offering, we intend to file a registration statement with the SEC on Form S-8 providing for the registration of shares of our common stock issued or reserved for issuance under our stock incentive plan. Subject to the satisfaction of vesting conditions and the expiration of lock-up agreements, shares registered under this registration statement on Form S-8 will be available for resale immediately in the public market without restriction.

We cannot predict the size of future issuances of our common stock or the effect, if any, that future issuances and sales of shares of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock (including shares issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices of our common stock.

Provisions in our organizational documents and under Delaware law could delay or prevent a change in control of our company, which could adversely affect the price of our common stock.

The existence of some provisions in our organizational documents and under Delaware law could delay or prevent a change in control of our Company that a stockholder may consider favorable, which could adversely affect the price of our common stock. The provisions in our amended and restated certificate of incorporation and amended and restated bylaws that could delay or prevent an unsolicited change in control of our Company include board authority to issue preferred stock without stockholder approval, advance notice provisions for director nominations or business to be considered at a stockholder meeting and similar provisions. These provisions may also discourage acquisition proposals, which could harm our stock price.

Purchasers of common stock will experience immediate and substantial dilution.

Assuming an initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus), purchasers of our common stock in this offering will experience an immediate and substantial dilution of $ per share in the net tangible book value per share of common stock from the initial public offering price, and our pro forma net tangible book value as of June 30, 2011, after giving effect to this offering, would be $ per share. You will incur further dilution if outstanding options to purchase common stock are exercised. In addition, our certificate of incorporation allows us to issue significant numbers of additional shares, including shares that may be issued under our long-term incentive plans. Please read “Dilution” for a complete description of the calculation of net tangible book value.

We have no current intention to pay future dividends.

We do not currently anticipate declaring or paying any cash dividends to holders of our common stock in the foreseeable future. We currently intend to retain future earnings, if any, to fund the development and growth of our business. Our future dividend policy is within the discretion of our board of directors and will depend upon various factors, including our results of operations, financial condition, capital requirements and investment opportunities. In addition, our revolving credit facility prohibits us from paying cash dividends prior to January 1, 2012, and also restricts us from paying any dividend after such date unless all the following conditions are met: (i) no default exists under our revolving credit facility or would result from the payment of such dividends; (ii) after giving effect to the payment of such dividends, we have a pro forma leverage ratio that is less than or equal to 2.50 to 1.0 and the borrowing availability under our revolving credit facility is at least $40 million; (iii) the aggregate amount of cash dividends paid in any fiscal quarter does not exceed 50% of our consolidated EBITDA for the prior four fiscal quarters; and (iv) the aggregate amount of cash dividends paid in any four consecutive fiscal quarters does not exceed 50% of our consolidated EBITDA for the prior four fiscal quarters. Please read “Dividend policy.”

Risks related to our relationship with SCF

L.E. Simmons & Associates, Incorporated (“LESA”), through SCF, will control the outcome of stockholder voting and may exercise this voting power in a manner adverse to you.

After the offering, SCF will hold approximately shares of our common stock (or % of the outstanding common stock if the over-allotment option is exercised in full). LESA is the ultimate general partner of SCF and will be in a position to control the outcome of most matters requiring

a stockholder vote, including the election of directors, adoption of amendments to our charter and bylaws and approval of transactions involving a change of control. LESA's interests may differ from yours, and SCF may vote its common stock in a manner that may adversely affect you.

Certain of our directors may have conflicts of interest because they are also directors or officers of SCF. The resolution of these conflicts of interest may not be in our or your best interests.

Certain of our directors, namely David C. Baldwin and Andrew L. Waite, are currently officers of LESA. In addition, a trust in which the children of our Chief Executive Officer, C. Christopher Gaut, are primary beneficiaries will continue to hold an ownership interest in the general partner of each of SCF-VI, L.P. and SCF-VII, L.P. after the offering. These positions may create conflicts of interest because these directors and Mr. Gaut have an ownership interest in SCF-VI, L.P. and SCF-VII, L.P. and/or responsibilities to SCF and its owners. Duties as directors or officers of LESA may conflict with such individuals' duties as one of our directors or officers regarding business dealings and other matters between SCF and us. The resolution of these conflicts may not always be in our or your best interest.

We have renounced any interest in specified business opportunities, and SCF and its director nominees on our board of directors generally have no obligation to offer us those opportunities.

SCF has investments in other oilfield service companies that may compete with us, and SCF and its affiliates, other than our Company, may invest in other such companies in the future. We refer to SCF and its other affiliates and its portfolio companies as the SCF group. Our certificate of incorporation provides that, so long as we have a director or officer who is affiliated with SCF (an "SCF Nominee") and for a continuous period of one year thereafter, we renounce any interest or expectancy in any business opportunity in which any member of the SCF group participates or desires or seeks to participate in and that involves any aspect of the energy equipment or services business or industry, other than (i) any business opportunity that is brought to the attention of an SCF Nominee solely in such person's capacity as a director or officer of our Company and with respect to which no other member of the SCF group independently receives notice or otherwise identifies such opportunity and (ii) any business opportunity that is identified by the SCF group solely through the disclosure of information by or on behalf of our Company. We are not prohibited from pursuing any business opportunity with respect to which we have renounced any interest.

Cautionary note regarding forward-looking statements

This prospectus contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. All statements, other than statements of historical fact included in this prospectus, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this prospectus, the words “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “may,” “continue,” “predict,” “potential,” “project” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

Forward-looking statements may include statements about:

- business strategy;
- cash flows and liquidity;
- the volatility of oil and natural gas prices;
- our ability to successfully manage our growth, including risks and uncertainties associated with integrating and retaining key employees of the businesses we acquire;
- the availability of raw materials and specialized equipment;
- availability of skilled and qualified labor;
- our ability to accurately predict customer demand;
- competition in the oil and gas industry;
- governmental regulation and taxation of the oil and natural gas industry;
- environmental liabilities;
- political and social issues affecting the countries in which we do business;
- our ability to deliver our backlog in a timely fashion;
- our ability to implement new technologies and services;
- availability and terms of capital;
- general economic conditions;
- benefits of the Combination and our acquisitions;
- availability of key management personnel;
- operating hazards inherent in our industry;
- the continued influence of SCF;
- the ability to establish and maintain effective internal controls over financial reporting;
- the ability to operate effectively as a public traded company;
- financial strategy, budget, projections and operating results;

- uncertainty regarding our future operating results; and
- plans, objectives, expectations and intentions contained in this prospectus that are not historical.

All forward-looking statements speak only as of the date of this prospectus; we disclaim any obligation to update these statements unless required by law and we caution you not to place undue reliance on them. Although we believe that our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make in this prospectus are reasonable, we can give no assurance that these plans, intentions or expectations will be achieved. We disclose important factors that could cause our actual results to differ materially from our expectations under “Risk factors” and “Management’s discussion and analysis of financial condition and results of operations” and elsewhere in this prospectus. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

Use of proceeds

We will receive net proceeds of approximately $ million from the sale of the common stock by us, assuming an initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus) and after deducting estimated expenses and underwriting discounts and commissions of approximately $ million. If the over-allotment option is exercised in full, we estimate that our net proceeds will be approximately $ million. We will not receive any of the proceeds from any sale of shares of our common stock by the selling stockholders.

We intend to use the net proceeds from this offering and any proceeds from any exercise of the underwriters' over-allotment option to repay outstanding borrowings under our revolving credit facility. Our revolving credit facility matures in August 2014 and bore interest at a rate of 2.75% per annum as of August 29, 2011. Our outstanding borrowings under our revolving credit facility were incurred to fund acquisitions and other capital expenditures. Affiliates of the underwriters are lenders under our revolving credit facility and, accordingly, will receive a portion of the proceeds of this offering. See "Underwriting (conflicts of interest)."

We estimate that the selling stockholders will receive net proceeds of approximately $ million from the sale of shares of common stock in this offering based upon the assumed initial offering price of $ per share, after deducting underwriting discounts and commissions. If the underwriters' over-allotment option to purchase additional shares is exercised in full, we estimate that the selling stockholders' net proceeds will be approximately $ million. We will pay all expenses related to this offering, other than underwriting discounts and commissions related to the shares sold by the selling stockholders.

An increase or decrease in the initial public offering price of $1.00 per share of common stock would cause the net proceeds that we will receive from the offering, after deducting estimated expenses and underwriting discounts and commissions, to increase or decrease by approximately $ million or by approximately $ million if the underwriters' over-allotment option is exercised in full.

Stock split

Prior to the completion of this offering, we expect the majority of our stockholders to approve, by written consent, an amendment to our certificate of incorporation to effect a stock split on a for basis. The stock split is expected to be effected simultaneously for all our then-existing common stock and the exchange ratio will be the same for all of our shares of issued and outstanding common stock. The stock split will affect all of our stockholders uniformly and will not affect any stockholder's percentage ownership interests in us. Shares of common stock issued pursuant to the stock split will remain fully paid and nonassessable.

Dividend policy

We do not anticipate declaring or paying any cash dividends to holders of our common stock in the foreseeable future. We currently intend to retain future earnings, if any, to fund the development and growth of our business. Our future dividend policy is within the discretion of our board of directors and will depend upon various factors, including our results of operations, financial condition, capital requirements and investment opportunities. In addition, our revolving credit facility prohibits us from paying any cash dividends prior to January 1, 2012, but after such date cash dividends may be paid if all the following conditions are met: (i) no default exists under our revolving credit facility or would result from the payment of such dividends, (ii) after giving effect to the payment of such dividends, we have a pro forma leverage ratio that is less than or equal to 2.50 to 1.0 and the borrowing availability under our revolving credit facility is at least $40 million, (iii) the aggregate amount of cash dividends paid in any fiscal quarter does not exceed 50% of our consolidated EBITDA (as defined in the credit agreement) for the prior four fiscal quarters and (iv) the aggregate amount of cash dividends paid in any four consecutive fiscal quarters does not exceed 50% of our consolidated EBITDA for the prior four fiscal quarters.

Capitalization

The following table sets forth our capitalization as of June 30, 2011:

- on an actual basis;
- on a pro forma basis to give effect to the five acquisitions completed subsequent to June 30, 2011 (the Cannon Acquisition, the SVP Acquisition, the AMC Acquisition, the P-Quip Acquisition and the Davis-Lynch Acquisition); and
- on a pro forma, as adjusted basis to give effect to the acquisitions described in the preceding bullet, this offering and the application of the net proceeds as set forth under "Use of proceeds."

You should read the following table in conjunction with "Use of proceeds," "Unaudited pro forma condensed combined financial data," "Selected historical consolidated financial data," "Management's discussion and analysis of financial condition and results of operations" and our historical consolidated financial statements and related notes thereto appearing elsewhere in this prospectus.

	As of June 30, 2011		
	Actual	Pro forma	Pro forma, as adjusted
			(in thousands)
Cash and cash equivalents(1)	$ 66,137	$ 76,881	$
Long-term debt, including current maturities:			
Revolving credit facility(1)(2)	$279,615	$ 732,505	$
Other long-term debt	53	53	
Total long-term debt	279,668	732,558	
Stockholders' equity:			
Common stock, $0.01 par value; shares authorized (actual, pro forma for anticipated for stock split); shares issued and outstanding (as adjusted)	18	18	
Additional paid-in capital(1)	397,411	416,467	
Warrants	27,097	27,097	
Retained earnings	176,906	176,906	
Treasury stock	(25,877)	(25,877)	
Accumulated other comprehensive loss	(3,884)	(3,884)	
Total stockholders' equity(1)	571,671	590,727	
Total capitalization(1)	$851,339	$1,323,285	$

(1) Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, the midpoint of the range set forth on the cover page of this prospectus, would increase or decrease the amount of borrowings outstanding under our revolving credit facility, additional paid-in capital, total stockholders' equity and total capitalization by approximately $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us.

(2) Effective August 2, 2010, we entered into a revolving credit facility with an initial commitment of $450 million. In July 2011, we amended our revolving credit facility to, among other things, increase the commitment to $750 million. As of August 29, 2011, we had $687 million of indebtedness outstanding under our credit facility.

Dilution

Purchasers of the common stock in this offering will experience immediate and substantial dilution in the net tangible book value per share of the common stock for accounting purposes. Our net tangible book value as of June 30, 2011, after giving pro forma effect to the transactions described under "Stock split," was approximately $ million, or $ per share of common stock. Pro forma net tangible book value per share is determined by dividing our pro forma tangible net worth (tangible assets less total liabilities) by the total number of outstanding shares of common stock that will be outstanding immediately prior to the closing of this offering. After giving effect to our anticipated stock split and the sale of the shares in this offering and assuming the receipt of the estimated net proceeds (after deducting estimated discounts and expenses of this offering), our adjusted pro forma net tangible book value as of June 30, 2011 would have been approximately $ million, or $ per share. This represents an immediate increase in the net tangible book value of $ per share to our existing stockholders and an immediate dilution (i.e., the difference between the offering price and the adjusted pro forma net tangible book value after this offering) to new investors purchasing shares in this offering of $ per share. The following table illustrates the per share dilution to new investors purchasing shares in this offering:

Assumed initial public offering price per share	$
Pro forma net tangible book value per share as of June 30, 2011 (after giving effect to our stock split)	
Increase per share attributable to new investors in this offering	
As adjusted pro forma net tangible book value per share after giving effect to our stock split and this offering	
Dilution in pro forma net tangible book value per share to new investors in this offering	$

The following table summarizes, on an adjusted pro forma basis as of June 30, 2011, the total number of shares of common stock owned by existing stockholders and to be owned by new investors, the total consideration paid, and the average price per share paid by our existing stockholders and to be paid by new investors in this offering at $, the midpoint of the range of the initial public offering prices set forth on the cover page of this prospectus, calculated before deduction of estimated discounts and commissions:

	Shares acquired		Total consideration		Average price per share
	Number	Percent	Amount	Percent	
Existing stockholders(1)		%	$	%	$
New investors		—	—	—	—
Total		%	$	%	$

(1) The number of shares disclosed for the existing stockholders includes shares being sold by the selling stockholders in this offering. The number of shares disclosed for the new investors does not include the shares being purchased by the new investors from the selling stockholders in this offering.

Assuming the underwriters' over-allotment option is exercised in full, sales by us in this offering will reduce the percentage of shares held by existing stockholders to % and will increase the number of shares held by new investors to , or % on an adjusted pro forma basis as of June 30, 2011.

A $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the range set forth on the cover page of this prospectus, would increase or decrease our as adjusted pro forma net tangible book value as of June 30, 2011 by approximately $ million, the as adjusted pro forma net tangible book value per share after this offering by $ per share and the dilution in pro forma as adjusted net tangible book value per share to new investors in this offering by $ per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Unaudited pro forma condensed combined financial data

We have completed the following acquisitions since the Combination in August 2010:

Name of acquisition	Date completed
Wood Flowline Products, LLC	February 4, 2011
Phoinix Global LLC	April 29, 2011
Specialist ROV Tooling Services, Ltd.	May 16, 2011
Cannon Services LP	July 1, 2011
SVP Products Inc.	July 1, 2011
AMC Global Group Ltd.	July 1, 2011
P-Quip Ltd.	July 5, 2011
Davis-Lynch LLC	July 29, 2011

The unaudited pro forma condensed combined statement of income for the year ended December 31, 2010 gives effect to the eight acquisitions completed in 2011 as if each had occurred on January 1, 2010. Under the rules and regulations of the SEC, the Davis-Lynch Acquisition was individually significant and the Wood Flowline Acquisition, the Phoinix Acquisition, the Specialist Acquisition, the Cannon Acquisition, the SVP Acquisition, the AMC Acquisition and the P-Quip Acquisition were each individually insignificant but, in the aggregate, are significant. Regulation S-X requires the presentation of audited financials for any significant acquisitions and for a substantial majority of the individually insignificant acquisitions when acquired businesses are individually insignificant, but significant in the aggregate. The unaudited pro forma condensed combined financial data has been prepared from our historical consolidated financial statements and related notes, the audited financials statements of Davis-Lynch, Wood Flowline, AMC Global, P-Quip and Cannon Services and the unaudited interim financial statements of Davis-Lynch and Cannon Services, each as included elsewhere in this prospectus, and the unaudited financial statements of Wood Flowline, AMC Global, P-Quip, Phoinix, Specialist and SVP not included in this prospectus.

The pro forma financial data for the year ended December 31, 2010 also gives effect to the issuance by us of shares of common stock pursuant to this offering and the application of the net proceeds therefrom as described in “Use of proceeds,” in each case as if each such transaction had occurred on January 1, 2010. The pro forma condensed combined financial data for the six months ended June 30, 2011 gives effect to the 2011 Acquisitions, the issuance by us of shares of common stock pursuant to this offering and the application of the net proceeds therefrom as described in “Use of proceeds,” in each case as if each such transaction had occurred on January 1, 2010. The pro forma balance sheet as of June 30, 2011 gives effect to the Cannon Acquisition, the SVP Acquisition, the AMC Acquisition, the P-Quip Acquisition and the Davis-Lynch Acquisition, each completed in July 2011, the issuance by us of shares of common stock pursuant to this offering and the application of the net proceeds therefrom as described in “Use of proceeds,” in each case as if each such transaction had occurred on June 30, 2011.

The unaudited pro forma condensed combined financial data included in this prospectus is not intended to represent what our financial position is or results of operations would have been if the acquisitions had occurred on any particular date or to project our results of operations for any future period. Since the Company and each of the acquired businesses were not under common control or management for some of or any period presented, the unaudited pro forma condensed combined financial results may not be comparable to, or indicative of, future performance.

The unaudited pro forma condensed combined statements of operations included herein have been prepared pursuant to the rules and regulations of the SEC. Certain information and certain footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to these rules and regulations; however, management believes that the disclosures are adequate to make the information presented not misleading.

The unaudited pro forma condensed combined financial data does not reflect any cost savings, operating synergies or revenue enhancements that the combined company may achieve as a result of the acquisition, the costs to combine our operations and the acquisitions or the costs necessary to achieve these cost savings, operating synergies and revenue enhancements.

You should read the following tables in conjunction with the historical financial statements and related notes thereto appearing elsewhere in this prospectus.

Pro forma condensed combined statement of income

Year ended December 31, 2010

	Forum	Acquisitions(a)	Pro forma	Offering adjustments(c)	Pro forma, as adjusted
				(In thousands, except per share data) (Unaudited)	
Net sales	$747,335	$ 208,114	$ 955,449	$ —	$ 955,449
Costs of sales	533,078	103,982	637,060	—	637,060
Gross profit	214,257	104,132	318,389	—	318,389
Selling, general and administrative expenses	141,441	45,474	186,915	—	186,915
Contingent consideration	—	—	—	—	—
Transaction expenses	—	—	—	—	—
(Gain) Loss on sale of assets	(461)	—	(461)	—	(461)
Operating income	73,277	58,658	131,935	—	131,935
Interest expense, net	18,189	26,214	44,403	(12,834)	31,569
Expenses related to the Combination	6,968	—	6,968	—	6,968
Deferred loan costs written off	6,082	—	6,082	—	6,082
Other (income), net	(2,308)	(178)	(2,486)	—	(2,486)
Income before income taxes	44,346	32,622	76,968	12,834	89,802
Income tax expense	20,297	10,536	30,833	4,492	35,325
Net income	$ 24,049	$ 22,086	$ 46,135	$ 8,342	$ 54,477
Less: Income attributable to noncontrolling interests	(111)	—	(111)	—	(111)
Net income attributable to common stockholders	$ 23,938	$ 22,086	$ 46,024	$ 8,342	$ 54,366
Earnings per share:					
Basic	$ 16.46				
Diluted	$ 16.31				
Weighted average shares:					
Basic	1,454				
Diluted	1,468				

Six months ended June 30, 2011

	Forum	Acquisitions(b)	Pro forma	Offering adjustments(c)	Pro forma, as adjusted
			(In thousands, except per share data) (Unaudited)		
Net Sales	$460,506	$ 110,002	$ 570,508		$ 570,508
Costs of sales	324,517	48,023	372,540		372,540
Gross profit	135,989	61,979	197,968	—	197,968
Selling, general and administrative expenses	78,880	21,593	100,473	—	100,473
Contingent consideration	5,800		5,800		5,800
Transaction expenses	2,616	(2,616)	—		—
(Gain) Loss on sale of assets	(420)		(420)		(420)
Income from operations	49,113	43,002	92,115	—	92,115
Interest expense, net	7,689	12,170	19,859	(7,115)	12,744
Other, net	751	(275)	476	—	476
Income before income taxes	40,673	31,107	71,780	7,115	78,895
Income tax expense	14,383	10,162	24,545	2,490	27,035
Net income	26,290	20,945	47,235	4,625	51,860
Less: Income attributable to noncontrolling interests	(187)	—	(187)	—	(187)
Net income attributable to common stockholders	$ 26,103	$ 20,945	$ 47,048	$ 4,625	$ 51,673
Earnings per share:					
Basic	$ 16.41				
Diluted	$ 15.74				
Weighted average shares:					
Basic	1,591				
Diluted	1,658				

Note 1. Pro forma adjustments related to the statements of income

(a) The following schedule presents pro forma adjustments related to the inclusion of the acquisitions described above in the unaudited pro forma condensed combined financial data for the year ended December 31, 2010.

	Year ended December 31, 2010								
	Davis-Lynch	Wood Flowline	AMC Global(i)(j)	P-Quip(i)(j)	Cannon services	Other individual acquisitions	Acquisition adjustments	Ref.	Acquisitions combined
									(In thousands)
Revenue	$89,152	$ 28,524	$ 17,103	$ 11,116	$ 29,684	$ 46,926	$ (14,391)	(d)	$ 208,114
Cost of sales	37,381	18,739	9,496	4,977	16,039	30,783	(14,391)	(d)	103,982
							958	(e)	
Gross profit	51,771	9,785	7,607	6,139	13,645	16,143	(958)		104,132
Selling, general and administrative expenses	13,943	1,576	2,002	1,469	5,869	7,124	13,491	(f)	45,474
Operating income (loss)	37,828	8,209	5,605	4,670	7,776	9,019	(14,449)		58,658
Interest expense	—	81	—	—		105	26,028	(g)	26,214
Other expense (income), net	(477)	4	(17)	(8)	(38)	358			(178)
Income before income taxes	38,305	8,124	5,622	4,678	7,814	8,556	(40,477)		32,622
Income tax expense	1,570	2,843	1,574	1,310	2,735	2,834	(2,330)	(h)	10,536
Net Income	$36,735	$ 5,281	$ 4,048	$ 3,368	$ 5,079	$ 5,722	$ (38,147)		$ 22,086

(b) The following schedule presents the pro forma adjustments related to the inclusion of the acquisitions described above in the unaudited pro forma condensed combined financial data for the six months ended June 30, 2011.

	One month ended January 31, 2011	Four months ended April 30, 2011	Five months ended May 31, 2011	Six months ended June 30, 2011							
	Wood Flowline	Phoinix	Specialist	Davis-Lynch	AMC Global(i)(j)	P-Quip(i)(j)	Cannon services	SVP	Acquisition adjustments	Ref.	Acquisitions combined
											(In thousands)
Revenue	$ 4,259	$ 14,621	$ 1,855	$50,353	$ 12,927	$ 9,495	$ 13,544	$16,162	$ (13,214)	(d)	$ 110,002
Cost of sales	2,559	9,933	993	19,393	4,200	5,406	5,633	12,668	(13,214)	(d)	48,023
									452	(e)	
Gross profit	1,700	4,688	862	30,960	8,727	4,089	7,911	3,494	(452)		61,979
Selling, general and administrative expenses	253	1,231	244	6,186	2,063	831	3,472	1,262	6,051	(f)	21,593
Transaction expenses									(2,616)	(f)	(2,616)
Operating income (loss)	1,447	3,457	618	24,774	6,664	3,258	4,439	2,232	(3,887)		43,002
Interest expense	16	—		—	—	—			12,154	(g)	12,170
Other expense (income), net	—	24		(301)	2	—					(275)
Income before income taxes	1,431	3,433	618	25,075	6,662	3,258	4,439	2,232	(16,041)		31,107
Income tax expense	501	1,202	172	238	1,865	912	1,554	794	2,924	(h)	10,162
Net Income	930	2,231	446	24,837	4,797	2,346	2,885	1,438	(18,965)		20,945
Less: income attributable to noncontrolling interests											—
Net income attributable to common stockholders	$ 930	$ 2,231	$ 446	$24,837	$ 4,797	$ 2,346	$ 2,885	$ 1,438	$ (18,965)		$ 20,945

(c) The offering adjustments in the unaudited pro forma condensed combined statements of income for the year ended December 31, 2010 and the six months ended June 30, 2011 assume the application of $279 million of net proceeds from this offering to repay a portion of the outstanding indebtedness under our revolving credit facility. The resulting reduction of interest expense from the repayment of our revolving credit facility was $12.8 million and $7.1 million for the year ended December 31, 2010 and the six months ended June 30, 2011, respectively. This resulting reduction of interest expense was calculated using the weighted average of the interest rates applicable to the borrowings under the various tranches of our credit facility as of December 31, 2010 and June 30, 2011, which were 4.6% and 5.1%, respectively. If the net proceeds from the offering of our common stock increases or decreases by $10 million, we would accordingly repay $289 million or $269 million of outstanding indebtedness under our revolving credit facility, which would change pro forma interest expense by $0.5 million for the year ended December 31, 2010 and $0.3 million for the six months ended June 30, 2011. A one-eighth percentage point change in the interest rate would change pro forma interest expense by $0.3 million for the year ended December 31, 2010 and $0.2 million for the six months ended June 30, 2011.

(d) Intercompany revenue and cost of sales have been eliminated in the consolidation of the pro forma results. Certain acquired businesses have had sales to other entities within our Company prior to their

acquisition by us. In the pro forma results, these sales are treated as intercompany sales and therefore have been eliminated in the consolidated total.

(e) Depreciation reflects the adjusted fixed assets assuming the acquisitions occurred January 1, 2010. Asset values were determined based upon third-party and internal appraisals. We estimated the average useful lives of the fixed assets to range from 7 to 30 years. The amount of depreciation related to this adjustment was approximately $1.0 million and $0.5 million for the pro forma condensed combined statements of income for the year ended December 31, 2010 and the six months ended June 30, 2011, respectively.

(f) Amortization of intangible assets has been reflected as if the intangible assets purchased as part of the business combinations had been acquired on January 1, 2010. The intangible assets include noncompete agreements, customer-related intangibles, backlog, patents and tradenames. For our significant acquisitions, asset values were determined based upon third-party appraisals. We estimated the remaining useful lives, ranging from 5 to 15 years, of all acquired intangible assets and amortized those assets over their estimated remaining useful lives. The amount of amortization related to this adjustment was approximately $13.5 million and $6.1 million for the pro forma condensed combined statements of income for the year ended December 31, 2010 and the six months ended June 30, 2011, respectively. Non-recurring transaction expenses related to acquisitions have been eliminated.

(g) Interest expense reflects the estimated interest related to the debt incurred for the acquisitions as if the acquisitions occurred January 1, 2010. The interest rate used in the pro forma adjustments for the year ended December 31, 2010 and six months ended June 30, 2011 was the interest rate in effect at the time of each acquisition. The pro forma amount of interest expense for the debt related to the acquisitions for the year ended December 31, 2010 and six months ended June 30, 2011 was approximately $26.0 million and $12.2 million, respectively. A 1/8% change in the variable rate of interest for the year ended December 31, 2010 and six months ended June 30, 2011 would have reduced or increased net income by approximately $0.4 million and $0.2 million, respectively.

(h) In preparing the pro forma condensed combined statements of income for the year ended December 31, 2010 and six months ended June 30, 2011, we used the statutory tax rate in effect for the applicable jurisdiction at the time of each acquisition.

(i) The historical profit and loss accounts and balance sheet of AMC and P-Quip have been prepared in accordance with generally accepted accounting principles in the United Kingdom (“UK GAAP”). Such principles differ in certain respects from generally accepted accounting principles in the United States (“US GAAP”). There were no significant differences between UK GAAP and US GAAP that would require adjustments within this pro forma financial data. Additionally, for the purpose of presenting the unaudited pro forma condensed combined financial data, the adjusted income statements of AMC and P-Quip for the periods ended December 31, 2010 and June 30, 2011 have been translated into U.S. dollars at the average rates for the periods ended December 31, 2010 and June 30, 2011, respectively.

(j) The pro forma statement of income of the AMC Acquisition for the year ended December 31, 2010 was derived from the audited financial statements for the fiscal year ended April 30, 2011, minus the results of operations for the four months ended April 30, 2011, plus the results of operations for the four months ended April 30, 2010, as shown in the schedule below. The currency exchange rates used to convert AMC’s results of operations from British pound sterling

to U.S. dollars for the twelve months ended December 31, 2010 and the six months ended June 30, 2011 were 1.55 and 1.62, respectively.

AMC (in 000's of British sterling pound)	Twelve months Ended April 30, 2011	Four months ended April 30, 2011	Four months ended April 30, 2010	Twelve months ended December 31, 2010
Net Sales	£ 12,833	£ 4,691	£ 2,922	£ 11,064
Cost of Sales	5,756	1,324	1,711	6,143
Gross Profit	7,077	3,367	1,211	4,921
Selling, general and administrative expenses	1,920	880	255	1,265
Income from operations	5,157	2,487	956	3,626
Interest, expense, net				
Other, net	(2)	4	(5)	(11)
Income before income taxes	5,159	2,483	961	3,637
Income tax expense	1,522	695	269	1,018
Net income	£ 3,637	£ 1,788	£ 692	£ 2,619

The pro forma statement of income of the P-Quip Acquisition for the year ended December 31, 2010 was derived from the audited financial statements for the fiscal year ended May 31, 2011, minus the results of operations for the five months ended May 31, 2011, plus the results of operations for the five months ended May 31, 2010, as shown in the schedule below. The currency exchange rates used to convert P-Quip's results of operations from British pound sterling to U.S. dollars for the twelve months ended December 31, 2010 and the six months ended June 30, 2011 were 1.55 and 1.62, respectively.

P-QUIP (in 000's of British sterling pound)	Twelve months ended May 31, 2011	Five months ended May 31, 2011	Five months ended May 31, 2010	Twelve months ended December 31, 2010
Net Sales	£ 9,097	£ 4,898	£ 2,992	£ 7,191
Cost of Sales	4,659	2,753	1,314	3,220
Gross Profit	4,438	2,145	1,678	3,971
Selling, general and administrative expenses	1,122	495	323	950
Income from operations	3,316	1,650	1,355	3,021
Interest, expense, net				
Other, net	(5)			(5)
Income before income taxes	3,321	1,650	1,355	3,026
Income tax expense	579	374	200	847
Net income	£ 2,742	£ 1,276	£ 1,155	£ 2,179

Pro forma condensed combined balance sheet

As of June 30, 2011

	Forum	Companies acquired after June 30, 2011(a)	Acquisition adjustments(b)	Proforma combined	Offering adjustments(c)	Pro forma combined
						(In thousands) (Unaudited)
Cash	$ 66,137	$ 82,648	$ (71,904)	$ 76,881	$ —	$ 76,881
Accounts receivable	159,395	42,209	—	201,604	—	201,604
Inventories	217,024	51,250	—	268,274	—	268,274
Other current assets	39,034	1,488	—	40,522	—	40,522
Total current assets	481,590	171,208	(71,904)	587,282	—	587,282
Property and equipment, net	104,496	3,204	12,870	120,570	—	120,570
Deferred loan costs	7,749	—	—	7,749	—	7,749
Intangible assets, net	111,613	—	110,061	221,674	—	221,674
Goodwill	358,433	4,728	256,784	619,945	—	619,945
Other long-term assets	4,630	16	—	4,646	—	4,646
Total long-term assets	586,921	7,948	379,715	974,584	—	974,584
Total assets	$1,068,511	$ 185,544	$ 307,811	$1,561,866	$ —	$1,561,866
Accounts payable	81,044	14,363	—	95,407	—	95,407
Other current liabilities	115,644	7,047	—	122,691	—	122,691
Total current liabilities	196,688	21,410	—	218,098	—	218,098
Notes payable	279,668	102	452,788	732,558	(279,000)	453,558
Other noncurrent liabilities	19,784	—	—	19,784	—	19,784
Total liabilities	496,140	21,512	452,788	970,440	(279,000)	691,440
Common stock	18	1	(1)	18	—	18
Additional paid-in capital related to issued stock for recent acquisitions	—	—	19,056	19,056	—	19,056
Retained earnings	176,906	149,135	(149,135)	176,906	—	176,906
Other stockholders' equity	394,747	14,897	(14,897)	394,747	279,000	673,747
Total stockholders' equity	571,671	164,033	(144,977)	590,727	279,000	869,727
Noncontrolling interest	700	—	—	700	—	700
Total liabilities and stockholders' equity	$1,068,511	$ 185,544	$ 307,811	$1,561,866	$ —	$1,561,866

Note 1. Pro forma and offering adjustments to the balance sheet as of June 30, 2011

(a) The pro forma consolidated balance sheet reflects those acquisitions that occurred after June 30, 2011 as if they had occurred on June 30, 2011.

(b) The debt incurred for these acquisitions was approximately $452.8 million and stock issued related to these acquisitions was valued at $19.1 million. Preliminary estimates have been used to value property and equipment, intangible assets and goodwill. The preliminary allocation of the purchase price was based upon initial valuations. The estimates and assumptions used in these preliminary valuations are subject to change upon the receipt of the final valuations prepared by independent appraisers. The primary area of the purchase price yet to be finalized relates to intangible and identifiable assets and working capital adjustments. The adjustment to cash relates to the cash not included as part of the purchase.

(c) The pro forma consolidated balance sheet as of June 30, 2011 assumes offering proceeds of $279 million, net of $21 million in estimated offering expenses, and assumes the application of these net proceeds from this offering to repay all of the outstanding indebtedness under our revolving credit facility.

Selected historical consolidated financial data

You should read the following selected historical financial data in conjunction with “Unaudited pro forma condensed combined financial data,” “Management’s discussion and analysis of financial condition and results of operations” and our historical consolidated financial statements and related notes thereto included elsewhere in this prospectus. We believe that the assumptions underlying the preparation of our financial statements are reasonable. The financial data included in this prospectus may not be indicative of our future results of operations, financial position and cash flows.

The selected historical financial data as of December 31, 2009 and 2010 and for the years ended December 31, 2008, 2009 and 2010 are derived from our historical consolidated financial statements and related notes thereto included elsewhere in this prospectus. The selected historical financial data as of December 31, 2006, 2007 and 2008 and for the years ended December 31, 2006 and 2007 have been derived from our unaudited consolidated financial statements, which are not included in this prospectus. The historical financial data as of June 30, 2011 and for the six months ended June 30, 2010 and 2011 are derived from our unaudited consolidated financial statements and related notes thereto included elsewhere in this prospectus and have been prepared on a basis consistent with the audited financial statements and the notes thereto and include all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the financial data.

	Year ended December 31,					Six months ended June 30,	
	2006	2007	2008	2009	2010	2010	2011
	(unaudited)					(unaudited)	
	(in thousands, except per share information)						
Income Statement Data:							
Net sales	$230,607	$635,077	$972,551	$677,378	$747,335	$349,290	$460,506
Cost of sales	144,762	444,769	691,824	491,463	533,078	245,957	324,517
Gross profit	85,845	190,308	280,727	185,915	214,257	103,333	135,989
Operating expenses							
Selling, general and administrative expenses	43,896	93,694	146,943	128,562	141,441	64,597	78,880
Contingent consideration	—	—	—	—	—	—	5,800
Transaction expenses	—	—	—	—	—	—	2,616
Impairment of goodwill and other intangible assets	—	—	44,015	7,009	—	—	—
(Gain) loss on sale of assets	(2,018)	—	(619)	137	(461)	(123)	(420)
Total operating expenses	41,878	93,694	190,339	135,708	140,980	64,474	86,876
Income from operations	43,967	96,614	90,388	50,207	73,277	38,859	49,113
Other expense (income)							
Expenses related to the Combination	—	—	—	—	6,968	—	—
Deferred loan costs written off	—	—	—	—	6,082	—	—
Interest expense	6,712	21,718	24,704	19,451	18,189	9,242	7,689
Other, net	33	1,201	(2,065)	(1,088)	(2,308)	(981)	751
Total other expense (income)	6,745	22,919	22,639	18,363	28,931	8,261	8,440
Income from continuing operations before income taxes	37,222	73,695	67,749	31,844	44,346	30,598	40,673
Provision for income tax expense	13,104	28,282	32,938	11,011	20,297	10,235	14,383
Income from continuing operations	24,118	45,413	34,811	20,833	24,049	20,363	26,290
Loss from discontinued operations, net of taxes	—	—	(396)	(1,342)	—	—	—
Net income	24,118	45,413	34,415	19,491	24,049	20,363	26,290
Less: Income attributable to noncontrolling interest	(55)	(95)	(39)	(155)	(111)	(73)	(187)
Net income attributable to common stockholders	$ 24,063	$ 45,318	$ 34,376	$ 19,336	$ 23,938	$ 20,290	$ 26,103
Weighted average shares outstanding							
Basic	463	1,023	1,232	1,304	1,454	1,309	1,591
Diluted	476	1,043	1,261	1,322	1,468	1,322	1,658
Earnings per share							
Basic	$ 51.97	$ 44.30	$ 27.90	$ 14.83	$ 16.46	$ 15.50	$ 16.41
Diluted	$ 50.55	$ 43.45	$ 27.26	$ 14.63	$ 16.31	$ 15.35	$ 15.74

(in thousands)	2006 (unaudited)	2007 (unaudited)	2008 (unaudited)	As of December 31, 2009	2010	As of June 30, 2011 (unaudited)
Balance Sheet Data:						
Cash and cash equivalents	$ 7,227	$ 32,687	$ 19,941	$ 26,894	$ 20,348	$ 66,137
Net property, plant and equipment	23,497	72,479	109,194	96,747	90,632	104,496
Total assets	266,745	822,400	961,022	840,226	818,332	1,068,511
Long-term debt	110,952	326,696	321,962	236,937	204,715	279,668
Total stockholders' equity	94,414	306,052	376,961	401,927	462,523	571,671

(in thousands)	2006 (unaudited)	2007 (unaudited)	Year ended December 31, 2008	2009	2010	Six months ended June 30, 2010 (unaudited)	2011 (unaudited)
Other financial data:							
Net cash provided by operating activities	$ 13,770	$ 40,198	$ 112,463	$107,751	$ 65,981	$ 25,861	$ 1,906
Net cash used in investing activities	$ (88,224)	$ (388,350)	$(160,937)	$ (10,914)	$(19,216)	$ (5,045)	$ (84,825)
Net cash provided by / (used in) financing activities	$ 72,985	$ 369,770	$ 58,871	$ (94,532)	$(54,265)	$ (21,370)	$ 126,057

Management's discussion and analysis of financial condition and results of operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with "Selected historical consolidated financial data" and our financial statements and related notes appearing elsewhere in this prospectus. This discussion contains forward-looking statements based on our current expectations, estimates and projections about our operations and the industry in which we operate. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a variety of risks and uncertainties, including those described in this prospectus under "Cautionary note regarding forward-looking statements" and "Risk factors." We assume no obligation to update any of these forward-looking statements.

Overview

We are a global oilfield products company, serving the subsea, drilling, completion, production and process sectors of the oil and natural gas industry. We design and manufacture products, and engage in aftermarket services, parts supply and related services that complement our product offering. Our product offering and related services include a mix of highly engineered capital products and frequently replaced items that are consumed in the exploration and development of oil and natural gas reserves. We seek to design, manufacture and supply reliable, cost effective products that create value for our broad and diverse customer base, which includes oil and gas operators, land and offshore drilling contractors, well intervention service providers, subsea construction and service companies, pipeline operators and refinery and petrochemical plant operators, among others. We believe that we differentiate ourselves from our competitors on the basis of the quality of our products, the level of related service and support we provide and the collaborative approach we take with our customers to help them solve critical problems.

On August 2, 2010, we completed the Combination, through which FOT, Global Flow, Triton, Allied and Subsea were combined and became Forum Energy Technologies, Inc. Prior to the Combination, SCF Partners, through two of its private equity funds, controlled a majority of the voting interests in each of FOT, Global Flow, Triton and Subsea. SCF also held a controlling position with respect to Allied by virtue of its ownership of a substantial portion of Allied's issued and outstanding common stock and its contractual right to fill a majority of the directors' seats comprising the Allied Board of Directors. As a result, the mergers consummated in connection with the Combination are accounted for using the reorganization accounting method for entities under common control. Under this method of accounting, the consolidated financial statements and the discussions herein include the operating results of FOT, Global Flow, Triton, Allied and Subsea from the date on which each became controlled by SCF, which was May 2005, June 2005, February 2007, August 2007 and January 2007, respectively.

We operate in two business segments:

- *Drilling and Subsea Segment*. We design and manufacture products and provide related services to the drilling, well construction, completion, intervention and subsea construction and services markets. Through this segment, we offer drilling products, including capital equipment and a broad line of products consumed in the drilling process; downhole products, including cementing and casing tools and a range of downhole protection solutions; and subsea products, including capital equipment, specialty components and tooling, and applied products for subsea pipelines. We also provide a broad suite of complementary subsea technical services and rental items.

- *Production and Infrastructure Segment*. We design and manufacture products and provide related equipment and services to the well stimulation, completion, production and infrastructure markets. Through this segment, we supply surface production and process equipment, specialty pipeline construction equipment, a broad range of industrial and process valves and well stimulation and flow equipment, as well as provide related support services.

Recent acquisitions

We have made eight acquisitions this year, three of which are now included in the Production and Infrastructure Segment and five in the Drilling and Subsea Segment. The three Production and Infrastructure acquisitions comprise our new consumable flow equipment product line. For Drilling and Subsea, two of the acquisitions form our new downhole products line, two are additions to our drilling products offering, and one is an addition to subsea products offering.

We established our flow equipment platform in 2011 through the completion of three acquisitions. In February 2011, we acquired Wood Flowline Products, LLC ("WFP"), based out of Davis, Oklahoma, which sells flow equipment components used in fracturing and flowback operations and provides related inspection, recertification and refurbishment services. In April 2011, we acquired Phoinix Global LLC ("Phoinix"), based in Alice, Texas, which offers fluid-ends for frac pressure pumps, plug valves, relief valves, chokes, manifolds, manifold trailers and flow equipment transport trucks. In July 2011, we acquired SVP Products ("SVP"), based in Odessa, Texas, which provides recertification and refurbishment of flow equipment used in the well stimulation and flowback processes. SVP added access to critical growth basins in North America and had previously served as a channel to market for WFP and Phoinix products. The SVP Acquisition helps tie WFP and Phoinix into a stronger single product line, and provides a broader geographic footprint and critical customer relationships.

We formed our downhole products platform in July 2011 through the acquisition of Cannon Services Ltd. ("Cannon"), based in Stafford, Texas, which provides standard and customized clamp and stamped metal protection systems used to shield downhole control lines and gauges during their installation and to provide protection during production enhancement operations.

We considerably strengthened our newly established position in the downhole market in July 2011 through the acquisition of Davis-Lynch LLC ("Davis-Lynch"), based in Pearland, Texas which increases our ability to offer the mission critical products used during the completion phase of oil and natural gas well construction. Davis-Lynch is a 64 year old market leading manufacturer of proprietary downhole cementing and casing products which designs, manufactures and provides a full range of centralizers, float equipment, stage cementing tools, inflatable packers, flotation collars, cementing plugs, fill and circulation tools for running casing, casing hangars and surge reduction equipment.

We have made two acquisitions this year to add to our drilling products capabilities. In July 2011, we acquired AMC Global Group, Ltd. ("AMC"), based in Aberdeen, Scotland, which designs and manufactures specialized torque equipment for tubular connections, including high torque stroking units, fully rotational torque units, portable torque units for field deployment and related control systems, and provides aftermarket service. Simultaneously, we acquired P-Quip, Ltd. ("P-Quip"), based in Kilbirnie, Scotland, which is a manufacturer of proprietary mud pump fluid end assemblies, mud pump rod systems, liner retention systems, valve cover retention systems and other drilling flow control products. Both the AMC and P-Quip product lines serve to

enhance the safety and efficiency of modern drilling operations. They are complementary to our focus on tubular handling and drilling flow control products.

In May 2011, we completed the Specialist Acquisition, which enhanced our subsea products offering. Specialist designs and manufactures or assembles specialized ROV tooling for sale and rental and is based in Aberdeen, Scotland.

For additional information regarding our recent acquisitions, please read Note 16 to our audited consolidated financial statements included elsewhere in this prospectus.

Evaluation of operations

We manage our operations through the two business segments described above. We have focused on implementing financial reporting and controls at all of our operations to accelerate the availability of critical information necessary to support informed decision making. We use a number of financial and non-financial measures to routinely analyze and evaluate, on a segment and corporate level, the performance of our business, including the following:

- Safety;
- Revenue growth;
- Gross margin percentage;
- Selling, general and administrative expenses as a percentage of total revenue;
- Operating income and operating margin percentage;
- Earnings per share; and
- Free cash flow.

At the beginning of each year, we establish annual, quarterly and monthly plans for each product line based on our assessment of market conditions and opportunities. We re-evaluate and update these plans on at least a quarterly basis.

Safety. We measure safety by tracking the total recordable incident rate (“TRIR”), which is reviewed on a monthly basis. TRIR is a measure of the rate of recordable workplace injuries, defined below, normalized and stated on the basis of 100 workers for an annual period. The factor is derived by multiplying the number of recordable injuries in a calendar year by 200,000 (i.e., the total hours for 100 employees working 2,000 hours per year) and dividing this value by the total hours actually worked in the year. A recordable injury includes occupational death, nonfatal occupational illness and other occupational injuries that involve loss of consciousness, restriction of work or motion, transfer to another job, or medical treatment other than first aid.

Revenue growth. We compare actual revenue achieved each month to the most recent estimate for that month and to the annual plan for the month established at the beginning of the year. We monitor our revenue to analyze trends in the relative performance of each of our product lines as compared to standard revenue drivers or market metrics applicable to that product. We are particularly interested in identifying positive or negative trends and investigating to understand the root causes. We also evaluate changes in the mix of products sold and the resultant impact on reported gross margins.

Gross margin percentage. We define gross margin percentage as our gross margin, or net sales minus cost of sales, divided by our net sales. Our management continually evaluates our consolidated gross margin percentage and our gross margin percentage by segment to determine how each segment and the individual product lines within those segments are performing. This metric aids management in capital resource allocation and pricing decisions.

Selling, general and administrative expenses as a percentage of total revenue. Selling, general and administrative expenses include payroll related costs for sales, marketing, administrative, accounting, information technology, certain engineering and human resources functions; audit, legal and other professional fees; insurance; franchise taxes not based on income; travel and entertainment; advertising and promotions; bad debt expense; and other office and administrative related costs. Our management continually evaluates the level of our selling, general and administrative expenses in relation to our revenue and makes appropriate changes in light of activity levels to preserve and improve our profitability while meeting the on-going support and regulatory requirements of the business.

Operating income and operating margin percentage. We define operating income as revenue less cost of goods sold less selling, general and administrative expenses. We define our operating margin percentage as operating income divided by revenue. These metrics assist management in evaluating the performance of each segment as a whole, especially to determine whether the amount of administrative burden is appropriate to support current business activity levels.

Earnings per share. We calculate fully-diluted earnings per share as prescribed under GAAP, that is net income divided by common shares outstanding, giving effect for the assumed exercise of all outstanding options and warrants with a strike price less than the average fair value of the shares over the period covered for the calculation. We believe this measure is important as it reflects the sum total of operating results and all attendant capital decisions, showing in one number the amount earned for the stockholders of our Company.

Free cash flow. We define free cash flow as net income, increased by non-cash charges included in net income (e.g., depreciation and amortization and deferred income taxes), increased or decreased by changes in net working capital, less capital expenditures. We believe that this measure is important because it encompasses both profitability and capital management in evaluating results. Free cash flow represents the business' contribution in the generation of funds available to pay debt outstanding, invest in other areas, or return funds to our stockholders.

General trends and outlook

Sales of our products and services are driven primarily by traditional energy industry activity indicators, which include current and expected commodity prices, drilling rig counts, well completions and workover activity, geological characteristics of producing wells, which determine the intensity of services provided per well, oil and gas production levels, and customers' capital budgets. Oil and gas prices and the level of customer activity have been characterized by significant volatility in recent years. Oil and gas prices fell from previously historic levels beginning in mid-2008 and continued into 2009. As a result of the economic downturn that began in 2008 and the resulting decrease in commodity prices, customers significantly curtailed capital spending throughout 2009. Global economies generally improved and stabilized in 2010 and, as a result of rising expectations for energy demand and steady increases in oil prices from the depressed levels witnessed in 2009, our customers substantially increased their capital spending in 2010 and the first half of 2011.

We believe drivers of industry demand should remain favorable in most of our geographic markets. In addition to increased capital spending in the oil and gas industry generally, we have also identified the following trends in the oil and gas industry that we believe will positively affect our business in the coming years: (i) the increasing complexity of well construction, (ii) the

growing service intensity associated with unconventional resources, (iii) the increasing investment in subsea equipment and related services, (iv) the heightened focus on product maintenance and certification, (v) the recovery in global drilling activity and new rig replacement cycle and (vi) the development of heavy oil reserves in Canada. For more information regarding these industry trends, see “Business—Current trends in our industry.” Our customer targeting efforts, product development projects, aftermarket service offerings and mergers and acquisitions initiatives are focused on enhancing our exposure to these trends.

Any decrease in commodity prices or in the capital spending programs of our customers would adversely impact our business, financial condition or results of operations. Please see “Risk factors—We derive a substantial portion of our revenues from companies in or affiliated with the oil and natural gas industry, a historically cyclical industry, with levels of activity that are significantly affected by the levels and volatility of oil and natural gas prices. As a result, this cyclicality may cause fluctuations in our revenues and results of our operations.”

Factors affecting the comparability of our pro forma and our future results of operations to our historical results of operations

Our pro forma results of operations and our future results of operations may not be comparable to our historical results of operations for the periods presented, primarily for the reasons described below:

- The historical consolidated financial statements included in this prospectus are based on the separate businesses of FOT, Global Flow, Triton, Allied and Subsea for the periods prior to the Combination. As a result, the historical financial data may not give you an accurate indication of what our actual results would have been if the Combination had been completed at the beginning of the periods presented or of what our future results of operations are likely to be.
- Since the Combination, we have grown our business both organically and through strategic acquisitions. We have expanded and diversified our product portfolio and business lines with the acquisition of eight businesses in 2011 for a total consideration of approximately $586 million. These acquisitions accounted for 41% of our pro forma net income and 39% of our pro forma Adjusted EBITDA for the six months ended June 30, 2011. The historical financial data for prior years does not include the results of any of the acquired companies for the periods presented and, as such, does not give you an accurate indication of what our future results are likely to be.
- As we integrate the acquired companies and further implement controls, processes and infrastructure to operate in compliance with the regulatory requirements applicable to companies with publicly traded shares, it is likely that we will incur incremental selling, general and administrative expenses relative to historical periods.

Our future results will depend on our ability to efficiently manage our combined operations and execute our business strategy.

Results of operations

(in thousands of dollars, except per share information)	Year ended December 31, 2008	2009	2010	Six months ended June 30, 2010 (unaudited)	2011 (unaudited)
Revenue:					
Drilling and Subsea	$658,804	$455,019	$474,306	$221,949	$267,965
Production and Infrastructure	313,747	222,359	273,029	127,341	192,541
Total revenue	$972,551	$677,378	$747,335	$349,290	$460,506
Cost of sales:					
Drilling and Subsea	$454,129	$325,147	$327,848	$150,869	$185,263
Production and Infrastructure	237,695	166,316	205,230	95,088	139,254
Total cost of sales	$691,824	$491,463	$533,078	$245,957	$324,517
Gross profit:					
Drilling and Subsea	$204,675	$129,872	$146,458	$ 71,080	$ 82,702
Production and Infrastructure	76,052	56,043	67,799	32,253	53,287
Total gross profit	$280,727	$185,915	$214,257	$103,333	$135,989
Selling, general and administrative expenses:					
Drilling and Subsea	$ 98,395	$ 86,101	$ 92,924	$ 42,762	$ 42,636
Production and Infrastructure	48,548	42,461	45,186	21,835	26,261
Corporate	—	—	3,331	—	9,983
Total selling, general and administrative expenses	$146,943	$128,562	$141,441	$ 64,597	$ 78,880
Impairment of goodwill and intangible assets					
Drilling and Subsea	$ 39,239	$ 5,545	$ —	$ —	$ —
Production and Infrastructure	4,776	1,464	—	—	—
Total impairment of goodwill and intangible assets	$ 44,015	$ 7,009	$ —	$ —	$ —
Operating income:					
Drilling and Subsea	$ 67,041	$ 38,226	$ 53,534	$ 28,318	$ 40,066
Production and Infrastructure	22,728	12,118	22,613	10,418	27,026
Corporate	—	—	(3,331)	—	(9,983)
Total segment operating income	89,769	50,344	72,816	38,736	57,109
Contingent consideration	$ —	$ —	$ —	$ —	$ 5,800
Transaction expenses	—	—	—	—	2,616
Gain/(loss) on sale of assets	619	(137)	461	123	420
Income from operations	90,388	50,207	73,277	38,859	49,113
Interest expense, net	24,704	19,451	18,189	9,242	7,689
Expenses related to the Combination	—	—	6,968	—	—
Deferred loan costs written off	—	—	6,082	—	—
Other (income) expense, net	(2,065)	(1,088)	(2,308)	(981)	751
Income before income taxes	67,749	31,844	44,346	30,598	40,673
Income tax expense	32,938	11,011	20,297	10,235	14,383
Loss from discontinued operations, net of taxes	396	1,342	—	—	—
Net income	34,415	19,491	24,049	20,363	26,290
Income (loss) attributable to non-controlling interest	(39)	(155)	(111)	(73)	(187)
Income attributable to common stockholders	$ 34,376	$ 19,336	$ 23,938	$ 20,290	$ 26,103
Weighted average shares outstanding					
Basic	1,232	1,304	1,454	1,309	1,591
Diluted	1,261	1,322	1,468	1,322	1,658
Earnings per share					
Basic	$ 27.90	$ 14.83	$ 16.46	$ 15.50	$ 16.41
Diluted	27.26	14.63	16.31	15.35	15.74

Six months ended June 30, 2011 compared to six months ended June 30, 2010

Revenue

Our revenue for the six months ended June 30, 2011 increased $111.2 million, or 31.8%, compared to the six months ended June 30, 2010. For the six months ended June 30, 2011, our Drilling and Subsea Segment and our Production and Infrastructure Segment comprised 58.2% and 41.8% of our total revenue, respectively, compared to 63.5% and 36.5%, respectively, for the six months ended June 30, 2010. The revenue increase by operating segment was comprised as follows:

Drilling and Subsea Segment—Revenue increased $46.0 million, or 20.7%, to $267.9 million during the six months ended June 30, 2011 compared to the six months ended June 30, 2010. The increase in revenue over the 2010 period was primarily due to the following:

- Approximately $26.1 million of this increase was from drilling products sales attributable to higher drilling activity in the United States and Canada as reflected by the 24% increase in the average North American drilling rig count between the two periods. The higher revenue related to land rigs was in line with the higher rig count, partially offset by an $8.9 million decrease in sales of capital equipment for new offshore rig construction.
- Approximately $19.9 million of this increase was from higher subsea product sales. We completed a significant project in Australia during the first half of 2011, which almost doubled our offshore pipeline services revenue with an increase of $8.8 million, compared to the lower demand for these services experienced in the first half of 2010. Late in the fourth quarter of 2010, we introduced ROVDrill™, a new subsea sampling and data acquisition system, which produced $4.3 million in revenue in the first half of 2011. Our offshore rental products business achieved 50% higher revenue, reporting $5.4 million more in the first half of 2011 than the first half of 2010 due to increased demand for these products. One month of revenue of $0.6 million was recognized in 2011 after completion of the Specialist Acquisition.

Production and Infrastructure Segment—Revenue increased $65.2 million, or 51.2%, to $192.5 million during the six months ended June 30, 2011 compared to the six months ended June 30, 2010. The increase in revenue over the 2010 period was primarily due to the following:

- $32.5 million from the Wood Flowline Acquisition and the Phoinix Acquisition.
- Approximately $21.0 million for incremental production equipment sales, from a combination of higher capital spending by existing customers and the addition of sales to new customers.
- Approximately $12.0 million from valve solutions due to more project orders and an increase in our Canadian market presence.

Cost of sales and gross margin percentage

Our overall cost of sales increased $78.6 million, or 32.0%, for the six months ended June 30, 2011 compared to the six months ended June 30, 2010. Overall gross margin percentage for the six months ended June 30, 2011 was 29.5% compared to 29.6% for the six months ended June 30, 2010.

Drilling and Subsea Segment—Cost of sales increased $34.4 million, or 22.8%, for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to increased

shipments. Drilling and Subsea gross margin percentage for the six months ended June 30, 2011 was 30.9% compared to 32.0% for the six months ended June 30, 2010. The decrease in gross margin percentage resulted from (1) costs associated with manufacturing initiatives to improve quality and reliability for tubular handling tools, (2) lower margins on the Australian offshore pipe joint services project caused by higher labor costs in that region, and (3) lower margins on ROV system components purchased from third parties.

Production and Infrastructure Segment—Cost of sales increased $44.2 million, or 46.4%, for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 due to increased shipments, including $20.1 million attributable to the Wood Flowline Acquisition and the Phoinix Acquisition. Gross margin percentage improved for the six months ended June 30, 2011 to 27.7% from 25.3% for the six months ended June 30, 2010. The increase in segment gross margin percentage resulted from efficiencies achieved on higher production volumes and the acquisition of the higher margin flow equipment businesses.

Selling, general and administrative expenses

Selling, general and administrative expenses increased $14.3 million, or 22.1%, for the six months ended June 30, 2011 compared to the six months ended June 30, 2010. As a percentage of revenue, selling, general and administrative expenses declined to 17.1% for the six months ended June 30, 2011 from 18.5% for the six months ended June 30, 2010. The increase in selling, general and administrative expenses by segment and for corporate was as follows:

Drilling and Subsea Segment—Selling, general and administrative expenses for this segment was approximately the same for the six months ended June 30, 2011 compared to the six months ended June 30, 2010. As a percentage of revenue, these expenses declined to 15.9% for the six months ended June 30, 2011 from 19.3% in the six months ended June 30, 2010, the reduction achieved by keeping administrative costs effectively constant during a period of increased production.

Production and Infrastructure Segment—Selling, general and administrative expenses for this segment increased $4.4 million, or 20.3%, for the six months ended June 30, 2011, compared to the six months ended June 30, 2010. As a percentage of revenue, these expenses declined to 13.6% for the six months ended June 30, 2011 from 17.1% in the six months ended June 30, 2010. The increase in expenses was due to payroll related costs incurred to support higher activity levels, especially for production equipment, and approximately $2.2 million was attributable to expenses incurred by the newly acquired flow equipment businesses.

Corporate—Selling, general and administrative expenses for Corporate were $10.0 million for the six months ended June 30, 2011. Corporate costs are not shown separately in the prior period as these similar costs prior to the Combination were imbedded in the segment results of the legacy companies that combined. Corporate costs included, among other items, payroll related costs for general management and management of finance and administration, legal, human resources and information technology; professional fees for legal, accounting and related services; and marketing costs.

Operating income and operating margin percentage

Drilling and Subsea Segment—Operating income increased $11.7 million, or 41.5%, for the six months ended June 30, 2011, compared to the six months ended June 30, 2010. Operating margin percentage increased to 15.0% for the six months ended June 30, 2011 from 12.7% for

the six months ended June 30, 2010. Operating margin percentage increased primarily because of lower selling, general and administrative expenses as a percentage of revenue offset by the lower gross profit margins between periods.

Production and Infrastructure Segment—Operating income increased $16.6 million, or 159%, for the six months ended June 30, 2011, compared to the six months ended June 30, 2010. Operating margin percentage increased to 14.0% for the six months ended June 30, 2011 from 8.2% for the six months ended June 30, 2010. The increased operating income and operating margin percentage was due to the higher gross margins achieved and from the acquired flow equipment businesses.

Interest expense

We incurred $7.7 million of interest expense during the six months ended June 30, 2011, a decrease of $1.6 million from the six months ended June 30, 2010. The decrease in interest was attributable to the reduction in debt levels between the periods as total debt decreased from $271.9 million at January 1, 2010 to $207.9 million at December 31, 2010. This lower debt level remained during most of the second quarter of 2011 resulting in lower interest expense. Debt did increase during the six month period related to the acquisitions, but this debt was not outstanding for the entire period. Also, interest is lower than in the prior year period due to the interest paid on the mandatorily redeemable preferred stock that was fully redeemed in 2010.

Taxes

Tax expense includes current income taxes expected to be due based on taxable income to be reported during the periods in the various jurisdictions in which we conduct business, and deferred income taxes based on changes in the tax effect of temporary differences between the bases of assets and liabilities for financial reporting and tax purposes at the beginning and end of the respective periods. The effective tax rate, calculated by dividing total tax expense by income before income taxes, was 35.4% and 33.4% for the six months ended June 30, 2011 and 2010, respectively. The tax provision for the first half of 2011 is higher than the comparable period in 2010 primarily because our proportion of U.S. earnings, which are subject to a higher rate, and because the applicable U.S. statutory rate for 2011 for the combined companies is 35% while in 2010 several of the legacy companies in the Combination qualified for the lower statutory rate of 34% due to the size of the respective companies.

Year ended December 31, 2010 compared to year ended December 31, 2009

Revenue

Our revenue for the year ended December 31, 2010 increased $70.0 million, or 10.3%, compared to the year ended December 31, 2009. For the year ended December 31, 2010, our Drilling and Subsea Segment and our Production and Infrastructure Segment comprised 63.5% and 36.5% of our total revenue, respectively, compared to 67.2% and 32.8%, respectively, for the year ended December 31, 2009. The revenue increase by operating segment was as follows:

Drilling and Subsea Segment—Revenue increased $19.3 million, or 4.2%, to $474.3 million during the year ended December 31, 2010 compared to the year ended December 31, 2009. Revenue in the drilling product lines increased by approximately $22.1 million, primarily as a result of the approximately 45% increase in the average North American drilling rig count between the two

periods. Orders for drilling products to be used on land rigs did not accelerate until the second half of 2010, as customers exhausted their existing consumables inventories in the first half of the year and as their ability to use equipment and supplies from previously stacked rigs diminished in the face of higher rig utilization. This revenue increase attributable to improvements in the land rig market was partially offset by a reduction in sales of manifolds and cranes used on offshore rigs.

Production and Infrastructure Segment—Revenue increased $50.7 million, or 22.8%, to $273.0 million during the year ended December 31, 2010 compared to the year ended December 31, 2009. The increase in revenue from sales of production equipment and valve products was approximately $37.9 million and $12.8 million, respectively. The increase in revenue was attributable to improved market conditions, the successful addition of several new customers and expansion into new geographic markets in the United States for production equipment products.

Cost of sales and gross margin percentage

Our overall cost of sales increased $41.6 million, or 8.5%, for the year ended December 31, 2010 compared to the year ended December 31, 2009. Overall gross margin percentage for the year ended December 31, 2010 was 28.7% compared to 27.4% for the year ended December 31, 2009.

Drilling and Subsea Segment—Cost of sales increased $2.7 million, or 0.8%, for the year ended December 31, 2010 compared to the year ended December 31, 2009 due to increases in shipments as reflected in higher revenue. Gross margin percentage for the year ended December 31, 2010 was 30.9% compared to 28.5% for the year ended December 31, 2009. The increase in gross margin percentage resulted primarily from efficiencies achieved on increased production of our drilling products and from implementation of manufacturing process improvements for certain of our drilling products, in particular our catwalk systems and blowout preventers.

Production and Infrastructure Segment—Cost of sales increased $38.9 million, or 23.4%, for the year ended December 31, 2010 compared to the year ended December 31, 2009 due to increases in shipments as reflected in higher revenue. Gross margin percentage was down slightly for the year ended December 31, 2010 to 24.8% compared to 25.2% for the year ended December 31, 2009. The slight decrease was attributable to lower margins on the mix of valves sold during 2010, partially offset by cost controls implemented in 2009, that remained in place during 2010.

Selling, general and administrative expenses

Selling, general and administrative expenses increased $12.9 million, or 10.0%, for the year ended December 31, 2010 compared to the year ended December 31, 2009. As a percentage of revenue, selling, general and administrative expenses decreased slightly to 18.9% for the year ended December 31, 2010 from 19.0% for the year ended December 31, 2009. The increase in selling, general and administrative expenses by segment and for corporate was as follows:

Drilling and Subsea Segment—Selling, general and administrative expenses increased $6.8 million, or 7.9%, for the year ended December 31, 2010, compared to the year ended December 31, 2009. As a percentage of revenue, these expenses increased to 19.6% for the year ended December 31, 2010 from 18.9% in the year ended December 31, 2009. The increase in these expenses exceeded revenue growth due to: (1) costs incurred to close the Jupiter, Florida ROV manufacturing facility; and (2) additional stock-based compensation expense related to the Combination.

Production and Infrastructure Segment—Selling, general and administrative expenses increased $2.7 million, or 6.4%, for the year ended December 31, 2010, compared to the year ended December 31, 2009. As a percentage of revenue, these expenses declined to 16.5% for the year ended December 31, 2010 from 19.1% in the year ended December 31, 2009. The increase in dollar costs was due to increased payroll-related expenses to support activity, especially for production equipment as this product line was introduced into new geographic locations.

Corporate—Selling, general and administrative expenses for corporate was $3.3 million for the year ended December 31, 2010. Corporate costs are not shown separately prior to the Combination as these similar costs were imbedded in the segment results of the legacy companies before August 2, 2010.

Operating income and operating margin percentage

Drilling and Subsea Segment—Operating income increased $15.3 million, or 40.0%, during the year ended December 31, 2010 compared to the year ended December 31, 2009. Operating margin percentage increased to 11.3% for 2010 compared to 8.4% for 2009. The increases in operating income and operating margins primarily resulted from higher gross margins during 2010 as compared to 2009, offset slightly by the increase in selling, general and administrative costs for the same period. Additionally, a loss of $5.5 million was recognized during the year ended December 31, 2009 for impairment of goodwill caused by the change in market conditions and declining operating results and outlook related to certain subsea product lines.

Production and Infrastructure Segment—Operating income increased $10.5 million, or 86.6%, during the year ended December 31, 2010 compared to the year ended December 31, 2009 primarily due to the increased revenue as discussed above. Operating margin percentage increased to 8.3% in the year ended December 31, 2010 from 5.4% in 2009 as a result of efficiencies achieved on the higher activity levels and overall selling, general and administrative costs rising at a lesser rate than revenue. Further, a loss of $1.5 million was recognized during the year ended December 31, 2009 for impairment of certain trademark intangible assets.

Interest expense

We incurred $18.2 million of interest expense during the year ended December 31, 2010, a decrease of $1.3 million from the year ended December 31, 2009. This decrease was attributable to a reduction in total debt from approximately $289.9 million at the end of 2009 to $208.0 million at the end of 2010, partially offset by increased amortization of approximately $1.8 million of upfront loan costs in connection with the execution of our new revolving credit facility.

Taxes

The effective tax rate, calculated by dividing total tax expense by income before income taxes, was 45.8% for the year ended December 31, 2010 and 34.6% for the year ended December 31, 2009. The tax rate for 2010 is higher than for 2009 primarily due to certain expenses incurred as part of the Combination included in profit before taxes not being deductible for tax purposes. In addition, our U.S. statutory rate in 2010 is 35% while several of the legacy companies in the Combination were taxed at a statutory rate of 34% in 2009 due to the size of their respective operations.

Year ended December 31, 2009 compared to year ended December 31, 2008

Revenue

Our revenue for the year ended December 31, 2009 decreased $295.2 million, or 30.4%, compared to the year ended December 31, 2008. For the year ended December 31, 2009, our Drilling and Subsea Segment and our Production and Infrastructure Segment comprised 67.2% and 32.8% of our total revenue, respectively, compared to 67.7% and 32.3%, respectively, for the year ended December 31, 2008. The revenue decrease by operating segment was as follows:

Drilling and Subsea Segment—Revenue decreased $203.8 million, or 30.9%, to $455.0 million during the year ended December 31, 2009 compared to the year ended December 31, 2008. Approximately $136.0 million of this decrease resulted from a decline in drilling product sales due to the sudden and steep reduction in drilling activity reflected by the 42% drop in North American rig count over the periods. As a result of the economic downturn that began in 2008 and the decrease in commodity prices, customers significantly curtailed drilling and completion spending throughout 2009. Consumable products sales and repair services experienced the largest declines in revenue with certain capital products such as manifolds and catwalks remaining more resilient as they worked off 2008 backlog. The remaining decrease resulted from a decline in subsea product sales, primarily because the economic downturn negatively impacted the number of ROVs sold in 2009 and other products and services related to subsea activity.

Production and Infrastructure Segment—Revenue decreased $91.4 million, or 29.1%, to $222.4 million during the year ended December 31, 2009 compared to the year ended December 31, 2008. The decrease in revenue resulted from our customers' reduced activity levels in the face of the economic downturn that began in 2008 and the resulting lower commodity prices.

Cost of sales and gross margin percentage

Our overall cost of sales decreased $200.4 million, or 29.0%, for the year ended December 31, 2009 compared to the year ended December 31, 2008. Overall gross margin percentage for the year ended December 31, 2009 decreased to 27.4% compared to 28.9% for the year ended December 31, 2008.

Drilling and Subsea Segment—Cost of sales decreased $129.0 million, or 28.4%, for the year ended December 31, 2009 compared to the year ended December 31, 2008 due to decreases in shipments as reflected in lower revenue. Gross margin percentage for the year ended December 31, 2009 was 28.5% compared to 31.1% for the year ended December 31, 2008. The decrease in gross margin percentage was caused by the severe reduction in production levels in our manufacturing facilities due to decreased customer demand. In response to the economic downturn, our business reacted early and swiftly to preserve margins by closing four North American facilities and significantly reducing its worldwide workforce.

Production and Infrastructure Segment—Cost of sales decreased $71.4 million, or 30.0%, for the year ended December 31, 2009 compared to the year ended December 31, 2008 due to decreases in shipments as reflected in lower revenue. Gross margin percentage for the year ended December 31, 2009 improved to 25.2% compared to 24.2% for the year ended December 31, 2008. The improvement in gross margin percentage year over year was achieved as a result of management's focus on controlling costs. We also achieved better margins from our Gainesville, Texas production equipment manufacturing facility in 2009 as it began operations in mid-2008 and reached full production levels by late 2008.

Selling, general and administrative expenses

Selling, general and administrative expenses decreased $18.4 million, or 12.5%, for the year ended December 31, 2009 compared to the year ended December 31, 2008. As a percentage of revenue, selling, general and administrative expenses increased to 19.0% for the year ended December 31, 2009 from 15.1% for the year ended December 31, 2008. The decrease in selling, general and administrative expenses by each segment was as follows:

Drilling and Subsea Segment—Selling, general and administrative expenses decreased $12.3 million, or 12.5%, for the year ended December 31, 2009, compared to the year ended December 31, 2008. As a percentage of revenue, these expenses increased to 18.9% for the year ended December 31, 2009 from 14.9% in the year ended December 31, 2008. The dollar decrease in these expenses was a result of cutting costs across the Drilling and Subsea Segment in 2009. Costs were eliminated by closing several facilities, reducing headcount for sales and administrative support personnel, reducing commissions on lower sales volumes and decreasing marketing costs.

Production and Infrastructure Segment—Selling, general and administrative expenses decreased $6.1 million, or 12.5%, for the year ended December 31, 2009, compared to the year ended December 31, 2008. As a percentage of revenue, these expenses increased to 19.1% for the year ended December 31, 2009 from 15.5% in the year ended December 31, 2008. The dollar decrease was a result of implementing cost saving measures, such as reducing headcount and eliminating certain incentive bonuses.

Operating income and operating margin percentage

Drilling and Subsea Segment—Operating income decreased $28.8 million, or 43.0%, during the year ended December 31, 2009 compared to the year ended December 31, 2008. Operating income includes an impairment loss of $39.2 million in 2008 and $5.5 million in 2009. Operating margin percentage, excluding these impairment charges, was 9.6% and 16.1% in 2009 and 2008, respectively. The decrease in this adjusted operating income amount and margin percentage was due to the reduction in revenue and gross margins as discussed above, the increased selling, general and administrative expenses as a percentage of revenue also discussed above and a $5.5 million loss incurred in 2009 due to an impairment of goodwill related to the change in market conditions and declining operating results related to certain subsea product lines, partially offset by a $39.2 million loss incurred by this segment during 2008 due to an impairment of goodwill and the intangible assets of customer relationships and non-compete contracts. The 2008 impairment loss was as a result of the change in market conditions for the repair and refurbishment business and the business' declining operating results.

Production and Infrastructure Segment—Operating income decreased $10.6 million, or 46.7%, during the year ended December 31, 2009 compared to the year ended December 31, 2008, primarily due to the decreased revenue as discussed above. Operating margin percentage decreased to 5.4% for 2009 from 7.2% in 2008. Furthermore, we incurred a $1.5 million loss during the year ended December 31, 2009 for the impairment of certain trademark intangible assets, and a $4.8 million loss during the year ended December 31, 2008 for the impairment of goodwill and certain trademarks, both losses caused by declining economic conditions and operating results.

Interest expense

We incurred $19.5 million of interest expense during the year ended December 31, 2009, a decrease of $5.3 million from the year ended December 31, 2008. This decrease is attributable to the substantial reduction in debt levels as all of the businesses focused on reducing investments in working capital and curtailing capital spending. Over the course of the year, debt levels were reduced from approximately $371.8 million at the beginning of 2009 to $289.9 million at the end of the year.

Taxes

The effective tax rate was 34.6% for the year ended December 31, 2009 and 48.6% for the year ended December 31, 2008. The tax rate for 2009 is lower than for 2008 primarily due to the impairment of goodwill recorded in 2008 for which there was no tax benefit.

Liquidity and capital resources

Sources and uses of liquidity

Our internal sources of liquidity are cash on hand and cash flows from operations, while our primary external sources include our revolving credit facility described below, trade credit and sales of our common stock. Our primary uses of capital have been for acquisitions, on-going maintenance or growth capital expenditures, inventories and sales on credit to our customers. We continually monitor potential capital sources, including equity and debt financing, in order to meet our investment and target liquidity requirements. Our future success and growth will be highly dependent on our ability to continue to access outside sources of capital.

Our total 2011 capital expenditure budget is $60.2 million, which consists of, among other items, investments in expanding our rental fleet of subsea equipment, expanding certain manufacturing facilities and purchasing of machinery and equipment. This budget does not include expenditures for potential business acquisitions.

While we have budgeted $60.2 million for the year ending December 31, 2011, the actual amount of capital expenditures may fluctuate based on market conditions. For the first six months of 2011, we have incurred $20.3 million for capital expenditures, which has been funded from borrowings under our revolving credit facility and internally generated funds. We believe the net proceeds from this offering, together with cash flows from operations and additional borrowings under our revolving credit facility, should be sufficient to fund our requirements for the remainder of 2011 and for 2012.

Although we do not budget for acquisitions, pursuing growth through acquisitions is a significant part of our business strategy. We have expanded and diversified our product portfolio and business lines with the acquisition of eight businesses in 2011 for a total consideration of approximately $586 million. We used cash on hand and borrowings under our revolving credit facility to finance these acquisitions. We continue to actively review acquisition opportunities on an ongoing basis. Our ability to make significant additional acquisitions for cash will require us to obtain additional equity or debt financing, which we may not be able to obtain on terms acceptable to us or at all.

On August 2, 2010, we entered into a senior secured credit facility, under which we may borrow up to $450 million. Effective June 29, 2011, we amended our senior secured revolving credit

facility to, among other things, increase the commitment to $750 million. As of June 30, 2011, we had $279.6 million of indebtedness outstanding under our revolving credit facility. We have incurred an additional $452.8 million of indebtedness under our revolving credit facility in connection with our five acquisitions completed after June 30, 2011. For more information regarding our revolving credit facility, see "—Our senior secured credit facility."

Our cash flows for the years ended December 31, 2008, 2009 and 2010 and for the six months ended June 30, 2010 and 2011 are presented below (in millions):

	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
Net cash provided by operating activities	$ 112.5	$ 107.8	$ 66.0	$ 25.9	$ 1.9
Net cash used in investing activities	(160.9)	(10.9)	(19.2)	(5.0)	(84.8)
Net cash provided by/(used in) financing activities	58.9	(94.5)	(54.3)	(21.4)	126.1
Net increase (decrease) in cash and cash equivalents	(12.7)	7.0	(6.5)	(1.2)	45.8
Free cash flow (unaudited)	72.9	92.7	46.4	21.1	(18.6)

A reconciliation of free cash flow to cash flow from operating activities is as follows:

	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
Free cash flow—Reconciliation:					
Cash flow from operating activities	$112.5	$107.8	$ 66.0	$ 25.9	$ 1.9
Capital expenditures for property and equipment	(39.6)	(15.1)	(19.6)	(4.8)	(20.5)
Free cash flow	$ 72.9	$ 92.7	$ 46.4	$ 21.1	$ (18.6)

Cash flows provided by operating activities

Net cash provided by operating activities was $66.0 million for the year ended December 31, 2010 and $107.8 million for the year ended December 31, 2009. This $41.8 million reduction in operating cash flow was primarily due to the significant changes in market conditions, with our business contracting during the global economic downturn in 2009, allowing for reductions in our investments in working capital, and a return to growth with modest investments in working capital during 2010 as the economy recovered. Net cash provided by operating activities was $1.9 million for the six months ended June 30, 2011, and net cash provided by operations was $25.9 million for the six months ended June 30, 2010. This change in cash flows was also driven by our investment in working capital due to higher business activity levels as we strategically stocked inventories in our regional distribution centers in order to meet the increased demand.

Net cash provided by operating activities was $112.5 million for the year ended December 31, 2008 and $107.8 million for the year ended December 31, 2009. This $4.7 million reduction in operating cash flow was primarily due to the significant changes in market conditions, with our business contracting during the global economic downturn in 2009, partially offset by a reduction in working capital investments in the year ended December 31, 2009.

Our operating cash flows are sensitive to a number of variables, the most significant of which is the level of drilling and production activity for oil and natural gas reserves. These activity levels

are in turn impacted by the volatility of oil and natural gas prices, regional and worldwide economic activity and its effect on demand for hydrocarbons, weather, infrastructure capacity to reach markets and other variable factors. These factors are beyond our control and are difficult to predict. For additional information on the impact of changing prices on our financial position, see "— Quantitative and qualitative disclosures about market risk" below.

Cash flows used in investing activities

Net cash used in investing activities of $19.2 million for the year ended December 31, 2010 was $8.3 million higher than for the year ended December 31, 2009. The increase was primarily attributable to investing in property and equipment as market conditions improved. Other than capital required for acquisitions, we expect to fund all maintenance and other growth capital expenditures from our current cash on hand and from internally generated funds. Net cash used in investing activities was $84.8 million and $5.0 million for the six months ended June 30, 2011 and June 30, 2010, respectively, a $79.8 million increase. Of this increase, $32.7 million was for the Wood Flowline Acquisition, $23.6 million was for the Phoinix Acquisition and $9.0 million was for the Specialist Acquisition, while the remaining amount was primarily attributable to increased investments in property and equipment.

Net cash used in investing activities was $160.9 million for the year ended December 31, 2008 compared to $10.9 million for the year ended December 31, 2009. This change was primarily due to $134.0 million of cash used for acquisitions of businesses for the year ended December 31, 2008 compared to $1.7 million in the year ended December 31, 2009.

Cash flows provided by financing activities

Net cash used in financing activities was $54.3 million and $94.5 million for the years ended December 31, 2010 and December 31, 2009, respectively. For the year ended December 31, 2010, we used a net of $83.4 million to pay down our long-term debt, and in conjunction with the Combination we repurchased $25 million of our common stock, and we issued $64.9 million in new shares for cash. The remaining use of cash was primarily for debt issue costs. For the year ended December 31, 2009, we paid down long-term debt by $94.5 million from internally generated cash flows from operations. Net cash provided by financing activities was $126.1 million for the six months ended June 30, 2011, primarily from draws on our credit facility and proceeds from stock issuances, and cash used in financing activities was $21.4 million for the six months ended June 30, 2010, primarily for the repayment of long-term debt.

Net cash used in financing activities was $58.9 million for the year ended December 31, 2008 compared to cash provided by financing activities of $94.5 million for the year ended December 31, 2009. This change was due to $94.1 million in net payments on long-term debt for the year ended December 31, 2009, compared to $36.3 million in net borrowings in the year ended December 31, 2008. Also, we received an insignificant amount of proceeds from stock issuances in the year ended December 31, 2009, but we received $25.7 million in proceeds from stock issuances in the year ended December 31, 2008.

Our senior secured credit facility

We have a senior secured credit facility (as amended, the "credit agreement") with Wells Fargo Bank, National Association, as Administrative Agent, and certain other financial institutions. The credit agreement provides for a $750.0 million revolving credit facility, including up to $75.0 million for letters of credit and up to $25.0 million in swingline loans, and matures in August 2014.

As of June 30, 2011, we had borrowings of $279.6 million under the credit agreement. We had undrawn availability under our credit facility of approximately $210 million at December 31, 2010 and approximately $292 million at June 30, 2011. Effective June 29, 2011, we amended our senior secured credit facility to, among other things, increase the commitment to $750 million and have incurred an additional $452.8 million of indebtedness under our credit facility in connection with our five acquisitions completed after June 30, 2011. As of August 29, 2011 we had borrowings of approximately $687 million and undrawn availability of approximately $58 million under our amended credit facility.

It is anticipated that future borrowings under the credit agreement will be available for working capital and general corporate purposes, for permitted mergers and acquisitions, and for permitted distributions. It is anticipated that the revolving credit facility under the credit agreement will be available to be drawn on and repaid during the term thereof so long as we are in compliance with the terms of the credit agreement, including certain financial covenants.

The credit agreement contains various covenants that, among other things, limit our ability to grant certain liens, make certain loans and investments, to make capital expenditures above a threshold amount, make distributions, enter into mergers or acquisitions unless certain conditions are satisfied, enter into hedging transactions, change our lines of business, prepay certain indebtedness, enter into certain affiliate transactions or engage in certain asset dispositions. Additionally, the credit agreement limits our ability to incur additional indebtedness with certain exceptions.

The credit agreement also contains financial covenants, which, among other things, require us, on a consolidated basis, to maintain specified financial ratios or conditions summarized as follows:

- Total funded debt to adjusted EBITDA (as defined as the “Leverage Ratio” in the credit agreement) of not more than 3.75 to 1.0 for fiscal quarters ending through December 31, 2011, 3.50 to 1.0 for fiscal quarters ending from January 1, 2012 through December 31, 2012, 3.25 to 1.0 for fiscal quarters ending from January 1, 2013 through December 31, 2013 and 3.00 to 1.0 for fiscal quarters ending thereafter;
- Adjusted EBITDA to interest expense (as defined as the “Interest Coverage Ratio” in the credit agreement) of not less than 3.0 to 1.0; and
- Balance sheet debt to total capitalization (as defined as the “Capitalization Ratio” in the credit agreement) of not more than 0.65 to 1.0.

We were in compliance with the aforementioned financial covenants at December 31, 2010 and June 30, 2011.

Under the credit agreement, EBITDA is defined to generally exclude the effect of non-cash items, and to give pro forma effect to acquisitions and non-ordinary course asset sales (with adjustments to EBITDA of the acquired businesses or related to the sold assets to be made in accordance with the guidelines for pro forma presentations set forth by the SEC or in a manner otherwise reasonably acceptable to the Administrative Agent under the credit agreement). All of the obligations under the credit agreement are secured by first priority liens (subject to permitted liens) on substantially all of the assets of the Company and its domestic restricted subsidiaries, with exceptions for real property and certain other assets set forth in the credit agreement. Additionally, all of the obligations under the credit agreement are guaranteed by the wholly-owned domestic subsidiaries of the Company.

We have the ability to elect the interest rate applicable to borrowings under the credit agreement. Interest under the credit agreement may be determined by reference to (1) the London interbank offered rate, or LIBOR, plus an applicable margin between 2.0% and 3.75% per annum (with the applicable margin depending upon our ratio of total funded debt to adjusted EBITDA) or (2) the Adjusted Base Rate plus an applicable margin between 0.5% and 2.25% per annum (with the applicable margin depending upon our ratio of total funded debt to adjusted EBITDA). The Adjusted Base Rate will be equal to the highest of (1) the Federal Funds Rate, as published by the Federal Reserve Bank of New York, plus one half of 1.0%, (2) the prime rate of Wells Fargo Bank, National Association, as established from time to time at its principal U.S. office and (3) daily LIBOR for an interest period of one-month plus 1.5%. The weighted average interest rates at June 30, 2011 and December 31, 2010 on all outstanding principal amounts of indebtedness under the credit agreement were 4.5% and 3.0%, respectively.

Interest is payable quarterly for base rate loans and at the end of applicable interest periods for LIBOR loans, except that if the interest period for a LIBOR loan is longer than three months, interest is paid at the end of each three-month period.

If an event of default exists under the credit agreement, the lenders have the right to accelerate the maturity of the obligations outstanding under the credit agreement and exercise other rights and remedies. Each of the following constitutes an event of default under the credit agreement:

- Failure to pay any principal when due or any interest, fees or other amount within certain grace periods;
- Representations and warranties in the credit agreement or other loan documents being incorrect or misleading in any material respect;
- Failure to perform or otherwise comply with the covenants in the credit agreement or other loan documents, subject, in certain instances, to grace periods;
- Impairment of security under the loan documents affecting collateral having a fair market value in excess of $5.0 million;
- The actual or asserted invalidity of any material provisions of the guarantees of the indebtedness under the credit agreement;
- Default by us or our restricted subsidiaries on the payment of any other indebtedness with a principal amount in excess of $20.0 million, any default in the performance of any obligation or condition with respect to such indebtedness beyond the applicable grace period if the effect of the default is to permit or cause the acceleration of the indebtedness, or such indebtedness will be declared due and payable prior to its scheduled maturity;
- Bankruptcy or insolvency events involving us or our restricted subsidiaries;
- The entry, and failure to pay, of one or more adverse judgments in excess $20.0 million, upon which enforcement proceedings are commenced or that are not stayed pending appeal; and
- The occurrence of a change in control (as defined in the credit agreement).

This offering will not constitute a change in control so long as no “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 with certain exclusions) other than SCF becomes the beneficial owner, directly or indirectly, of 33% or more of our voting stock.

We have entered into derivative contracts to hedge our exposure to interest rate fluctuations on $158.1 million of the debt outstanding at June 30, 2011. See "—Quantitative and qualitative disclosures about market risk" below for details regarding these contracts.

Obligations and commitments

Our debt, lease and financial obligations as of December 31, 2010 will mature and become due and payable according to the following table (amounts in thousands of U.S. dollars):

	2011	2012-2014	2015	After 2015	Total
Revolving credit facilities	$ —	$ 204,000	$ —	$ —	$204,000
Other debt	3,209	715	—	—	3,924
Derivative liability	2,194	2,162	—	—	4,356
Operating leases	10,033	13,424	1,403	6,236	31,096
Letters of credit	8,260	1,169	—	—	9,429
Total	$23,696	$ 221,470	$1,403	$ 6,236	$252,805

Critical accounting policies and estimates

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. Certain accounting policies involve judgments and uncertainties to such an extent that there is a reasonable likelihood that materially different amounts could have been reported under different conditions, or if different assumptions had been used. We evaluate our estimates and assumptions on a regular basis. We base our estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and assumptions used in preparation of our consolidated financial statements. We provide expanded discussion of our more significant accounting policies, estimates and judgments below. We believe that these accounting policies reflect our more significant estimates and assumptions used in preparation of our consolidated financial statements.

Revenue recognition

The substantial majority of our revenue is recognized when the associated goods are shipped and title passes to the customer or when services have been rendered, as long as all of the criteria for recognition described in Note 2 to our consolidated financial statements have been met. The only revenue recognition criteria requiring judgment on these sales is assurance of collectability. We carefully evaluate credit worthiness of our customers before extending payment terms other than cash upfront, and historically we have not incurred significant losses for bad debt.

Revenue generated from long-term contracts, typically longer than six months in duration, is recognized on the percentage-of-completion method of accounting. Approximately 14% of our 2010 revenue was accounted for on this basis. There are significant estimates and judgments involved in recognizing revenue over the term of the contract. We generally recognize revenue

and cost of goods sold each period based upon the advancement of the work-in-progress. The percentage complete is determined based on the ratio of costs incurred to-date to total estimated costs for the project. The percentage-of-completion method requires management to calculate reasonably dependable estimates of progress towards completion and total contract costs. Each period these long-term contracts are re-evaluated and may result in upward or downward revisions in estimated total costs, which are accounted for in the period of the change to reflect a catch up adjustment for the cumulative impact from inception of the contract to date in the period of the revision. Whenever revisions of estimated contract costs and contract value indicates that the contract costs will exceed estimated revenue, thus creating a loss, a provision for the total estimated loss is recorded in that period.

Revenue from the rental of equipment or providing of services is recognized over the period when the asset is rented or services are rendered and collectability is reasonably assured. Rates for asset rental and service provision are priced on a per day, per man hour, or similar basis. There are typically delays in receiving some field tickets reporting utilization of equipment or personnel requiring us to make estimates for revenue recognition in the period. In the following period, these estimates are adjusted to actual field tickets received late.

Fair value of common stock

In connection with the Combination, the fair value of FOT's common stock was determined using common market pricing principles. This valuation was reviewed by an independent valuation firm utilizing similar principles which rendered fairness opinions in connection with the approval of the Combination by the boards of directors or independent special committees, as applicable, of each of the combining companies. Following the completion of the Combination, we developed a methodology to consistently value our stock on a regular basis to support a variety of corporate and strategic activities. Among these activities are public company benchmarking, accounting for share-based compensation awards and valuing the total purchase price for acquisitions when our shares comprise a part of the consideration. We use the same fair value for our common stock in effect at any particular time across each of these corporate and strategic activities. The methodology we developed used common market pricing principles to produce a fair value per share of common stock that reflects equity market pricing fundamentals, industry activity levels, our business and financial performance and our organizational maturity. This methodology was designed to be robust enough to be applied in a consistent manner at each evaluation point to reflect developments in our industry, while at the same time being simple enough so as to minimize management judgment or bias in the calculation of the fair value of our stock.

Our management presented this methodology and the resulting fair value of our common stock to our board of directors at its first regularly scheduled meeting following the Combination for its review and approval. Since the approval of this methodology by the board of directors, management has presented the calculation of the fair value using the same methodology to the board of directors for its review and approval at each subsequent regularly scheduled board meeting, and in July 2011 after we completed a number of acquisitions simultaneously. Management and our board of directors monitor developments at our company and are prepared to re-evaluate and modify the fair value of our common stock in the event that other such significant developments warrant such a re-evaluation and modification between regularly scheduled board meetings.

The basic tenets of our methodology are as follows:

- *General concept*. We use normalized comparable public company trading multiples and apply those multiples to our corresponding financial results and financial projections in order to calculate an implied equity value. We then apply an illiquidity discount to that implied equity value and use that adjusted implied equity value to calculate the fair value per share.
- *Use of public company comparables*. Our board of directors reviewed and approved a group of comparable public companies whose equity market pricing reflected the market's view on key sector, geographic and product type exposure fundamentals similar to those that drive our business. Our board of directors regularly reviews with management the group of comparable companies used for purposes of this analysis and has made modifications to the group of comparable public companies when, in its discretion, such companies were no longer valid comparables or when market data about a company is no longer available. Otherwise, we use the same group of public company comparables each time we perform the fair value methodology.
- *Normalization*. In order to mitigate short term volatility, our methodology averages four identical sets of trading multiples of the comparable public companies over different periods of time. The four periods of time include a current set of multiples and a set from each of the prior three quarters. This helps mitigate short term volatility of the underlying multiples and the resulting impact on the fair value of our common stock while still taking into account changes in the perceptions of the public markets of the fair value of other companies in our industry.
- *Selected multiples and weighting*. Our methodology uses a weighted mix of EBITDA and book value multiples from our public company comparables. We further average the following time periods for each EBITDA-based multiple: (1) prior calendar year; (2) trailing twelve months; (3) current calendar year forecast; and (4) forward two calendar year forecasts. We also average the following book value multiples: (1) enterprise value to adjusted book value; (2) enterprise value to tangible adjusted book value; and (3) market value of equity to book value of equity. Each of these sets of multiples are averaged across the normalization periods described above to produce a time series average multiple for the applicable metric across the applicable period and applied against our corresponding financial results.
- *Illiquidity discount*. Because our common stock is not publicly traded, common valuation practice dictates that we apply an illiquidity discount to the implied equity value produced by the public company multiples we use in our fair value methodology. Historically we utilized an illiquidity discount of 30% through the February 2011 board meeting. Our board of directors approved this illiquidity discount on the basis of its belief that, in a sale of our common stock in an arms-length transaction, such a discount to the value of our common stock would be applied by the buyer due to the lack of liquidity in the stock and the low prospects for liquidity of that stock in the near term. Commencing with the fair value determination at the meeting of our board of directors in May 2011, the illiquidity discount was reduced to 20%. This reflected our board of directors belief that the prospects for the creation of a liquid market in the near to medium term had been enhanced as a result of our consideration of this offering and our increased organizational maturity. At the same time, our board of directors recognized that there were substantial risks associated with the completion of a transaction that provided liquidity to the holders of our common stock. Thus, our board of directors concluded that it was still appropriate to apply a liquidity discount to the implied equity value of our company.

At the board of directors meeting in August 2011, the illiquidity discount was returned to 30%. This was decided in order to reflect: (1) the uncertainty over the timing of this offering due to heightened concerns over the possibility of a return to recession in the world economy, and (2) our assessment that potential public investors of companies like ours were becoming more risk averse, which we believed could impact the valuations of less seasoned companies with a less liquid flotation of shares.

We have applied this methodology consistently since the Combination.

Share-based compensation

We account for awards of share-based compensation at fair value on the date granted to employees and recognize the compensation expense in the financial statements over the requisite service period. Fair value of the share-based compensation was measured using the Black-Scholes model for most of the outstanding options and a binomial model for certain share-based compensation instruments issued by one of the legacy companies. These models require assumptions and estimates for inputs, especially the estimate of the volatility in the value of the underlying share price, that affect the resultant values and hence the amount of compensation expense recognized. We determine the estimate of volatility periodically based on the averages for the stocks of comparable publicly traded companies.

Inventories

Inventory, consisting of finished goods and materials and supplies held for resale, is carried at the lower of cost or market. We continuously evaluate our inventories, based on an analysis of stocking levels, historical sales experience and future sales forecasts, to determine obsolete, slow-moving and excess inventory. While we have policies for calculating and recording reserves against inventory carrying values, we exercise judgment in establishing and applying these policies.

Business combinations, goodwill and other intangible assets

Goodwill acquired in connection with business combinations represents the excess of consideration over the fair value of net assets acquired. Certain assumptions and estimates are employed in determining the fair value of assets acquired, evaluating the fair value of liabilities assumed, as well as in determining the allocation of goodwill to the appropriate reporting unit. These estimates may be affected by factors such as changing market conditions, technological advances in the oil and natural gas industry or changes in regulations governing that industry. The most significant assumptions requiring the most judgment involve identifying and estimating the fair value of intangible assets and the associated useful lives for establishing amortization periods. To finalize purchase accounting for significant acquisitions, we utilize the services of independent valuation specialists to assist in the determination of the fair value of acquired intangible assets.

There are also significant judgments involved in estimating the value of any contingent purchase consideration, for example, additional cash or stock consideration to be earned based on the future results of the acquired business. The value of this potential additional consideration is required to be estimated and recorded as part of the purchase accounting for the acquisition in the period when the transaction is effective. Each quarter these estimates must be re-evaluated based on actual results achieved and changes in circumstances, and the contingent consideration marked-to-market with any change in value reflected in profit and loss for the period.

For goodwill and intangible assets with indefinite lives, an assessment for impairment is performed annually or whenever an event indicating impairment may have occurred. We typically complete our annual impairment test for goodwill and other indefinite-lived intangibles using an assessment date of December 31. Goodwill is reviewed for impairment by comparing the carrying value of each reporting unit's net assets, including allocated goodwill, to the estimated fair value of the reporting unit. As of December 31, 2010, we had four reporting units. We determine the fair value of our reporting units using a discounted cash flow approach. Determining the fair value of a reporting unit requires judgment and the use of significant estimates and assumptions. Such estimates and assumptions include revenue growth rates, future operating margins, the weighted average cost of capital, and future market conditions, among others. We believe that the estimates and assumptions used in our impairment assessments are reasonable. If the reporting unit's carrying value is greater than its fair value, a second step is performed whereby the implied fair value of goodwill is estimated by allocating the fair value of the reporting unit in a hypothetical purchase price allocation analysis. We recognize a goodwill impairment charge for the amount by which the carrying value of goodwill exceeds its reassessed fair value.

In the third quarter of 2010, we implemented a change in accounting estimate to adjust the useful lives of certain of our customer relationship and distributor relationship intangible assets. This change resulted in an approximately $2.2 million reduction in the amortization expense in the year ended December 31, 2010, and an increase to net income of $1.4 million (or $1.00 per diluted share). We extended the useful lives of these intangible assets based on positive changes in customer attrition rates and due to several factors pursuant to the Combination which further strengthen these relationships.

Income taxes

We follow the liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based upon temporary differences between the carrying amounts and tax bases of our assets and liabilities at the balance sheet date, and are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. We record a valuation reserve whenever management believes that it is more likely than not that any deferred tax asset will not be realized. We must apply judgment in assessing the realizability of deferred tax assets, including estimating our future taxable income, to predict whether a future cash tax reduction will be realized from the deferred tax asset. Any changes in the valuation allowance due to changes in circumstances and estimates are recognized in income tax expense in the period the change occurs.

The accounting guidance for income taxes requires that we recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. If a tax position meets the "more likely than not" recognition criteria, the accounting guidance requires the tax position be measured at the largest amount of benefit greater than 50% likely of being realized upon ultimate settlement. If management determines that likelihood of sustaining the realization of the tax benefit is less than or equal to 50%, then the tax benefit is not recognized in the financial statements.

We have operations in countries other than the United States. Consequently, we are subject to the jurisdiction of a number of taxing authorities. The final determination of tax liabilities involves the interpretation of local tax laws, tax treaties, and related authorities in each

jurisdiction. Changes in the operating environment, including changes in tax law or interpretation of tax law and currency repatriation controls, could impact the determination of our tax liabilities for a given tax year.

Property and equipment

Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method based on the estimated useful lives of assets, generally 3 to 19 years. We have established standard lives for certain classes of assets.

We review long-lived assets for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable. In performing the review for impairment, future cash flows expected to result from the use of the asset and its eventual disposal are estimated. If the undiscounted future cash flows are less than the carrying amount of the assets, the asset is impaired. The amount of the impairment is measured as the difference between the carrying value and the estimated fair value of the asset. The fair value is determined either through the use of an external valuation, or by means of an analysis of discounted future cash flows based on expected utilization. The impairment loss recognized represents the excess of the assets carrying value as compared to its estimated fair value.

Effective January 1, 2010, we implemented a change in accounting estimate to adjust the useful lives of marine electronic survey equipment held for rent. This change resulted in an approximately $3.2 million reduction in the depreciation expense in the year ended December 31, 2010, an increase to net income of $2.1 million (or $1.43 per diluted share). We extended the useful lives of these long-lived assets based on our review of their historical service lives, technological improvements in the assets and proven longer useful mechanical and technical lives.

Recognition of provisions for contingencies

In the ordinary course of business, we are subject to various claims, suits and complaints. We, in consultation with internal and external advisors, will provide for a contingent loss in the consolidated financial statements if it is probable that a liability has been incurred at the date of the consolidated financial statements and the amount can be reasonably estimated. If it is determined that the reasonable estimate of the loss is a range and that there is no best estimate within the range, provision will be made for the lower amount of the range. Legal costs are expensed as incurred.

An assessment is made of the areas where potential claims may arise under the contract warranty clauses. Where a specific risk is identified and the potential for a claim is assessed as probable and can be reasonably estimated, an appropriate warranty provision is recorded. Warranty provisions are eliminated at the end of the warranty period except where warranty claims are still outstanding. The liability for product warranty is included in other accrued liabilities on the consolidated balance sheet.

Recent accounting pronouncements

In January 2010, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2010-06 “Improving Disclosures about Fair Value Measurements” (“ASU No. 2010-06”) as an update to Accounting Standards Codification Topic 820, “Fair Value

Measurements and Disclosures" ("ASC Topic 820"). ASU No. 2010-06 requires additional disclosures about transfers between Levels 1 and 2 of the fair value hierarchy and disclosures about purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements. ASU No. 2010-06 is effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the rollforward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. We adopted the required provisions of ASU No. 2010-06. There was no significant impact to our consolidated financial statements.

In June 2011, the FASB issued an update to ASC 220, *Presentation of Comprehensive Income*. This ASU provides that an entity that reports items of other comprehensive income has the option to present comprehensive income in either 1) a single statement that presents the components of net income and total net income, the components of other comprehensive income and total other comprehensive income, and a total for comprehensive income; or 2) a two-statement approach which presents the components of net income and total net income in a first statement, immediately followed by a financial statement that presents the components of other comprehensive income, a total for other comprehensive income, and a total for comprehensive income. The option in current GAAP that permits the presentation of other comprehensive income in the statement of changes in equity was eliminated. The guidance will be applied retrospectively and is effective for the Company for annual periods beginning on January 1, 2012. Early adoption is permitted. The adoption of this guidance will not have a material impact on our consolidated financial statements.

In December 2010, the FASB issued FASB ASU 2010-28, which affects entities evaluating goodwill for impairment under FASB ASC 350-20. ASU 2010-28, among other things, requires entities with a zero or negative carrying value to assess, considering qualitative factors, whether it is more likely than not that goodwill impairment exists. If an entity concludes that it is more likely than not that goodwill impairment exists, the entity must perform step 2 of the goodwill impairment test. ASU 2010-28 is effective for impairment tests performed during an entity's fiscal year beginning after December 15, 2010, with early adoption not permitted. We do not believe the adoption of this ASU will have a material impact on the Company's financial position or results of operations.

Off-balance sheet arrangements

As of December 31, 2010 and June 30, 2011, we had no off-balance sheet instruments or financial arrangements, other than operating leases entered into in the ordinary course of business.

Inflation

Global inflation has been relatively low in recent years and did not have a material impact on our results of operations during 2009 and 2010. Although the impact of inflation has been insignificant in recent years, it is still a factor in the global economy and we tend to experience inflationary pressure on the cost of raw materials and components used in our products.

Quantitative and qualitative disclosures about market risk

We are currently exposed to market risk from changes in foreign currency and changes in interest rates. From time to time, we may enter into derivative financial instrument transactions to manage or reduce our market risk, but we do not enter into derivative transactions for speculative purposes. A discussion of our market risk exposure in financial instruments follows.

Non-U.S. currency exchange rates

In certain regions, we conduct our business in currencies other than the U.S. dollar and the functional currency is the applicable local currency. We operate primarily in the U.S., Canadian and UK markets, and as a result our primary exposure to fluctuations in currency exchange rates relates to fluctuations between the U.S. dollar and each of the Canadian dollar, the British pound sterling, and, then, to a lesser degree, the Mexican Peso, the Euro and the Singapore dollar. In countries in which we operate in the local currency, the effects of currency fluctuations are largely mitigated because local expenses of such operations are also generally denominated in the local currency. However, there may be instances in which costs and revenue will not be matched with respect to currency denomination and we may experience economic loss and a negative impact on earnings or net assets solely as a result of foreign currency exchange rate fluctuations. To the extent that we continue our expansion on a global basis, management expects that increasing portions of revenue, costs, assets and liabilities will be subject to fluctuations in foreign currency valuations.

Assets and liabilities for which the functional currency is the local currency are translated using the exchange rates in effect at the balance sheet date, resulting in translation adjustments that are reflected as accumulated other comprehensive income in the stockholders' equity section on our balance sheet. We recorded an adjustment of approximately $7.8 million to increase our equity account for the six months ended June 30, 2011 to reflect the net impact of the strengthening of other applicable currencies against the U.S. dollar, most of which reflected the relative strengthening of the Canadian dollar and the British pound sterling.

Interest rates

We are subject to interest rate risk on our floating interest rate borrowings. Floating rate debt, where the interest rate fluctuates periodically, exposes us to short-term changes in market interest rates.

While all of the long-term debt outstanding under our credit facilities is structured on floating interest rate terms, approximately only 43% of our long-term debt outstanding as of June 30, 2011 was effectively subject to fully floating interest rate terms after giving effect to derivative hedging arrangements. A one percentage point increase in the interest rates on our $279.6 million of indebtedness outstanding as of June 30, 2011 would cause a $1.2 million pre-tax annual increase in interest expense.

Hedging and use of derivative instruments

We utilize interest rate derivative instruments to hedge our exposure to variable cash flows on a portion of our floating rate debt (i.e., cash flow hedges). These instruments are not used for trading or speculative purposes. We record the fair value of these interest rate derivative instruments on our balance sheet as either derivative assets or derivative liabilities, as applicable. Fair value was estimated using a discounted cash flow approach.

Of these derivative instruments, $54 million qualify for hedge accounting as they reduce the interest rate risk of the underlying hedged item and were formally designated by us as cash flow hedges at inception. These derivative instruments result in financial impacts that are inversely correlated to those of the items being hedged. Since the terms of the hedged item and the instruments substantially coincide, the hedge is expected to offset changes in expected cash flows

due to fluctuations in the variable rate and, therefore, we currently do not expect any ineffectiveness. Changes in the fair value of the instruments designated as cash flow hedges are deferred in accumulated other comprehensive income, net of tax, to the extent the contracts are effective as hedges, until settlement of the underlying hedged transaction. If the necessary correlation ceases to exist or if physical delivery of the hedged item becomes improbable, we would discontinue hedge accounting and apply mark-to-market accounting, with any changes in the fair values of the derivative instruments then recognized in earnings. Amounts paid or received from interest rate derivative instruments are charged or credited to interest expense and matched with the cash flows and interest expense of the debt being hedged, resulting in an adjustment to the effective interest rate.

As of June 30, 2011, we had an interest rate swap agreement to convert variable interest payments related to $34 million of debt to fixed interest payments. This swap expires in November 2011 and has a fixed rate of 4.9%, plus the applicable margin. As of June 30, 2011, we also had an interest rate collar arrangement to reduce the variability in interest payments related to $20 million of floating rate debt. This interest rate collar instrument expires in November 2011 and has a floor interest rate of 4.4%, plus the applicable margin, and a cap interest rate of 5.4%, plus the applicable margin. After giving effect to all the derivative instruments we had as of June 30, 2011, the net effective interest rate under our outstanding credit facilities as of June 30, 2011 was 5.1%. Our balance sheet at June 30, 2011 included a current derivative liability of $0.9 million related to these interest rate swap agreements.

Approximately $104 million of our derivative instruments were not identified and designated for hedge accounting at inception. Of these swaps, $75.0 million expire in August 2013 and have a fixed rate of 1.83% plus the applicable margin and $29 million of the swaps expire in March 2012 and has a fixed rate of 1.99%, plus the applicable margin. These derivatives are recorded at fair value, which is measured using the market approach valuation technique. At December 31, 2010 and June 30, 2011, the fair value of these swap agreements was recorded as a long-term liability of $2.2 million and $2.2 million, respectively. Related to these swaps, we recorded $0.9 million of interest expense and $1.0 million as interest income in the year ended December 31, 2010 and 2009, respectively.

The counterparties to our interest rate derivative instruments are major international financial institutions with investment grade credit ratings.

Business

Our company

We are a global oilfield products company, serving the subsea, drilling, completion, production and process sectors of the oil and natural gas industry. We design and manufacture products and also engage in aftermarket services, parts supply and related services that complement our product offering. Our product offering and related services include a mix of highly engineered capital products and frequently replaced items that are consumed in the exploration and development of oil and natural gas reserves. In 2010, approximately 41% of our pro forma revenue was derived from the sale of capital products, while approximately 52% was derived from consumable products, spare parts or aftermarket services, with the balance of the revenue coming from rental or other sources. Our capital products are directed at drilling rig new build, upgrade and refurbishment projects; subsea construction and development services; the placement of production equipment on a per well basis and downstream capital projects. Our highly engineered systems are critical components used on drilling rigs or in the course of subsea operations, while our consumable products are vital to maintaining efficient and safe operations at well sites, within the supporting infrastructure and at processing centers and refineries. Our revenues are generated throughout land and offshore markets and across several international regions, with 43% of our 2010 pro forma revenue derived outside the United States.

We seek to design, manufacture and supply reliable, cost effective products that create value for our broad and diverse customer base, which includes oil and gas operators, heavy oil producers, land and offshore drilling contractors, well intervention service providers, subsea construction and service companies, land and offshore pipeline construction companies, pipeline operators and refinery and petrochemical plant operators. Other customers include land and offshore mining companies, telecommunication companies, offshore renewable wind farm operators, government agencies and scientific research organizations. We believe that we differentiate ourselves from our competitors on the basis of the quality of our products, the level of related service and support we provide and the collaborative approach we take with our customers to help them solve critical problems. Our goal is to be the supplier of choice for our customers by offering innovative, reliable and cost effective products, and by investing in long-term relationships that add value to our customers' operations.

Our business consists of two segments:

Drilling and Subsea Segment. We design and manufacture products and provide related services to the drilling, well construction, completion, intervention and subsea construction and services markets. This segment contributed $626 million, or 66% to our 2010 pro forma revenue.

- *Subsea solutions*. We design and manufacture subsea capital equipment; specialty components and tooling; and applied products for subsea pipelines; and we also provide a broad suite of complementary subsea technical services and rental items. We have a core focus on the design and manufacture of unmanned submarines known in the industry as ROVs as well as other specialty subsea vehicles. We believe that our Perry™ and Sub-Atlantic™ vehicle brands are among the most respected in the industry. Our related technical services complement our vehicle offering by providing the market with a broad selection of critical product solutions and rental items that enhance our customers' ability to operate in harsh subsea environments. We have a long tradition of working with customers to develop innovative product solutions to address the increasingly complex challenges of deepwater operations.

- *Downhole products*. We design and manufacture downhole products that serve the well construction and production enhancement markets. Among the products we supply are proprietary Davis-Lynch™ cementing and casing tools, such as float equipment, stage tools and inflatable packers, as well as Cannon™ downhole protection solutions for permanent gauges, SSSV control lines, ESP cabling and other downhole control lines and flatpacks.
- *Drilling products*. We provide both drilling consumables and capital equipment, including powered and manual tubular handling equipment, specialized torque equipment, customized offline crane systems, drilling data acquisition management systems, pumps, valves, manifolds, drilling fluid-end components, pressure control equipment for both coiled tubing and wireline well intervention operations and a broad line of items consumed in the drilling process. We have a core focus on products that enhance our customers' handling of tubulars on the drilling rig. Our drilling capital equipment offering is concentrated on targeted, high value added products and equipment where we have identified a clear market opportunity, such as our Wrangler™ branded catwalks and iron roughnecks.

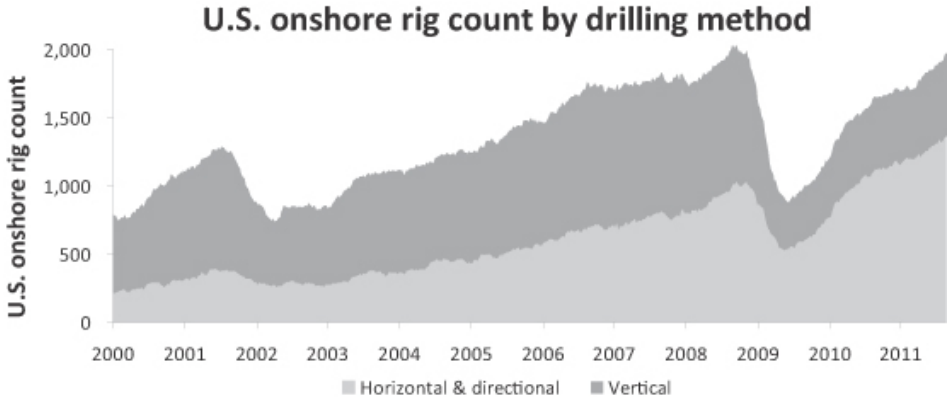
Production and Infrastructure Segment. We design and manufacture products and provide related equipment and services to the well stimulation, completion, production and infrastructure markets. This segment contributed $329 million, or 34% to our 2010 pro forma revenue.

- *Flow equipment*. We design, manufacture and provide flow equipment to the well stimulation, testing and flowback markets. Our product offering includes the critical components typically found in the flow equipment train from the well stimulation pressure pump to the manifold at the wellhead. These components routinely encounter high pressures, requiring frequent refurbishment or replacement. We also provide related flow equipment recertification and refurbishment services, which are critical to the safe and reliable operation of completion activities.
- *Surface process and pipeline equipment*. We design, manufacture and provide engineered process systems and related field services from the wellhead to inside the refinery fence. Once a well has been drilled, completed and brought on stream, we provide the well operator-producer with the process equipment necessary to make the oil or gas ready for transmission. Our engineered product offering includes a broad range of separators, packaged production systems, tanks, pressure vessels, skidded vessels with gas measurement, modular process plants, headers and manifolds. We also provide specialty pipeline construction equipment on a rental basis.
- *Valve solutions*. We design, manufacture and provide a wide range of industrial valves that principally serve the upstream, midstream and downstream markets of the oil and gas value chain. We provide a comprehensive suite of ball, gate, globe, check and butterfly valves across a wide range of sizes and applications. Our manufacturing and supply chain systems enable us to design and produce high-quality, engineered valves, as well as provide standardized products, while maintaining competitive pricing and minimizing capital requirements.

Current trends in our industry

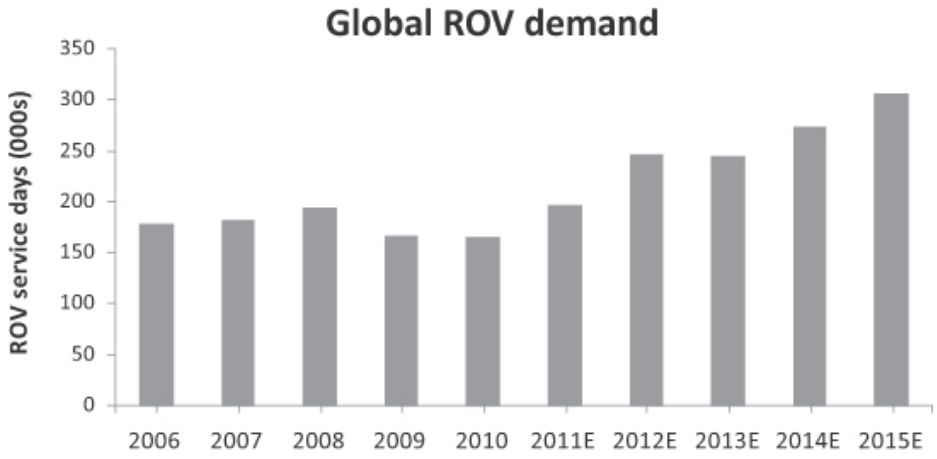
We are currently focused on the following trends that we believe will positively affect our business in the coming years. The majority of these are secular growth trends that we believe will outpace general industry growth.

- *Increasing complexity of well construction*. As conventional sources of oil and gas are depleted, our industry continues to develop new well construction technologies and techniques that allow operators to recover more hydrocarbons from each well and make previously uneconomic reservoirs profitable. These techniques, most pronounced in the North American market, include drilling deeper, more highly deviated well paths, increasing the number of hydraulic fracturing stages and generally employing more complex completion practices on the surface and downhole. This trend is driving demand for new products and equipment that are specifically designed to address these new requirements. As these practices mature and spread to international markets, we believe that the market for the associated products and technologies could significantly expand.
- *Growing service intensity associated with unconventional resources*. The dramatic growth in the development of unconventional shale and tight sand formations, principally in North America, is placing increasing demands on the service equipment. In the U.S., 58% of the active land rigs, as of August 26, 2011, are drilling horizontal wells, the well path best suited to developing shale and tight sands, compared to 18% of the active land rigs as of five years ago, according to data from Baker Hughes. This change in development activity requires investment in new equipment to address the unique demands of these resource plays and places a much greater strain on drilling and completion equipment, which results in shorter replacement cycles for capital equipment and consumables, and drives greater demand for maintenance and refurbishment activity. The demands often vary from basin to basin, which we believe affords us opportunities to develop localized products solutions through close working relationships with service companies and operators. As the industry adapts to these increased demands, we believe that there will be significant opportunities to bring new products and equipment to market that have been designed and engineered with these new challenges in mind.



Source: Baker Hughes Incorporated

- *Increasing investment in subsea equipment and related services*. As the industry develops more deepwater fields, the amount of subsea infrastructure is expected to continue to increase and the ability of service companies and producers to control operations in a safe and effective manner will become more challenging. Demand for subsea equipment and systems is increasing in response to large exploration discoveries in frontier offshore areas. There is also a growing inclination among offshore producers to develop and tie back smaller satellite fields in mature offshore basins to existing production infrastructure. To accommodate the increase in satellite tie-backs in mature fields, a significant number of multi-service vessels have been built or are under construction that are capable of tree installation, small diameter pipelay and operations in ROV support mode. As offshore exploration activities continue to push into ultra deepwater, a new generation of work class ROVs will be required for subsea construction activities. Concurrently, the industry is exploring ways to move certain equipment and processes from production platform topsides to the seabed to save space and enhance flow rates from subsea wells. This growing complexity is expected to result in greater demand for technologies and products that are specifically designed to help service companies and producers gain situational awareness and preserve operational effectiveness. In addition, maintaining and servicing this additional subsea infrastructure is expected to become a larger market as the number of subsea well completions increases and the population of producing subsea wells ages.

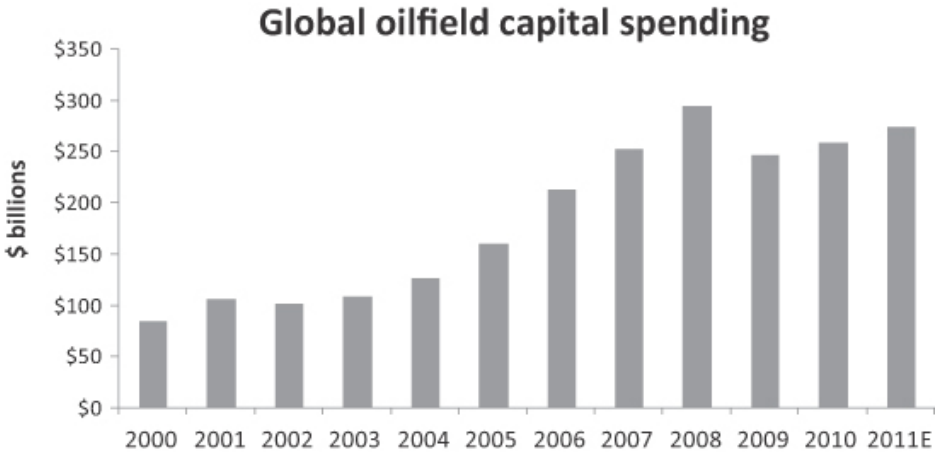


Source: Infield Systems Limited

- *Heightened focus on product maintenance and certification*. Our customers and the relevant regulatory authorities are increasingly focused on product and equipment integrity, particularly in applications or environments in which products are exposed to high pressure, high temperature or corrosive elements. In many of our product areas, our customers require recertification of products on a periodic or per use basis. Depending on the product, our recertification process tests certify a variety of measurable factors, such as integrity of metallurgy, wall thickness and pressure tests. We have observed many of our customers implementing more regular and rigorous maintenance and recertification programs for equipment with long useful lives, which we believe could increase the demand for aftermarket services and parts across many product categories. We believe that the demand from our service customers stems from a desire to increase utilization, and that they welcome a reliable

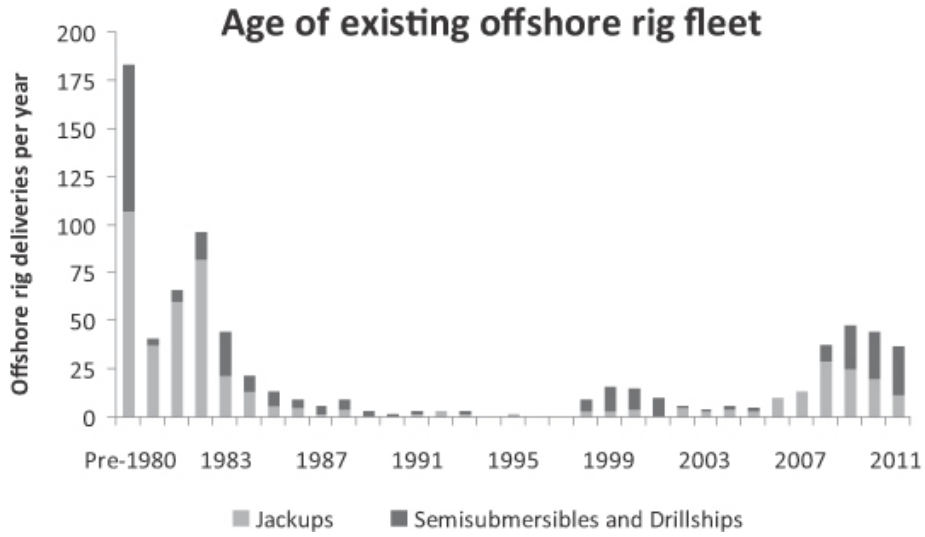
supplier who can coordinate maintenance and recertification cycles to increase utilization of their equipment. Importantly, we have also observed that operator producers encourage service companies to obtain third party recertification to help increase the level of safety on the well site.

- *Increased capital spending in the oil and gas industry*. The growing global demand for energy has resulted in substantial capital spending increases by oil and natural gas producers. According to Spears & Associates, annual global oilfield capital spending has increased from $85 billion in 2000 to $259 billion in 2010, representing a compounded annual growth rate of 12%. Spears & Associates projects capital expenditures will rise to $275 billion in 2011.



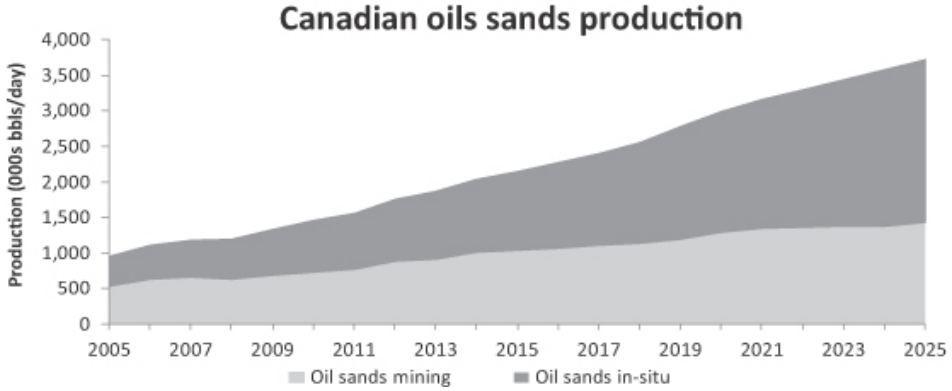
Source: Spears & Associates

- *Recovery in global drilling activity and new rig replacement cycle*. As global drilling activity has steadily recovered since the 2009 economic downturn, there has been a corresponding increase in new build rig activity as operators require newer technology to meet increasingly challenging drilling conditions, with a focus on mobility, drilling efficiency, power and safety. According to RigLogix, 94 new offshore rigs have been ordered since January 2010, with an aggregate price of over $35 billion. Additionally, over 60% of all currently deployed offshore rigs were commissioned prior to 1990, generating a need for replacement rigs that employ the latest drilling and safety equipment. We believe this trend will continue to fuel a high level of capital investment in drilling rigs, which presents an opportunity for capital equipment manufacturers and value added component suppliers.



Source: RigLogix

- *Development of heavy oil reserves in Canada*. Canadian heavy oil reserves offer a large, stable and reliable source of oil for North America. Recent advances in technologies and development practices have lowered both the cost of producing these reserves and the environmental impact of these operations. The lowered cost of production, combined with a stable and robust outlook for oil prices, have enabled the heavy oil producers to undertake long-term development initiatives. CAPP has estimated total Canadian heavy oil crude production, including oils sands, will increase from 1,845 Mbpd in 2010 to 3,981 Mbpd by 2015, representing a compound annual growth rate of 5%. We believe that this trend will continue, and that opportunities to provide reliable severe service products used in the heavy oil development process will offer a long-term growth market.



Source: Canadian Association of Petroleum Producers

While we believe that these trends will benefit us, our markets may be adversely affected by industry conditions that are beyond our control. Any prolonged substantial reduction in oil and gas prices would likely affect oil and gas drilling and production levels and therefore would affect demand for the products and services we provide. For more information on this and other risks to our business and our industry, please read “Risk factors—Risks related to our business.”

Our business strategy

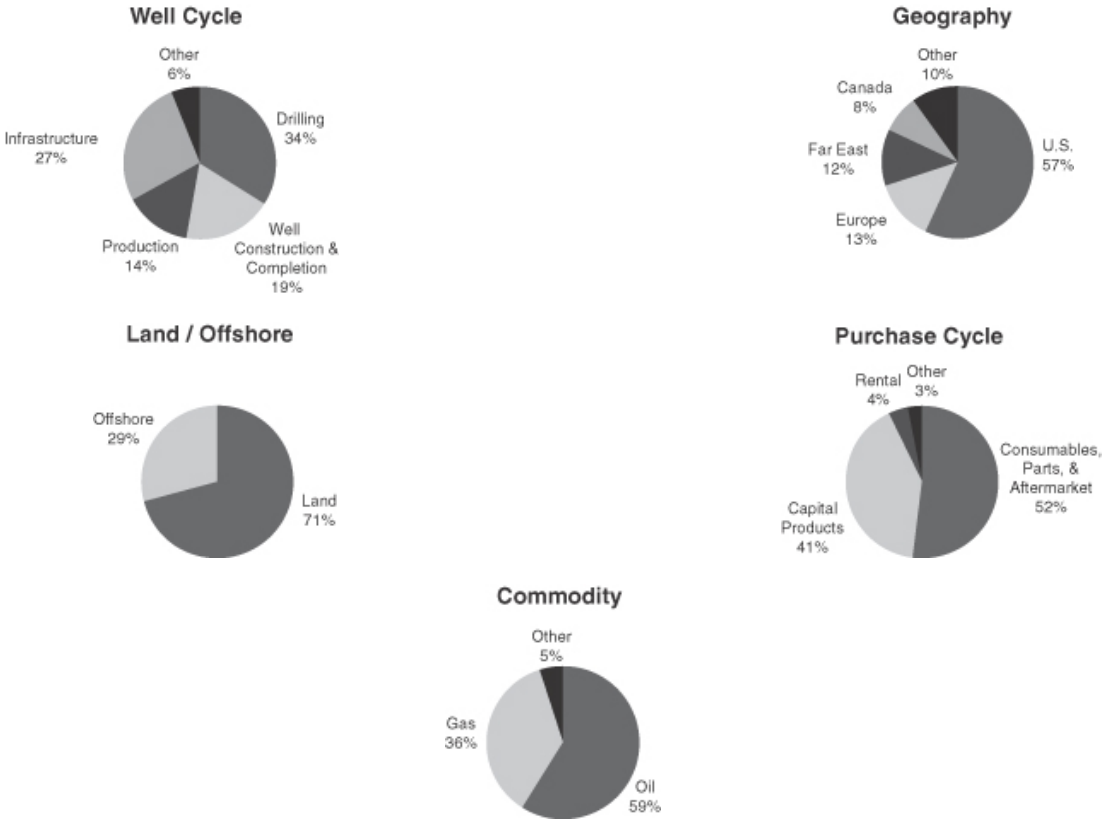
Our objective is to build a leading global oilfield products company that supplies high quality, mission critical products and related aftermarket services, serving customers globally across the oil and gas value chain. We intend to accomplish this through organic growth of our existing product capability and by disciplined acquisition of small to medium sized companies to strengthen our current offering or fill targeted product gaps. Our intent is to offer a broad range of capital equipment, replacement parts and consumable items that support the drilling, completion and production phases of the well development cycle, as well as the related land and subsea infrastructure requirements. A core part of our strategy is to preserve and enhance our current business mix of onshore and offshore products; our balanced exposure to a variety of attractive global markets; and our broad range of capital equipment and consumable products that support the development of oil, gas, heavy oil, and other natural resources.

We intend to be our customers’ supplier of choice by offering safer, more effective products and by investing in long-term relationships that add value to our Company and our customers’

operations. We design and manufacture products and engage in aftermarket services, parts supply and related services that complement our product offering. Our offering is enhanced by designing, manufacturing and providing the highest quality products, and not by competing with purchasers of our equipment by operating our equipment in a services capacity. We measure our success in terms of customer satisfaction, safety and financial performance.

We intend to accomplish our strategic objectives and capitalize on the key long-term industry growth trends through the execution of the following elements:

Tailor our product offering and capacity to customer spending. On an annual basis, we conduct a bottoms-up analysis of the sources and drivers of our revenue. Our analysis is focused on various types of revenue splits and exposures, including: (1) phases of the life of the well; (2) geographic exposure by shipment destination; (3) land or offshore application; (4) product purchase cycles; and (5) commodity mix. This process relies on a combination of financial analysis and management estimation. Our analysis of our 2010 pro forma revenues is as follows:



As part of the bottoms-up analysis described above, we also estimate the broad industry drivers of our business. We believe that our 2010 pro forma revenue was strongly driven by North American unconventional resource developments, global deepwater development activity, shallow offshore activity and international land activity, with lesser contributions from Canadian

heavy oil developments and downstream activity. Although acquisitions may cause fluctuations in our business mix, we intend to preserve and enhance the diversity of our business as a core part of our strategy. We believe this diversity reduces the impact of the volatility of any single well cycle phase or equipment spend cycle on our financial performance. A description of how we define each of the categories within each revenue split above is included in the "Glossary" beginning on page A-1 of this prospectus.

Leverage our product lines' strengths across our platform. Each of our respective product lines has particular strengths that can be leveraged across the entire platform. We intend to cross-fertilize technologies, share research and development initiatives and leverage key geographic, supply chain and customer strengths to grow and improve the profitability of our overall business. For example, we have an ongoing effort to leverage our sophisticated subsea ROV controls systems and engineers to improve our control system offering associated with our drilling capital equipment. In addition, we are using our surface production equipment distribution footprint to accelerate our ability to serve completion product customers in new geographies. We are also leveraging our relationships with oil and natural gas producers through other product lines to pull through our valve brands from their traditional distribution channels.

Expand our geographic presence. We intend to enhance our access to key global markets and to grow or establish our presence across the North American unconventional resource basins. We also plan to build upon our existing presence in the North American, North Sea, Middle East, South American and Asia Pacific regions through deployment of sales, distribution, service and manufacturing resources. We have recently established sales offices in Brazil and Australia, and we are actively expanding these locations. In new international markets, we often build critical mass through a sales, service and marketing focused presence, which we follow with more significant manufacturing investments. We believe this expansion strategy provides more points of contact with our customers, allowing us to respond more quickly to their needs. Within North America, some of the largest products we offer through our Production and Infrastructure Segment are most effectively manufactured in close proximity to these unconventional resource plays. For example, our surface production and process equipment achieves a significant shipping cost advantage if we manufacture it in the target basin. It also affords us the opportunity to help manage our customer's inventory of production and process equipment to ensure timely installation when a well comes on stream. For this reason, we are in the process of opening two new pressure vessel and tank manufacturing facilities in Pennsylvania to provide equipment and installation service in the developing Marcellus resource play. Our pipeline equipment, flow equipment business and related recertification and refurbishment service benefit from this type of expanded geographical footprint by providing a local presence for customers operating in this area.

Invest in manufacturing capacity and excellence. We focus on the continuous improvement of our manufacturing processes and quality controls, which are vital to ensuring product reliability. We also continue to invest in expanding our manufacturing capacity by increasing output, upgrading machinery or adding "roofline" in strategically important geographies. We believe that in certain product lines, particularly those sold into the North American unconventional resource plays, locating manufacturing and service capabilities in close proximity to field locations improves response time, reduces freight costs and enhances customer service.

Pursue disciplined growth through acquisitions. We have a track record of successfully growing our earnings and product offerings by making attractive acquisitions. We intend to continue to

selectively pursue acquisitions that increase our exposure to the most important growth trends in the oil and gas industry, fill critical product gaps and expand our geographic scope. With a strong balance sheet and sufficient financial resources, we believe that we can continue to acquire companies in high growth product areas and expose the acquired product lines to new customers and distribution channels, while preserving the entrepreneurial attributes that made them attractive on a stand-alone basis.

Develop new products. We conduct strategic reviews to identify underserved market opportunities and invest in continuous product development efforts. We believe this process allows us to enhance our exposure to key secular trends and serve our customers' needs more effectively. We have developed strong working relationships with our major customers, several of which routinely approach us with requests for solutions to specific application challenges. We plan to continue to invest in new product engineering capabilities and leverage our expertise to address customer needs. Recent examples include the land and offshore versions of our Wrangler Roughneck™, a critical makeup and breakout tool for tubulars on a drilling rig, and our subsea ROVDrill™, a unique tool designed to perform subsea drilling functions independent of the support vessel while using only the associated ROV for power and control.

Focus on product quality and customer service. We have a track record of providing innovative, reliable, fit-for-purpose products at competitive prices while remaining responsive to the needs of our customers. We work closely and flexibly with our customers on delivery timing and service after the sale. We seek to ensure that our businesses have the facilities and personnel to maintain the highest level of quality and service as we grow around the world.

Our competitive strengths

We believe that we are well positioned to execute our strategy based on the following competitive strengths:

Broad product offering with exposure to key long-term industry trends and a diverse customer base. Our exposure to a mix of consumable products, capital products and aftermarket parts and services enables us to participate in the construction, capacity expansion, maintenance, upgrade and refurbishment phases of the energy cycle. In addition, we have exposure to multiple sectors of the oil and gas industry and a diverse mix of customers across the full oil and gas value chain. We believe our broad product offering, diversified exposure to industry trends and extensive customer base reduces our dependence on any one phase, purchase cycle, segment or region and should result in more stable financial results.

Focus on critical peripheral products. Many of our products, particularly those serving the drilling and well stimulation markets, are non-discretionary components that represent a small percentage of the life cycle cost associated with large capital equipment. We believe that focusing on specialized, peripheral products affords us full exposure to the most powerful investment trends in the oil and gas industry while insulating us from the intense competitive environment and construction risks often associated with selling the largest capital equipment packages.

Solid base of recurring revenues from consumable products. In 2010, we generated approximately 52% of our pro forma revenues from consumable products, spare parts or aftermarket parts and services, which are critical to large capital equipment or energy infrastructure. In some cases, these products must be replaced multiple times throughout the life

cycle of the related capital equipment or infrastructure installations. These products have replacement cycles ranging from a few months to a few years, resulting in a stable base of recurring revenues. We often complement these products with a recertification and refurbishment service, which helps us preserve strong customer relations. We have also observed that our customers often return to the same vendors for replacement parts, lending further revenue stability and visibility.

Experienced management team with proven public company track record. Our executive officers and senior operational managers have an average of over 30 years of experience in the oilfield manufacturing and service industry. Each of our top three operational executives served as the chief operational officer of one or more large publicly held oilfield service companies or of a significant division thereof. We believe their collective background provides our management team with an in-depth understanding of our customers' needs, enhances our ability to deliver customer-driven solutions and allows us to operate effectively throughout industry cycles. Several members of our management team were executives or directors at one of the five companies that combined to form Forum Energy Technologies, Inc. in August 2010.

Multiple avenues for growth and strong cash flows. We are focused on a core set of product platforms that we believe offer strong long-term growth. The breadth of our product offering affords us multiple organic growth avenues in which to deploy our capital, and we invest in the highest value opportunities that meet our return objectives and further our strategic goals. Similarly, we believe the scope of available acquisition opportunities will be enhanced by the numerous strategic directions available to us. In the face of particularly strong competition for acquisitions in a specific sector, we can deploy capital to other areas of our Company that afford better relative value. We also believe that our breadth and size allows us to meaningfully change our financial profile and business composition with modestly sized acquisitions. Finally, our manufacturing operations are not capital intensive to maintain or expand, which allows us to generate strong cash flow. This provides us with capacity to finance organic growth opportunities with internally generated resources.

Proven ability to grow earnings and improve product offering through a focused acquisition strategy. We have a strong track record of strategically targeting key product opportunities, completing accretive transactions, and effectively integrating these businesses. We have a disciplined acquisition strategy that allows us to develop proprietary deal flow by identifying emerging industry trends, identifying existing platforms positioned to capitalize on these trends, and in some cases isolating acquisition opportunities that are largely missed by our competitors due to smaller size and scale. Each of the original five companies that combined to form Forum Energy Technologies, Inc. was itself the result of a similar acquisition strategy focused on a specific industry growth theme. Our current acquisition strategy is a continuation of that successful model. For example, shortly after the Combination, we undertook a focused effort to target key product lines that enhanced our existing offerings. We consummated three acquisitions, including Specialist, which complements our existing subsea products offering, and AMC and P-Quip, both of which enhance our drilling product offering. After the Combination, we also undertook a strategic effort to identify two new product areas that provide exposure to targeted growth markets: (1) downhole products, and (2) flow equipment related to well stimulation. In the downhole market, we focused on proprietary and niche consumable products related to the well construction, completion and production enhancement processes, which included Davis-Lynch and Cannon Services. We successfully completed these two acquisitions in 2011 to form our new downhole products line. Similarly, in the well stimulation market we

developed and executed an acquisition strategy focused on consumable flow equipment used in well fracturing and flowback processes. We have made three acquisitions in 2011 in this area, including WFP, Phoinix and SVP Products. Combined with the follow-on deployment of organic growth capital, our flow equipment product line is our fastest growing.

Customer responsive product innovation. We have grown our business by being responsive to customer needs and developing strong relationships at multiple levels of our customers' organizations. We believe our ability to develop new products is enhanced because of these customer relationships. Our experienced engineering and technical staff has partnered with our customers to design and develop new products that add value to their operations or reduce their total cost of doing business. As a result, we have developed and commercialized a number of new products that have improved the efficiency and safety of our customers' operations including our powered Wrangler™ catwalk and iron roughnecks, powered mousehole tool, Perry ROVDrill™, low profile urban gas processing unit and others.

Business segments

We operate two business segments: Drilling and Subsea and Production and Infrastructure. The table below provides a summary of the proportional revenue contributions from our two business segments and our primary geographic markets over the last three years.

	Percentage of revenue year ended December 31,			
	2008	2009	2010	Pro forma 2010
Drilling and Subsea	68%	67%	63%	66%
Production and Infrastructure	32%	33%	37%	34%
Total	100%	100%	100%	100%
United States	56%	52%	55%	
Canada	11%	8%	9%	
Other International	33%	40%	36%	
Total	100%	100%	100%	

Drilling and Subsea Segment

We design and manufacture products and provide related services to the drilling, well construction, completion, intervention and subsea construction and services markets. The top five customers in our Drilling and Subsea Segment together accounted for approximately 27.8% of that segment's revenue during the year ended December 31, 2010, with no single customer representing as much as 10% of our consolidated revenue during this same period. We offer these products and related services through three primary business lines.

Subsea solutions

We design and manufacture subsea capital equipment, specialty components and applied products for subsea pipelines, and also provide a broad suite of complementary subsea technical services and rental items. We have a core focus on the design and manufacture of ROVs as well as other specialty subsea vehicles. We believe that our vehicle brands are among the most respected

in the industry. Our related technical services complement our vehicle offering by providing the market with a broad selection of critical product solutions and rental items that enhance our customers' ability to operate in harsh subsea environments. We have a long tradition of working with customers to develop innovative product solutions to address the increasingly complex challenges of deepwater operations.

The primary drivers impacting our subsea business are global offshore activity, subsea construction spending, subsea pipeline construction, and growth in deepwater resource developments. A majority of our subsea sales are driven by capital projects, with a smaller portion associated with field development activity and general offshore operations expenditures. We believe that the increasing complexity of deepwater developments will create demand for our full range of subsea products and related services.

Subsea vehicles

We are a leading designer and manufacturer of a wide range of ROVs to the offshore subsea construction, observation and related service markets. The market for subsea ROVs can be segmented into three broad classes of vehicles based on size and category of operations: (1) large work-class vehicles for subsea construction activities, (2) drilling-class vehicles for use around an offshore rig and (3) observation-class vehicles for inspection and light manipulation. We are a leading provider of work-class and observation-class vehicles.

We believe that our Perry and Sub-Atlantic branded ROVs are among the most reliable, best performing and well-known in the industry. We design and manufacture large work-class ROVs through our Perry brand. These vehicles are among the heaviest duty, most powerful subsea ROVs in the market and are principally used in deepwater construction applications. Throughout its over 50 year history, Perry has delivered over 500 such systems. The largest vehicles, our Triton® series of work-class ROVs, weigh as much as five and one-half tons, provide up to 250 horsepower, have payload capacities exceeding 500 pounds and are capable of working in depths exceeding 4,000 meters. Our Sub-Atlantic branded vehicles have served the observation class market since 1997. Among the smallest class of ROVs in the industry, these all-electrical vehicles are principally used for inspection, survey, and light manipulation and serve a wide range of industries. We currently offer six sub-classes of all-electric ROVs with a broad range of capabilities.

In addition to ROVs, we design and manufacture specialty vehicles that are primarily used in subsea trenching operations. Larger than a work-class ROV, these vehicles travel along the sea floor conducting digging, installation and burial operations. Providing over 1,200 horsepower, the largest of these subsea trenchers can cut over three meters deep into the seafloor to lay pipelines, power cables or communications cables. Our Perry branded specialty vehicles have dug and buried a significant amount of the existing subsea communications cables that exist around the world today. In addition to ROVs and trenchers, we also design, engineer and manufacture small submarines used to perform rescue operations for large military submarines.

As the complexity of subsea architecture has increased with operating depths, the subsea industry has come to rely increasingly on ROVs to conduct complex tasks to ensure safe, reliable and efficient operations. Underpinning the reliability of the most sophisticated ROVs that operate in the harsh deepwater environment is the ROV control system. The Perry branded ICE™ Real Time Control System is an advanced ROV control system designed for deepwater, work class

ROV applications. ICE™ is a proprietary, all-in-one solution offering onboard processing, data communication, sensor circuitry, advanced diagnostics and power regulation. Similarly, as the demands have increased on our smaller, observation class ROVs, we have engineered and developed a robust, user-friendly control system to serve this growing market. For use with our Sub-Atlantic branded vehicles, we have developed the new subCAN™ control system, which connects to standard topside equipment running a Windows® based graphical user interface. This enables control of, and communication with, both the ROV and associated equipment. To preserve our competitiveness in the subsea sector, we believe we must be a leader in the core control systems associated with ROVs because we believe that the market for sophisticated subsea control and manipulation is growing and will extend beyond ROVs to other critical seafloor equipment.

Our subsea vehicle customers are primarily large offshore construction companies, but also include a range of non-oil and gas industry entities, such as navies, fire departments, maritime science and geosciences research organizations, offshore wind power companies and other industries operating in marine environments. Subsea vehicle sales are principally driven by large subsea construction spending cycles, and capital build programs at the offshore and subsea services companies. Our large installed base, combined with the 50-year track record of the Perry brand and our strong customer service orientation, are key factors in our ability to compete successfully in this sector.

Subsea products

In addition to subsea vehicles, we are a leading manufacturer of unique subsea products and components. Our suite of subsea products leverages our core strength in vehicles, but also provides a broad selection of niche subsea product solutions that result from our many years of experience with vehicles.

We design and manufacture a group of important products that are used in and around vehicles. For example, we manufacture key ROV components, such as a wide range of Sub-Atlantic branded ROV thrusters. We design and manufacture thrusters for incorporation into our own vehicles as well for sale to other ROV manufacturers. We also design and manufacture a tether management system (“TMS”). The TMS stores and deploys the ROV tether, thus decoupling the ROV from the motion of the surface vessel and enabling operations within a larger radius. The TMS is critical to the reliable and safe operation of subsea vehicles, and we have a long history of manufacturing these systems for use across our entire range of ROVs. We also provide a broad suite of subsea tooling, both industry standard and custom designed for unique subsea applications. Industry standard tooling includes hot stabs, cable cutters, torque tools and indicators. Our recent acquisition of Specialist complemented and enhanced our range of subsea tooling, and has provided us with a greater capacity to respond to customer needs. Our customers frequently come to us with unique subsea challenges and we attempt to quickly develop custom tools to solve these specialized problems. Examples of our specialized tooling include: a riser repair system, a manipulator for nuclear decommissioning and control systems for subsea well intervention. In addition to tooling associated with ROVs, we also manufacture hydraulic power units, valve packs, and control systems.

Among our newest subsea products is an innovative seafloor coring tool named ROVDrill™. Lowered to the seafloor and powered by a work class ROV, it is capable of retrieving geologic core samples using conventional diamond drilling techniques in water depths that exceed

3,000 meters. With a relatively small footprint, the ROVDrill™ can be flown into any region of the world on short notice and be deployed on any of a wide range of vessels, without the need for large specialized vessels or drill ships of limited availability that command a high day rate. We are in the process of commercializing the third generation of this tool, after recently performing work in the South Pacific to support a customer in delineating the extent of a subsea mineral deposit.

We also develop simulation software under the VMAX™ brand that allows customers to simulate complex deepwater operations before deploying expensive equipment spreads. This product is both a stand-alone product and can also be a value-added component of our largest ROVs. Our latest version of this product is an extensive upgrade that allows oil and gas operators, service companies and engineering firms to have full control of subsea field scenario development while providing cutting edge graphical advancements and customized user interface. As the complexity and difficulty of deepwater projects increase, we believe that the demand for this and other cost-saving and safety-enhancing tools will increase.

In addition to vehicle-related subsea products, our Offshore Joint Services (“OJS”) brand is a leading provider of applied protective coatings on rigid subsea pipeline field joints, spools, and structures. The OJS brand has a 25 year history and is a recognized worldwide leader in this sector. Our field joint coatings address the corrosion protection, thermal insulation and concrete weight coating infill requirements. We offer proprietary and patented applied products that we believe provide significant speed, quality, reliability, safety, and environmental benefits to our customers. We believe that the chemistry of these fast curing applied products, along with the specialized machinery and crew used to apply the product, are vital ingredients in providing a safe and reliable product that will withstand the pipe-laying process and decades of use on the seafloor.

We mobilize for offshore pipeline construction operations globally out of facilities in Houston, Texas and Batam, Indonesia. Our primary customers in this product line are offshore construction companies that own or lease the pipe laying vessel. From time to time, we are directly hired by operators, oil and gas exploration and production companies and welding subcontractors. These services are performed at our customers’ sites, either onboard an offshore pipe lay vessel or at an onshore fabrication yard.

Technical services and subsea rental lines

We also maintain an extensive fleet of subsea rental items and provide our customers with complementary subsea technical services. Among the technical services we offer is the provisioning of ROV pilots and other offshore personnel on a contract basis for those customers who do not employ their own on a full time basis. Branded UKPS, this business line operates out of a main office in Great Yarmouth, United Kingdom, and serves subsea construction and offshore service companies globally.

Our VisualSoft™ product line provides another related technical product that reinforces our strength in subsea vehicles and products. We sell or rent VisualWorks and VisualDVR Digital Video Systems that provide a complete solution for digital video capture, playback, processing and reporting of pipeline, structural or other inspection survey data. These products are often used in conjunction with the operation of inspection class ROVs or diving personnel when conducting survey work. VisualWorks systems are also in operation supporting clients involved in

detailed inspection surveys of flooded tunnels and mines, underwater archaeological sites and seabed environments. This equipment is complementary to our inspection class vehicles and augments our capabilities and offering to our customers.

Operating for more than fourteen years, Geoscience Earth and Marine Science ("GEMS") is our geophysical and geotechnical engineering group that provides consulting services to the oil and gas, and marine industries. We typically provide an interpretation service based on the analysis of third party subsea data provided by clients. In recent years, the business has broadened into managing every phase of project development, including scope of work, liaising with data acquirers, interpretation and analysis. The majority of the work performed by GEMS is in the Gulf of Mexico, although it also carries out work internationally, particularly in West Africa. Our primary customer base consists of oil and gas operator producers. These services are focused on the earliest stages of life of field development and provide us with unique insights into future subsea construction and development work, which we believe provides us with a competitive advantage.

We also have an extensive rental fleet of critical subsea equipment and products. Our DPS Offshore branded rental fleet provides electronic marine equipment for survey, ROV and dynamic positioning applications. Importantly, our customers often rely on our expertise in the provisioning of this equipment and ask us to design a customized rental equipment package for their intended operation or application. We often sell equipment from this fleet as well. In keeping with our efforts to provide top quality customer service, we offer fleet management services to our customers, including equipment repair and calibration, as well as the provision of specialist personnel to assist with equipment integration and installation. To compete with other rental companies we endeavor to provide better quality customer service, equipment breadth, flexibility and speed of response. As with a number of our subsea business lines, the principal customers are subsea construction contractors, survey companies and offshore vessel companies. The main rental fleet locations are in Aberdeen, Scotland; Great Yarmouth, United Kingdom; Houston, Texas; and Singapore. The business line also has long standing agent relationships in Norway and the Middle East.

Key subsea product lines

Capital equipment	• Work class remote operating vehicles • Observation class remote operating vehicles • Remote operating seafloor coring tools (ROVDrill™) • Specialty vehicles • Rescue submarines • Tether management systems
Operating items, components, and / or consumable products	• ROV thrusters, valve packs, hot stabs • Seafloor coring tools and accessories • Standardized and specialized ROV tooling • Subsea pipeline infill joint coatings and related applied products
Technical & aftermarket services and rental items	• Simulation software for complex subsea operations • ROV simulator rental items • Geotechnical and geosciences consultancy services • ROV pilot provisioning services • Offshore/subsea dynamic positioning rental equipment

Downhole Products

In late 2010, we undertook a strategic initiative to build a platform that would provide us exposure to the growing market of downhole products associated with the increasing complexity of well construction and completion. We targeted niche downhole products that were consumed during the well construction, completion and production enhancement processes, as well as those that were associated with the growth in intelligent well construction. Our objective in 2011 and 2012 is to build a downhole products platform with the critical expertise and proprietary products to position the Company as a long-term, market leading downhole products provider. Since July 2011, we have made two acquisitions to begin building our downhole products business and we have focused on two areas: (i) casing and cementing products and (ii) downhole protection solutions.

Casing and Cementing Products

Through our recently acquired Davis-Lynch™ downhole well construction and completion tools product line, we are a market leading designer and manufacturer of proprietary, mission critical products used in the construction of oil and gas wells. We design and manufacture a full range of centralizers, float equipment, stage cementing tools, inflatable packers, flotation collars, cementing plugs, fill and circulation tools for running casing, casing hangars and surge reduction equipment. Our products are used in the construction of onshore and offshore wells, and the 64 year old “Davis-Lynch™” brand is a well-known and trusted name in the industry. Our objective is to use our global sales and distribution infrastructure to grow this product line, while also continuing to look for opportunities to expand the depth of the product line through product development efforts and targeted acquisition opportunities. The key drivers of this product line

are the growth in the complexity of onshore and offshore completion market globally and the increasing number of stages being employed in the North American unconventional shale plays.

Downhole Protection Solutions

We offer a full range of associated downhole protection solutions through our 25 year old Cannon Services™ brand. The clamp and protection system is a critical component of complex well completion and is used to shield the downhole control lines and gauges during installation and to provide protection during production enhancement operations. We design and manufacture a full range of downhole protection solutions for ESP cabling, encapsulated control lines, sub-surface safety valves (“SSSV”) and permanent downhole gauges, including gauges used in intelligent wells and the steam-assisted gravity drainage (“SAGD”) wells of the Canadian heavy oil developments. We provide both standard and highly customized protection systems, and we supply the full range of alloys for various downhole environments. While we provide standardized protection systems, we have a core strength in working directly with reservoir engineers and our service company customers to design unique protection solutions to complex well design challenges.

The key driver of our downhole products business is the construction and completion of new wells. In particular, we believe that the growing complexity of onshore and offshore well construction and the increasing use of artificial lift to increase production from oil and gas wells have created a long-term growth market. We believe our focus on niche downhole products provides exposure to attractive investment trends in the downhole oil and gas market while insulating us from the intense competitive environment often associated with providing the associated installation or completion services. Our primary customers in this business line are producers and service companies providing completion, ESP and other intervention services to the producers.

A representative sampling of our key downhole products is listed below.

Key downhole product lines

	Products
Well construction and completion tools	• Centralizers • Float equipment • Stage cementing tools • Inflatable packers • Flotation collars • Cementing plugs • Fill and circulate tools for running casing • Casing hangars • Surge reduction equipment

Downhole protection systems	• Standard and Customized protection systems for:
	  • ESP cabling
	  • Permanent downhole gauges
	  • Encapsulated control lines and flatpacks
	  • Customized guards for safety valves
	• Specialized stream-assisted gravity drainage (SAGD) gauge protection systems
	• Specialized installation tools

Drilling products

We provide both drilling consumables and capital equipment, including powered and manual tubular handling equipment, specialized torque equipment, customized offline crane systems, drilling data acquisition management systems, pumps, valves, manifolds, drilling fluid end-components, pressure control equipment for both coiled tubing and wireline well intervention operations and a broad line of items consumed in the drilling process. We have a core focus on products that enhance our customers' handling of tubulars on the drilling rig. Our drilling capital equipment offering is concentrated on targeted, high value added products and equipment where we have identified a clear market opportunity.

The primary drivers impacting our drilling products business are global drilling and workover activity, the level of capital investment in drilling rigs, and the severity of the conditions under which the rigs and well service equipment operate. Although a portion of our rig-related sales is directed at new rigs, a larger portion is associated with equipment replacement and rig upgrades as drilling contractors modify their existing rigs to improve efficiency and to operate in increasingly challenging drilling conditions associated with the development of unconventional resource plays or service intensive offshore drilling. We also believe that the increasing use of well stimulation in mature fields will contribute to demand for increased well service activity, which in turn should drive demand for our well intervention products.

Tubular handling

Our core strength and focus in drilling products is in powered and manual tubular handling equipment used on drilling rigs. Our Wrangler™ branded systems reduce direct human involvement in the handling of pipe during drilling operations, improving both the safety and efficiency of operations. For example, we believe our proprietary catwalk product improves rig safety by mechanizing the lifting and lowering of tubulars to and from the drill floor while reducing direct exposure of rig personnel to this potentially dangerous task. Furthermore, our catwalks improve efficiency by eliminating or reducing the need for traditional drill pipe and casing “pick-up and lay-down” equipment with associated personnel. We recently developed a make-up and break-out tool called the Wrangler Roughneck™, which we believe is a vital piece of equipment on the drilling rig. It was designed to address a growing need for a spinning and torque tool with a more durable and economical design to adequately handle premium drill pipe connections, which are associated with higher torque requirements. As another example, our proprietary powered mousehole tool increases rig efficiency by spinning up joints of drill pipe or bottom hole assemblies offline, while the rig continues to drill, saving significant amounts of time. As our industry drills deeper wells with longer laterals, the weight of the drill string increases, which drives demand for tools capable of holding the string without damaging it.

In 2011, we complemented our tubular handling offering through the acquisition of AMC, based in Aberdeen, Scotland. Through our AMC product brand, we design and manufacture specialized torque equipment for tubular connections, including high torque stroking (or “bucking”) units, fully rotational torque units, portable torque units for field deployment and related control systems, and we provide aftermarket service. As well construction becomes more complex, we expect the increasing amount of downhole tools and equipment required to drive the need for more specialized and capable torque machines. We intend to support the growth of this complementary product offering through our existing global distribution and sales network.

We also design and manufacture a range of value-added offline activity cranes, multi-purpose cranes and personnel transfer solutions. Many of these cranes are fit-for-purpose, multi-axis cranes that provide access to hard-to-reach places and eliminate the need for manual interface. To provide added utility to our customers on these key pieces of equipment, we manufacture specialty cranes, as well as several of our tubular handling capital equipment products to fit specified rig configurations.

Our tradition of product innovation also extends to manual tubular handling equipment. We have designed and developed products in conjunction with our customers to address specific problems encountered when drilling in deepwater and other challenging environments. Our lightweight 1,000 ton elevators and 1,000 ton slips allow a drilling rig to safely support up to two million pounds of drill pipe without damaging it. Originally designed to solve a specific customer’s challenge of handling landing strings in deepwater, these products now serve broader applications in deeper wells both onshore and offshore. As a further example of customer responsiveness, we integrated a specially designed skidding system into our catwalk product line. This transforms the catwalk into a self-propelled device that is more efficient for pad drilling, and allows it to easily move with the rig to the next well location. Through the drilling products business, we intend to continue to leverage existing product lines to create integrated systems that completely automate the pipe handling functions. We expect to continue to work with our customers to design and develop products to upgrade their drilling rigs for safer and more efficient operation.

Drilling flow control and intervention

Our pressure control products used for well intervention operations are sold directly to oilfield service companies and also to equipment rental companies. These products include both coiled tubing and wireline blowout preventers and their accessories. We also conduct aftermarket refurbishment and recertification service on our pressure control equipment. We expect the repair and replacement of these components to become more frequent as service contractors conduct operations in increasingly challenging environments associated with increased well depths, greater wellbore deviations and longer laterals, which are often accompanied by higher pressures and temperatures. In particular, as coiled tubing and other intervention operations address evolving industry needs, we intend to support this growing area with reliable and innovative products. For example, in response to recent changes in the coiled tubing market, we recently completed the design of a 4-1/16 inch 15,000 psi coiled tubing blowout preventer, which is now in production with a growing backlog. We are also in the final engineering stages of a 7 inch 10,000 psi blowout preventer for this growing market. We expect these products to allow us to serve this evolving market.

We recently added to our flow control offering through the acquisition of UK-based P-Quip, which designs and manufactures a range of patented liner retention and mud pump rod piston systems. These systems are sold directly to mud pump manufacturers and drilling contractors, and are focused on improving the efficiency, serviceability and safety of mud pump operations on the rig. They are complementary to our existing SPD mud pump product line, and we believe they have a strong brand in the marketplace. We plan to grow this product line using our existing global sales and distribution network, especially in North America where this UK-based product line has only recently begun to achieve penetration.

We also manufacture data acquisition and management products that include integrated drill floor instrumentation and monitoring systems. These systems manage and provide real-time monitoring and logging of drilling data to drilling contractors and oil and natural gas producers. They measure, collect, store and display drilling data on a real-time basis, substantially increasing drilling efficiency and improving the well construction process. The drilling data can be monitored by local rig supervisors as well as transmitted to remote customer locations for monitoring the drilling process.

Examples of our consumable drilling products include inserts and dies, as well as manual elevators, tongs and slips. As rigs drill these products are consumed and need to be replaced periodically, resulting in a recurring revenue opportunity for our Company. We are also among the largest providers of oilfield bearings to the North American market, where we provide original equipment manufacturers and repair businesses the bearings they need to serve the drilling and well stimulation markets.

In addition to designing and manufacturing capital products and providing consumable products, we also repair and service drilling equipment for both land and offshore rigs. Many of our service employees work in the field addressing problems at the rig site, which we believe further enhances our relationships with customers. Our experienced service employees, in combination with our specialized repair facilities, enable us to survey rigs in the field, design comprehensive upgrade packages and refurbish existing rig equipment.

Our ability to source low cost raw materials and components, such as steel castings and forgings is critical to our ability to manufacture our drilling products competitively. In order to purchase

raw materials and components in a cost effective manner we have developed a broad international sourcing capability and we maintain quality assurance and testing programs to analyze and test these raw materials and components. In addition, we believe we have established a reputation among our customers for high-quality products, reliable after-sale support and product innovation.

Key drilling product lines

Capital equipment	• Tubular handling equipment such as powered mousehole tools, powered elevators • Wrangler Roughnecks™ • Wrangler Catwalks™ • Specialized torque machines and bucking units • Customized crane systems • Drill floor electronic instrumentation and data monitoring systems • Choke and kill manifold mud systems and related components • Coiled tubing and wireline blowout preventers and related products
Operating items, components, and / or consumable products	• Drilling and production valves, chokes and flowline connections • Manual tubular handling equipment such as slips, inserts, dies and manual tongs • Centrifugal pumps and fluid end-components for mud pumps • Patented mud pump liner retention and mud pump rod piston systems • Specialty oilfield bearings
Technical & aftermarket services and rental items	• Drilling equipment field service, repair, refurbishment and upgrade • Workover BOP aftermarket service and recertification • Torque machine aftermarket services and spare parts

Production and Infrastructure Segment

We design and manufacture products and provide related equipment and services to the well stimulation, completion, production and infrastructure markets. The top five customers in our Production and Infrastructure Segment together accounted for approximately 35.9% of that segment's revenue during the year ended December 31, 2010, with no single customer representing as much as 10% of our consolidated revenue during this same period. We offer these products and related services through three primary business lines.

Flow equipment

In late 2010, we undertook a strategic initiative to build a platform that would provide us exposure to the rapidly growing completion products sector of the oil and gas industry. We targeted the products that were consumed during the stimulation and flowback processes to take advantage of the recurring revenue inherent in the flow equipment market. The complete set of equipment used by a well stimulation, or pressure pumping, company is referred to as a “frac spread” and is often measured by the amount of pressure pumping horsepower the frac spread produces. While the capital equipment associated with provided new, incremental horsepower to the industry has been increasing as well completion practices are evolving, we chose to focus on the consumable components of the frac spread that experience high rates of wear and replacement. We believe this strategy enables us to capture a greater share of the total spend over the useful life of the typical frac spread.

Our objective in 2011 and 2012 is to build a top three player in the North American flow equipment market that provides all of the critical components typically found in the flow equipment train from the frac pressure pump to the manifold at the wellhead, with the full range of sizes suitable for both the stimulation and flow back markets. We also believe that it is vital to the long-term sustainability of this product line that we invest in and expand the associated recertification and refurbishment offering across the major unconventional basins in North America.

Since February 2011, we have made three acquisitions to begin building our flow equipment product line. The management teams of these companies are experts in this sector and share our common vision for the type of business we intend to create. Prior to our acquisition, these companies had a track record of collaboration to satisfy customer needs. The platform provided by these acquisitions offers us critical expertise in the design, engineering, and manufacture of the full range and sizes of swivel joints, triplex and quintuplex fluid-end assemblies, manifolds and manifold trailers, as well as the full suite of pressure control plug, choke, and relief valves. As recertification and refurbishment operations are critical to ensuring the reliable and safe operation of a pressure pumping company’s fleet, we operate a fleet of sophisticated mobile recertification and refurbishment tractor trailers, which can deploy to the customer’s yard or to the well site. We currently serve several of the key unconventional basins, and we are in the process of using the full Production and Infrastructure Segment footprint to expand this business line’s coverage area.

The key driver of this platform is the completion of new wells. In particular, we believe that the growing use of fracturing to develop the oil and gas reserves in shale or tight sands basins across North America has created a long-term growth market. We also believe that the growing service intensity associated with this trend will support sustained growth in the sale of consumable products associated with the stimulation and flowback markets. Our primary customers in this business line are pressure pumping and flowback service companies, although we also generate sales to original equipment manufacturers of pressure pumping units when they assemble new frac spreads. While we benefit from the ongoing new build cycle of pressure pumping equipment, our business model is focused on developing deep relationships with the service companies by providing top quality products and reliable recertification and refurbishment services.

A representative sampling of our key products and related services is listed below. We manufacture a full range of sizes and materials including those needed for sour service to deal with high H_2S concentrations.

Key flow equipment product lines

Consumable flow equipment	• Swivel joints, including large diameter (up to 6 inch) • Pup joints • Swages • Hammer unions • Crossovers
Consumable pressure control equipment	• Triplex and quintuplex fluid end assemblies, for 600 and 2250 horsepower pumps • LT and TE Plug valves (up 5 inch) • Chokes • Relief valves • Bull plugs
Capital equipment (equipped with associated consumable products)	• Pressure pumping manifold trailers • Flowback manifolds skids • Flow equipment trucks
Aftermarket services	• Refurbishment and recertification • Mobile recertification • Replacement parts and internals for flow equipment • Online flow line management

Surface process and onshore pipeline equipment

Our surface production equipment platform provides engineered process systems and field services from the wellhead to inside the refinery fence. We serve the upstream, midstream and downstream segments in oil and gas production equipment and services. Once a well has been drilled, completed and brought on stream, we provide the well operator-producer with the process equipment necessary to make the oil or gas ready for transmission. We design, develop and fabricate tanks, a broad range of separators, packaged production systems and American Society of Mechanical Engineers (“ASME”) coded and non-coded pressure vessels, skidded vessels with gas measurement, modular process plants, headers and manifolds, process equipment and flow control and separators to help clean and process oil or gas as it travels from the wellhead and along the transmission line to the refinery. Our customers are principally oil and gas operator producers, and we are positioning our manufacturing and staging locations strategically across North America to best serve the key emerging shale and unconventional resource plays.

A key to our competiveness is manufacturing tanks and pressure vessels in close proximity to their location of use to reduce freight costs, as well as helping our customers manage and anticipate their production equipment needs as their drilling programs progress. We also provide specialized trucks and crews that install the production equipment on the well site, which allows us to capture more value for the product we provide and affords our customers a more streamlined process for bringing a well on production. We continually seek to improve our

designs to better serve our customers' evolving requirements. For example, we have developed and installed low profile skid mounted process systems that our customer requested for processing natural gas near urban areas. In working with another customer, we developed a modular production processing system that left the plant "installation ready", and we subsequently provided the installation service for that customer as well. This system reduced the installation time from days to hours and allowed our customer to initiate production from the new wells sooner and with greater reliability. Importantly, we have specialized equipment and service crews that allow us to stage, deliver and install the equipment described above, further streamlining the total well development process that has become so important in the "manufacturing" of shale resource basins.

We also provide industrial construction and manufacturing services for clients in the refining and chemicals industries from our Pasadena, Texas facility, which is strategically located to service this market. We have the engineering expertise and track record in this facility to design and manufacture highly specialized skid mounted systems for a broad array of customers, such as offshore production companies and government related aeronautical customers. This facility also has the flexibility to support incremental production of code pressure vessels destined for use in nearby emerging shale basins, such as the Eagle Ford in South Texas. In early 2010, we acquired the EDGE™ desalination and dehydration product line and a non-exclusive license to manufacture and sell dual frequency technology for use in desalination applications. This product line acquisition also gave us access to an installed base of over 500 systems in oil refineries worldwide. We believe this product line will generate solid, steady results in the future.

We maintain a fleet of specialized onshore pipeline bending, line-up, and construction equipment that we rent to pipeline construction contractors under the brand C&L. Our bending machines, mandrels and bending sets are used to bend pipe to conform to the contours of the land. We also rent internal line up clamps that align and hold together two sections of pipe so they can be welded to each other. Finally, we provide rental equipment to facilitate pipe handling. The C&L brand has been a recognized name in the North American market for over 15 years, and retains a strong reputation for the condition and maintenance of its equipment. Equipment condition directly impacts reliability in the field, which in turn affects construction company productivity. Much of the equipment we offer is niche, pipeline diameter specific equipment, and contractors generally prefer to rent size-specific equipment rather than own it since the diameter of pipelines they build varies from job to job. Demand for these products is largely driven by the increasing need for greenfield gathering systems in new shale resource basins as well as the construction of transmission lines that bring the resource from new regions of supply in emerging shale basins to existing markets.

A representative sampling of the key products and related services in our surface production and processing equipment are listed below.

Key surface production, process, pipeline equipment products

Upstream	• Steel and fiberglass tanks • Separators: • High / Low Pressure • Vertical / Horizontal • Two / Three Phase • Sand separators • Vapor recovery units • Horizontal and vertical heater treaters • Free water knockouts	• Scrubbers • Gas conditioning and treating products • Gas production units • Water heating units • Fluid storage and measurement units • Well test units • Dehydration skids • Gas measurement skids • Bubble towers
Midstream	• Skid mounted compressor headers and manifolds • Glycol towers • TEG dehydration units • Control valve skids • Slug catchers • Process piping spools • Pig launchers and receivers	• Pipeline bending and construction equipment • Pigging separators • Gas measurement skids • Regeneration units • Filter separators • Scrubbers • Fuel gas skid units
Downstream/ Measurement & Monitoring	• EDGE™ Desalination and Dehydration • LACT units • Calibrated meter provers • Sales gas skids	• Condensate meter skids • Custody transfer skids • Prover tanks • Spare parts and other specialty equipment

Valve solutions

We design, manufacture and provide a wide range of industrial valves that principally serve the upstream, midstream and downstream markets of the oil and gas value chain. To a lesser extent, our valves serve general industrial, power and process industry customers as well as the mining industry. We provide a comprehensive suite of ball, gate, globe, check and butterfly valves across a wide range of sizes and application. We believe the worldwide market for industrial valves like ours is approximately $12 billion, with 55% of the market being in the United States. By percentage of our 2010 full year revenue, our valve solutions business is made up of the following types: 45% ball valves, 30% butterfly valves and 25% multi-turn valves.

We market our valves to our customers and end users through our four recognized brands: PBV, DSI, Quadrant and ABZ. Much of our production is sold through distribution channels, with marketing efforts targeting end users for pull through of our products. Our global sales force and representatives cover 30 countries, with significant affiliated distribution in Canada and South Africa. Our Canadian affiliate provides significant exposure to the growing heavy oil spend cycle while our South African affiliate serves chemical, petrochemical and refining customers. We

have recently established a presence in both Australia and Brazil to enhance our exposure to those growing markets. After rigorous testing, our valve products in this segment have been included on the Approved Manufacturers List ("AML") of many end users. A key component of our future growth will lay in our ability to increase our presence on more AMLs in key markets outside of North America. To accomplish this, we intend to continue to market our valves to end users and aggressively expand our international presence. During 2010, 43% of our valve solutions business line revenue was derived from outside of the United States.

Our manufacturing and supply chain systems enable us to design and produce high-quality, engineered valves, as well as provide standardized products, while maintaining competitive pricing and minimizing capital requirements. We manufacture and warehouse our highly engineered PBV ball valves inside of our 300,000 square foot valve manufacturing and warehouse facility in Stafford, Texas and utilize our international manufacturing partners to produce components and completed products for a number of our other valve brands. We have developed stringent quality control procedures over many years in close collaboration with our manufacturing partners, and have invested significant resources to bring our partners' level of reliability and quality up to the very best standards in the industry.

Valve product lines

Our valve solutions products fit broadly into the quarter-turn and multi-turn valve categories. With the exception of our mud valves, which are part of our drilling products line, and the valves we market through our flow equipment business, the quarter-turn category includes valves that open and close with 90 degrees of rotation. These valves are typically more compact, lightweight and high performance than multi-turn valves and are generally designed for specific applications. Quarter-turn products consist of butterfly valves and ball mounted valves of both floating and trunnion designs. When in the open position, ball valves provide a seamless media path, which is an important feature for applications that require pigging of the piping system. Multi-turn products, consisting of gate and globe valves, are considered the workhorse of the industry. Their robust design allows them to work under a very broad range of operating conditions. We also manufacture a variety of check valves, which prevent backflow of media. Every type of valve has applications in all segments of the energy value chain and in industrial processes. Many permutations of valve design have evolved to match the large variety of temperature, pressure, media, flow conditions and customer preferences in the energy and general industrial settings.

We manufacture our valves to conform to the standards of the American Petroleum Institute ("API"), American National Standards Institute ("ANSI"), American Bureau of Shipping ("ABS"), and International Organization for Standardization ("ISO") and other relevant standards governing the design and manufacture of industrial valves. Though our valve solutions segment, we participate in the API's standard-setting process. In addition to published standards, we have deep knowledge of specific design standards and manufacturing procedures demanded by large global energy players.

A representative sampling of the key products and associated brands in our valve solutions product lines are listed below.

Key valve solutions products

Upstream	• Flanged floating ball valves (Quadrant) • Threaded and socket welded ball valves (Quadrant) • Butterfly valves (Quadrant) • Metal seated ball valves (PBV) • Trunnion mounted ball valves (PBV)
Midstream	• Trunnion mounted ball valves (PBV) • Flanged floating ball valve (PBV) • Full opening check valves (PBV) • Threaded and stockweld valves (PBV)
Downstream	• Cast steel gate, globe, and check valves (DSI), available in ½" to 48" • Forged steel gate, globe, and check valves (DSI) • Pressure seal valves (DSI) • Cast iron valves (DSI) • Threaded and socket weld ball valves (PBV/Quadrant) • Flanged floating ball valves (PBV/Quadrant) • Multi-port ball valve (Quadrant) • Triple offset butterfly valves (ABZ)
Mining, other	• Resilient seated butterfly valves • High performance butterfly valves (ABZ), available in 2" to 60" • Pneumatic and electric actuated butterfly valves

Business history

SCF Partners is a private equity firm that has specialized in investments in the oilfield services sector since it was founded in 1989. In May 2005, SCF formed FOT in connection with its acquisition of Access Oil Tools, a pipe-handling tool manufacturer and supplier. FOT was founded largely to create a capital equipment provider focused on the drilling sector. Over time, FOT added other businesses to provide a balanced mix of capital and consumable goods to the drilling industry. From 2005 through 2008, FOT experienced rapid growth both organically and through thirteen acquisitions.

In June 2005, SCF became the controlling stockholder of Global Flow, a manufacturer of industrial valves. Global Flow presented an opportunity for global expansion due to its international supply chain and channels to market, and offered a valve platform around which to develop a larger valve focused business. From 2005 to 2008, Global Flow acquired three complementary valve businesses to create a company with exposure to the upstream, midstream, and downstream markets.

In February 2007, Triton was formed following the acquisition of Perry Slingsby Systems by SCF. Perry Slingsby Systems was identified as a platform company around which to create a subsea focused business that specializes in providing products and services to the international offshore

oil and gas industry. Triton targeted the global growth in deepwater and offshore resource developments. Triton grew rapidly through acquisitions, acquiring eight companies by the end of 2008.

In August 2007, Allied was formed by SCF through the acquisition and merger of four companies focused on the growing process and infrastructure requirements associated with unconventional gas and liquids developments in North America.

Finally, Subsea, a provider of subsea pipeline infield joint coatings and other applied products, was formed by SCF through the acquisition of OJS in January 2007. Subsea subsequently acquired a specialty pipeline construction rental equipment business focused on the onshore market to create a broader pipeline infrastructure equipment business.

During the industry-wide downcycle in 2009, FOT, Global Flow, Triton, Allied and Subsea focused on working capital management, margin preservation and customer targeting, and generally positioned themselves for competitive growth in 2010. Beginning in 2009, and in collaboration with SCF Partners, several of the companies initiated strategic discussions concerning the formation of a broadly based oilfield products company that would be capitalized to take advantage of growth opportunities as the industry recovered. After a thorough review involving the management and independent board members of each of the five companies, FOT, Global Flow, Triton, Allied and Subsea were combined on August 2, 2010 in the Combination. In the Combination, FOT became the parent company and was renamed Forum Energy Technologies, Inc. The primary objectives of the Combination were to provide the shareholders and management of the constituent companies a broader platform for growth and access to new equity and debt capital, resulting in an enhanced ability to take advantage of growth opportunities.

During the strategic discussions leading up to the Combination process, key members of management identified the following objectives and benefits of consummating the Combination:

- *Increase access to growth capital*. Many of the Combination companies projected that there would be significant growth opportunities available during a recovery from the 2009 economic downturn, both in terms of organic and acquisition growth. However, many of these growth opportunities required financial commitments that would strain the individual company balance sheets. On an aggregate basis, and with a new credit facility and equity commitment from SCF Partners, the combined Company could have the capability to make those investments. Among the opportunities discussed at the time were: (1) building greenfield manufacturing and aftermarket service facilities in emerging basins, such as in the Marcellus and Macae, Brazil; (2) substantially increasing the size of our subsea equipment rental fleet; (3) creating alternative financing models to help customers accelerate their purchase of key capital equipment; and (4) creating a dedicated new product engineering and development capability.
- *Enhance ability to serve our customers and improve cross selling of products.* Several of the Combination companies perceived that their relatively small scale inhibited their ability to make a qualitative step change in their relationship with certain large, key customers. A larger platform with better financing would instill greater confidence in customers and better position the business to pursue larger capital equipment orders, multi-year fleet renewal programs, consumable product inventory management and other long-term strategic supplier arrangements. In addition, access to a more expansive geographic platform would provide

several of the Combination companies with a greater capacity to provide aftermarket service. Finally, the management teams believed that we would have more opportunities to reach certain targeted customers and the ability to leverage those interactions to drive incremental revenue opportunities. For example, management believed that Allied's customer relationships with producers would provide introductory opportunities for Global Flow's valve business, which generally is pulled through distribution companies to the producer.

- *Leverage the strengths of each company across the combined Company*. Each of the Combination companies had particular strengths, many of which would benefit one or more of the others. For example, the controls technology expertise imbedded within Triton's ROV development group could provide FOT's tubular handling capital equipment development effort with access to highly skilled engineers who had solutions to controls technology challenges. A second example involved Global Flow's robust supply chain system, which involved outsourced manufacturing and critical vendor relationships in Asia. The combined management believed that access to this supply chain and the knowledge that produced it would accelerate similar efforts across the other companies.
- *Enhance financial stability*. Each of the Combination companies was subject to different industry drivers, many of which have historically experienced different cycles. The management teams believed that a combined company participating in each of these varying cycles would provide an enhanced measure of stability to the business and to the long-term planning process by decreasing the volatility of its financial results.
- *Internally source products*. Some of the Combination companies used products of other Combination companies in their manufacturing process. For example, Allied's surface production equipment business used a large quantity of valves, such as those produced by Global Flow, in the production of skidded process systems. The management teams believed there would be an opportunity to generate incremental business by internally sourcing some of these products.

Having concluded the Combination, we believe that the investment thesis and the associated operational benefits to us have been proven. As integration has proceeded, we have discovered benefits and opportunities incremental to those described above. We believe that the operational and financial benefits realized through the Combination have: (1) enhanced our growth potential; (2) offered ongoing synergistic opportunities; (3) provided the opportunity to develop broader and more diversified product lines; (4) enabled us to compete with larger companies; (5) provided an opportunity to leverage discrete internal initiatives across a broader platform; and (6) established a good foundation for long-term growth. Several of these opportunities are under development and we believe that there will be strong benefits to the business as we continue to grow.

Backlog

We had the following backlog as of the dates indicated, consisting of written orders or commitments believed to be firm contracts for our products:

		Actual
	As of December 31, 2010	As of June 30, 2011
(in millions)		
Production and Infrastructure Segment	$ 52.7	$ 140.9
Drilling and Subsea Segment	97.5	155.1
Total	$ 150.2	$ 296.0

Consistent with our strategy of preserving a balanced mix of capital goods, consumable products, repair parts, and rental services, a majority of our business does not require lengthy lead times, and we therefore believe that the size of our backlog is mostly representative of the activity level of our capital equipment related businesses. Substantially all of the orders and commitments included in our backlog as of August 25, 2011 were scheduled to be delivered within six months.

Our consumable and repair products are predominantly off-the-shelf items requiring short lead-times, and our related refurbishment or other services are also not contracted with much lead time. Our consumable products, spare parts and aftermarket or other services comprised 52% of the pro forma revenue we generated in fiscal 2010. The majority of these products and related services have lead-times shorter than six months.

We can give no assurance that our backlog will remain at current levels. Sales of our products are affected by prices for oil and natural gas, which may fluctuate significantly. Additional future declines in oil and natural gas prices and production or additional regulatory provisions could reduce new customer orders, possibly causing a decline in our future backlog. Substantially all of our projects currently included in our backlog are subject to change and/or termination at the option of the customer. In the case of a change or termination, the customer is required to pay us for work performed and other costs necessarily incurred as a result of the change or termination. In the past, terminations and cancellations have not been material to our overall operating results.

Seasonality

A substantial portion of our business is not significantly impacted by changing seasons. A small portion of the revenue we generate from selected Canadian operations may benefit from higher first quarter activity levels, as operators take advantage of the winter freeze to gain access to remote drilling and production areas. In the past, some of our revenue in Canada has declined during the second quarter due to warming weather conditions that resulted in thawing, softer ground, difficulty accessing drill sites and road bans that curtailed drilling activity. However, in 2010, this business generated substantially less than 50% of our total fiscal 2010 Canadian revenue. We also experience some exposure to seasonality through the portion of our subsea rental business that serves the North Sea. It is customary for activity related to this rental equipment to slow down between the months of November and February. However, revenue exposed to this type of seasonality comprised less than 5% of our overall revenue in fiscal 2010.

Competition

The markets in which we operate are highly competitive. We compete with a number of companies, some of which have financial and other resources greater than us. The principal competitive factors in our markets are the quality, price and availability of products and services and a company's responsiveness to customer needs and reputation for safety. We believe several factors give us a strong competitive position. In particular, we believe our products and services in each segment are at least comparable in price, quality, performance and dependability. We seek to differentiate ourselves from our competitors by providing a rapid response to the needs of our customers, a high level of customer service, and innovative product development initiatives. While we have no single competitor across all of our product lines, the companies we compete with across the greatest number of our product lines include Cameron International Corporation and FMC Technologies.

Drilling and Subsea Segment

Subsea products. We have no one direct competitor across all of our product and service lines. We hold established market leading positions in several of our core businesses on a global basis, and we compete with a small number of competitors. The most significant competitor we have across our subsea business is Schilling Robotics, a subsidiary of FMC Technologies Inc. Our principal competitors in some of our subsea business lines are as follows:

- Vehicles and products—Schilling Robotics (45% owned by FMC Technologies Inc.); Soil Machine Dynamics; and Saab Seaeye (a wholly owned subsidiary of Saab Underwater Systems AB); and
- Subsea rental equipment—Ashtead Technology Rental; Seatronics Ltd. (a subsidiary of Acteon Group Ltd) and Fugro N.V.

Downhole products. We have no one direct competitor across all of our downhole product lines. However, our principal competitors can be separated into these categories:

- Casing and cementing tools—Weatherford International, Ltd.; Halliburton Company (however, Halliburton focuses on production for internal use); Frank's Casing Crews & Rentals, Inc.; Varel International Energy Services Inc.; Ray Oil Tool; and
- Downhole protection solutions—Lasalle Engineering Limited (a subsidiary of Schlumberger Ltd., which focuses on production for Schlumberger's internal use in services capacity); Tube-Tec (a subsidiary of Polymer Holdings Ltd.), providing cast protectors principally to the North Sea market.

Drilling products. Our drilling, intervention and flow control products business lines compete in a highly consolidated market. Principal competitors include: National Oilwell Varco, Inc., Maritime Hydraulics, Canrig (a division of Nabors Industries), Blohm + Voss GmbH, LeTourneau (a division of Joy Global), Pason Systems, Inc., Cameron International Corporation, Southwest Oilfield Products, Double Life Corporation, Inc., and Oteco, Inc.

Production and Infrastructure Segment

Flow equipment. We have two large competitors in this business line, and a number of smaller competitors. The largest competitors are FMC Technologies and Weir SPM.

Surface production and process products. The most direct competitor we across this business line is Natco Group Inc. (a division of Cameron International Corporation). Our principal competitors by product type are as follows:

- Vessels and Separators—Exterran; Valerus Compression Services; Energy WeldFab; Natco Group Inc.; Sivalls; Challenger Tank and Manufacturing;
- Tanks—Palmer Tanks; Permian Tank and Manufacturing; Challenger Tank and Manufacturing (owned by Dover Corp.); Smith Pipe of Abilene; and
- Desalter product line—Cameron International Corporation.

Valve products. Our valve products business line competes with a number of competitors in each of its market segments. Our largest competitors have similar or greater scope of product offering. Among these larger competitors are Cameron International, Velan, Inc., Balon Corporation, and CIRCOR International, Inc.

Properties

The following tables describe the material facilities owned or leased by us as of August 31, 2011:

Drilling and Subsea facilities:

Location	Leased or owned	Principal/Most Significant Use
Liberty, TX	Leased	Drilling Aftermarket
Victoria, TX	Leased	Drilling Aftermarket
Tyler, TX	Leased	Drilling Equipment Distribution
Broussard, LA	Leased	Drilling Equipment Distribution
Spring, TX	Owned	Drilling Equipment Distribution
Dubai, UAE	Leased	Drilling Equipment Distribution
Nisku, Canada	Owned	Drilling Equipment Distribution
Aberdeenshire, UK	Leased	Drilling Equipment Distribution
Broussard, LA	Owned	Drilling Equipment Manufacturing
San Antonio, TX	Owned	Drilling Equipment Manufacturing
Singapore	Leased	Drilling Equipment Manufacturing
Monterrey, Mexico	Leased	Drilling Equipment Manufacturing
Tyne & Wear, UK	Leased	Drilling Equipment Manufacturing
Leduc, Canada	Leased	Drilling Equipment Manufacturing
Aberdeen, UK	Leased	Drilling Equipment Manufacturing
Caithness, UK	Leased	Drilling Equipment Manufacturing
Kilbirnie, UK	Leased	Drilling Equipment Manufacturing
Houston, TX	Leased	Drilling Headquarters, Engineering
Katy, TX	Leased	Offshore Pipeline Construction
Batam, Indonesia	Leased	Offshore Pipeline Construction
Houston, TX	Leased	ROV Engineering, Sales, Software
Kirkbymoorside, UK	Leased	ROV Manufacturing
Aberdeenshire, UK	Leased	ROV Manufacturing
Aberdeenshire, UK	Leased	ROV Sales and Services
Norfolk, UK	Leased	ROV Sales and Services

Location	Leased or owned	Principal/Most Significant Use
Houston, TX	Leased	ROV Sales and Services
Singapore	Leased	ROV Sales and Services
Aberdeenshire, UK	Leased	ROV Software & Technology
Jupiter, FL	Leased	ROV Software & Technology
Houston, TX	Leased	Seafloor Geoservices
Aberdeenshire, UK	Leased	Subsea Management
Stafford, TX	Owned	Downhole Products Manufacturing
Pearland, TX	Owned	Downhole Products Manufacturing

Production and Infrastructure facilities:

Location	Leased or Owned	Principal/ Most Significant Use
Alice, TX	Leased	Flow Equipment Manufacturing
Davis, OK	Owned	Flow Equipment Manufacturing
Odessa, TX	Leased	Flow Equipment Recertification / Distribution
Decatur, TX	Leased	Flow Equipment Recertification / Distribution
Longview, TX	Leased	Flow Equipment Recertification / Distribution
Clearfield, PA	Owned	Production Equipment Manufacturing
Pasadena, TX	Leased	Production Equipment Manufacturing
Chickasha, OK	Owned	Production Equipment Manufacturing
Guthrie, OK	Leased	Production Equipment Manufacturing
Elmore City, OK	Leased	Production Equipment Manufacturing
Gainesville, TX	Leased	Production Equipment Manufacturing
Smithton, PA	Leased	Production Equipment Manufacturing
Cotulla, TX	Leased	Production Equipment Service Center
Greenwood, LA	Leased	Production Equipment Service Center
Stafford, TX	Leased	Valve Distribution
Edmonton, Canada	Leased	Valve Distribution
Vereeniging, South Africa	Leased	Valve Distribution
Madison, KS	Leased	Valve Manufacturing
Stafford, TX	Leased	Valve Manufacturing
Broussard, LA	Leased	Valve Manufacturing
Conroe, TX	Leased	Pipeline Construction Equipment

New product development and intellectual property

We have dedicated resources toward the development of new technology and equipment to enhance the safety and efficiency of drilling, completion, well servicing and production processes. Our sales and earnings are influenced by our ability to successfully introduce new or improved products to the market. We currently hold multiple U.S. and international patents and have a number of pending patent applications.

Although in the aggregate our patents and licenses are important to us, we do not regard any single patent or license as critical or essential to our business as a whole. In general, in the conduct of our operations, we depend on our technological capabilities and application of our know-how to distinguish ourselves from our competitors, rather than our right to exclude others through patents or exclusive licenses. We also consider the quality and timely delivery of our products, the service we provide to our customers, and the technical knowledge and skill of our personnel to be more important than our registered intellectual property in our ability to compete. While we stress the importance of our research and development programs, the technical challenges and market uncertainties associated with the development and successful introduction of new products are such that we cannot assure you that we will realize any particular amount of future revenue from the products resulting from our research and development programs.

Suppliers and raw materials

We acquire component parts, products and raw materials from suppliers, including foundries, forge shops, and original equipment manufacturers. The prices we pay for our raw materials may be affected by, among other things, energy, steel and other commodity prices, tariffs and duties on imported materials and foreign currency exchange rates. Certain of our component parts, products or raw materials, such as bearings, are only available from a limited number of suppliers. Please see “Risk factors—Risks related to our business—We are subject to the risk of supplier concentration.”

We have experienced increased costs in recent years due to rising steel prices. There is also strong demand for forgings, castings and outsourced coating services necessary for us to make our products. We cannot assure you that we will be able to continue to purchase these raw materials on a timely basis or at acceptable prices.

We generally try to purchase our raw materials from multiple suppliers so we are not dependent on any one supplier, but this is not always possible.

Inventories and working capital

An important consideration for many of our customers in selecting a vendor is timely availability of the product. Often customers will pay a premium for earlier or immediate availability because of the cost of delays in critical operations. We aim to stock our consumable products in regional warehouses around the world so we can have these products available for our customers when needed. This availability is especially critical for our bearing and valve products, causing us to carry substantial inventories for these products. For critical capital items in which demand is expected to be strong, we often build certain items before we have a firm order. Our having such goods available on short notice can be of great value to our customers.

We typically offer our customers payment terms of net 30 days. For sales into certain countries we might require payment upfront or credit support through a letter of credit. For longer term projects we typically require stage payments as important milestones are reached. On average we collect our receivables in about sixty days from shipment resulting in a substantial investment in accounts receivable. Likewise, standard terms with our vendors are net 30 days. For critical items sourced from significant vendors we have settled accounts more quickly, sometimes in exchange for early payment discounts.

Employees

As of August 31, 2011, we had approximately 2,900 employees. Of our total employees, approximately 2,100 were in the United States, 500 were in the United Kingdom, 130 were in Canada and 170 were located in other locations. We are not a party to any collective bargaining agreements, other than in our Monterrey, Mexico facility, and we consider our relations with our employees to be satisfactory.

Operating risk and insurance

We currently carry a variety of insurance for our operations. We are partially self-insured for certain claims in amounts we believe to be customary and reasonable. Although we believe we currently maintain insurance coverage adequate for the risks involved, there is a risk our insurance may not be sufficient to cover any particular loss or that our insurance may not cover all losses.

Environmental, health and safety regulation

Our operations are subject to numerous stringent and complex laws and regulations governing the discharge of materials into the environment, health and safety aspects of our operations, or otherwise relating to human health and environmental protection. Failure to comply with these laws or regulations or to obtain or comply with permits may result in the assessment of administrative, civil and criminal penalties, imposition of remedial or corrective action requirements, and the imposition of injunctions to prohibit certain activities or force future compliance.

The trend in environmental regulation has been to impose increasingly stringent restrictions and limitations on activities that may impact the environment, and thus, any changes in environmental laws and regulations or in enforcement policies that result in more stringent and costly waste handling, storage, transport, disposal, or remediation requirements could have a material adverse effect on our operations and financial position. Moreover, accidental releases or spills of regulated substances may occur in the course of our operations, and we cannot assure you that we will not incur significant costs and liabilities as a result of such releases or spills, including any third party claims for damage to property, natural resources or persons. While we believe that we are in substantial compliance with existing environmental laws and regulations and that continued compliance with current requirements will not have a material adverse effect on our financial condition or results of operations, there can be no assurance that incidents will not occur or that we will be able to comply with increasingly stringent requirements.

The following is a summary of the more significant existing environmental, health and safety laws and regulations to which our business operations are subject and for which compliance may have a material adverse impact on our capital expenditures, results of operations or financial position.

Hazardous substances and waste

The Resource Conservation and Recovery Act (“RCRA”) and comparable state statutes, regulate the generation, transportation, treatment, storage, disposal and cleanup of hazardous and non-hazardous wastes. Under the auspices of the EPA, the individual states administer some or all

of the provisions of RCRA, sometimes in conjunction with their own, more stringent requirements. We are required to manage the transportation, storage and disposal of hazardous and non-hazardous wastes in compliance with RCRA.

The Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), also known as the Superfund law, imposes joint and several liability, without regard to fault or legality of conduct, on classes of persons who are considered to be responsible for the release of a hazardous substance into the environment. These persons include the owner or operator of the site where the release occurred, and anyone who disposed or arranged for the disposal of a hazardous substance released at the site. We currently own, lease, or operate numerous properties that have been used for manufacturing and other operations for many years. We also contract with waste removal services and landfills. These properties and the substances disposed or released on them may be subject to CERCLA, RCRA and analogous state laws. Under such laws, we could be required to remove previously disposed substances and wastes, remediate contaminated property, or perform remedial operations to prevent future contamination. In addition, it is not uncommon for neighboring landowners and other third-parties to file claims for personal injury and property damage allegedly caused by hazardous substances released into the environment.

Water discharges

The Federal Water Pollution Control Act (the "Clean Water Act") and analogous state laws impose restrictions and strict controls with respect to the discharge of pollutants, including spills and leaks of oil and other substances, into waters of the United States. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the EPA or an analogous state agency. A responsible party includes the owner or operator of a facility from which a discharge occurs. The Clean Water Act and analogous state laws provide for administrative, civil and criminal penalties for unauthorized discharges and, together with the Oil Pollution Act of 1990, impose rigorous requirements for spill prevention and response planning, as well as substantial potential liability for the costs of removal, remediation, and damages in connection with any unauthorized discharges.

Air emissions

The federal Clean Air Act and comparable state laws regulate emissions of various air pollutants through air emissions permitting programs and the imposition of other emission control requirements. In addition, the EPA has developed, and continues to develop, stringent regulations governing emissions of toxic air pollutants at specified sources. Non-compliance with air permits or other requirements of the federal Clean Air Act and associated state laws and regulations can result in the imposition of administrative, civil and criminal penalties, as well as the issuance of orders or injunctions limiting or prohibiting non-compliant operations.

Climate change

In December 2009, the EPA determined that emissions of carbon dioxide, methane and other "greenhouse gases" present an endangerment to public health and the environment because emissions of such gases are, according to the EPA, contributing to warming of the earth's atmosphere and other climatic changes. Based on these findings, the EPA has begun adopting and implementing regulations to restrict emissions of greenhouse gases under existing provisions of the federal Clean Air Act. The EPA recently adopted two sets of rules regulating greenhouse

gas emissions under the Clean Air Act, one of which requires a reduction in emissions of greenhouse gases from motor vehicles and the other of which regulates emissions of greenhouse gases from certain large stationary sources, effective January 2, 2011. The EPA's rules relating to emissions of greenhouse gases from large stationary sources of emissions are currently subject to a number of legal challenges, but the federal courts have thus far declined to issue any injunctions to prevent the EPA from implementing, or requiring state environmental agencies to implement, the rules. The EPA has also adopted rules requiring the reporting of greenhouse gas emissions from specified large greenhouse gas emission sources in the United States, including petroleum refineries, on an annual basis, beginning in 2011 for emissions occurring after January 1, 2010, as well as onshore oil and natural gas production facilities, on an annual basis, beginning in 2012 for emissions occurring in 2011.

In addition, the United States Congress has from time to time considered adopting legislation to reduce emissions of greenhouse gases and almost one-half of the states have already taken legal measures to reduce emissions of greenhouse gases primarily through the planned development of greenhouse gas emission inventories and/or regional greenhouse gas cap and trade programs. Most of these cap and trade programs work by requiring major sources of emissions, such as electric power plants, or major producers of fuels, such as refineries and gas processing plants, to acquire and surrender emission allowances. The number of allowances available for purchase is reduced each year in an effort to achieve the overall greenhouse gas emission reduction goal.

The adoption of legislation or regulatory programs to reduce emissions of greenhouse gases could require us to incur increased operating costs, such as costs to purchase and operate emissions control systems, to acquire emissions allowances or comply with new regulatory or reporting requirements. Any such legislation or regulatory programs could also increase the cost of consuming, and thereby reduce demand for, the oil and natural gas produced by our customers. Consequently, legislation and regulatory programs to reduce emissions of greenhouse gases could have an adverse effect on our business, financial condition and results of operations. Finally, it should be noted that some scientists have concluded that increasing concentrations of greenhouse gases in the earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, droughts, and floods and other climatic events. If any such effects were to occur, they could have an adverse effect on our business, financial condition, results of operations and cash flow.

Employee health and safety

We are subject to a number of federal and state laws and regulations, including the federal Occupational Safety and Health Act ("OSHA") and comparable state statutes, establishing requirements to protect the health and safety of workers. In addition, the OSHA hazard communication standard, the EPA community right-to-know regulations under Title III of the federal Superfund Amendment and Reauthorization Act and comparable state statutes require that information be maintained concerning hazardous materials used or produced in our operations and that this information be provided to employees, state and local government authorities and the public. Substantial fines and penalties can be imposed and orders or injunctions limiting or prohibiting certain operations may be issued in connection with any failure to comply with laws and regulations relating to worker health and safety.

We also operate in non-U.S. jurisdictions, which may impose similar liabilities against us.

Legal proceedings

From time to time, we have various claims, lawsuits and administrative proceedings that are pending or threatened, all arising in the ordinary course of business, with respect to commercial, product liability and employee matters.

Asbestos litigation

One of our subsidiaries has been named as one of many defendants in a number of product liability claims for alleged exposure to asbestos. These lawsuits are typically filed on behalf of plaintiffs who allege exposure to some asbestos, against numerous defendants, often 40 or more, who may have manufactured or distributed products containing asbestos. The injuries alleged by plaintiffs in these cases range from mesothelioma to other cancers to asbestosis. The earliest claims against our subsidiary were filed in New Jersey in 1998, and our subsidiary currently has active cases in Missouri, New Jersey, New York and Illinois. The product line with asbestos exposure was acquired by our subsidiary in 1986. Our subsidiary has been successful in obtaining dismissals in most lawsuits where the exposure is alleged to have occurred prior to our acquisition of the product line. The law in some states requires purchasers of product lines to assume responsibility for incidents occurring prior to the acquisition date under so called “successor liability” laws, and the law in other states is ambiguous in this regard. Most claimants alleging illnesses due to asbestos sue on the basis of exposure prior to 1986, as by that date the hazards of asbestos exposure were well known and asbestos had begun to fall into disuse in industrial settings. To date, asbestos claims have not had a material adverse effect on our business, financial condition, results of operations, or cash flow, as our annual out-of-pocket costs over the last five years has been less than $200,000. There are typically approximately forty to eighty cases filed against our subsidiary each year, and a similar number of cases are dismissed, settled or otherwise disposed of each year. We currently have approximately 135 lawsuits pending against this subsidiary. Our subsidiary has over $17 million in face amount of per occurrence and over $23 million of aggregate primary insurance coverage. In addition, our subsidiary has over $950 million in face amount of excess coverage applicable to the claims. There can be no guarantee that all of this can be collected due to policy conditions and insurer insolvencies in the past or in the future. In February 2011, we entered into an agreement with seven of our primary insurers under which they have agreed to pay 80% of the costs of handling or settling each claim against the affected subsidiary. After an initial period, and under certain circumstances, our subsidiary and the subscribing underwriters may withdraw from this agreement.

Portland Harbor Superfund litigation

In May 2009, one of our subsidiaries (which is presently a dormant company with nominal assets except for rights under insurance policies) was named along with many defendants in a suit filed by the Port of Portland, Oregon seeking reimbursement of costs related to a five-year study of contaminated sediments at the port. In March 2010, the subsidiary also received a notice letter from the EPA indicating that it had been identified as a potentially responsible party with respect to environmental contamination in the “study area” for the Portland Harbor Superfund Site. Under a 1997 indemnity agreement, our subsidiary is indemnified by a third party with respect to losses relating to environmental contamination. As required under the indemnity agreement, our subsidiary provided notice of these claims, and the indemnitor has assumed responsibility and is providing a defense of the claims. Although we believe that it is unlikely that our subsidiary contributed to the contamination at the Portland Harbor Superfund Site, the potential liability of our subsidiary and the ability of the indemnitor to fulfill its indemnity obligations cannot be quantified at this time.

Management

Executive officers and directors

Set forth below are the names, ages and positions of our executive officers and directors as of August 31, 2011. All directors are elected for a term of one year or serve until their successors are elected and qualified or upon earlier of death, disability, resignation or removal. All executive officers hold office until their successors are elected and qualified or upon earlier of death, disability, resignation or removal. There are no family relationships among any of our directors or executive officers. The address of each director and executive officer is: 920 Memorial City Way, Suite 800, Houston, Texas 77024.

Name	Age	Position
C. Christopher Gaut	55	President, Chief Executive Officer and Chairman of the Board
Charles E. Jones	52	Executive Vice President; President—Drilling and Subsea
Wendell R. Brooks	61	Executive Vice President; President—Production and Infrastructure
James W. Harris	52	Senior Vice President and Chief Financial Officer
James L. McCulloch	58	Senior Vice President, General Counsel and Secretary
W. Patrick Connelly	35	Vice President—Strategic Development
Michael D. Danford	48	Vice President—Human Resources
Evelyn Angelle	44	Director
David C. Baldwin	48	Director
John A. Carrig	59	Director
Michael McShane	57	Director
Franklin Myers	58	Director
John Schmitz	51	Director
Andrew L. Waite	50	Director

C. Christopher Gaut. Mr. Gaut has served as our President, Chief Executive Officer and Chairman of the board of directors since August 2010 and as one of our directors since December 2006. He served as a consultant to LESA, the ultimate general partner of SCF, from November 2009 to August 2010. Mr. Gaut served at Halliburton Company, a leading diversified oilfield service company, as President of the Drilling and Evaluation Division and prior to that as Chief Financial Officer, from March 2003 through April 2009. From April 2009 through November 2009, Mr. Gaut was a private investor. Prior to joining Halliburton Company in 2003, Mr. Gaut was the Co-Chief Operating Officer of Ensco International, a provider of offshore contract drilling services. He also served as Ensco's Chief Financial Officer from 1988 until 2003. Mr. Gaut is currently a member of the Board of Directors of Ensco plc. Mr. Gaut holds an A.B. in Engineering Sciences from Dartmouth College and an M.B.A. from The Wharton School at the University of Pennsylvania.

Charles E. Jones. Mr. Jones has served as an Executive Vice President and the President of our Drilling and Subsea Segment since the Combination in August 2010. He served as FOT's President

and Chief Executive Officer from October 2007 to the Combination. Prior to joining FOT, from January 2003 until October 2007, Mr. Jones was the Executive Vice President and Chief Operating Officer of Hydril Company, a supplier of drilling equipment to the oil and gas industry. Mr. Jones served as Vice President of Hydril Company's Pressure Control segment from November 2001 until January 2003. Prior to serving in that position, he served as the Managing Director, Pressure Control for Hydril beginning in March 1998. From March 1996 until March 1998, Mr. Jones served as a Director of the subsea business for Cooper Cameron Corporation, a provider of flow equipment products, systems and services to oil, gas and process industries. From April 1995 until March 1996, Mr. Jones served as an Engineering Manager for Subsea Offshore (formerly Dresser Industries), a provider of ROV and remote intervention systems. Mr. Jones holds a B.S. in Mechanical Engineering from the University of Houston and, in 2002, he completed the Harvard Business School Advanced Management Program.

Wendell R. Brooks. Mr. Brooks has served as an Executive Vice President and the President of our Production and Infrastructure Segment since August 2010. He served as Chief Executive Officer and President of Allied Production Services, Inc. from October 2007 until August 2010. Prior to that, from 1996 to October 2007, he was the Group Director for the well support business of John Wood Group Plc, a public Scottish company traded on the London Stock Exchange. Mr. Brooks also served on the Board of Directors of Wood Group during that time. Mr. Brooks has also been President of Del Norte Inc. and was employed by Geosource, Inc. from 1975 to 1984 where he was involved in business development and served as President of two divisions. Mr. Brooks has a B.B.A. from the University of Texas at Arlington and an M.B.A. from the Harvard Business School.

James W. Harris. Mr. Harris has served as our Senior Vice President and Chief Financial Officer since the Combination in August 2010. From December 2005 until the Combination, Mr. Harris served as FOT's Executive Vice President and Chief Financial Officer. Mr. Harris was Vice President, Controller of VeriCenter, Inc., a provider of information technology services, and General Manager of its AppSite Hosting service line from January 2004 through November 2005. Prior to joining VeriCenter, from August 1999 through December 2001, Mr. Harris worked for Enron Energy Services, Inc., as a Vice President and thereafter served as a consultant through December 2003. Mr. Harris began his career at PriceWaterhouse from January 1985 until February 1994, with his final position being a Senior Tax Manager, and at Baker Hughes Incorporated from February 1994 until May 1999 in various positions, including Vice President, Tax and Controller. Mr. Harris received his B.S. and his Masters of Accounting from Brigham Young University and his M.B.A. from Rice University. Mr. Harris is a certified public accountant.

James L. McCulloch. Mr. McCulloch has served as our Senior Vice President, General Counsel and Secretary since October 2010. Mr. McCulloch was a private investor from January 2008 until joining the Company, and since February 2008 has also served on the Board of Directors of Sunland Inc., a privately held pipeline construction and services company. In 1983 Mr. McCulloch joined Global Marine Inc., a leading international offshore drilling contractor, as Assistant General Counsel and served in a variety of capacities within the legal department until being named Senior Vice President and General Counsel in 1995. In 2001 Global Marine merged with Santa Fe International Corporation, an international land and offshore drilling contractor, to form GlobalSantaFe Corporation, the second largest offshore drilling company in the world, where Mr. McCulloch continued to serve as Senior Vice President and General Counsel until the company's merger with Transocean Inc. in December 2007. Prior to joining Global Marine, Mr. McCulloch worked for a privately held shipping company based in Tampa, Florida and as an

associate with the Phelps Dunbar law firm in New Orleans, Louisiana. Mr. McCulloch received his B.A. from Tulane University and his J.D. from Tulane University School of Law.

W. Patrick Connelly. Mr. Connelly provides services pursuant to a Secondment Agreement between us and LESA. Please see, "Certain relationships and related party transactions—Transactions with our significant stockholder prior to the Combination." Mr. Connelly has served as our Vice President of Strategic Development since August 2010. In this capacity, Mr. Connelly is responsible for the development and execution of a range of strategic initiatives, including mergers and acquisitions, new product line concept development, strategic marketing initiatives, long-term capital formation, and other similar efforts. Before joining our Company, Mr. Connelly worked at SCF Partners, where he played an instrumental role in the merger and recapitalization of the five SCF Partners' portfolio companies that formed Forum Energy Technologies, Inc. Mr. Connelly received his B.S. in Mathematics and Systems Engineering from the U.S. Military Academy at West Point, an M.B.A. from Harvard Business School and a Masters of Public Administration from the Harvard Kennedy School of Government. Prior to joining SCF Partners, he served as an active duty infantry officer in the United States Army for over six years, and participated in operational deployments throughout the Balkans, North Africa, and Iraq.

Michael D. Danford. Mr. Danford has served our Vice President—Human Resources since August 2010. He served as Vice President Human Resources for FOT from November 2007 until August 2010. Prior to joining our Company, from August 2007 through November 2007, he worked at Trico Marine Services Inc. as Vice President—Human Resources. From 1997 through July 2007, Mr. Danford served as Director of Human Resources and Vice President Human Resources for Hydril Company. From 1991 to 1997, Mr. Danford served in various human resources roles for Baker Hughes Incorporated. Prior to joining Baker Hughes Incorporated, Mr. Danford served as a recruiter and as an employee relations representative in the human resources department for Compaq Computer from 1990 to 1991. Mr. Danford holds a B.S. degree in Computer Science from the University of Louisiana at Monroe (formerly Northeast Louisiana University).

Evelyn M. Angelle. Ms. Angelle was appointed as a director of the Company in February 2011. Since January 2011, Ms. Angelle has served as Senior Vice President and Chief Accounting Officer for Halliburton. From January 2008 until January 2011, Ms. Angelle was Vice President, Corporate Controller and Principal Accounting Officer for Halliburton, responsible for financial reporting, planning, budgeting, financial analysis and accounting services. From December 2007 until January 2008, Ms. Angelle was Vice President of Operations Finance for Halliburton, leading Finance employees located around the world. From April 2005 until November 2007, she has also served as Vice President of Investor Relations for Halliburton, for which she oversaw Halliburton communications and relationships with investors and analysts. Prior to that, she was responsible for internal and external reporting of consolidated financial statements, technical accounting research and consultation, and income tax accounting. Before joining Halliburton, Ms. Angelle worked for 15 years in the audit department of Ernst & Young LLP, where she specialized in serving large, multinational public companies and provided technical accounting and consultation to clients and other professionals. She is a certified public accountant in Texas and a certified management accountant. She currently serves on the executive committee of Junior Achievement of Southeast Texas and on the board of directors for Junior Achievement USA. As a result of her professional experience, Ms. Angelle possesses particular knowledge in accounting, internal controls and public company disclosure compliance. In addition, she brings added judgment about investor relations and the financial management of a large organization.

David C. Baldwin. Mr. Baldwin was appointed as a director of the Company in May 2005. Mr. Baldwin is currently a Managing Director of LESA, the ultimate general partner of SCF and a private equity firm, and has held various positions since joining LESA in 1991. Prior to joining LESA, Mr. Baldwin was a drilling and production engineer with Union Pacific Resources, an independent natural gas and oil exploration and production company. Mr. Baldwin serves as a director of Rockwater Energy Solutions, Inc., a private energy services company and served as a director of Complete Production Services, Inc., a provider of specialized oil and gas completion and production services, from September 2002 through September 2007. Mr. Baldwin's extensive experience in identifying strategic growth trends in the energy industry and evaluating potential transactions makes him well qualified to serve on our board. Further, his service as Managing Director of the general partner of our largest stockholder provides a valuable perspective into its insights and interests.

John A. Carrig. Mr. Carrig was appointed as a director of the Company in July 2011. He retired from ConocoPhillips on March 1, 2011, having most recently served as President and Chief Operating Officer since 2008, where he was responsible for global Exploration and Production, Refining and Marketing, Commercial, Project Development and Procurement and the Health, Safety and Environment functions. Mr. Carrig served as Executive Vice President, Finance, and Chief Financial Officer from 2002 to 2008. Prior to the merger with Conoco Inc. in 2002, Mr. Carrig was with Phillips Petroleum Company, where he was named Senior Vice President and Chief Financial Officer in 2001. In 2000, he joined Phillips' management committee as Senior Vice President and Treasurer. From 1996 to 2000, he was Vice President and Treasurer. Mr. Carrig served as Treasurer in 1995, and Assistant Treasurer in 1994. He joined Phillips in 1978 as a tax attorney. He has been a private investor and engaged in charitable endeavors since his retirement from ConocoPhillips. The board selected Mr. Carrig due to the length and breadth of his experience in the oil and gas industry, the perspective he brings as a result of his long service as an executive of a major public company with global reach and his strategic, financial and management acumen. In addition, Mr. Carrig brings valuable insight as a result of his long history as a customer for oilfield equipment and services.

Michael McShane. Mr. McShane was appointed as a director of the Company in September 2010. Mr. McShane also currently serves as an Operating Partner to Advent International, an international private equity fund. Mr. McShane is a director of Spectra Energy Corp., a provider of natural gas infrastructure, since April 2008, Complete Production Services, Inc., a provider of specialized oil and gas completion and production services, Oasis Petroleum Inc., an exploration and production company, and Globalogix, a privately held company that provides comprehensive services to upstream oil and gas producers and operators, since June 2007. Previously, Mr. McShane served as a director and President and Chief Executive Officer of Grant Prideco, Inc., a manufacturer and supplier of oilfield drill pipe and other drill stem products, from June 2002 until April 2008, having also served as Chairman of the Board from May 2003 through April 2008. Prior to joining Grant Prideco, Mr. McShane was Senior Vice President—Finance and Chief Financial Officer and director of BJ Services Company, a provider of pressure pumping, cementing, stimulation and coiled tubing services for oil and gas operators, from 1990 to June 2002 and Vice President—Finance from 1987 to 1990 while BJ Services Company was a division of Baker Hughes Incorporated. Mr. McShane joined BJ Services Company in 1987 from Reed Tool Company, where he was employed for seven years in various financial management positions. The board selected Mr. McShane because of his expansive knowledge of the oil and gas industry, as well as relationships with chief executives and other senior management at oil and natural gas companies and oilfield service companies throughout the world. He brings to the board his experiences as a senior leader and chief financial

officer within the oilfield service industry, as well as his leadership as chairman and chief executive officer of a leading North American drill bit technology and drill pipe manufacturer. Mr. McShane also provides the board with a producer perspective that is valuable in strategic discussions.

Franklin Myers. Mr. Myers was appointed as a director of the Company in September 2010. Mr. Myers served as Senior Advisor to Cameron International Corporation, a publicly traded provider of flow equipment products, from April 2008 through March 2009, prior to which, from 2003 through March 2008, he served as the Senior Vice President and Chief Financial Officer. From 1995 to 2003, he served at various times as Senior Vice President and President of a division within Cooper Cameron Corporation as well as General Counsel and Secretary. Prior to joining Cooper Cameron Corporation in 1995, Mr. Myers served as Senior Vice President and General Counsel of Baker Hughes Incorporated, and as attorney and partner at the law firm of Fulbright & Jaworski. Mr. Myers serves on the Board of Directors of ION Geophysical Corporation, a technology-focused seismic solutions company, Comfort Systems USA, Inc., a national heating, ventilation and cooling company, Frontier Oil Corporation, a regional refining and marketing company, and Seahawk Drilling, Inc., a drilling services provider in the Gulf of Mexico. Mr. Myers also serves as an operating advisor for Paine Partners, a private equity fund. Mr. Myers' extensive experience as both a financial and legal executive makes him uniquely qualified as a valuable member of our board. Mr. Myers has been responsible for numerous successful finance and acquisition transactions throughout his career, and his expertise gained through those experiences has proven to be a significant resource for our board. In addition, Mr. Myers' service on Boards of Directors of other NYSE-listed companies enables Mr. Myers to observe and advise on favorable governance practices pursued by other public companies.

John Schmitz. Mr. Schmitz was appointed as a director of the Company in September 2010. Mr. Schmitz currently serves as the Chairman and Chief Executive Officer of Select Energy Services, LLC, an oil and gas service company, a position he has held since January 2007. In addition, Mr. Schmitz has served as the President of HEP Oil Company from March 1992 to the present. Prior to his current involvement at Select Energy Services, LLC and HEP Oil Company, Mr. Schmitz served as the North Texas Division Manager for Complete Production Services, a provider of specialized services and products focused on helping oil and gas companies develop hydrocarbon reserves, reduce costs and enhance production. Mr. Schmitz has keen insight into emerging trends in North American shale plays and the types of equipment needed to service producers' requirements. He also has knowledge of other manufacturers' capabilities and their reputations for quality and deliverability, providing an interesting perspective on our evaluation of potential acquisitions.

Andrew L. Waite. Mr. Waite was appointed as a director in August 2010. Mr. Waite is a Managing Director of LESA, the ultimate general partner of SCF, and has been an officer of that company since October 1995. He was previously Vice President of Simmons & Company International, where he served from August 1993 to September 1995. From 1984 to 1991, Mr. Waite held a number of engineering and project management positions with the Royal Dutch/Shell Group, an integrated energy company. Mr. Waite served on the Board of Directors of Complete Production Services, Inc., a provider of specialized oil and gas completion and production services, from 2005 to 2009, Hornbeck Offshore Services, Inc., a provider of marine services to exploration and production oilfield service, offshore construction and military customers, from 2000 to 2006 and Oil States International, Inc., a manufacturer of deepwater production products and subsea pipeline, from 1995 to 2006. Mr. Waite's extensive experience in identifying strategic growth trends in the energy industry and evaluating potential transactions

makes him well qualified to serve on our board. Further, his service as Managing Director of the general partner of our largest stockholder provides a valuable perspective into its insights and interests.

Board of directors

The number of members of our board of directors is determined from time to time by resolution of the board of directors. Our board of directors currently consists of eight members, including our Chief Executive Officer, who serves as the Chairman of the board of directors, and two members designated by SCF, Mr. Baldwin and Mr. Waite.

Our board of directors reviewed the independence of our directors using the independence standards of the NYSE and, based on this review, determined that Ms. Angelle and Messrs. Carrig, McShane, Myers and Schmitz are independent within the meaning of the NYSE listing standards currently in effect.

Because SCF will own a majority of our outstanding common stock following the completion of this offering, we will be a “controlled company” as that term is set forth in Section 303A of the NYSE Listed Company Manual. Under the NYSE rules, a “controlled company” may elect not to comply with certain NYSE corporate governance requirements, including: (1) the requirement that a majority of our board of directors consist of independent directors, (2) the requirement that our nominating and governance committee be composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities, and (3) the requirement that our compensation committee be composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities. While these requirements will not apply to us as long as we remain a “controlled company,” we expect that our board of directors will continue to consist of a majority of independent directors and that, shortly after the completion of this offering, our Nominating, Governance and Compensation Committee will consist entirely of independent directors. We also expect that it will have a written charter addressing such committee’s purpose and responsibilities.

In evaluating director candidates, we will assess whether a candidate possesses the integrity, judgment, knowledge, experience, skills and expertise that are likely to enhance the board’s ability to manage and direct the affairs and business of the Company, including, when applicable, to enhance the ability of committees of the board to fulfill their duties and the quality of the board’s deliberations and decisions. In evaluating directors, we consider diversity in its broadest sense, including persons diverse in perspectives, personal and professional experiences, geography, gender, race and ethnicity. This process has resulted in a board that is comprised of highly qualified directors that reflect diversity as we define it.

Committees of the board of directors

Our board of directors has established an audit committee and a nominating, governance and compensation committee, and may have such other committees as the board of directors shall determine from time to time. Each of the standing committees of the board of directors currently has the composition and responsibilities described below.

Audit committee

Our board established an audit committee in February 2011 that is currently comprised of three members, Ms. Angelle, Mr. Myers and Mr. Schmitz. Ms. Angelle serves as our committee

chairwoman. SEC rules require that a public company disclose whether or not its audit committee has an “audit committee financial expert” as a member. An “audit committee financial expert” is defined as a person who, based on his or her experience, possesses the attributes outlined in such rules. Our board of directors determined that Ms. Angelle satisfies the definition of “audit committee financial expert.”

Our Audit Committee performs substantially similar functions to the audit committee of a public company. For instance, the Audit Committee oversees, reviews, acts on and reports on various auditing and accounting matters to our board of directors, including: the selection of our independent accountants, the scope of our annual audits, fees to be paid to the independent accountants, the performance of our independent accountants and our accounting practices. In addition, the Audit Committee oversees our compliance programs relating to legal and regulatory requirements. Prior to the completion of this offering, we expect to adopt an audit committee charter defining the committee’s primary duties in a manner consistent with the rules of the SEC and NYSE or market standards.

Nominating, governance and compensation committee

Our board of directors established a Nominating, Governance and Compensation Committee in February 2011. It is comprised of four members, Messrs. Baldwin, Carrig, McShane and Waite. Mr. Baldwin serves as our committee chairman. Our Nominating, Governance and Compensation Committee performs substantially similar functions to the compensation committee and nominating and governance committee of a public company.

Shortly after the completion of this offering, we anticipate that the Nominating, Governance and Compensation Committee will consist entirely of “independent” directors under the applicable rules of the NYSE and the SEC. The Nominating, Governance and Compensation Committee will establish salaries, incentives and other forms of compensation for officers and other employees, and it will administer our incentive compensation and benefit plans. The Nominating, Governance and Compensation Committee will also identify, evaluate and recommend qualified nominees to serve on our board of directors, develop and oversee our internal corporate governance processes and maintain a management succession plan. We expect to adopt a charter defining the committee’s primary duties in a manner consistent with the rules of the SEC and NYSE or market standards.

Compensation committee interlocks and insider participation

None of our officers or employees will be members of the Nominating, Governance and Compensation Committee. None of our executive officers serve on the board of directors or compensation committee of a company that has an executive officer that serves on our board or Nominating, Governance and Compensation Committee. No member of our board is an executive officer of a company in which one of our executive officers serves as a member of the board of directors or compensation committee of that company.

Executive sessions of our board of directors

Our independent directors are provided the opportunity to meet in executive session at each regularly scheduled meeting of our board. The director presiding over such meetings rotates among the directors eligible to participate in such executive sessions.

Risk oversight

The board is actively involved in oversight of risks that could affect us. This oversight function is conducted primarily through committees of our board, but the full board retains responsibility for general oversight of risks. The Audit Committee is charged with oversight of our system of internal controls and risks relating to financial reporting, legal, regulatory and accounting compliance. Our board will continue to satisfy its oversight responsibility through full reports from the Audit Committee chair regarding the committee's considerations and actions, as well as through regular reports directly from officers responsible for oversight of particular risks within our Company. In addition, we have internal audit systems in place to review adherence to policies and procedures, which are supported by a separate internal audit department.

Code of ethics for chief executive officer, chief financial officer, controller and certain other officers

Prior to the closing of this offering, our board will adopt a Code of Ethics for our Chief Executive Officer, our Chief Financial Officer and all other financial and accounting officers. Following the adoption of our Code of Ethics, any change to, or waiver from, the Code of Ethics will be will be promptly disclosed as required by applicable U.S. federal securities laws and the corporate governance rules of the NYSE.

Code of conduct

In February 2011, our board adopted a Code of Conduct, which sets forth the standards of behavior expected of each of our employees, officers, directors and agents. The Code of Conduct describe the responsibility of our employees, officers, directors and agents to:

- Protect our assets and customer assets;
- Foster a safe and healthy work environment;
- Deal fairly with customers and other third parties;
- Conduct international business properly;
- Report misconduct; and
- Protect employees from retaliation.

Employees, officers and directors are required to certify annually that they have read, understand and will comply with this Code of Conduct.

Corporate governance guidelines

Prior to the closing of this offering, our board of directors will adopt corporate governance guidelines in accordance with the corporate governance rules of the NYSE.

Executive compensation and other information

Compensation discussion and analysis

This compensation discussion and analysis, or CD&A, provides information about our compensation objectives and policies for the executives who served as our principal executive officer (including Mr. Jones, who served in that capacity for FOT prior to the Combination), our principal financial officer and our other three most highly-compensated executive officers during fiscal year 2010, and is intended to place in perspective the information contained in the executive compensation tables that follow this discussion. This CD&A provides a general description of our compensation program and specific information about its various components.

Throughout this discussion, the following individuals are referred to as the “Named Executive Officers” or “NEOs” and are included in the Summary Compensation Table:

- C. Christopher Gaut—President, Chief Executive Officer and Chairman of the Board
- James W. Harris—Senior Vice President and Chief Financial Officer
- Charles E. Jones—Executive Vice President; President, Drilling and Subsea
- Wendell R. Brooks—Executive Vice President; President, Production and Infrastructure
- James L. McCulloch—Senior Vice President, General Counsel and Secretary
- Steven W. Twellman—President and Chief Executive Officer, Global Flow Technologies, Inc.

In each case the NEO is an officer of Forum Energy Technologies, Inc., except for Mr. Twellman.

Although this CD&A focuses on the information in the following tables and related footnotes, as well as the supplemental narratives relating to the last completed fiscal year, we also describe compensation actions taken before or after the last completed fiscal year to the extent such discussion enhances the understanding of our executive compensation disclosure. Contemporaneous with this offering, we will make adjustments to our compensatory practices to be utilized in 2011 and later years that we believe will be more appropriate for a company with public stockholders. This CD&A discusses the compensatory practices in place during 2010 and highlights changes we will implement upon the consummation of this offering.

Historical note: the Combination

With the exception of Messrs. Gaut and McCulloch, each of our NEOs was, prior to the Combination, an executive of a company that participated in the Combination. Messrs. Jones and Harris were, respectively, President, and Senior Vice President and Chief Financial Officer, of FOT; Mr. Brooks was President of Allied; and Mr. Twellman was President of Global Flow. Mr. Gaut was a director of FOT. Each of those executives was granted an employment agreement with us as of August 2, 2010. Mr. McCulloch was granted an employment agreement with us as of October 25, 2010, the date of his employment. Each NEO who was an executive of a company that participated in the Combination maintained his prior base compensation notwithstanding any change in title or duties. The base compensation for Messrs. Gaut and McCulloch was determined by our board of directors in a manner consistent with the compensation philosophy described in this prospectus.

Accomplishments of our executive team in 2010

Our executive team spent months of effort, under Mr. Gaut’s leadership, planning and executing the Combination that culminated in August 2010. Considerable effort was also spent in negotiating and arranging the recapitalization of the combined Company, including a $450 million credit

agreement to finance the growth of the new organization. The executive team then created an overarching strategy for the organization, with a view of creating a leading global oilfield equipment company. The team also planned and executed the integration of the pre-Combination companies throughout the balance of the year, while at the same time maintaining focus on delivering quality products and services to their customers in a timely and cost effective manner.

Executives' personal net worth at risk

Following the Combination, each NEO was given the opportunity to invest a portion of his personal net worth in shares of our common stock, in contrast to the practice at most companies of simply granting equity awards as compensation. As a group, our NEOs invested over $6.8 million of their personal assets in shares of our common stock, providing a direct stake in our future prospects. We believe that these personal investments align the interest of our NEOs with those of our stockholders in a meaningful way, and provide a true risk/reward balance.

Elements of our executive compensation program

Our compensation and benefits programs have historically consisted of the following components, which are described in greater detail below:

- Base salary;
- Annual cash bonus awards;
- Long-term equity-based incentives; and
- 401(k) and health benefits.

Key components of our compensation philosophy

Our overall compensation philosophy is to provide competitive pay to our executives that rewards strong corporate performance. Our philosophy with respect to cash compensation is that target total cash should be at or near the market median. Base salaries will typically be set slightly below the market median while our annual incentive award targets are designed to be slightly above the market median. The result of this design is the opportunity for our executives to earn cash compensation at or near the market median in a year where our performance has met our target goals. We believe that this philosophy provides a strong link for our executives to short term corporate goals and we expect to continue to design our cash compensation elements post-offering in a similar fashion.

While we have not established strict guidelines for our grants of equity awards following the consummation of this offering, it is and will be our philosophy that long-term compensation should account for a significant portion of total direct compensation. For this reason we expect to make annual grants of equity-based awards to the executives, while placing long-term restrictions on the awards. Our objective is to be a high growth, high performing oilfield services company and we want to link a significant portion of our executives' compensation to the long-term interests of our stockholders. To implement this strong link to our executives' total compensation potential, we anticipate that the capital accumulation opportunities resulting from our long-term grants will be at or above the market median and will represent a significant portion of total compensation to each NEO.

Overall, our compensation program will be designed to pay our executives near the market median in a target performance year and reward them with higher than median total compensation in years of superior performance relative to our internal performance metrics and our direct competitors. This compensation philosophy will allow us to attract and retain executives who will be committed to our strategic corporate plan.

Role of the compensation committee in setting compensation

Our board of directors established a Nominating, Governance and Compensation Committee in February 2011, which performs substantially similar functions to the compensation committee and nominating and corporate governance committee of a public company. The Nominating, Governance and Compensation Committee is responsible for designing, implementing, and administering our executive compensation programs and, in doing so, the Nominating, Governance and Compensation Committee is guided by the compensation philosophy stated above. References to “the Committee” within this CD&A refer to the Nominating, Governance and Compensation Committee.

On an annual basis the Committee will review and approve total compensation and the process will include:

- Selecting and engaging an external, independent consultant;
- Reviewing and selecting companies to be included in our peer group;
- Reviewing market data on all major elements of executive compensation; and
- Reviewing performance results against operating plans and incentive plan targets.

A complete listing of our Committee’s responsibilities will be included in the committee charter available for view on our corporate website.

Role of management in setting compensation

Our Chief Executive Officer (“CEO”) will be involved in recommending the compensation of our executive officers, excluding his own compensation which will be discussed and determined in executive sessions of the Committee. Each year the CEO will make recommendations to the Committee regarding such components as salary adjustments, target annual incentive opportunities, and the value of long-term incentive awards. In making his recommendations, the CEO will consider such components as experience level, individual performance, overall contribution to company performance, and market data for similar positions. The Committee will take the CEO’s recommendations under advisement, but the Committee will make all final decisions regarding executive officer compensation.

Our CEO will attend Committee meetings as necessary. He will excuse himself from any meeting when the Committee deems it advisable to meet in executive session or when the Committee meets to discuss and make determinations which directly impact the CEO’s compensation. The Committee may also consult other employees, including the remaining NEOs, when making compensation decisions, but the Committee will be under no obligation to involve the NEOs in its decision making process.

Role of the compensation consultant in setting compensation

The Committee has engaged the services of Pearl Meyer & Partners (“PM&P”) as its independent executive compensation consultant. PM&P’s current role is to advise the Committee on matters

relating to executive compensation to help guide, develop, and implement our executive compensation programs. PM&P does not report directly to management and any requests management may have of PM&P throughout the course of its engagement will be approved by the Committee before any work is undertaken. PM&P may perform work for the Company outside of the scope of its engagement by the Committee, such as compensation surveys, but the Committee will review and approve all such assignments in order to ensure that the independence of its compensation consultant is not compromised.

Comparator compensation peer group

We have developed a comparator peer group which is composed of specific peer companies within the energy industry. Our peer group was developed with the assistance of PM&P and used to analyze our NEO compensation in May and August 2011. This peer group will be used to determine direct market levels of the main elements of executive compensation (base salary, annual incentives, long-term incentives, as well as total direct compensation). The peer group will also be used to gauge industry practices regarding the structure and mechanics of annual and long-term incentive plans, employment agreements, severance and change in control policies, and employee benefits. We did not use a peer group analysis in 2010 but intend to utilize and maintain a peer group going forward. The composition of the peer group will be reviewed by the Committee on an annual basis to ensure that we have and maintain an appropriate group of comparator companies.

Criteria for selecting peer companies for compensation benchmarking is based on a number of factors. The peer companies selected should reflect an optimum mix of the following criteria listed below in their relative order of importance:

Competitive market:

- Competing Talent—companies with executive talent similar to that valued by us;
- Direct Competitors—in same or similar industry sector for products or services; and
- Competing Industry—companies in the same general industry sector having similar talent pools.

Size and demographics:

- Firms with competitive posture that are generally similar in revenue or market cap size;
- Firms as described above which are significantly larger or smaller but whose data can be statistically normalized in the analysis;
- Firms with a competitive posture and comparable area of operations;
- Firms in the same or similar competitive posture that experience similar market cycles; and
- Firms that serve the same sector of the industry.

Investor perspective:

Firms that analysts would track similarly or look at as similar investment opportunities.

The initial comparator peer group approved by the Committee in 2011 includes the following 16 companies (table includes company name and ticker symbol):

BAS	Basic Energy Services, Inc.	LUFK	Lufkin Industries, Inc.
CAM	Cameron International Corporation	NR	Newpark Resources, Inc.
CPX	Complete Production Services, Inc.	OII	Oceaneering International, Inc.
DRC	Dresser-Rand Group Inc.	OIS	Oil States International, Inc.
DRQ	Dril-Quip, Inc.	RBN	Robbins & Myers, Inc.
EXH	Exterran Holdings, Inc.	TISI	Team, Inc.
FTI	FMC Technologies, Inc.	TESO	Tesco Corporation
KEG	Key Energy Services, Inc.	TTI	TETRA Technologies, Inc.

A different peer group may be utilized in the future to track performance. The performance peer group will be a more selective group of our direct competitors and may be utilized for tracking performance tied to long-term incentive awards.

Role of market data

PM&P uses compensation data gathered from the peer group as well as supplemental data from published market surveys to benchmark our executive compensation. The supplemental survey data will allow the Committee to consider compensation levels through the broader energy industry compared to the oilfield services focused data of the peer group. Survey data also provides market norms for executive positions which may not be reported as named executive officers in the peer group data. The Committee will periodically commission PM&P to conduct a market-based compensation study. The first such study was completed in May 2011. Additional details on the findings of the PM&P 2011 study are included below under "—Findings of recent compensation study."

Elements of compensation for our named executive officers

Base salary. Base salary is the fixed annual compensation we pay to each Named Executive Officer for performing specific job responsibilities, experience and requisite skills. It represents the minimum income a Named Executive Officer may receive in any year. Base salaries are determined for each Named Executive Officer based on the executive's position and responsibility. We review the base salaries for each Named Executive Officer annually as well as at the time of any promotion or significant change in job responsibilities, and in connection with each review we consider individual and company performance over the course of that year. The employment agreements we maintain with the Named Executive Officers (described in greater detail below) provide that base salaries will generally not be reduced during the annual review unless the decrease is in connection with a similar reduction applicable to all of our executive officers, and if so, the decrease could be a reduction of up to 10% of the executive's base salary.

The table below sets out the annual base salaries of our NEOs in 2010 and 2011. In August 2011 the Committee reviewed the executive compensation report provided by PM&P and found our base salaries, except for those of Mr. Harris and Mr. McCulloch, to be within the middle range of the market. Effective August 29, 2011 the salaries of both Mr. Harris and Mr. McCulloch were increased by $25,000 per year, bringing them into the middle range of the market. Base salaries will be reviewed on an annual basis and we will consider adjustments again in the first quarter of 2012.

	2010 Annual base salary	2011 Annual base salary	Percentage increase
C. Christopher Gaut	$ 625,000	$ 625,000	0%
James W. Harris	$ 300,000	$ 325,000	8.3%
Charles E. Jones	$ 475,000	$ 475,000	0%
Wendell R. Brooks	$ 375,000	$ 375,000	0%
Steven W. Twellman	$ 355,000	$ 355,000	0%
James L. McCulloch	$ 285,000	$ 310,000	8.8%

Bonuses and annual incentive awards. Our annual incentive awards for 2011 will be formulaic and performance based. Our payouts will be expressed as a percentage of an executive's base salary as laid out in the table below. Each year the Committee will review bonus targets as well as target and actual total cash compensation paid to the named executive officers of our peer group to gauge the competitive level of our targets and ultimate payouts. Below we have highlighted our annual incentive plans effective in 2010 and 2011.

2010

The employment agreement we maintain with Mr. Gaut states that he was entitled to receive a cash bonus for 2010 at the discretion of our board of directors. The employment agreement we maintain with each of our other Named Executive Officers, except for Mr. McCulloch, provides that, for 2010, such Named Executive Officer would participate in the annual cash incentive bonus program in which he was participating as of the effective date of such employment agreement. Mr. McCulloch's employment agreement did not provide for participation in the 2010 program due to his date of initial employment occurring late in the year.

Our board of directors considered several factors in granting a cash bonus to Mr. Gaut for the 2010 year. The board of directors took into account Mr. Gaut's central role in the long and complicated effort to combine the pre-Combination companies, his leadership in negotiating and arranging the recapitalization for the Combination and the financing for our future growth, his efforts in crafting a strategy to guide the new enterprise, and the successful conclusion of the first phases of integrating the pre-Combination companies and their management teams into one company. With respect to our other Named Executive Officers eligible for bonuses, each was a participant in the legacy annual incentive plan in place at his respective employer prior to the Combination. The payouts from these legacy plans were based on specific performance criteria which included at least one or a combination of the following: EBITDA, cash flow, and safety, but the cash bonus payments that were ultimately granted to these NEOs for 2010 were determined in the discretion of our board of directors. Each eligible NEO received a near target bonus in 2010.

Legacy Company	Measure	Weighting
FOT	EBITDA	70%
	Cash Flow	30%
Allied	EBITDA	60%
	Cash Flow	25%
	Safety	15%
Global Flow	EBITDA	60%
	Inventory	40%
Triton	EBITDA	100%
Subsea	EBITDA	70%
	Cash Flow	10%
	Individual Performance	20%

2011

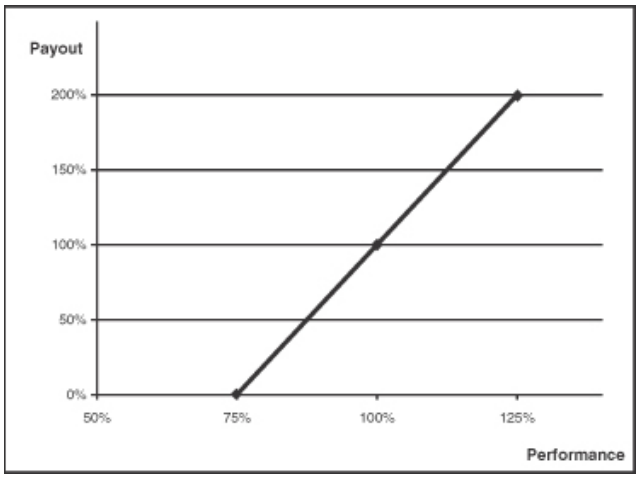
Our 2011 Management Incentive Plan (the "MIP"), which was approved and adopted by our board of directors in February 2011, is designed to incentivize and reward key executives who have a significant impact on our achievement of overall corporate performance goals. The Committee approved NEO participants and their target bonus levels for the MIP and will continue to do so or future plans.

The following table sets out the current NEO target and maximum bonus levels for 2011 expressed as a percentage of annual base salary:

Executive	Target bonus (% of base)	Maximum bonus (% of base)
C. Christopher Gaut	125%	250%
James W. Harris	80%	160%
Charles E. Jones	100%	200%
Wendell R. Brooks	100%	200%
Steven W. Twellman	80%	160%
James L. McCulloch	80%	160%

MIP payout curve

The MIP has a built in threshold such that zero bonus is paid if we achieve anything less than 75% of the established performance goals for the year. When actual performance is 125% or greater than the target performance level, referred to as “Over-Achievement,” the participant is eligible to receive an amount of up to two times (2X) the target award.



MIP performance metrics

Under the MIP, performance is measured in terms of operating income and earnings per share. For our Named Executive Officers, operating income accounts for two-thirds (66.67%) of an award while earnings per share accounts for the other one-third (33.33%). MIP performance targets are developed by management and recommended to the Committee which will make the final determination of performance targets. Our 2011 performance targets were originally set in accordance with our 2011 operating plan, but were later adjusted for the 2011 Acquisition, and will be subject to final adjustment when the assessment of consideration allocation is finalized. The targets will be similarly adjusted for any additional acquisitions completed during the calendar year. As mentioned in our compensation philosophy above, we have set our bonus payout targets at a level that is slightly above the market median. Our cash compensation policy provides that we pay slightly below median base salaries and utilize bonus targets slightly above median to allow our executives the opportunity to earn median or above total cash compensation, but only when our corporate performance is at target levels or above. We believe that our program motivates our NEOs to support our high growth objectives.

Long-term equity based incentives and adjustment of certain pre-combination equity awards

The pre-Combination companies historically granted equity awards to our NEOs (other than Messrs. Gaut and McCulloch, who were not employed by any such company prior to the Combination), and we expect to do so in the future through our Forum Energy Technologies, Inc. 2010 Stock Incentive Plan (the “2010 Plan”). We believe that long-term equity awards are the strongest link between executive pay and stockholder interests.

Prior to the Combination, Allied maintained the Allied Production Services, Inc. 2007 Long Term Incentive Plan, Global Flow maintained the Global Flow Technologies, Inc. 2005 Stock Incentive

Plan, and Subsea maintained the Subsea Services International, Inc. 2007 Stock Incentive Plan (each, a "Pre-Combination Equity Plan"). Certain of our Named Executive Officers held equity-based awards under a Pre-Combination Equity Plan that were based on the underlying securities of their previous employing entities, whose common stock was exchanged for our common stock in connection with the Combination. In connection with the Combination, each stock option and restricted stock award outstanding under a Pre-Combination Equity Plan (including each stock option and restricted stock award held by certain of our Named Executive Officers) was converted into an award with respect to our common stock based on the exchange ratio utilized in the Combination for purposes of our acquisition of the corporate sponsor of such plan. Restricted stock awards outstanding under a Pre-Combination Equity Plan were converted into restricted shares of our common stock by multiplying the number of restricted shares still subject to the original award by the applicable exchange ratio. At the time of the Combination, both vested and unvested stock options outstanding under a Pre-Combination Equity Plan were converted into an option to acquire the number of shares of our common stock that resulted from multiplying the applicable exchange ratio by the number of shares still subject to the original award. The exercise price under each stock option was adjusted by dividing the exercise price of the original underlying stock option award by the same exchange ratio applicable to the adjustment utilized for determining the number of converted shares. The exchange ratios for our common stock used in connection with the Combination were as follows: (1) for Allied, 0.4623; (2) for Global Flow, 0.9886; and (3) for Subsea, 0.3168. The material terms of the restricted stock and stock option awards granted under a Pre-Combination Equity Plan that were converted in connection with the Combination, such as vesting or expiration schedules, remained unchanged following the Combination. In addition, at the effective time of the Combination, we assumed each Pre-Combination Equity Plan, with the result that all obligations under each such plan became our obligations.

On a going forward basis, we plan for long-term equity grants to be a significant portion of our NEO total compensation. We have most recently granted options to our NEOs in conjunction with the Combination, and in Mr. McCulloch's case at the time of his initial employment with us, and we expect to continue to grant options in the future. Options are inherently performance based and we believe provide a strong link between our executives' and stockholders' long-term interests. We may grant restricted stock to balance the compensation risk associated with options and to provide value in equity which is tied to retention by placing a vesting requirement on the restricted stock grants. Another reason we may grant restricted stock is to conserve our share pool. Fewer full value shares are required to deliver a targeted equity value than would be required if the grant were made in options alone. We may also consider adding performance based awards to the mix of equity granted to our NEOs and may adopt a program for doing so in the future. We have not yet formally established a mix of equity vehicles (i.e., the percentages of each year's grant made up of options, restricted stock and possibly performance based shares) but plan to do so in the future to provide a balanced approach which considers the motivation of our executives, the interests of our stockholders, as well as the practices common within our peer group.

We anticipate that our future grants of long-term incentives will occur annually. Future grant levels will be determined by the Committee. The Committee will consider input from management and will seek the guidance of its compensation consultant in an effort to make competitive grants to each NEO.

For more information about our 2010 Plan, please see “—2010 Stock incentive plan” below.

Employee benefits

Our 401(k) Plan is designed to allow all employees, including the participating NEOs, to contribute on a pre-tax basis. Contributions to the 401(k) Plan are not taxable to employees until withdrawn from the 401(k) Plan. Each participant may elect to contribute up to 75% of his pre-tax compensation to the 401(k) Plan as pre-tax contributions (but limited by the statutory maximum of $16,500 for each of 2010 and 2011). Additionally, participants age 50 years and older may make a “catch-up contribution” to the 401(k) Plan each year up to an amount set by statute ($5,500 for each of 2010 and 2011). We currently match 100% of participant contributions up to 3% of compensation, and we match 50% of any additional contributions up to 5% of compensation, for a total potential matching contribution of 4% of compensation. Because of the statutory limits on amounts contributed to qualified plans, our NEOs generally do not receive the full potential matching contribution under the 401(k) Plan.

We also provide medical, dental and vision coverage to all our employees, as well as basic life and disability coverage.

Employment agreements

We believe that it is important to formally document the employment relationship that we have agreed to maintain with our Named Executive Officers in the form of employment agreements. We entered into employment agreements with each of the Named Executive Officers, except for Mr. McCulloch, effective August 2, 2010. We also entered into an employment agreement with Mr. McCulloch, effective October 25, 2010. These employment agreements are designed to provide an individual with an understanding of how the employment relationship may be extended or terminated, the compensation and benefits that we provide during the term of employment and the obligations each party has in the event of termination of the officer’s employment.

We believe that severance protections, particularly in the context of a change in control transaction, play a critical role in attracting and retaining key executive officers. Providing this type of protection is common in the oilfield services industry. In addition, these benefits serve our interests by promoting a continuity of management in the context of an actual or threatened change in control transaction.

The material terms of these agreements are set forth below under “Summary compensation table” and “Grants of plan-based awards for 2010.” The severance provisions within the employment agreements are set forth in detail in “Potential payments upon termination and change in control” below.

Change in control arrangements

The individual equity award agreements that govern the stock option and restricted stock awards under the 2010 Plan currently contain certain change in control protections for the NEOs, described in greater detail in the “Potential payments upon termination and change in control” section below. We provide such protections because we believe that the occurrence, or potential occurrence, of a change in control transaction will create uncertainty regarding the continued employment of our executive officers. By having certain change in control related benefits in place, we alleviate the uncertainty and put our executives in a position to make decisions in the best interest of our stockholders.

Perquisites

We do not provide for any perquisites or any other personal benefits for our executive officers that are not available to other employees. Messrs. Brooks and Twellman received a car allowance for a portion of 2010, but this benefit was terminated in August 2010. We do not provide a car allowance to any Named Executive Officer.

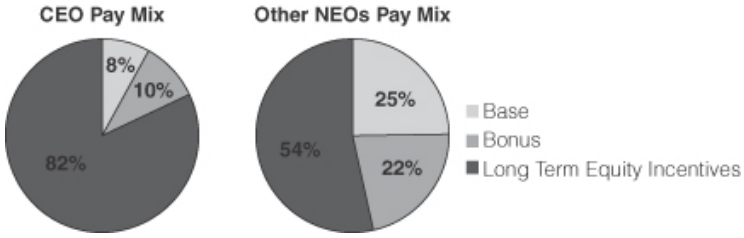
Findings of recent compensation study

During 2011 PM&P conducted an independent review of all our executives' compensation and presented the findings of the review to the Committee. Our peer group plus PM&P's database were used to assess all three elements of pay: base, annual bonus and long-term compensation.

- Regarding base pay, with the exception of base salaries in force from their pre-Combination company roles for two of the NEOs, the average base pay levels for the NEOs, including the CEO, was slightly above the 25th percentile of the market (actually 29th percentile for the NEOs – and 34th percentile for entire officer group other than Messrs. Jones and Twellman).
- Bonus opportunity levels provided by our annual bonus plan were slightly above market median levels. This finding supports our philosophy that variable, at-risk pay presents our executives with the opportunity to earn market median or higher total cash in superior performance years. We have implemented formal performance measures for funding and payout of the MIP.
- Long-term incentive awards were also analyzed by PM&P and were assessed as middle of the market relative to annual grants made by our peer group. The initial equity awards were at or below median when compared to a new company and management team.

Executive compensation mix

The charts below set out our current pay mix for our CEO and other NEOs collectively based on current base salary, target bonus, and the grant date value of 2010 equity grants.



2010 compensation decisions

Base salary

With the exception of Messrs. Gaut and McCulloch, each of the NEOs was employed prior to the Combination by a company that participated in the Combination. Each of those NEOs had his previous salary continue at the same level following the Combination, although in some cases the

individual no longer held the same position in the combined company that he previously held in the pre-Combination company. In the case of Messrs. Gaut and McCulloch, their salaries were determined by our board of directors consistent with the compensation philosophy set forth herein.

Annual bonus payments for fiscal year 2010

As previously described, each of the NEOs, with the exception of Mr. McCulloch who was hired near the end of 2010, received a bonus for 2010. Mr. Gaut's employment agreement stated that he was eligible to receive a discretionary cash bonus. Our board of directors exercised its discretion to award Mr. Gaut his bonus based upon the overall success we had following the Combination as well as exceeding our 2010 EBITDA targets. The remaining NEOs participated in the legacy plans of their respective employers prior to the Combination. Such bonuses were paid taking into account performance goals related to EBITDA, cash flow, safety and/or other factors, and were paid at the discretion of our board of directors.

2010 equity grants

Certain of our Named Executive Officers held equity-based awards that were granted under equity plans in effect prior to the Combination and, after the Combination, such awards continued to be outstanding and remained subject to the terms of the applicable plan and award agreement. Mr. Gaut's employment agreement, which was entered into when he was hired as our CEO in August 2010, provided him with a new stock option grant under the 2010 Plan covering 61,557 shares of our common stock at an exercise price of $284.29 per share. This was awarded to him in connection with the closing of the Combination and was conditioned upon Mr. Gaut investing $3.5 million of his personal net worth in the Company. Our other NEOs also received grants in 2010 which (along with Mr. Gaut's award described above) are summarized in the table below and detailed in the Grants of Plan Based Awards Table.

The option and restricted stock grants shown below in 2010 were a combination of inducement and pre-offering grants intended to cover 2010 and 2011 and to recruit and retain individuals with the ability to drive our potential. These grants were also intended to quickly build and align our NEOs' ownership stakes with that of our stockholders. To date, no additional grants have been made to our NEOs. We anticipate that additional grants will be made to our NEOs following completion of the offering.

	Share quantity	Option exercise price	Grant date
C. Christopher Gaut			
Options	61,557	$ 284.29	8/2/2010
James W. Harris			
Options	6,000	$ 284.29	8/2/2010
Options	569	$ 284.29	11/29/2010
Restricted Stock	431		11/29/2010
Charles E. Jones			
Options	9,500	$ 284.29	8/2/2010
Restricted Stock	2,638		11/1/2010
Wendell R. Brooks			
Options	7,000	$ 284.29	8/2/2010
Steven W. Twellman			
Options	2,000	$ 284.29	8/2/2010
James L. McCulloch			
Options	6,000	$ 284.29	10/25/2010
Restricted Stock	1,760		10/25/2010

2010 Stock incentive plan

Objective

In connection with the Combination, we adopted an amendment and restatement of the Forum Oilfield Technologies, Inc. 2005 Stock Incentive Plan, as amended (prior to such amendment and restatement, the "Prior Plan"), which changed, among other things, the name of the plan to the Forum Energy Technologies, Inc. 2010 Stock Incentive Plan. The 2010 Plan provides us with the flexibility to make grants of options, restricted stock awards, performance awards, phantom stock awards, stock appreciation rights and bonus stock awards to our employees, consultants and directors serving on our board of directors.

Eligibility

Employees, consultants and members of our board of directors are eligible for awards under the 2010 Plan. The Committee will select the participants from time to time for the grants of awards.

Administration

The 2010 Plan will be administered by the Committee. The Committee will have the authority to select participants and to determine the terms and conditions of awards. The Committee will

have the power to construe the 2010 Plan, adopt rules and regulations for administering the 2010 Plan and to make all other determinations necessary or advisable for administering the 2010 Plan. Any decisions of the Committee will be conclusive. The Committee will have the ability to delegate certain of its authority as provided under the 2010 Plan. Subject to the consent of the employee, consultant or director who has been granted an award, the Committee will be authorized to amend outstanding award agreements from time to time in any manner not inconsistent with the terms of the 2010 Plan.

Shares available for awards

Pursuant to the 2010 Plan, the aggregate maximum number of shares of our common stock that may be issued under the 2010 Plan, and the aggregate maximum number of shares of our common stock that may be issued under the 2010 Plan through incentive stock options, will not exceed 400,000 shares (inclusive of the shares subject to outstanding awards granted under and the shares that remained available under the Prior Plan). To the extent that an award terminates or is forfeited, any shares of our common stock subject to such award will again be available for the grant of an award under the 2010 Plan. In addition, shares surrendered in payment of the exercise price or purchase price of an award, and shares withheld for payment of applicable employment taxes and/or withholding obligations associated with an award will again be available for the grant of an award under the 2010 Plan. Any shares of our common stock delivered pursuant to an award may consist, in whole or in part, of authorized and unissued shares or (where permitted by applicable law) previously issued shares of our common stock that have been reacquired. Further, the following limitations apply with respect to awards granted under the Plan:

- the maximum number of shares of our common stock that may be subject to awards denominated in shares of our common stock granted to any one individual during the term of the 2010 Plan may not exceed 50% of the aggregate maximum number of shares of our common stock that may be issued under the 2010 Plan; and
- the maximum amount of compensation that may be paid under all performance awards denominated in cash (including the fair market value of any shares of our common stock paid in satisfaction of such performance awards) granted to any one individual during any calendar year may not exceed $20,000,000 and any payment due with respect to a performance award must be paid no later than 10 years after the date of the grant of the award.

The 2010 Plan provides that if we effect a subdivision or consolidation, or a payment of a stock dividend without receipt of consideration, on the shares of our common stock, the number of shares subject to the award, and the purchase price thereunder (if applicable) are proportionately adjusted. If we recapitalize, reclassify or otherwise change our capital structure, outstanding awards will be adjusted so that the award will thereafter cover the number and class of shares to which the holder would have been entitled if he had been the holder of record of the shares covered by such award immediately prior to the recapitalization, reclassification or other change in our capital structure. Further, the aggregate number of shares available under the 2010 Plan and the individual award limitations described above may also be appropriately adjusted by the Committee.

Awards

At the discretion of the Committee, awards under the 2010 Plan may be made in the forms described below. Each award will be evidenced by an award agreement setting out the specific terms and conditions applicable to the award.

Options. The 2010 Plan provides for two types of options: incentive stock options and non-statutory stock options. Incentive stock options may only be awarded to individuals who are employed by us or one of our subsidiaries at the time of grant. The Committee will determine the purchase price per share of our common stock subject to an option; however, the purchase price will not be less than the fair market value of a share of our common stock on the date of the grant of such option. The purchase price will be paid in the manner prescribed by the Committee. The Committee will also determine the term of each option (up to a maximum term of 10 years), the time at which an option may be exercised and the method by which payment of the purchase price may be made. Option awards may include the right to surrender the optioned shares in exchange for a payment in the amount of the fair market value of the shares for which the option is surrendered over the exercise price for such shares (a "stock appreciation right"). The term of each stock appreciation right may not exceed 10 years from the date of grant.

Restricted Stock Awards. Pursuant to a restricted stock award, shares of our common stock will be issued or delivered to the participant, subject to certain restrictions on the disposition thereof and certain obligations to forfeit the shares to us as may be determined in the discretion of the Committee. The restrictions on disposition and the forfeiture restrictions for a restricted stock award may lapse upon the satisfaction of one or more of the performance criteria set forth in the 2010 Plan and determined by the Committee (which are listed below under "—Performance awards"), the holder's continued employment or service to us over a specified period of time, the occurrence of any event or the satisfaction of any other condition specified by the Committee, or any combination of the foregoing factors.

The participant may not sell, transfer, pledge, exchange, hypothecate, or otherwise dispose of the shares until the expiration of the restriction period. However, upon the issuance of shares of our common stock pursuant to a restricted stock award, except as otherwise determined by the Committee, the holder will have all the rights of a holder of our common stock with respect to the shares, including the right to vote the shares and to receive all dividends and other distributions paid with respect to the shares.

Performance awards. For performance awards granted under the 2010 Plan, the Committee will establish the maximum number of shares of common stock subject to, or the maximum value of, each performance award and the performance period over which the performance applicable to the award will be measured. The performance measures to which a performance award are subject will be determined by the Committee and will be based on one or more of the following performance measures: (a) the price of a share of our common stock, (b) our earnings per share, (c) our market share, (d) the market share of one of our business units designated by the Committee, (e) our sales, (f) the sales of one of our business units designated by the Committee, (g) our or any business unit's operating income or operating income margin, as designated by the Committee, (h) our or any business unit's net income or net income margin (before or after taxes), as designated by the Committee, (i) our or any business unit's cash flow or return on investment, as designated by the Committee, (j) our or any business unit's earnings or earnings margin before or after interest, taxes, depreciation, and/or amortization, as designated by the Committee, (k) the economic value added, (l) our return on capital, assets or stockholders' equity, (m) our total stockholders' return or (n) any combination of the foregoing.

Payment of a performance award may be made in cash, shares of our common stock or a combination thereof, as determined by the Committee.

Phantom stock. The Committee will be authorized to grant phantom stock awards under the 2010 Plan. These are awards of rights to receive (including restricted stock units which give a participant the right to receive) shares of our common stock (or the fair market value thereof), or rights to receive amounts equal to share appreciation over a specific period of time. These awards vest over a period of time to be established by the Committee, without satisfaction of any performance criteria or objectives. The Committee may, in its discretion, require payment or other conditions of the recipient of a phantom stock award. A phantom stock award may include a stock appreciation right that is granted independently of a stock option. Payment of a phantom stock award may be made in cash, shares of our common stock, or a combination thereof.

Bonus stock awards. The Committee will also be authorized to grant bonus stock awards under the 2010 Plan. Bonus stock awards are unrestricted shares of our common stock that are subject to such terms and conditions as the Committee may determine and they need not be subject to performance criteria or objectives or to forfeiture.

Corporate change

The 2010 Plan provides that, upon a Corporate Change (as defined below), the Committee may accelerate the vesting and exercise date of options and stock appreciation rights, cancel options and stock appreciation rights and cause us to make payments in respect thereof in cash or adjust the outstanding options and stock appreciation rights as appropriate to reflect the Corporate Change. Upon the occurrence of a Corporate Change, the Committee may fully vest any restricted stock awards then outstanding and, upon such vesting, all restrictions applicable to the restricted stock will terminate. The 2010 Plan provides that a Corporate Change occurs if:

- we are dissolved and liquidated;
- we are not the surviving entity in any merger, consolidation or reorganization (or survive only as a subsidiary of an entity);
- we sell, lease or exchange or agree to sell, lease or exchange all or substantially all of our assets;
- any person, entity or group acquires or gains ownership or control of more than 50% of the outstanding shares of our voting stock; or
- after a contested election of directors, the persons who were directors before such election cease to constitute a majority of our board of directors.

Transferability of awards

Generally, awards granted under the 2010 Plan may not be transferred other than (i) by will or the laws of descent and distribution, (ii) pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended or (iii) with the consent of the Committee. Each incentive stock option is not transferable other than by will or the laws of descent and distribution and is exercisable during the holder’s lifetime only by the holder or the holder’s guardian or legal representative.

Amendment and termination of 2010 Plan

Our board of directors, in its discretion, may terminate the 2010 Plan at any time with respect to any shares of our common stock for which awards have not been granted. Our board of directors also has the right to alter or amend the 2010 Plan or any part thereof from time to time; provided that no change in the 2010 Plan may be made that would materially impair the rights of a participant without the consent of the participant. In addition, our board of directors may not, without approval of our stockholders, amend the 2010 Plan to increase the aggregate maximum number of shares our common stock that may be issued under the 2010 Plan, increase the aggregate maximum number of shares of our common stock that may be issued under the 2010 Plan through incentive stock options, change the class of individuals eligible to receive awards under the 2010 Plan or amend or delete the restrictions on the repricing of options.

Other policies and practices

Clawbacks

Payments made under our incentive plans, as well as any other payments and benefits which an NEO receives pursuant to a company plan or other arrangement, shall be subject to a clawback to the extent necessary to comply with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act or any other SEC guidelines. Our clawback policies will be reviewed annually.

Risk assessment

Our board of directors has reviewed our compensation policies as generally applicable to our employees and believes that our policies do not encourage excessive and unnecessary risk-taking, and that the level of risk that they do encourage is not reasonably likely to have a material adverse effect on us. In the future our Committee will perform this assessment and if a likelihood of a material risk exists, it will enlist additional resources for a full assessment.

Our compensation philosophy and culture support the use of base salary, certain performance-based compensation, and benefit plans that are generally uniform in design and operation throughout our organization and with all levels of employees. These compensation policies and practices are centrally designed and administered, and are substantially identical between our business segments. In addition, the following specific factors, in particular, reduce the likelihood of excessive risk-taking:

- Our overall compensation levels are competitive with the market;
- Our compensation mix is balanced among (i) fixed components like salary and benefits and (ii) annual incentives that reward our overall financial performance, business unit financial performance, operational measures and individual performance;
- We intend to always have a strategic long-term plan;
- Our annual corporate goals will be established with specific consideration given to behavioral risk;
- We will implement appropriate performance measures each year, whether absolute or relative;
- We have established maximum payouts to cap any performance incentives in place; and
- We have clawback provisions built into the MIP.

In summary, although a portion of the compensation provided to Named Executive Officers is based on our performance or individual successes of the employee, we believe our compensation programs do not encourage excessive and unnecessary risk-taking by executive officers (or other employees) because these programs are designed to encourage employees to remain focused on both our short- and long-term operational and financial goals. We set performance goals that we believe are reasonable in light of our past performance and market conditions.

Accounting and tax considerations

Under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), a limitation was placed on tax deductions of any publicly-held corporation for individual compensation to certain executives of such corporation exceeding $1,000,000 in any taxable year, unless the compensation is performance-based. An exception applies to this deductibility limitation for a limited period of time in the case of companies that become publicly-traded.

When Section 162(m) of the Code applies to us, we reserve the right to use our judgment to authorize compensation payments that do not comply with the exemptions in Section 162(m) of the Code when we believe that such payments are appropriate and in the best interest of the stockholders, after taking into consideration changing business conditions or the executive's individual performance and/or changes in specific job duties and responsibilities.

If an executive is entitled to nonqualified deferred compensation benefits that are subject to Section 409A of the Code, and such compensation does not comply with Section 409A of the Code, then the benefits are taxable in the first year they are not subject to a substantial risk of forfeiture and are subject to certain additional adverse tax consequences. We intend to design such arrangements to comply with (or be exempt from) Section 409A of the Code to the extent that the design is also appropriate for our business goals with respect to that arrangement.

All equity awards to our employees, including executive officers, and to our directors will be granted and reflected in our consolidated financial statements, based upon the applicable accounting guidance, at fair market value on the grant date in accordance with FASB Accounting Standards Codification, Topic 718, "Compensation—Stock compensation."

Summary compensation table

The following table shows information concerning the annual compensation for services provided to us by our Named Executive Officers during the 2010 fiscal year.

Summary compensation table for the year ended December 31, 2010

Name and Principal Position	Year	Salary(1)	Bonus(2)	Stock awards(3)	Option awards(3)	All other compensation(4)	Total
C. Christopher Gaut President, Chief Executive Officer and Chairman of the Board	2010	$252,404	$ 625,000	$ —	$6,462,254	$ 320,182	$7,659,840
James W. Harris Sr. Vice President and Chief Financial Officer	2010	$276,178	$ 234,203	$ 122,529	$ 689,614	$ 71,559	$1,394,083
Charles E. Jones(5) Exec. Vice President; President—Drilling and Subsea	2010	$475,000	$ 671,345	$ 749,957	$ 997,310	$ 10,917	$2,904,529
Wendell R. Brooks Exec. Vice President; President—Production & Infrastructure	2010	$344,100	$ 397,708	$ —	$ 734,860	$ 14,700	$1,491,368
Steven W. Twellman President and Chief Executive Officer, Global Flow Technologies, Inc.	2010	$331,667	$ 148,054	$ —	$ 209,960	$ 14,074	$ 703,755
James L. McCulloch Sr. Vice President, General Counsel and Secretary	2010	$ 49,327	$ —	$ 500,350	$ 618,180	$ —	$1,167,857

(1) Amounts in this column reflect base salary earned during the 2010 year.

(2) Amounts in this column reflect discretionary bonus amounts paid in 2011 for services provided in 2010.

(3) The amounts in the “Stock Awards” and “Option Awards” columns represent the grant-date fair value in 2010 as determined in accordance with the FASB Accounting Standards Topic 718. All equity awards were granted based on the fair market value of a share of our common stock being $284.29. See footnote 2 under “Grants of plan-based awards for 2010” for further information on Black-Scholes input details. For additional information, please read Note 11 to our audited consolidated financial statements included elsewhere in this prospectus.

(4) The amounts in the “All Other Compensation” column represent values from benefits and perquisites and related compensation to the NEOs. Mr. Gaut’s $320,182 is comprised of 401(k) Company matching contributions of $8,432, cash fees paid for services rendered as a member of our board of directors prior to the commencement of Mr. Gaut’s employment as our CEO totaling $21,750, and $290,000 paid by LESA for consulting services provided in 2010 prior to the commencement of Mr. Gaut’s employment as our CEO. Mr. Harris’ $71,559 is comprised of 401(k) Company matching contributions of $9,822 and cash resulting from the option exchange totaling $61,737 (option exchange discussed in greater detail under “Long Term Equity Based Incentives and Adjustment of Certain Pre-Combination Equity Awards” above). Mr. Jones’ $10,917 is comprised of 401(k) Company matching contributions. Mr. Brooks’ $14,700 is comprised of 401(k) Company matching contributions of $9,800 and a company car allowance totaling $4,900. Mr. Twellman’s $14,074 is comprised of 401(k) Company matching contributions of $7,074 and a company car allowance totaling $7,000.

(5) Mr. Jones was the President (and principal executive officer) of FOT prior to the Combination. He now serves as our Executive Vice President and President, Drilling and Subsea.

Grants of plan-based awards for 2010

The following table is intended to provide a detailed disclosure of Plan-Based Awards. Plan-Based Awards include all equity awards made during the last completed fiscal year. The data in this table shows awards by grant date and does not show aggregate awards. Award descriptions in this table set out the relevant awards made during the 2010 fiscal year to each of the Named Executive Officers.

Name	Grant date	All other stock awards: number of shares of stock	All other option awards: number of securities underlying options	Exercise or base price of option awards ($/sh)	Grant date fair value of stock and option awards (1)(2)
C. Christopher Gaut	8/2/2010		61,557	$ 284.29	$6,462,254
James W. Harris	8/2/2010		6,000	$ 284.29	$ 629,880
	11/29/2010		569	$ 284.29	$ 59,734
	11/29/2010	431			$ 122,529
Charles E. Jones	8/2/2010		9,500	$ 284.29	$ 997,310
	11/1/2010	2,638			$ 749,957
Wendell R. Brooks	8/2/2010		7,000	$ 284,29	$ 734,860
Steven W. Twellman	8/2/2010		2,000	$ 284.29	$ 209,960
James L. McCulloch	10/25/2010		6,000	$ 284.29	$ 618,180
	10/25/2010	1,760			$ 500,350

(1) The amounts in the “Grant Date Fair Value of Stock and Option Awards” column represent the grant-date fair value in 2010 as determined in accordance with the FASB Accounting Standards Topic 718. All equity awards were granted based on the fair market value of a share of our common stock being $284.29. For additional information, please read Note 11 to our audited consolidated financial statements included elsewhere in this prospectus.

(2) Black-Scholes Input Details:

Input	Input Values
Exercise Price	$ 284.29
Expected Term	6.25 years
Volatility	33.73%
Dividend Yield	0.0%
Risk Free Interest Rate	2%
Black-Scholes Value	**$ 104.98**

Employment agreements

In connection with the Combination, we entered into employment agreements with Messrs. Gaut, Harris, Jones, Brooks, and Twellman. We also entered into an employment agreement with Mr. McCulloch dated October 25, 2010.

The employment agreements we entered into with Messrs. Gaut, Harris, Jones, Brooks, Twellman, and McCulloch are each dated effective as of August 2, 2010, except as noted above with respect to Mr. McCulloch, and they contain substantially similar provisions with the exception of the

determination of the amount of the severance benefit described below under “Quantification of payments.” The initial term of each employment agreement will terminate on the second anniversary of its effective date, provided that commencing on such second anniversary, the term will be automatically extended for successive one-year periods unless either party gives 60-days prior written notice of its intention to not renew the term of employment. The employment term can also be terminated at any time upon prior written notice by us or the executive. The annual base salary stated in each of the agreements is as follows: Mr. Gaut, $625,000; Mr. Harris, $300,000; Mr. Jones, $475,000; Mr. Brooks, $375,000; Mr. Twellman, $355,000; and Mr. McCulloch, $285,000. Each executive will be eligible to participate in, and may be awarded an annual bonus under, our annual cash incentive bonus program if certain performance targets are met for the performance period, which is expected to be each calendar year. Mr. Gaut’s employment agreement also contains an additional provision that provided him with a one-time stock option grant in connection with the consummation of the Combination covering 61,557 shares of our common stock, which will vest in four equal installments on each year anniversary of the grant date. Under each of the employment agreements, if the executive’s employment is terminated prior to the expiration of the term by the executive for good reason, by notice of non-renewal by us, or by our action for any reason other than the executive’s death or disability or for cause, subject to the executive’s execution and nonrevocation of a release within the period specified in the employment agreement, the executive will be entitled to receive certain severance payments and benefits from us. Please see the “Potential payments upon termination and change in control” section below for a more detailed description of the terms and payments provided under each of the employment agreements.

Outstanding equity awards at 2010 fiscal year end

The Named Executive Officers (other than Mr. McCulloch) held equity-based awards prior to the Combination. The pre-Combination equity awards that were issued to the Named Executive Officers by Allied, Global Flow and Subsea were adjusted and converted into awards that are now based on our common stock. Awards that were granted by FOT prior to the Combination were not adjusted in connection with the Combination. The awards disclosed below reflect awards that were granted to the Named Executive Officers at their previous employing entities as well as awards that we granted to the Named Executive Officers under the 2010 Plan (including under the terms of such plan as it existed prior to its amendment and restatement as described above under “2010 Stock incentive plan”). Expiration dates are also shown for each individual award. Additionally, no performance-based equity grants have been made to the Named Executive Officers.

For a detailed explanation of the exchange ratios utilized for the conversion of equity-based awards in connection with the Combination, please see “Elements of compensation for our named executive officers—Long-term equity based incentives and adjustment of certain pre-combination equity awards.”

Outstanding equity awards as of December 31, 2010

Name	Number of securities underlying unexercised options exercisable	Number of securities underlying unexercised option unexercisable	Option exercise price	Option expiration date	Number of shares of stock that have not vested	Market value of shares of stock that have not vested ($)(1)
C. Christopher Gaut	500	—	$ 200.00	12/06/11		
	—	61,557(2)	$ 284.29	08/01/20		
	—	—			99(3)	33,660
	—	—			234(4)	79,560
James W. Harris	450	—	$ 200.00	12/06/11		
	175	175(5)	$ 320.00	01/31/12		
	213	638(6)	$ 225.00	06/30/14		
	—	6,000(2)	$ 284.29	08/01/20		
	—	569(7)	$ 284.29	11/29/20		
					431(8)	146,540
Charles E. Jones	4,500	1,500(9)	$ 300.00	09/29/12		
	575	1,725(6)	$ 225.00	06/30/14		
	—	9,500(2)	$ 284.29	08/01/20		
	—	—			1,250(10)	425,000
	—	—			2,638(11)	896,920
Wendell R. Brooks	2,600	867(9)	$ 216.31	09/30/17		
	2,600	867(12)	$ 216.31	10/21/17		
	231	231(13)	$ 216.31	11/20/18		
	87	260(14)	$ 216.31	12/16/19		
	—	7,000(2)	$ 284.29	08/01/20		
Steven W. Twellman	2,718	—	$ 101.16	12/21/12		
	1,977	—	$ 101.16	04/21/13		
	741	—	$ 161.85	04/30/14		
	—	2,000(2)	$ 284.29	08/01/20		
James L. McCulloch	—	6,000(15)	$ 284.29	10/25/20		
					1,760(16)	598,400

(1) Amounts in this column were calculated by assuming a market value of our common stock of $340.00 per share.

(2) Options vest annually in equal installments over a four-year period on each of August 2, 2011, 2012, 2013 and 2014.

(3) Restricted stock vests annually in equal installments over a two-year period on each of July 28, 2011 and 2012.

(4) Restricted stock vests annually in equal installments over a three-year period on each of September 15, 2011, 2012 and 2013.

(5) Options vest annually in equal installments over a two-year period on each of February 1, 2011 and 2012.

(6) Options vest annually in equal installments over a three-year period on each of July 1, 2011, 2012 and 2013.

(7) Options vest annually in equal installments over a four-year period on each of November 29, 2011, 2012, 2013 and 2014.

(8) Restricted stock vests annually in equal installments over a four-year period on each of November 29, 2011, 2012, 2013 and 2014.

(9) Options vest 100% on October 1, 2011.

(10) Restricted stock vests 100% on October 1, 2012.

(11) Restricted stock vests annually in equal installments over a four-year period on each of November 1, 2011, 2012, 2013 and 2014.

(12) Options vest 100% on October 22, 2011.

(13) Options vest annually in equal installments over a three-year period on each of November 21, 2011, 2012 and 2013.

(14) Options vest annually in equal installments over a three-year period on each of December 17, 2011, 2012 and 2013.

(15) Options vest annually in equal installments over a four-year period on each of October 25, 2011, 2012, 2013 and 2014.

(16) Restricted stock vests annually in equal installments over a four-year period on each of October 25, 2011, 2012, 2013 and 2014.

Options exercised and stock vested in the 2010 fiscal year

None of the NEOs exercised a stock option award during 2010. Values shown in the table below were calculated by multiplying the number of shares of restricted stock that vested by the market value of our common stock on the date of vesting.

Stock vested for the year ended December 31, 2010

	Stock Awards	
	Number of shares acquired on vesting	Value realized on vesting
C. Christopher Gaut	78	$ 22,175
James W. Harris	—	$ —
Charles E. Jones	1,250	$ 355,363
Wendell R. Brooks	—	$ —
Steven W. Twellman	—	$ —
James L. McCulloch	—	$ —

Pension benefits

We maintain a 401(k) Plan for our employees, including our Named Executive Officers, but at this time our Named Executive Officers do not participate in a pension plan.

Non-qualified deferred compensation

We do not provide our Named Executive Officers with a deferred compensation plan at this time.

Potential payments upon termination and change in control

The employment agreements we maintain with our Named Executive Officers will provide the executives with severance benefits upon certain terminations of employment, and the individual award agreements that govern our stock option and restricted stock awards under the 2010 Plan contain accelerated vesting provisions that will apply upon our Change in Control (as defined below).

The employment agreements for each of our Named Executive Officers contain similar termination provisions. Under the employment agreements, if the executive's employment is terminated prior to the expiration of the term by the executive for good reason (as defined below), by notice of non-renewal by us, or by our action for any reason other than his death or disability (as defined below) or for cause (as defined below), subject to the executive's execution and nonrevocation of a release within the period specified in the employment agreement, the executive will be entitled to receive the following benefits: (1) a lump sum payment of an amount equal to the applicable "severance multiple" times the sum of his annual base salary at the time of the termination plus a specified percentage of his annual base salary (provided that Mr. Twellman's payment will be made over a 24-month period rather than in a lump sum), (2) a

lump sum payment of an amount equal to his unpaid bonus for the prior calendar year, if any, payable at the same time such bonus is paid to active executives, (3) a lump sum payment of an amount equal to his bonus for the calendar year in which his termination occurs, if any, as determined in good faith by our board of directors in accordance with the performance criteria established pursuant to the employment agreement, prorated through and including the date of termination, payable at the same time as such bonus is paid to active executives and (4) if he elects COBRA continuation coverage for himself and his eligible dependents, monthly reimbursement of the differential between the COBRA premium and the active executive contribution amount for such coverage under our group health plans for up to eighteen months.

The employment agreements provide that the “severance multiple” in clause (1) above is two for each of our Named Executive Officers unless the executive’s termination of employment occurs on or within two years after the occurrence of a Change in Control, in which case the “severance multiple” is three. The employment agreements for our Named Executive Officers (other than Mr. Jones) provide that in the event any payments to the executives constitute excess parachute payments within the meaning of Section 280G of the Code, payments under the employment agreement will be reduced to an amount that would no longer create an excess parachute payment or be paid in full, whichever produces the better net after-tax position for the executive. Consistent with Mr. Jones’s prior employment agreement with FOT, his employment agreement provides that any payments or benefits to which he may be entitled (whether under the employment agreement or otherwise) which would be subject to a parachute payment excise tax under Section 4999 of the Code will be grossed up so that he will receive an additional payment from us sufficient to cover such excise tax and all excise taxes imposed on such additional payment. If a Named Executive Officer’s employment is terminated for any reason other than those described above, the executive will continue to receive his compensation and benefits to be provided by us until the date of termination, and the compensation and benefits will terminate contemporaneously with the termination of his employment. Under the terms of the employment agreements, subject to certain exceptions, the executives may not compete in the market in which we and our respective affiliates engage during his employment and for two years following the termination of his employment.

The employment agreements define the term “Good Reason” as any of the following events: (1) a material decrease in annual base salary (other than as part of a decrease of up to 10% for all of our executive officers), (2) in the case of Mr. Gaut, the executive’s demotion from his current position with the Company, and in the case of Messrs. Harris, Jones, Brooks, Twellman, and McCulloch a material diminution in the executive’s authority, duties or responsibilities (other than certain changes in management structure primarily affecting reporting responsibility); or (3) an involuntary relocation of the geographic location of the executive’s principal place of employment by more than 75 miles. “Disability” is generally defined as an executive’s inability to perform the executive’s duties or fulfill his obligations under the employment agreement by reason of any physical or mental impairment for a continuous period of not less than three months. The employment agreements state that a termination for “Cause” will occur when an executive has (a) engaged in gross negligence or willful misconduct in the performance of his duties with respect to us, (b) materially breached any material provision of his employment agreement or any written corporate policy, (c) willfully engaged in conduct that is materially injurious to us, or (d) been convicted of, pleaded no contest to, or received adjudicated probation or deferred adjudication in connection with a felony involving fraud, dishonesty or moral turpitude.

In terms of the severance benefits payable to our Named Executive Officers under the circumstances described above that are based on the "severance multiple," the following table sets out the formula for determining the amount of such benefits for the Named Executive Officers' under the agreements.

Executive	Current base salary ("B")	Annual bonus target ("T") as a percent of base	Severance amount for termination not within 2 years after a change in control	Severance amount for termination within 2 years after a change in control
C. Christopher Gaut	$ 625,000	125%	2 times (B+T)	3 times (B+T)
Charles E. Jones	$ 475,000	100%	2 times (B+T)	3 times (B+T)
Wendell R. Brooks	$ 375,000	100%	2 times (B+T)	3 times (B+T)
James W. Harris	$ 325,000	80%	2 times (B+T)	3 times (B+T)
Steven W. Twellman	$ 355,000	80%	2 times (B+T)	3 times (B+T)
James L. McCulloch	$ 310,000	80%	2 times (B+T)	3 times (B+T)

"Change in Control" is generally defined in the employment agreements to occur upon (1) the acquisition by an individual, entity or group (within the meaning of the Exchange Act) of the beneficial ownership of fifty percent or more of either (a) our then outstanding shares of common stock, or (b) the combined voting power of our then outstanding voting securities entitled to vote in our election of directors; (2) the date the individuals who, immediately following the time when our stock becomes publicly traded, constitute our board of directors (and certain approved individuals who become directors after such time) cease to constitute a majority of the board of directors; or (3) the consummation of a corporate transaction (merger, reorganization, consolidation, or a sale of all or substantially all of our assets) unless, following that transaction, all or substantially all of the individuals and entities that were the beneficial owners of our outstanding common stock and outstanding voting securities prior to the transaction still beneficially own more than fifty percent of those shares of common stock or voting power of the resulting entity following the transaction, and at least a majority of the members of the board of directors of the ultimate parent entity resulting from the transaction were members of our board of directors at the time of the execution of the agreement that led to the transaction. The employment agreements include a modified definition of the term "Change in Control" that applies before our stock becomes publicly traded.

The restricted stock and stock option award agreements under our 2010 Plan have accelerated vesting provisions in the event of our Change in Control (the 2010 Plan and award agreements contain substantially the same definition of a Change in Control as provided within the Named Executive Officer's employment agreement). If a Change in Control occurs during the period of time that the award is still outstanding, any unvested portion of the award will immediately vest so long as the executive has been continuously employed with us from the date of grant until the Change in Control event.

Quantification of payments

The table below discloses the amount of compensation and/or benefits due to the Named Executive Officers in the event of their termination of employment and/or in the event we undergo a Change in Control. The amounts disclosed assume such termination and/or the occurrence of such Change in Control was effective December 31, 2010, and using the price of

our common stock on that date of $340.00. The column titled "Termination without cause, for good reason, or due to non-extension by company not within a two year period following a change in control" utilizes the 2 times (B+T) formula above, while the column titled "Termination without cause, for good reason, or due to non-extension by company within a two year period following a change in control" utilizes the 3 times (B+T) formula. COBRA premiums reflected below are based upon the monthly premiums in effect for each of the Named Executive Officers on December 31, 2010 for a period of eighteen months. Mr. Jones' Change in Control payment reflects our estimation of the payment that would be necessary to gross him up for the excise taxes he could be required to pay following a Change in Control. The amounts below constitute estimates of the amounts that would be paid out to the Named Executive Officers upon their respective terminations and/or upon a Change in Control under such arrangements, but final amounts can only be determined with certainty upon the actual event. The actual amounts to be paid out are dependent on various factors, which may or may not exist at the time a Named Executive Officer is actually terminated and/or a Change in Control actually occurs. Therefore, such amounts and disclosures should be considered "forward-looking statements."

Named Executive Officer	Termination due to death or disability	Termination without cause, for good reason, or due to non-extension by company not within a two year period following a change in control	Termination without cause, for good reason, or due to non-extension by company within a two year period following a change in control	Change in control without termination
C. Christopher Gaut				
Salary	NA	$ 1,250,000	$ 1,875,000	$ —
Bonus Amounts	NA	$ 1,562,500	$ 2,343,750	$ —
COBRA Premiums	NA	$ 18,576	$ 18,576	$ —
Change in Control Payments	NA	NA	NA	$ —
Accelerated Equity Vesting	NA	$ 3,542,560	$ 3,542,560	$ 3,542,560
Total	$ —	$ 6,373,636	$ 7,779,886	$ 3,542,560
James W. Harris				
Salary	NA	$ 650,000	$ 975,000	$ —
Bonus Amounts	NA	$ 520,000	$ 780,000	$ —
COBRA Premiums	NA	$ 22,608	$ 22,608	$ —
Change in Control Payments	NA	NA	NA	$ —
Accelerated Equity Vesting	NA	$ 589,254	$ 589,254	$ 589,254
Total	$ —	$ 1,781,862	$ 2,366,862	$ 589,254
Charles E. Jones				
Salary	NA	$ 950,000	$ 1,425,000	$ —
Bonus Amounts	NA	$ 950,000	$ 1,425,000	$ —
COBRA Premiums	NA	$ 6,030	$ 6,030	$ —
Change in Control Payments	NA	NA	$ 1,131,921	$ —
Accelerated Equity Vesting	NA	$ 2,109,540	$ 2,109,540	$ 2,109,540
Total	$ —	$ 4,015,570	$ 6,097,491	$ 2,109,540

Named Executive Officer	Termination due to death or disability	Termination without cause, for good reason, or due to non-extension by company not within a two year period following a change in control	Termination without cause, for good reason, or due to non-extension by company within a two year period following a change in control	Change in control without termination
Wendell R. Brooks				
Salary	NA	$ 750,000	$ 1,125,000	$ —
Bonus Amounts	NA	$ 750,000	$ 1,125,000	$ —
COBRA Premiums	NA	$ 17,172	$ 17,172	$ —
Change in Control Payments	NA	NA	NA	$ —
Accelerated Equity Vesting	NA	$ 665,057	$ 665,057	$ 665,057
Total	$ —	$ 2,182,229	$ 2,932,229	$ 665,057
Steven W. Twellman				
Salary	NA	$ 710,000	$ 1,065,000	$ —
Bonus Amounts	NA	$ 568,000	$ 852,000	$ —
COBRA Premiums	NA	$ 17,172	$ 17,172	$ —
Change in Control Payments	NA	NA	NA	$ —
Accelerated Equity Vesting	NA	$ 111,420	$ 111,420	$ 111,420
Total	$ —	$ 1,406,592	$ 2,045,592	$ 111,420
James L. McCulloch				
Salary	NA	$ 620,000	$ 930,000	$ —
Bonus Amounts	NA	$ 496,000	$ 744,000	$ —
COBRA Premiums	NA	$ 22,194	$ 22,194	$ —
Change in Control Payments	NA	NA	NA	$ —
Accelerated Equity Vesting	NA	$ 932,660	$ 932,660	$ 932,660
Total	$ —	$ 2,070,854	$ 2,628,854	$ 932,660
Total	NA	$17,830,743	$23,850,914	$ 7,950,491

Director compensation

Directors fees

All non-employee directors, with the exception of Mr. Baldwin and Mr. Waite, have received an annual retainer of $50,000. The Chairman of the Audit Committee has received an additional annual retainer of $15,000, and the other members of that committee have received an additional annual retainer of $5,000. We have not paid board of directors meeting fees or committee meeting fees to our directors.

Both Mr. Baldwin and Mr. Waite are Managing Directors of LESA, the ultimate general partner of SCF. It is LESA's policy that its directors and others associated with it do not receive retainers for board service until the company on whose board they serve becomes publicly traded.

In August 2011 PMP benchmarked our director compensation using compensation data gathered from the same peer group used to analyze compensation for our executive officers, as well as

supplemental data from published market surveys, in order to determine whether, and to what extent, it would be appropriate to increase director compensation following an initial public offering. Directors serving on public company boards are exposed to enhanced liability and assume duties and responsibilities over and above those required of private company directors.

As a result of the benchmarking survey, and with the assistance of PMP, it was determined that upon the completion of an initial public offering all non-employee directors, including Mr. Baldwin and Mr. Waite, will receive an annual retainer of $60,000. The Chairman of the Audit Committee will receive an additional annual retainer of $15,000, and the other members of that committee will receive additional annual retainers of $7,500. The Chairman of any other committee will receive an additional annual retainer of $10,000 and members of other committees will receive an additional annual retainer of $5,000.

Director equity-based compensation

We anticipate that each non-employee director will receive equity-based compensation. In 2010 we granted stock options to our non-employee directors, with the exception of Mr. Baldwin and Mr. Waite, in accordance with a formula determined by the Board of Directors. In 2011 we granted initial stock options to Ms. Angelle and Mr. Carrig upon their joining of the Board of Directors, and granted annual stock options in accordance with our formula to the non-employee members of the board (in Ms. Angelle's case on a prorated basis in view of her appointment to the Board in February 2011), except for Mr. Baldwin, Mr. Waite and Mr. Carrig, the latter of whom had only recently been appointed to the Board of Directors. It has been determined to grant restricted shares or restricted share units to non-employee directors, including Mr. Baldwin and Mr. Waite, on an annual basis after our initial public offering.

Director Compensation for the year ended December 31, 2010

Name(1)	Fees earned or paid in cash(2)	Option awards(3)	Total
Michael McShane	$ 25,000	$ 36,738	$61,738
Franklin Myers	$ 25,000	$ 36,738	$61,738
John Schmitz	$ 25,000	$ 36,738	$61,738

(1) Messrs. Baldwin and Waite did not receive any compensation for their services as directors during 2010. The compensation Mr. Gaut received as a non-employee director of FOT prior to the Combination is disclosed above in the Summary Compensation Table.

(2) The fees paid in cash in 2010 reflect two quarterly payments of our $50,000 annual retainer.

(3) The amounts in the "Option Awards" column represent the grant-date fair value in 2010 as determined in accordance with the FASB Accounting Standards Topic 718. All option awards were granted based on the fair market value of a share of our common stock being $284.29. See footnote 2 under "Grants of plan-based awards for 2010" for further information on Black-Scholes input details. For additional information, please read Note 11 to our audited consolidated financial statements included elsewhere in this prospectus. As of December 31, 2010, the number of shares of our common stock subject to outstanding stock option awards held by each of the directors is as follows: Mr. McShane, 602; Mr. Myers, 352; and Mr. Schmitz, 352.

Certain relationships and related party transactions

The descriptions set forth below are qualified in their entirety by reference to the applicable agreements.

The Combination

The Combination closed on August 2, 2010. Immediately prior to the Combination, SCF owned the following amounts of each of the five companies involved in the Combination (before giving effect to the application of the exchange ratios used with respect to the Combination to convert the shares of each company into shares of our common stock):

Company	No. of shares	Percentage ownership
FOT	465,226	64.4%
Global Flow	163,000	87.9%
Allied	130,000	46.2%
Triton	621,767	79.1%
Subsea	170,000	89.9%

Immediately following the completion of the transactions contemplated by the Combination and the related transactions, SCF would have been deemed to have beneficially owned a total of 1,518,792 shares of our common stock (calculated pursuant to Rule 13d-3 under the Securities Exchange Act of 1934). This beneficial ownership would have consisted of (1) 991,162 shares of common stock issued to SCF in connection with the Combination, (2) 175,876 shares of common stock issued to SCF in connection with its original subscription of approximately $50.0 million immediately following the Combination, (3) warrants to purchase 87,938 shares of our common stock issued to SCF in connection with its original $50.0 million subscription at the closing of the Combination, (4) 175,877 shares of common stock issuable to SCF had it exercised its subscription right for the remaining $50.0 million of committed capital in full immediately following the closing of the Combination, and (5) warrants to purchase 87,939 shares of our common stock issuable to SCF had it exercised its subscription right for the remaining $50.0 million of committed capital in full immediately following the closing of the Combination. For a discussion of the Combination, please see “Business—Business history,” and for a discussion of the subscription rights of, and related issuance of warrants to, SCF, please see “—Subscription and warrant agreements.”

Pursuant to the Combination Agreement that effected the Combination (the “Combination Agreement”), certificates representing 26,395 shares of our common stock in the aggregate that would otherwise have been issued to certain of our shareholders at the time of the Combination (the “Escrow Stockholders”) are currently held in escrow pending determination of our subsidiary’s future asbestos liability exposure as described in “Business—Legal proceedings—Asbestos litigation.” At any time prior to the Escrow Termination Date (as defined in the Combination Agreement and described below), we may elect to disburse all or any portion of the shares of our common stock held in escrow to the Escrow Stockholders. In addition, we may deliver at any time prior to the date that is 120 days prior to August 2, 2014, an irrevocable written notice, indicating our intent to engage a valuation firm to prepare a final valuation report, in which case the process of disbursing and/or retaining the shares of common stock held in escrow, as provided for in the Combination Agreement, will begin.

On the Escrow Termination Date, we will disburse to each Escrow Stockholder such pro rata portion of the shares of common stock held in escrow on the Escrow Termination Date, minus an amount of escrow shares having an aggregate fair market value as of the time the escrow termination materials are delivered equal to such Escrow Stockholder's pro rata portion of the Indemnification Amount (as defined in the Combination Agreement, and which generally relates to any increase in the overall anticipated future discounted costs our subsidiary expects to incur in defending the asbestos litigation following the Escrow Termination Date relative to the overall anticipated future discounted costs our subsidiary expected to incur in connection with such defense at the time of the Combination) (if any). Under the terms of the Combination Agreement, each Escrow Stockholder has the ability to elect to fund its pro rata portion of any Indemnification Amount in cash or using the shares of our common stock held in escrow. Thereafter, (i) the Escrow Stockholders will possess such disbursed shares of our common stock (if any), and will have no further obligation to us with respect thereto, and (ii) we will retain all of the remaining shares (if any), and will have no further obligation to any Escrow Stockholder with respect thereto. The Escrow Stockholders will owe no obligation to us for any Indemnification Amount in excess of the value of the shares of common stock held in escrow.

The Combination Agreement defines the Escrow Termination Date as the earlier of (i) the date the Indemnification Amount (as defined in the Combination Agreement) is determined to be zero in accordance with the terms of the Combination Agreement, (ii) the date of consummation of a transaction that results in a change of control or (iii) August 2, 2014 or, if a Dispute Notice (as defined in the Combination Agreement) is delivered, in lieu of such date, the date that the arbitrating accountant delivers its final written decisions regarding such dispute.

Transactions with our significant stockholder prior to the combination

FOT was a party to that certain Financial Advisory Agreement dated May 31, 2005 with LESA, as amended from time to time, pursuant to which we paid $62,500 per quarter for on-going advisory and consulting services in connection with our operations. In August 2010, this agreement was terminated by the parties and is no longer in effect.

We are a party to that certain Secondment Agreement dated August 2, 2010 with LESA and Mr. Connelly. Pursuant to the Secondment Agreement, LESA assigned Mr. Connelly to us for a period of two years to perform, among other things, strategic development services in return for a monthly cash payment by us to LESA in the amount of $25,000.

Allied was a party to that certain Financial Advisory Agreement dated August 20, 2007 with LESA, pursuant to which Allied paid LESA $31,250 per quarter for on-going advisory and consulting services in connection with Allied's operations. In August 2010, this agreement was terminated by the parties and is no longer in effect.

Global Flow was a party to that certain Financial Advisory Agreement dated June 30, 2005 with LESA, pursuant to which Global Flow paid $62,500 per quarter for on-going advisory and consulting services in connection with Global Flow's operations. This agreement has been terminated by the parties and is no longer in effect.

Triton was a party to that certain Financial Advisory Agreement dated February 2, 2007 between PSSI Holdings, Inc., a Delaware corporation, TGH (UK) Limited, incorporated in England, and LESA, pursuant to which Triton paid $62,500 per quarter for on-going advisory and consulting services in connection with Triton's operations. This agreement has been terminated by the parties and is no longer in effect.

Subsea was a party to that certain Financial Advisory Agreement dated January 8, 2007 with LESA, pursuant to which Subsea paid $37,500 per quarter for on-going advisory and consulting services in connection with Subsea's operations. This agreement has been terminated by the parties and is no longer in effect.

Transactions with our directors, officers and key operations managers

Allied was a party to that certain Financial Advisory Agreement dated as of August 20, 2007 with B-29 Investments, LP, as amended from time to time, pursuant to which Allied paid B-29 Investments, LP $31,250 per quarter for on-going advisory and consulting services in connection with Allied's operations. On December 31, 2009, B-29 Investments, LP assigned to Sunray Capital, all of its rights, interests, duties and obligations in, under and to the Financial Advisory Agreement. John Schmitz, one of our directors, and Steven Schmitz, John Schmitz's brother, are principals of Sunray Capital. This agreement has been terminated by the parties and is no longer in effect.

Allied was a party to that certain Stock Option Agreement, dated August 20, 2007 with B-29 Investments, LP, as amended from time to time, pursuant to which Allied granted to B-29 Investments, LP the right and option to purchase, in one or more transactions, all or any part of an aggregate 30,000 shares of Allied Common Stock at a purchase price of $200 per share at any time prior to August 20, 2017. John Schmitz, one of our directors, and Steven Schmitz, John Schmitz's brother serve as officers, directors and employees of B-29 Investments, LP. This agreement has been terminated by the parties and is no longer in effect.

Allied leases a manufacturing facility in Cooke County, Texas from B-29 Properties, LLC, an affiliate of B-29 Investments, LP, for approximately $50,560 in base rent per month in the aggregate.

Allied leases an undeveloped property in Cooke County, Texas from B-29 Properties, LLC, an affiliate of B-29 Investments, LP, for approximately $1,235 in base rent per month in the aggregate.

Allied leases a manufacturing facility in Logan County, Oklahoma from B-29 Properties, LLC, for approximately $12,500 per month.

Allied leases a manufacturing facility in Clearfield, Pennsylvania to Select Energy Services, LLC, for approximately $13,000 per month. Select Energy Services, LLC is an affiliate of B-29 Investments, LP.

Subscription and warrant agreements

In connection with the Combination and pursuant to a Subscription Agreement dated August 20, 2010, we offered each of our stockholders who were accredited investors or non-U.S. persons (as such term is defined for purposes of the Securities Act of 1933) the opportunity to purchase shares of our common stock worth $115 million in the aggregate, up to their pro-rata ownership of the Company. In connection with this subscription offer, we issued to those stockholders who purchased shares of our common stock a warrant to purchase additional shares of our common stock on the basis of one warrant share for every two shares purchased in the subscription offer. The warrants were exercisable upon their issuance and will remain exercisable until the date that is the 30 month anniversary following the consummation of this offering. The initial exercise price of the warrants was $284.29 per share, and the exercise price increases by 0.5% of the then-current exercise price on the last day of each month following their original issuance. The following table identified each related person who participated in the subscription offer:

Related person	No. of shares purchased	Purchase price	No. of warrant shares
Michael McShane	47	$ 13,361	23
Franklin Myers	171	$ 48,613	85
Jonathan Fairbanks(1)	1,708	$ 485,567	854
E. Gregory Hottle(2)	1,230	$ 349,676	615
James W. Harris	1,158	$ 329,207	579
Wendell R. Brooks	821	$ 233,402	410
Michael Danford	100	$ 28,429	50

(1) Mr. Fairbanks was a director of FOT prior to the completion of the Combination.

(2) Mr. Hottle was an executive officer of FOT prior to the completion of the Combination.

In connection with the Combination and pursuant to that certain Subscription Agreement dated July 16, 2010, each of SCF-VII, L.P., Sunray Capital and Messrs. Gaut and Connelly subscribed to purchase 175,876, 17,587, 12,311 and 1,055 shares of our common stock in exchange for a cash payment of $49,999,788.04, $4,999,808.23, $3,499,894.19 and $299,925.95, respectively.

In connection with the purchase of these shares of our common stock pursuant to the Subscription Agreement, each of SCF-VII, L.P., Sunray Capital and Messrs. Gaut and Connelly received a warrant to purchase 87,938, 8,794, 6,156 and 528 shares of our common stock, respectively. Each of these warrants entitle the holder to purchase shares of our common stock at a purchase price per share of $284.29, subject to a monthly increase of the then-current exercise price by 0.5%, and expire on the 30 month anniversary of the completion of this offering. For more information about these warrants, please see “Description of capital stock—Warrants.”

Pursuant to the terms of the Subscription Agreement among Forum Energy Technologies, Inc., SCF-VII, L.P., Sunray Capital and Messrs. Gaut and Connelly, SCF-VII, L.P. purchased an additional 168,236 shares of our common stock in June 2011 in exchange for a cash payment of $50.0 million. In connection with the purchase of these shares, SCF-VII, L.P. also received a warrant to purchase 84,118 shares of our common stock pursuant to the Subscription Agreement.

Pursuant to a Subscription Agreement dated October 25, 2010 between Forum Energy Technologies, Inc. and Mr. James L. McCulloch, Mr. McCulloch subscribed to purchase 7,035 shares of our common stock in exchange for a cash payment of $1,999,980.

Pursuant to a Subscription Agreement dated November 18, 2010 between Forum Energy Technologies, Inc. and Mr. Charles E. Jones, Mr. Jones subscribed to purchase 2,638 shares of our common stock in exchange for a cash payment of $749,957.

Pursuant to a Subscription Agreement dated August 2, 2011 between Forum Energy Technologies, Inc. and Mr. John A. Carrig, Mr. Carrig subscribed to purchase 884 shares of our common stock in exchange for a cash payment of $499,460.

Pursuant to a Subscription Agreement dated August 3, 2011 between Forum Energy Technologies, Inc. and Ms. Evelyn Angelle, Ms. Angelle subscribed to purchase 176 shares of our common stock in exchange for a cash payment of $99,440.

Stock repurchases

In connection with the Combination, we offered to purchase shares of our common stock from our stockholders immediately after giving effect to the Combination at the price per share used for purposes of the Combination. Our offer was subject to a pro rata cutback among the shareholders who elected to participate in the repurchase offer and was subject to an aggregate cap of $25.0 million. In connection with this share repurchase offer, Mr. James R. Burke and Mr. Joe S. Ramey, who were a director and an executive officer of FOT prior to the Combination, elected to participate in the offer by selling 10,000 shares in exchange for $2,842,900 and 2,750 shares in exchange for $781,797, respectively.

Registration rights agreement

Demand registration rights

Under our Amended and Restated Forum Stockholders Agreement (the “Amended Forum Stockholders Agreement”), from and after 180 days following an initial public offering, SCF has the right to demand on five occasions that we register all or any portion of SCF’s Registrable Securities (as such term is defined in the Amended Forum Stockholders Agreement) so long as the Registrable Securities proposed to be sold on an individual registration statement have an aggregate gross offering price of at least $20.0 million (or at least $10.0 million if we are then eligible to register such sale on a Form S-3 registration statement (or any comparable or successor form) (a “Demand Registration”). Holders of SCF’s Registrable Securities may not require us to effect more than one Demand Registration in any six-month period. After such time that we become eligible to use Form S-3 (or comparable form) for the registration under the Securities Act of any of our securities, any demand request by SCF with a reasonably anticipated aggregate offering price of $100.0 million may be for a “shelf” registration statement pursuant to Rule 415 under the Securities Act; provided that any such “shelf” registration statement Demand Request will count as two Demand Requests.

We may delay the filing of a demand registration statement until a date not later than 60 days after the required filing date if (A) we are engaged in confidential negotiations or other confidential business activities which would require disclosure in the registration statement and our board of directors determines in good faith that such disclosure would be materially detrimental to us or (B) we have experienced some other material non-public event or is in possession of material non-public information concerning us. We may also delay the filing if, prior to receiving a demand request, we are already proceeding with another offering or pursuant to a demand by another requesting holder. If we delay the filing of a demand registration statement for any of the foregoing reasons, then we must deliver a certificate signed by our Chief Executive Officer stating we are delaying the filing and the basis for the delay.

Piggyback registration rights

If we propose to file a registration statement under the Securities Act relating to an offering of our common stock for our Company or for the account of any holder of our common stock (other than a registration statement filed relating to securities offered in connection with benefit plans or acquisitions or any registration statement filed in connection with an exchange offer or offering solely to our stockholders), we will provide written notice to holders of Registrable Securities no less than 15 days, provided that, in the case of an initial public offering, we are not obligated to provide written notice of any proposed filing of a registration statement to the Holders of the Registrable Securities until no less than 15 days before the anticipated filing date of a registration statement (or a pre-effective amendment thereof) that first identifies SCF as a selling stockholder in such registration statement. If SCF elects not to register any Registrable Securities in our initial public offering, then no other holder of Registrable Securities is entitled to register any Registrable Securities in our initial public offering. Upon notice and written request of holders of Registrable Securities, we will use our commercially reasonable efforts to include in such registration, and any related underwriting, all of the Registrable Securities included in such requests. To the extent a stockholder is not a party to the Amended Forum Stockholders Agreement, such stockholder may not be entitled to the registration rights set forth therein.

If the managing underwriter of a proposed underwritten offering advises us that in its opinion the total amount of securities to be included in such offering is sufficiently large to materially and adversely affect the price or success of the offering, then the securities to be included in such offering will be allocated first to the requesting holders if the registration statement is pursuant to a demand request or, if not, then to us, and then pro rata among the holders of piggyback securities on the basis of the number of Registrable Securities then held by each such holder.

Holdback agreements

Each holder of Registrable Securities is subject to certain lock-up provisions that restrict transfer during the period beginning 14 days prior to, and continuing for a period not to exceed 180 days after, the date of a final prospectus for this offering, or 90 days for any subsequent underwritten public offering of our equity securities, except as part of such registration (subject to an extension of such lock-up period in certain circumstances).

Registration procedures and expenses

The Amended Forum Stockholders Agreement contains customary procedures relating to underwritten offerings and the filing of registration statements. We have agreed to pay all registration expenses incurred in connection with any registration, including all registration, qualification and filing fees, printing expenses, accounting fees, escrow fees, legal fees of the Company, reasonable fees of one counsel to the holders of Registrable Securities, blue sky fees and expenses and the expense of any special audits incident to or required by any such registration. All underwriting discounts and selling commissions and stock transfer taxes applicable to securities registered by holders and fees of counsel to any such holder (other than as described above) will be payable by holders of Registrable Securities.

Indemnification and contribution

The Amended Forum Stockholders Agreement also contains customary indemnification and contribution provisions by us for the benefit of holders participating in any registration. Each

holder participating in any registration agrees to indemnify us in respect of information provided by such holder to us for use in connection with such registration; provided that such indemnification will be limited to the net proceeds actually received by such indemnifying holder from the sale of Registrable Securities.

Procedures for approval of related person transactions

A “Related Party Transaction” is a transaction, arrangement or relationship in which we or any of our subsidiaries was, is or will be a participant, the amount of which involved exceeds $120,000, and in which any related person had, has or will have a direct or indirect material interest. A “Related Person” means:

- any person who is, or at any time during the applicable period was, one of our executive officers or one of our directors;
- any person who is known by us to be the beneficial owner of more than 5.0% of our common stock;
- any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of a director, executive officer or a beneficial owner of more than 5.0% of our common stock, and any person (other than a tenant or employee) sharing the household of such director, executive officer or beneficial owner of more than 5.0% of our common stock; and
- any firm, corporation or other entity in which any of the foregoing persons is a partner or principal or in a similar position or in which such person has a 10.0% or greater beneficial ownership interest.

Our board of directors intends to adopt a written related party transactions policy prior to the completion of this offering. Pursuant to this policy, the Audit Committee expects to review all material facts of all Related Party Transactions and either approve or disapprove entry into the Related Party Transaction, subject to certain limited exceptions. In determining whether to approve or disapprove entry into a Related Party Transaction, the Audit Committee expects to take into account, among other factors, the following: (1) whether the Related Party Transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and (2) the extent of the Related Person’s interest in the transaction. Further, the policy would require that all Related Party Transactions required to be disclosed in our filings with the SEC be so disclosed in accordance with applicable laws, rules and regulations.

Principal and selling stockholders

The following table sets forth information with respect to the beneficial ownership of our common stock as of August 31, 2011 by:

- each of our Named Executive Officers;
- each of our directors;
- all of our directors and executive officers as a group;
- each person known to us to beneficially own 5% or more of our outstanding common stock; and
- each of the selling stockholders.

Except as otherwise indicated, the persons or entities listed below have sole voting and investment power with respect to all shares of our common stock beneficially owned by them, except to the extent this power may be shared with a spouse. All information with respect to beneficial ownership has been furnished by the respective directors, executive officers, 5% or more stockholders or the selling stockholders, as the case may be.

Name and address of beneficial owner	Shares beneficially owned prior to the offering		Shares being offered	Shares beneficially owned after offering(2)	
	Number	Percentage(1)		Number	Percentage
Selling Stockholders:					
5% or more Stockholders:					
SCF-V, L.P.(3)	626,367	31.3%			
SCF-VI, L.P.(3)	364,795	18.2%			
SCF-VII, L.P.(3)	516,168	25.8%			
Directors and Executive Officers:					
C. Christopher Gaut	35,563	1.9%			
Charles E. Jones	19,141	1.0%			
Wendell R. Brooks	13,168	*			
James W. Harris	8,945	*			
James L. McCulloch	10,295	*			
Steven W. Twellman	6,692	*			
Evelyn Angelle	176	*			
John A. Carrig	884	*			
David C. Baldwin(4)	—	—			
Michael McShane	579	*			
Franklin Myers	957	*			
John Schmitz	78,899	4.3%			
Andrew L. Waite(5)	—	—			
All directors and executive officers as a group (15 persons)(6)	179,253	9.5%			

*less than 1%.

(1) Based upon an aggregate of 1,831,908 shares outstanding as of August 31, 2011. For each stockholder, in accordance with Rule 13d-3 promulgated under the Securities Exchange Act of 1934, this percentage is determined by assuming the named

stockholder exercises all options, warrants and other instruments pursuant to which the stockholder has the right to acquire shares of our common stock within 60 days of August 31, 2011, but that no other person exercises any options, warrants or other purchase rights (except with respect to the calculation of the beneficial ownership of all directors and executive officers as a group, for which the percentage assumes that all directors and executive officers exercise any options, warrants or other purchase rights).

(2) Assumes no exercise of the underwriters' over-allotment option to purchase additional shares of our common stock.

(3) L.E. Simmons is the natural person who has voting and investment control over the securities owned by SCF. Mr. Simmons serves as the President and sole member of the board of directors of LESA, the ultimate general partner of SCF. Because SCF-V, L.P., SCF-VI, L.P. and SCF-VII, L.P. are controlled by LESA, each of these entities may be considered to be a group for purposes of Section 13(d)(3) under the Securities Exchange Act of 1934. As a group, SCF beneficially owns 1,507,330 shares of our common stock, or 75.4% of our common stock, in the aggregate. This beneficial ownership includes 626,367 shares of our common stock currently outstanding and held by SCF-V, L.P., 364,795 shares of our common stock currently outstanding and held by SCF-VI, L.P., 344,112 shares of our common stock currently outstanding and held by SCF-VII, L.P. and 172,056 shares of our common stock issuable upon the exercise of warrants (assuming such warrants are exercised by the payment of the applicable exercise price in cash and assuming the previously described purchase right was exercised on August 31, 2011) issued and issuable by us to SCF-VII, L.P., in each case as further described under "Certain relationships and related party transactions—Subscription and warrant agreements."

(4) Mr. Baldwin serves as a managing director of LESA, the ultimate general partner of SCF. As such, Mr. Baldwin may be deemed to have dispositive power over the shares of common stock owned by SCF. Mr. Baldwin disclaims beneficial ownership of such shares of common stock owned by SCF.

(5) Mr. Waite serves as a managing director of LESA, the ultimate general partner of SCF. As such, Mr. Waite may be deemed to have dispositive power over the shares of common stock owned by SCF. Mr. Waite disclaims beneficial ownership of such shares of common stock owned by SCF.

(6) The number of shares beneficially owned includes the following shares that are subject to stock options and warrants that were exercisable as of, or will become exercisable within 60 days of, August 31, 2011:

Holder	Option shares	Warrant shares
C. Christopher Gaut	15,389	6,155
Charles E. Jones	9,525	—
Wendell R. Brooks	9,002	410
James W. Harris	2,638	579
James L. McCulloch	1,500	—
W. Patrick Connelly	—	527
Michael D. Danford	1,200	50
Steven W. Twellman	5,436	—
Michael McShane	338	23
John Schmitz	88	8,793

Description of capital stock

Upon completion of the stock split and this offering, the authorized capital stock of Forum Energy Technologies, Inc. will consist of shares of common stock, par value $0.01 per share, of which shares of common stock will be issued and outstanding, and shares of preferred stock, par value $0.01 per share, of which no shares will be issued and outstanding.

We will adopt an amended and restated certificate of incorporation and amended and restated bylaws concurrently with the completion of this offering. The following summary of the capital stock and our amended and restated certificate of incorporation and our amended and restated bylaws does not purport to be complete and is qualified in its entirety by reference to the provisions of applicable law and to our amended and restated certificate of incorporation and amended and restated bylaws, which are filed as exhibits to the registration statement of which this prospectus is a part.

Common stock

Except as provided by law or in a preferred stock designation, holders of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders. Because holders of our common stock have the exclusive right to vote for the election of directors and do not have cumulative voting rights, the holders of a majority of the shares of our common stock can elect all of the members of the board of directors standing for election, subject to the rights, powers and preferences of any outstanding series of preferred stock. Subject to the rights and preferences of any preferred stock that we may issue in the future, the holders of our common stock are entitled to receive:

- dividends as may be declared by our board of directors; and
- all of our assets available for distribution to holders of our common stock in liquidation, pro rata, based on the number of shares held.

There are no redemption or sinking fund provisions applicable to our common stock. All outstanding shares of our common stock are fully paid and non-assessable, and the shares of common stock to be issued upon completion of this offering will be fully paid and non-assessable.

Preferred stock

Subject to the provisions of our amended and restated certificate of incorporation and legal limitations, our board of directors will have the authority, without further vote or action by our stockholders:

- to issue up to shares of preferred stock in one or more series; and
- to fix the rights, preferences, privileges and restrictions of our preferred stock, including provisions related to dividends, conversion, voting, redemption, liquidation and the number of shares constituting the series or the designation of that series, which may be superior to those of our common stock.

There will be no shares of preferred stock outstanding upon the closing of this offering, and we have no present plans to issue any preferred stock.

The issuance of shares of preferred stock by our board of directors as described above may adversely affect the rights of the holders of our common stock. For example, preferred stock may rank prior to our common stock as to dividend rights, liquidation preference or both, may have full or limited voting rights and may be convertible into shares of our common stock. The issuance of shares of preferred stock may discourage third-party bids for our common stock or may otherwise adversely affect the market price of our common stock. In addition, preferred stock may enable our board of directors to make it more difficult or to discourage attempts to obtain control of us through a hostile tender offer, proxy contest, merger or otherwise, or to make changes in our management.

Warrants

Overview

In connection with the consummation of the Combination, we offered each of our stockholders who were accredited investors or non-U.S. persons (as such term is defined for purposes of the Securities Act of 1933) the opportunity to purchase shares of our common stock worth $115 million in the aggregate, up to their pro rata ownership of us. In connection with this subscription offer, we issued to those stockholders who purchased shares of our common stock a warrant to purchase additional shares of our common stock on the basis of one warrant share for every two shares purchased in the subscription offer. The warrants were exercisable upon their issuance and will remain exercisable until the date that is the 30 month anniversary following the consummation of this offering. The initial exercise price of the warrants was $284.29 per share, and the exercise price increases by 0.5% of the then-current exercise price on the last day of each month following their original issuance. The warrants do not confer upon the holder any voting or any other rights of our stockholders.

Exercise of the warrants

The warrants were issued pursuant to a Warrant Agreement by and between the holders of the warrants and us. The warrants may be exercised, in whole or in part, either for cash or on a cashless basis, subject to the limitations described below.

Cash exercise

Upon the completion of this offering, the holder of any warrant may no longer exercise such warrant by the payment of cash for the applicable exercise price of such warrant exercised. Notwithstanding the preceding sentence, unless otherwise determined by the holders of warrants representing not less than 80% of the shares of our common stock then subject to purchase pursuant to outstanding warrants, at any time after the completion of this offering, a holder of a warrant may exercise such warrant for cash if such exercise occurs during (1) the 60 days prior to the expiration time or (2) at any time after we have publicly announced or delivered notice that we have entered into a definitive agreement that would result in a reclassification or reorganization of our common stock or a merger or consolidation into another entity or that involves our common stock or a sale of all or substantially all of our assets and ending on the consummation or abandonment of such transaction. Any such exercise for cash, however, must be in compliance with applicable federal and state securities laws and in accordance with a valid exemption from registration in connection with the issuance of our common stock underlying such warrant, in each case as we determine.

Conversion rights

In addition to the cash exercise method described above, following the completion of this offering, holders of warrants will have the right (but not the obligation) to require us to convert a warrant, in whole or in part, into shares of our common stock (the "Conversion Right") pursuant to the Warrant Agreement. Upon exercise of the Conversion Right, we will deliver to the holder of the warrant (without payment by such holder of the exercise price) the number of shares of our common stock equal to (x) the aggregate fair market value of the shares of our common stock for which the Conversion Right is exercised less the aggregate exercise price applicable to such shares of our common stock (and any taxes allocated to the holder of such warrant in connection with such exercise) divided by (y) the fair market value of one share of our common stock immediately prior to the exercise of the Conversion Right. In addition, if less than 20% of the aggregate shares of our common stock originally subject to the Warrant Agreement remain subject to purchase upon exercise, we will have the right, by delivery of a written notice to the holders of the warrants that remain outstanding, to cause the exercise of all warrants pursuant to the Conversion Right. In addition, all warrants outstanding as of the expiration time will be deemed to have been exercised pursuant to the Conversion Right.

Adjustments

The exercise price of the warrants and the number of shares of our common stock issuable upon exercise of the warrants are subject to adjustment in certain circumstances, including in the event we (1) make a distribution payable in our common stock, subdivide our outstanding common stock into a larger number or combine our outstanding shares of common stock into a smaller number, (2) issue rights, options, warrants or equivalent rights to all or substantially all of the holders of our common stock (and not to the holders of warrants) entitling our stockholders to subscribe for or purchase shares of our common stock at a price less than fair market value or (3) distribute (A) shares of any class other than our common stock, (B) evidences of our indebtedness, (C) cash or other assets or (D) rights or warrants other than as described above.

Renouncement of business opportunities

SCF has investments in other oilfield service companies that may compete with us, and SCF and its affiliates, other than us, may invest in such other companies in the future. SCF, its other affiliates and its portfolio companies are referred to as the SCF group. Our amended and restated certificate of incorporation will provide that, until we have had no directors that are SCF Nominees for a continuous period of one year, we renounce any interest in any business opportunity in which any member of the SCF group participates or desires or seeks to participate in and that involves any aspect of the energy equipment or services business or industry, other than:

- any business opportunity that is brought to the attention of an SCF Nominee solely in such person's capacity as our director or officer and with respect to which no other member of the SCF group independently receives notice or otherwise identifies such opportunity; or
- any business opportunity that is identified by the SCF group solely through the disclosure of information by or on behalf of us.

Thus, for example, members of the SCF group, which includes any SCF Nominees, may pursue opportunities in the oilfield services industry for their own account or present such opportunities

to SCF's other portfolio companies. Our amended and restated certificate of incorporation will provide that the SCF group, which includes any SCF Nominees, has no obligation to offer such opportunities to us, even if the failure to provide such opportunity would have a competitive impact on us. We are not prohibited from pursuing any business opportunity with respect to which we have renounced any interest.

Our certificate of incorporation further provides that any amendment to or adoption of any provision inconsistent with the certificate of incorporation's provisions governing the renouncement of business opportunities must be approved by the holders of at least 80% of the voting power of the outstanding stock of the corporation entitled to vote thereon.

Amendment of the bylaws

Our board of directors may amend or repeal the bylaws and adopt new bylaws by the affirmative vote of a majority of the whole board of directors. The stockholders may amend or repeal the bylaws and adopt new bylaws by a majority vote at any annual meeting or special meeting for which notice of the proposed amendment, repeal or adoption was contained in the notice for such special meeting.

Limitation of liability and indemnification of officers and directors

Our directors will not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except, if required by Delaware law, for liability:

- for any breach of the duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or involving intentional misconduct or a knowing violation of law;
- for unlawful payment of a dividend or unlawful stock purchases or redemptions; or
- for any transaction from which the director derived an improper personal benefit.

As a result, neither we nor our stockholders have the right, through stockholders' derivative suits on our behalf, to recover monetary damages against a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior, except in the situations described above. We intend to enter into indemnification agreements with each of our current and future directors and officers.

Registration rights

For a description of our Registration Rights Agreement, please read "Certain relationships and related party transactions—Registration rights agreement."

Transfer agent and registrar

The transfer agent and registrar for the common stock is .

Listing; public market

There is no established market for our shares of common stock. We intend to apply to list on the NYSE under the ticker symbol “FET,” subject to completion of the offering and compliance with certain conditions. The development and maintenance of a public market for our common stock, having the desirable characteristics of depth, liquidity and orderliness, depends on the existence of willing buyers and sellers, the presence of which is not within our control or that of any market maker. The number of active buyers and sellers of shares of our common stock at any particular time may be limited, which may have an adverse effect on the price at which shares of our common stock can be sold.

Shares eligible for future sale

Prior to this offering, there has been no public market for our common stock. Future sales of our common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect market prices prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of a substantial number of shares of our common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price at such time and our ability to raise equity-related capital at a time and price we deem appropriate.

Sales of restricted shares

Upon the closing of this offering, we will have outstanding an aggregate of shares of common stock. Of these shares, all of the shares of common stock to be sold in this offering will be freely tradable without restriction or further registration under the Securities Act, unless the shares are held by any of our "affiliates" as such term is defined in Rule 144 of the Securities Act. All remaining shares of common stock held by existing stockholders will be deemed "restricted securities" as such term is defined under Rule 144. The restricted securities were issued and sold by us in private transactions and are eligible for public sale only if registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below.

As a result of the lock-up agreements described below and the provisions of Rule 144 and Rule 701 under the Securities Act, the shares of our common stock (excluding the shares to be sold in this offering) that will be available for sale in the public market are as follows:

- shares will be eligible for sale on the date of this prospectus or prior to 180 days after the date of this prospectus;
- shares will be eligible for sale upon the expiration of the lock-up agreements, beginning 180 days after the date of this prospectus (subject to extension) and when permitted under Rule 144 or Rule 701; and
- shares will be eligible for sale, upon exercise of vested options, upon the expiration of the lock-up agreements, beginning 180 days after the date of this prospectus (subject to extension).

Lock-up agreements

We, all of our directors and officers, certain of our principal stockholders and the selling stockholders have agreed not to sell any common stock for a period of 180 days from the date of this prospectus, subject to certain exceptions and extensions. See "Underwriting (conflicts of interest)" for a description of these lock-up provisions.

Rule 144

In general, under Rule 144 as currently in effect, once we have been a reporting company subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act for 90 days, a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has beneficially owned restricted

securities within the meaning of Rule 144 for a least six months (including any period of consecutive ownership of preceding non-affiliated holders) would be entitled to sell those shares, subject only to the availability of current public information about us. A non-affiliated person who has beneficially owned restricted securities within the meaning of Rule 144 for at least one year would be entitled to sell those shares without regard to the provisions of Rule 144.

Once we have been a reporting company subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act for 90 days, a person (or persons whose shares are aggregated) who is deemed to be an affiliate of ours and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months would be entitled to sell within any three-month period a number of shares that does not exceed the greater of one percent of the then outstanding shares of our common stock or the average weekly trading volume of our common stock reported through the NYSE during the four calendar weeks preceding the filing of notice of the sale. Such sales are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about us.

Rule 701

In general, under Rule 701, any of our employees, directors, officers, consultants or advisors who purchases shares from us in connection with a compensatory stock or option plan or other written agreement pursuant to Rule 701 before the effective date of the registration statement for this offering is entitled to sell such shares 90 days after the effective date of this offering in reliance on Rule 144, without having to comply with the holding period requirement of Rule 144 and, in the case of non-affiliates, without having to comply with the public information, volume limitation or notice filing provisions of Rule 144. The SEC has indicated that Rule 701 will apply to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after the date of this prospectus.

Stock issuable under employee plans

We intend to file a registration statement on Form S-8 under the Securities Act to register stock issuable under our 2010 Plan. This registration statement is expected to be filed following the effective date of the registration statement of which this prospectus is a part and will be effective upon filing. Accordingly, shares registered under such registration statement will be available for sale in the open market following the effective date, unless such shares are subject to vesting restrictions with us, Rule 144 restrictions applicable to our affiliates or the lock-up restrictions described above.

Registration rights

For a description of our Registration Rights Agreement, please read “Certain relationships and related party transactions—Registration rights agreement.”

Material U.S. federal income and estate tax considerations to non-U.S. holders

The following is a general discussion of the material U.S. federal income and estate tax considerations relating to the acquisition, ownership and disposition of our common stock by non-U.S. holders (as defined below). The following discussion is based on current provisions of the Code, the U.S. Treasury regulations promulgated thereunder, and administrative and judicial interpretations thereof, all as in effect on the date hereof, and all of which are subject to change or differing interpretations, possibly with retroactive effect. For the purpose of this discussion, a non-U.S. holder is any beneficial owner of our common stock that is not, for U.S. federal income tax purposes, any of the following:

- an individual who is a citizen or resident of the United States (as determined for U.S. federal income tax purposes);
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- a partnership (or other entity treated as a partnership for U.S. federal income tax purposes);
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust (x) if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons (within the meaning of Section 7701(a)(30) of the Code) have authority to control all substantial decisions of the trust or (y) that has made a valid election to be treated as a U.S. person.

If a partnership (or an entity treated as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Partnerships that hold our common stock, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of the acquisition, ownership and disposition of our common stock.

This discussion is limited to non-U.S. holders that will hold our common stock as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all of the U.S. federal income and estate tax consequences that may be relevant to a non-U.S. holder in light of such holder's particular circumstances, nor does it deal with special situations, such as:

- tax consequences to non-U.S. holders that may be subject to special treatment under U.S. federal income tax laws, including, without limitation, U.S. expatriates, individuals who are not present in the United States for 183 days or more in a year, but who maintain status as non-resident aliens for U.S. federal income tax purposes; insurance companies, tax-exempt or governmental organizations, mutual funds, dealers or traders in securities or currency, banks or other financial institutions, investors whose functional currency is other than the U.S. dollar, "controlled foreign corporations," "passive foreign investment companies," common trust funds, certain trusts, and hybrid entities;
- tax consequences to investors that hold our common stock as part of a hedge, straddle, synthetic security, conversion transaction or other integrated investment;

- any gift tax consequences;
- any alternative minimum tax consequences; or
- any aspects of state, local or non-U.S. taxation.

Prospective investors should consult their own tax advisors regarding the U.S. federal income and estate tax consequences to them in light of their own particular circumstances, as well as any tax consequences arising under the U.S. federal gift or alternative minimum tax laws and the laws of any state, local or non-U.S. taxing jurisdiction, the effect of any changes in applicable tax law and their entitlement to benefits under any applicable tax treaty.

Distributions on our common stock

We have not made any distributions on our common stock, and we do not plan to make any distributions in the foreseeable future. However, if we do make distributions of cash or other property on our common stock, those distributions will constitute dividends for U.S. tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed our current and accumulated earnings and profits, the distributions will constitute a return of capital and will first reduce a non-U.S. holder's adjusted tax basis in our common stock, but not below zero, and then will be treated as gain from the sale of our common stock (see "—Gain on disposition of common stock).

Any dividends paid to a non-U.S. holder of our common stock generally will be subject to withholding of U.S. federal income tax at a rate of 30%, or such lower rate as may be specified by an applicable tax treaty, of the gross amount of the dividend. To receive the benefit of a reduced treaty rate, a non-U.S. holder must provide us with an Internal Revenue Service ("IRS") Form W-8BEN (or successor form) or other appropriate version of IRS Form W-8 certifying qualification for the reduced rate. A non-U.S. holder of our common stock that is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty may obtain a refund from the IRS of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Dividends received by a non-U.S. holder that are effectively connected with a trade or business conducted by the non-U.S. holder in the United States (and, if an applicable tax treaty so provides, are attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States) generally will be exempt from the withholding tax described above and instead will be subject to U.S. federal income tax on a net income basis at the same graduated rates generally applicable to U.S. persons. To obtain this exemption from withholding tax, the non-U.S. holder must provide us with an IRS Form W-8ECI properly certifying eligibility for such exemption. In addition to the income tax described above, dividends received by a corporate non-U.S. holder that are effectively connected with a trade or business conducted by the corporate non-U.S. holder in the United States (and, if an applicable tax treaty so provides, are attributable to a permanent establishment or fixed base maintained by the corporate non-U.S. holder in the United States) may be subject to a branch profits tax at a rate of 30% or such lower rate as may be specified by an applicable tax treaty.

Gain on disposition of common stock

A non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized upon the sale or other disposition of our common stock unless:

- the gain is effectively connected with a trade or business conducted by the non-U.S. holder in the United States (and, if an applicable tax treaty so provides, is attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States), in which case the non-U.S. holder generally will be subject to U.S. federal income tax on any gain realized upon the sale or other disposition on a net income basis at the same graduated rates generally applicable to U.S. persons (furthermore, the branch profits tax described above also may apply to a corporate non-U.S. holder); or
- we are or have been a "U.S. real property holding corporation" ("USRPHC") for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the date of the sale or other disposition and the non-U.S. holder's holding period.

Generally, a corporation is a USRPHC if the fair market value of its "United States real property interests" equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (all as determined for U.S. federal income tax purposes). For this purpose, real property interests include land, improvements and associated personal property. We believe that we are not presently, and have not been within the preceding five year period, a USRPHC for U.S. federal income tax purposes. If we are a USRPHC at any time during the applicable testing period described above, then, provided that our common stock is considered to be "regularly traded on an established securities market" (within the meaning of Section 897 of the Code and the applicable Treasury regulations) at any time during the calendar year in which the future sale or other disposition occurs, and the non-U.S. holder does not own (directly, indirectly or constructively) at any time during the five-year period ending on the date of the sale or other disposition more than 5% of our common stock, gains realized upon the sale or other disposition of our common stock generally will not be subject to U.S. federal income tax pursuant to the third bullet point above. If we are a USRPHC at any time during the applicable testing period described above and our common stock is not considered to be "regularly traded on an established securities market," upon a future sale or other disposition of our common stock, a non-U.S. holder will be subject to U.S. federal income tax on a net income basis at the same graduated rates generally applicable to U.S. persons and will be subject to U.S. federal income tax withholding on the amount realized from such sale or other disposition at a 10% rate. Non-U.S. holders should consult their own tax advisors with respect to the application of the foregoing rules to their ownership and disposition of our common stock.

U.S. federal estate tax

Our common stock owned or treated as owned by an individual who is not a citizen or resident of the United States (as specifically defined for U.S. federal estate tax purposes) at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes and may be subject to U.S. federal estate tax unless an applicable estate tax treaty provides otherwise.

Information reporting and backup withholding

Generally, we must report annually to the IRS the amount of dividends paid to each non-U.S. holder, the name and address of the recipient, and the amount, if any, of tax withheld with respect to those dividends, regardless of whether withholding was required. In addition, except as described below, payments of the proceeds from the sale or other disposition of our common stock are potentially subject to information reporting to the IRS. Pursuant to tax treaties or other agreements, the IRS may make its reports available to tax authorities in the recipient's country of residence.

Dividends and the proceeds from the sale or other disposition of our common stock are potentially subject to backup withholding (at the applicable rate, which is currently 28%). In general, backup withholding (and information reporting with respect to the proceeds of a sale or other disposition of our common stock) will not apply to payments to a non-U.S. holder if the holder has provided the required certification that it is a non-U.S. holder, such as providing an IRS Form W-8BEN or IRS Form W8-ECI (or appropriate substitute or successor form). Notwithstanding the foregoing, backup withholding (and information reporting) may apply if either we or a broker or other paying agent has actual knowledge, or reason to know, that the beneficial owner is a U.S. person.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against a holder's U.S. federal income tax liability, provided that the required information is furnished to the IRS in a timely manner.

Non-U.S. holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Foreign account tax compliance act withholding

Enacted legislation generally will impose, effective for payments made after December 31, 2012, a withholding tax of 30% on dividends on, and the gross proceeds of a sale or other disposition of, our common stock paid to certain foreign entities unless various information and due diligence requirements are satisfied. Non-U.S. holders should consult their own tax advisers regarding the potential application and impact of these new requirements to them based on their particular circumstances.

Underwriting (conflicts of interest)

We and the selling stockholders are offering the shares of common stock described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC is acting as representative of the underwriters. We and the selling stockholders have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we and the selling stockholders have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discount set forth on the cover page of this prospectus, the number of shares of common stock listed next to its name in the following table.

Name	Number of shares
J.P. Morgan Securities LLC	
Total	

The underwriters are committed to purchase all the shares of our common stock offered by us and the selling stockholders if they purchase any shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the common stock directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. Any such dealers may resell shares to certain other brokers or dealers at a discount of up to $ per share from the initial public offering price. After the initial public offering of the shares, the offering price and other selling terms may be changed by the underwriters. Sales of shares made outside of the United States may be made by affiliates of the underwriters. The representatives have advised us that the underwriters do not intend to confirm discretionary sales in excess of 5% of the common stock offered in this offering.

The underwriters have an option to buy up to additional shares of common stock from us and up to additional shares of common stock from selling stockholders to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this over-allotment option. If any shares are purchased with this over-allotment option, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriting fee is equal to the public offering price per share of common stock, less the amount paid by the underwriters to us and the selling stockholders per share of common stock. The underwriting fee is $ per share. The following table shows the per share and total underwriting discounts and commissions that we and the selling stockholders are to pay to the underwriters, assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Per share		Total	
	Without over-allotment exercise	With full over-allotment exercise	Without over-allotment exercise	With full over-allotment exercise
Underwriting discounts and commissions paid by us	$	$	$	$
Expenses payable by us	$	$	$	$
Underwriting discounts and commissions paid by the selling stockholders	$	$	$	$
Expenses payable by the selling stockholders	$	$	$	$

We estimate that the total expenses of this offering to us, including registration, filing and listing fees, printing fees, and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately $.

A prospectus in electronic format may be made available on the websites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not (1) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right, or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act (other than any registration statement on Form S-8) relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition, or filing, or (2) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any shares of common stock or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of shares of common stock or such other securities, in cash or otherwise), in each case without the prior written consent of J.P. Morgan Securities LLC, for a period of 180 days after the date of this prospectus, other than the shares of our common stock to be sold hereunder, common stock contingently issuable under existing acquisition contracts, common stock issued in connection with future acquisitions (subject to a cap of 5% of the shares outstanding upon completion of this offering and provided that the recipients of any shares of common stock agree to be bound by the same restrictions on sales), any stock options, restricted stock awards, phantom stock awards, and other equity-based incentive awards to be issued to our directors, officers, employees or consultants in accordance with our stock incentive plan and in compliance with the requirements of the NYSE, and any

shares of our common stock to be issued upon the exercise of options or other awards or the vesting or other equity-based incentive awards granted under our stock-based compensation plans.

Notwithstanding the foregoing, if (A) during the last 17 days of the 180-day restricted period, we issue an earnings release or material news or a material event relating to our Company occurs; or (B) prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

Our directors and executive officers and certain of our principal stockholders and the selling stockholders have entered into lock-up agreements with the underwriters pursuant to which each of these persons or entities, with limited exceptions, for a period of 180 days after the date of this prospectus, may not, without the prior written consent of J.P. Morgan Securities LLC, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock (including, without limitation, common stock or such other securities which may be deemed to be beneficially owned by such persons in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant), or publicly disclose the intention to make any offer, sale, pledge, or disposition, (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common stock or such other securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of common stock or such other securities, in cash, or otherwise, or (3) make any demand for or exercise any right with respect to the registration of any shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock. The lock-up agreements will not restrict the shares of common stock sold by the selling stockholders in this offering or the transfer of common stock as bona fide gifts, so long as the transferee agrees to be bound by the restrictions in the lock-up agreements. Notwithstanding the foregoing, if (A) during the last 17 days of the 180-day restricted period, we issue an earnings release or material news or a material event relating to our Company occurs; or (B) prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

We and the selling stockholders have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

We intend to apply to list our common stock on the NYSE under the symbol “FET.”

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing, and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of the common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of

common stock on the open market to cover positions created by short sales. Short sales may be “covered” shorts, which are short positions in an amount not greater than the underwriters’ over-allotment option referred to above, or may be “naked” shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their over-allotment option, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the over-allotment option. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act, they may also engage in other activities that stabilize, maintain, or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in stabilizing transactions or to cover short sales, the representative can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the NYSE, in the over-the-counter market, or otherwise.

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representatives of the underwriters. In determining the initial public offering price, we and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representative;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our common stock, or that the shares will trade in the public market at or above the initial public offering price.

European economic area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and the 2010 PD Amending Directive to the extent implemented, except that it may, with effect from and including the Relevant Implementation Date, make an offer of shares to the public in that Relevant Member State at any time:

(1) to any legal entity which is a qualified investor as defined in the Prospectus Directive or the 2010 PD Amending Directive if the relevant provision has been implemented;

(2) to fewer than (i) 100 natural or legal persons per Relevant Member State (other than qualified investors as defined in the Prospectus Directive or the 2010 PD Amending Directive if the relevant provision has been implemented) or (ii) if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons per Relevant Member State (other than qualified investors as defined in the Prospectus Directive or the 2010 PD Amending Directive if the relevant provision has been implemented), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(3) in any circumstances falling within Article 3(2) of the Prospectus Directive or Article 3(2) of the 2010 PD Amending Directive to the extent implemented.

For the purposes of this provision, the expression an "offer of shares to the public," in relation to any shares in any Relevant Member State, means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EC.

Each underwriter has represented and agreed that:

(1) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (UK) ("FSMA")) received by it in connection with the issue or sale of the shares in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(2) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

Notice to prospective investors in Switzerland

This document does not constitute an issue prospectus within the meaning of Art. 652a of the Swiss Code of Obligations. The shares of common stock may not be sold directly or indirectly in or into Switzerland except in a manner which will not result in a public offering within the meaning of the Swiss Code of Obligations. Our common stock will not be listed on the SWX Swiss Exchange and, therefore, the documents relating to our common stock, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of SWX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SWX Swiss Exchange. This document as well as any other material relating to our common stock is personal and confidential and does not constitute an offer to any other person. This document may only be used in Switzerland by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland. Neither this document nor any other offering materials relating to the shares of common stock may be distributed, published, or otherwise made available in Switzerland except in a manner which will not constitute a public offer of the shares of common stock in Switzerland.

Notice to prospective investors in Hong Kong

The shares may not be offered or sold by means of any document other than (1) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (2) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder or (3) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to prospective investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (1) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (2) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (1) a corporation (which is not an accredited investor) the sole business of which is to hold

investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Notice to prospective investors in Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the "Financial Instruments and Exchange Law") and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to prospective investors in the United Arab Emirates

This prospectus relates to an Exempt Offer with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for this prospectus. The securities to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Relationships with underwriters and their affiliates

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking, and other services in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. Affiliates of the underwriters are lenders under our credit agreement. See "— Conflicts of interest."

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity

securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve our securities and/or instruments. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments. In addition, from time to time, certain of the underwriters and their affiliates may at any time hold, on behalf of themselves or their customers, or recommend to clients that they acquire, long or short positions in our equity or debt securities or loans.

Conflicts of interest

An affiliate of J.P. Morgan Securities LLC, an underwriter in this offering, is a lender under our credit agreement and may receive more than 5% of the net proceeds of this offering in connection with the repayment of amounts under our credit agreement. Accordingly, this offering is being made in compliance with the requirements of Rule 5121 of the Financial Industry Regulatory Authority, Inc. In accordance with this rule, has assumed the responsibilities of acting as a "qualified independent underwriter." In its role as a qualified independent underwriter, has participated in due diligence and the preparation of the registration statement of which this prospectus is a part. will not receive any additional fees for serving as a qualified independent underwriter in connection with this offering. J.P. Morgan Securities LLC will not confirm sales of the shares to any account over which they exercise discretionary authority without the prior written approval of the customer. We have agreed to indemnify against certain liabilities incurred in connection with acting as a "qualified independent underwriter," including liabilities under the Securities Act.

Legal matters

The validity of our common stock offered by this prospectus will be passed upon for Forum Energy Technologies, Inc., by Vinson & Elkins L.L.P., Houston, Texas. Certain legal matters in connection with this offering will be passed upon for the underwriters by Baker Botts L.L.P., Houston, Texas. Baker Botts L.L.P. represents us from time to time in matters unrelated to this offering.

Experts

The audited financial statements of Forum Energy Technologies, Inc. included in this prospectus, except as they relate to 2008 and 2009 financial statements of Allied Production Services, Inc. (“Allied”), Subsea Services International, Inc. (“Subsea”) and Triton Group Holdings LLC (“Triton”), have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm. Such financial statements, except as they relate to Allied, Subsea and Triton, have been so included in reliance on the report (which contains an explanatory paragraph relating to the Company’s combination as described in Note 1 to the financial statements) of such independent registered public accounting firm given on the authority of such firm as experts in auditing and accounting.

The audited 2008 financial statements of Allied and the audited 2008 and 2009 financial statements of Subsea and Triton, not separately presented in this prospectus, have been audited by Deloitte & Touche LLP, Pannell Kerr Forster of Texas, P.C., and Deloitte LLP, respectively, each an independent registered public accounting firm, whose reports thereon appear herein. The audited financial statements of Forum Energy Technologies, Inc., to the extent they relate to Allied, Subsea or Triton, have been so included in reliance on the reports of such independent registered public accounting firms given on the authority of said firms as experts in auditing and accounting.

The consolidated financial statements of Allied Production Services, Inc. and Subsidiaries at December 31, 2009, and for the year then ended, not presented separately herein in this Prospectus and Registration Statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein. The audited financial statements of Forum Energy Technologies, Inc. and Subsidiaries are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The financial statements of Davis-Lynch, Inc. as of December 31, 2009 and 2010 and for each of the three years in the period ended December 31, 2010 included in this prospectus have been so included in reliance on the report of UHY LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The financial statements of Wood Flowline LLC as of December 31, 2010 and for the year then ended included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The financial statements of AMC Global Group Limited as of April 30, 2011 and for the year then ended included in this prospectus have been so included in reliance on the report of

PricewaterhouseCoopers LLP (which contains an explanatory paragraph relating to differences in accounting principles as described in Note 2), an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The financial statements of P-Quip Limited as of May 31, 2011 and for the year then ended included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP (which contains an explanatory paragraph relating to differences in accounting principles as described in Note 2), an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The financial statements of Cannon Services, Ltd as of December 31, 2010 and for the year then ended included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

Where you can find more information

We have filed with the SEC a registration statement on Form S-1 (including the exhibits, schedules and amendments thereto) under the Securities Act, with respect to the shares of our common stock offered hereby. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules thereto. For further information with respect to us and the common stock offered hereby, we refer you to the registration statement and the exhibits and schedules filed therewith. Statements contained in this prospectus as to the contents of any contract, agreement or any other document are summaries of the material terms of this contract, agreement or other document. With respect to each of these contracts, agreements or other documents filed as an exhibit to the registration statement, reference is made to the exhibits for a more complete description of the matter involved. A copy of the registration statement, and the exhibits and schedules thereto, may be inspected without charge at the public reference facilities maintained by the SEC at 100 F Street NE, Washington, D.C. 20549. Copies of these materials may be obtained, upon payment of a duplicating fee, from the Public Reference Section of the SEC at 100 F Street NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facility. The SEC maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of the SEC's website is *http://www.sec.gov.*

After we have completed this offering, we will file annual, quarterly and current reports, proxy statements and other information with the SEC. We maintain a website at *http://www.f-e-t.com* and we expect to make our periodic reports and other information filed with or furnished to the SEC available, free of charge, through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus. We will provide electronic or paper copies of our filings free of charge upon request.

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December 31, 2008, 2009 and 2010

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Report of independent registered public accounting firm

To the Stockholders of
Forum Energy Technologies, Inc.

In our opinion, based on our audits and the reports of other auditors, the accompanying consolidated balance sheets and the related consolidated statements of income, of stockholders' equity and of cash flows present fairly, in all material respects, the financial position of Forum Energy Technologies, Inc. (formerly Forum Oilfield Technologies, Inc.) and its subsidiaries ("the Company") at December 31, 2009 and 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the 2008 and 2009 financial statements of Allied Production Services, Inc. ("Allied"), Subsea Services International, Inc. ("SSI") and Triton Group Holdings LLC ("Triton"), all wholly-owned subsidiaries of the Company, whose statements reflect total assets of $382,438,000 as of December 31, 2009, and total revenues of $380,496,000 and $287,279,000 for the years ended December 31, 2008 and 2009, respectively. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for Allied, SSI and Triton, is based solely on the reports of the other auditors. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

As discussed in Note 1 to the consolidated financial statements, on August 2, 2010 the Company completed the combination of the Company with Allied, SSI, Triton and Global Flow Technologies, Inc. Prior to the combination, all of the companies were under the common control of three private equity funds with the same sponsor.

/s/ PricewaterhouseCoopers LLP
Houston, Texas
August 31, 2011

Report of independent registered public accounting firm

To the Board of Directors of
Triton Group Holdings LLC

We have audited the consolidated balance sheet of Triton Group Holdings LLC (the “Company”) as of December 31, 2009, and the related consolidated statements of income, comprehensive income, members’ equity, and cash flows for the two years then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the consolidated financial position of Triton Group Holdings LLC at as of December 31, 2009, and the results of its operations and its cash flows for the two years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE LLP
Aberdeen, United Kingdom
July 14, 2010

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Allied Production Services, Inc.

We have audited the consolidated balance sheet of Allied Production Services, Inc. and Subsidiaries as of December 31, 2009, and the related consolidated statements of operations, shareholders' equity, and cash flows for the year then ended (not presented separately herein). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Allied Production Services, Inc. and Subsidiaries at December 31, 2009, and the consolidated results of their operations and their cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Houston, Texas
August 26, 2011

Report of independent registered public accounting firm

To the Board of Directors and Management of
Allied Production Services, Inc.

We have audited the consolidated statements of operations and cash flows of Allied Production Services, Inc. and subsidiaries (the “Company”), for the year ended December 31, 2008. The statements of operations and cash flows are the responsibility of the Company’s management. Our responsibility is to express an opinion on the statements of operations and cash flows based on our audit.

We conducted our audit in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements of operations and cash flows are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statements of operations and cash flows, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statements of operations and cash flows presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such consolidated statements of operations and cash flows present fairly, in all material respects, the results of operations and cash flows of the Company for the year ended December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP
Dallas, Texas
May 29, 2009

Report of independent registered public accounting firm

Board of Directors and Shareholders of
Subsea Services International, Inc.

We have audited the accompanying consolidated balance sheets of Subsea Services International, Inc. (the “Company”) as of December 31, 2008 and 2009 and the related consolidated statements of income, changes in stockholders’ equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Subsea Services International, Inc. as of December 31, 2008 and 2009, and the consolidated results of its operations and its cash flows for the years then ended in conformity with United States generally accepted accounting principles

/s/ Pannell Kerr Forster of Texas, P.C.
Houston, Texas
March 30, 2010

Forum Energy Technologies, Inc. and subsidiaries
Consolidated balance sheets
at December 31, 2009 and 2010

	2009	2010
	(in thousands of dollars, except share information)	
Assets		
Current assets		
Cash and cash equivalents	$ 26,894	$ 20,348
Accounts receivable—trade, net	106,377	117,656
Inventories, net	168,628	173,777
Prepaid expenses and other current assets	21,232	18,051
Costs and estimated profits in excess of billings	7,060	3,660
Deferred income taxes, net	9,768	8,615
Current assets of discontinued operations	230	—
Total current assets	340,189	342,107
Property and equipment, net of accumulated depreciation	96,747	90,632
Deferred financing costs, net	7,249	6,458
Intangibles, net	91,615	80,159
Goodwill	300,576	294,381
Other long-term assets	3,850	4,595
Total assets	$ 840,226	$ 818,332
Liabilities and Equity		
Current liabilities		
Current portion of long-term debt and capital lease obligations	$ 34,940	$ 3,209
Accounts payable—trade	50,484	61,981
Accrued liabilities and other current liabilities	43,246	44,542
Deferred revenue	6,729	7,130
Billings in excess of costs and profits recognized	12,659	7,889
Derivative instruments	445	2,194
Liabilities from discontinued operations	773	—
Total current liabilities	149,276	126,945
Long-term debt, net of current portion	236,937	204,715
Deferred income taxes, net	24,928	20,368
Derivative instruments	5,562	2,162
Other long-term liabilities	3,093	1,065
Mandatorily redeemable preferred stock	18,062	—
Total liabilities	437,858	355,255
Commitments and contingencies		
Equity		
Preferred stock	62	—
Series A and B units	2,064	—
Common stock, $0.01 par value, 8,000,000 shares authorized, 1,555,514 and 1,317,290 shares issued and outstanding, respectively	13	16
Additional paid-in capital	281,144	342,217
Warrants	—	7,825
Retained earnings	126,865	150,803
Treasury stock	(661)	(25,823)
Accumulated other comprehensive loss	(7,560)	(12,515)
Total stockholders' equity	401,927	462,523
Noncontrolling interest in subsidiary	441	554
Total equity	402,368	463,077
Total liabilities and equity	$ 840,226	$ 818,332

The accompanying notes are an integral part of these consolidated financial statements.

Forum Energy Technologies, Inc. and subsidiaries
Consolidated statements of income
For the years ended December 31, 2008, 2009 and 2010

	2008	2009	2010
		(in thousands of dollars, except share information)	
Net sales	$972,551	$677,378	$747,335
Cost of sales	691,824	491,463	533,078
Gross profit	280,727	185,915	214,257
Operating expenses			
Selling, general and administrative expenses	146,943	128,562	141,441
Impairment of goodwill and other intangible assets	44,015	7,009	—
(Gain) loss on sale of assets	(619)	137	(461)
Total operating expenses	190,339	135,708	140,980
Income from operations	90,388	50,207	73,277
Other expense (income)			
Expenses related to the combination	—	—	6,968
Deferred loan costs written off	—	—	6,082
Interest expense	24,704	19,451	18,189
Other, net	(2,065)	(1,088)	(2,308)
Total other expense (income)	22,639	18,363	28,931
Income from continuing operations before income taxes	67,749	31,844	44,346
Provision for income tax expense	32,938	11,011	20,297
Income from continuing operations	34,811	20,833	24,049
Loss from discontinued operations, net of taxes	(396)	(1,342)	—
Net income	34,415	19,491	24,049
Less: Income attributable to noncontrolling interest	(39)	(155)	(111)
Net income attributable to common stockholders	$ 34,376	$ 19,336	$ 23,938
Weighted average shares outstanding			
Basic	1,232	1,304	1,454
Diluted	1,261	1,322	1,468
Earnings per share			
Basic	$ 27.90	$ 14.83	$ 16.46
Diluted	27.26	14.63	16.31

The accompanying notes are an integral part of these consolidated financial statements.

Forum Energy Technologies, Inc. and subsidiaries
Consolidated statements of changes in stockholders' equity
For the years ended December 31, 2008, 2009 and 2010

	Preferred shares		Triton series A and B		Common stock		Additional paid-in capital	Treasury stock	Warrants	Retained earnings	Accumulated other comprehensive income/(loss)	Total common stockholders' equity	Non controlling interest	Total equity
	Shares	Amount	Units	Amount	Shares	Amount								
												(in thousands of dollars, except share information)		
Balance at January 1, 2008	62,000	$ 31	20,425	$ 223	1,205,655	$ 12	$ 227,572	$ —	$ —	$ 73,418	$ 4,662	$ 305,918	$ 133	$ 306,051
Share based compensation expense	—	—	—	—	—	—	2,177	—	—	—	—	2,177	—	2,177
Issuance of equity	—	—	—	—	34,160	—	19,743	—	—	—	—	19,743	—	19,743
Issuance of restricted stock	—	—	—	—	2,142	—	—	—	—	—	—	—	—	—
Repurchase of stock	—	—	—	—	—	—	—	(410)	—	—	—	(410)	—	(410)
Excess tax benefit from share based compensation	—	—	—	—	—	—	424	—	—	—	—	424	—	424
Issuance of stock for acquisitions	—	—	—	—	15,625	—	5,547	—	—	—	—	5,547	—	5,547
Issuance of preferred stock	6,820	31	—	—	—	—	6,820	—	—	—	—	6,851	—	6,851
Issuance of Series A and B units	—	—	22,637	768	—	—	—	—	—	—	—	768	—	768
Exercise of warrants	—	—	—	—	57,857	1	16,242					16,243	—	16,243
Comprehensive income:														
Net income	—	—	—	—	—	—	—	—	—	34,376	—	34,376	39	34,415
Loss on foreign currency translation, net of tax of $0	—	—	—	—	—	—	—	—	—	—	(12,278)	(12,278)	(135)	(12,413)
Loss on derivative instruments, net of tax of $1,292	—	—	—	—	—	—	—	—	—	—	(2,401)	(2,401)	—	(2,401)
Comprehensive income / (loss)												19,697	(96)	19,601
Balance at December 31, 2008	68,820	62	43,062	991	1,315,439	13	278,525	(410)	—	107,794	(10,017)	376,958	37	376,995

Forum Energy Technologies, Inc. and subsidiaries
Consolidated statements of changes in stockholders' equity
For the years ended December 31, 2008, 2009 and 2010 (continued)

	Preferred shares		Triton series A and B		Common stock		Additional paid-in capital	Treasury stock	Warrants	Retained earnings	Accumulated other comprehensive income/(loss)	Total common stockholders' equity	Non controlling interest	Total equity
	Shares	Amount	Units	Amount	Shares	Amount								
												(in thousands of dollars, except share information)		
Share based compensation expense	235	—	—	1,184	—	—	1,832	—	—	—	—	3,016	—	3,016
Exercise of stock options	—	—	—	—	607	—	76	—	—	—	—	76	—	76
Issuance of common stock	—	—	—	—	3,643	—	255	—	—	—	—	255	—	255
Issuance of restricted stock	—	—	—	—	1,248	—	—	—	—	—	—	—	—	—
Repurchase of stock	—	—	—	—	(291)	—	(97)	(251)	—	—	—	(348)	—	(348)
Excess tax benefit from share based compensation	—	—	—	—	—	—	(47)	—	—	—	—	(47)	—	(47)
Issuance of stock for acquisitions	—	—	—	—	—	—	600	—	—	—	—	600	—	600
Surrendered restricted stock	—	—	—	—	(3,356)	—	—	—	—	—	—	—	—	—
Forfeiture of Series A and B	—	—	(3,095)	(111)	—	—	—	—	—	—	—	(111)	—	(111)
Adoption of uncertain tax positions	—	—	—	—	—	—	—	—	—	(265)	—	(265)		(265)
Comprehensive income														
Net income	—	—	—	—	—	—	—	—	—	19,336	—	19,336	155	19,491
Gain on foreign currency translation, net of tax of $0	—	—	—	—	—	—	—	—	—	—	1,409	1,409	249	1,658
Gain on derivative instruments, net of tax of $564	—	—	—	—	—	—	—	—	—	—	1,048	1,048	—	1,048
Comprehensive income												21,793	404	22,197
Balance at December 31, 2009	69,055	62	39,967	2,064	1,317,290	13	281,144	(661)	—	126,865	(7,560)	401,927	441	402,368

Forum Energy Technologies, Inc. and subsidiaries
Consolidated statements of changes in stockholders' equity
For the years ended December 31, 2008, 2009 and 2010 (continued)

	Preferred shares		Triton series A and B		Common stock		Additional paid-in capital	Treasury stock	Warrants	Retained earnings	Accumulated other comprehensive income/(loss)	Total common stockholders' equity	Non controlling interest	Total equity
	Shares	Amount	Units	Amount	Shares	Amount						(in thousands of dollars, except share information)		
Share based compensation expense	—	—	—	403	—	—	4,733	—	—	—	—	5,136	—	5,136
Exercise of stock options	—	—	—	—	500	—	50	—	—	—	—	50	—	50
Issuance of common stock	—	—	—	—	9,673	—	2,750	—	—	—	—	2,750	—	2,750
Issuance of restricted stock	—	—	—	—	5,129	—	—	—	—	—	—	—	—	—
Repurchase of stock	—	—	—	—	(3,107)	—	(838)	(166)	—	—	—	(1,004)	—	(1,004)
Excess tax benefit from share based compensation	—	—	—	—	—	—	38	—	—	—	—	38	—	38
Items related to the combination:														
Issuance of common stock	—	—	—	—	218,536	2	62,126	—	—	—	—	62,128	—	62,128
Issuance of warrants	—	—	—	—	—	—	(7,825)	—	7,825	—	—	—	—	—
Purchase of stock related to the tender offer at the time of the combination	—	—	—	—	—	—	—	(24,996)	—	—	—	(24,996)	—	(24,996)
Purchase of stock related to the conversion of shares	(69,055)	(62)	(39,967)	(2,467)	7,133	1	39	—	—	—	—	(2,489)	—	(2,489)
Comprehensive income														
Net income	—	—	—	—	—	—	—	—	—	23,938	—	23,938	111	24,049
Loss on foreign currency translation, net of tax of $0	—	—	—	—	—	—	—	—	—	—	(6,315)	(6,315)	2	(6,313)
Gain on derivative instruments, net of tax of $732	—	—	—	—	—	—	—	—	—	—	1,360	1,360	—	1,360
Comprehensive income												18,983	113	19,096
Balance at December 31, 2010	—	$ —	—	$ —	1,555,154	$ 16	$ 342,217	$ (25,823)	$ 7,825	$ 150,803	$ (12,515)	$ 462,523	$ 554	$ 463,077

The accompanying notes are an integral part of these consolidated financial statements.

Forum Energy Technologies, Inc. and subsidiaries
Consolidated statements of cash flows
For the years ended December 31, 2008, 2009 and 2010

	2008	2009	2010
			(in thousands of dollars, except share information)
Cash flows from operating activities			
Net income	$ 34,415	$ 19,491	$ 24,049
Adjustments to reconcile net income to net cash provided by operating activities			
Deferred loan costs written off	—	—	6,082
Noncash interest expense from mandatorily redeemable preferred stock	972	1,464	—
Impairment of goodwill and other intangible assets	44,015	7,009	—
Unrealized loss (gain) on interest rate swap	809	1,001	441
Share-based compensation expense	2,947	3,016	5,136
Depreciation expense	21,330	24,221	21,889
Amortization of deferred loan costs	1,532	1,401	1,784
Amortization of intangible assets	13,584	14,217	11,327
Provision for doubtful accounts	1,236	2,865	955
Loss (gain) on disposal of fixed assets	(1,515)	67	(182)
Deferred income taxes	(893)	(8,123)	(1,178)
Changes in operating assets and liabilities			
Accounts receivable—trade	12,213	38,443	(13,132)
Income taxes receivable	352	(810)	2,575
Inventories	(37,589)	60,428	(5,745)
Prepaid expenses and other current assets	(9,355)	1,338	(297)
Cost and estimated profit in excess of billings	(3,839)	1,420	2,550
Accounts payable, deferred revenue and other accrued liabilities	35,982	(61,846)	14,167
Billings in excess of costs and estimated profits earned	(3,733)	2,149	(4,440)
Net cash provided by operating activities	112,463	107,751	65,981
Cash flows from investing activities			
Capital expenditures for property and equipment	(39,642)	(15,078)	(19,624)
Proceeds from sale of property and equipment	12,887	6,089	670
Capitalized costs related to patents	(143)	(200)	(262)
Acquisition of businesses, net of cash acquired	(134,039)	(1,725)	—
Net cash used in investing activities	(160,937)	(10,914)	(19,216)

The accompanying notes are an integral part of these consolidated financial statements.

Forum Energy Technologies, Inc. and subsidiaries Consolidated statements of cash flows
Years ended December 31, 2008, 2009 and 2010 (continued)

	2008	2009	2010
		(in thousands of dollars, except share information)	
Cash flows from financing activities			
Payment of capital lease obligations	(208)	(182)	(627)
Borrowings on long-term debt	132,064	8,214	323,916
Repayment of long-term debt	(95,750)	(102,342)	(407,360)
Deferred financing costs	(2,526)	—	(6,671)
Purchased stock due to the combination	—	—	(3,327)
Treasury stock	—	(251)	(25,162)
Excess tax expense (benefits) from stock based compensation	(424)	(47)	38
Proceeds from stock issuance	25,715	76	64,928
Net cash (used in) provided by financing activities	58,871	(94,532)	(54,265)
Effect of exchange rate changes on cash	(23,143)	4,648	954
Net increase (decrease) in cash and cash equivalents	(12,746)	6,953	(6,546)
Cash and cash equivalents			
Beginning of year	32,687	19,941	26,894
End of year	$ 19,941	$ 26,894	$ 20,348
Supplemental cash flow disclosures			
Interest paid	$ 23,289	$ 17,817	$ 14,219
Income taxes paid	31,926	24,586	25,009
Noncash investing and financing activities			
Acquisition of equipment via capital lease	$ 969	$ 1,424	$ —
Insurance policy financed through notes payable	3,736	2,672	3,809
Common stock issued for acquisitions	23,147	600	—

The accompanying notes are an integral part of these consolidated financial statements.

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated financial statements
December 31, 2008, 2009 and 2010

1. Nature of operations and combination

Forum Energy Technologies, Inc. ("FET" or the "Company"), a Delaware corporation, is a global provider of manufactured technologies and applied products to the energy industry. The manufactured products include, among other products, pipe handling tools, pressure control equipment, remotely operated vehicles and a wide range of related subsea products, surface production equipment and industrial valves. The Company is owned by three private equity funds with the same sponsor, certain current and former employees of the Company and former owners of acquired companies.

On August 2, 2010, the Company completed the combination ("Combination") of Forum Oilfield Technologies, Inc. ("FOT"), Triton Group Holdings LLC ("Triton"), Subsea Services International, Inc. ("SSI"), Global Flow Technologies, Inc. ("GFT") and Allied Production Services, Inc. ("Allied") pursuant to which the shareholders of the companies other than FOT exchanged all of their common stock for common stock of FOT. In conjunction with the Combination, FOT changed its name to Forum Energy Technologies, Inc.

The shareholders of each company received the following number of FET shares for each share of the respective companies:

Allied	.4623 shares
Global Flow	.9886 shares
Subsea	.3168 shares
Triton	.3562 shares

Prior to the Combination, the private equity funds controlled a majority of the voting interests in FOT, Triton, SSI, and GFT. The same owner was also in a controlling position with respect to Allied by virtue of its ownership of 46.2% of Allied's issued and outstanding voting stock and its contractual right to fill three of the five directors' seats comprising the full Allied Board. The mergers of the entities into the combined Company are accounted for using reorganization accounting (i.e., "as if" pooling of interest) for entities under common control. Under this method of accounting, the historical financial statements of each entity are included in the combined financial statements from the date on which the majority owner obtained control of the company. These consolidated financial statements include the results of FOT, Triton, SSI, GFT and Allied and all of their subsidiaries.

2. Summary of significant accounting policies

Basis of presentation

The accompanying consolidated financial statements include the accounts of FET and its majority-owned subsidiaries and are prepared in accordance with accounting principles generally accepted in the United States of America ("United States GAAP").

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated financial statements
December 31, 2008, 2009 and 2010 (continued)

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly and majority owned subsidiaries after elimination of intercompany balances and transactions. Noncontrolling interest principally represents ownership by others of the equity in our consolidated majority owned South Africa subsidiary.

Reclassifications

Certain reclassifications have been made in prior period financial statements to conform with current period presentation. Reclassifications have no impact on the Company's financial position, results of operations, or cash flows.

Use of estimates

The preparation of financial statements in conformity with United States GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

In the preparation of these consolidated financial statements, estimates and assumptions have been made by management including costs to complete contracts, an assessment of percentage of completion of projects, the selection of useful lives of tangible and intangible assets, fair value of reporting units used for goodwill impairment testing, expected future cash flows from long lived assets to support impairment tests, provisions necessary for trade receivables and income tax contingencies. Actual results could differ from these estimates.

The financial reporting of contracts depends on estimates, which are assessed continually during the term of those contracts. Recognized revenues and income are subject to revisions as the contract progresses to completion and changes in estimates are reflected in the period in which the facts that give rise to the revisions become known. Additional information that enhances and refines the estimating process that is obtained after the balance sheet date, but before issuance of the financial statements is reflected in the financial statements.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and high quality, short term money market instruments with an original maturity of three months or less. Cash equivalents are stated at cost plus accrued interest, which approximates fair value.

Accounts receivable-trade

Trade accounts receivables are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus receivables do not bear interest, although a finance charge may be applied to amounts past due. The Company maintains an allowance for

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated financial statements
December 31, 2008, 2009 and 2010 (continued)

doubtful accounts for estimated losses that may result from the inability of its customers to make required payments. Such allowances are based upon several factors including but not limited to, credit approval practices, industry and customer historical experience as well as the current and projected financial condition of the specific customer. Accounts receivable outstanding longer than contractual terms are considered past due. The Company writes off accounts receivable to the allowance for doubtful accounts when they become uncollectible. Any payments subsequently received on receivables previously written off are credited to the allowance for doubtful accounts.

The change in amounts of the allowance for doubtful accounts during the three year period ending December 31, 2010 is as follows (in thousands):

Period ended	Item	Balance at beginning of period	Charged to expenses	Deductions or other	Balance at end of period
December 31, 2008	Allowance for doubtful accounts	$ 2,557	$ 1,235	$ (500)	$ 3,292
December 31, 2009	Allowance for doubtful accounts	3,292	2,865	(2,306)	3,851
December 31, 2010	Allowance for doubtful accounts	3,851	956	(682)	4,125

Inventories

Inventory consisting of finished goods and materials and supplies held for resale is carried at the lower of cost or market. For certain subsidiaries, cost, which includes the cost of raw materials and labor for finished goods, is determined on a first-in first-out basis. For other subsidiaries, this cost is determined on an average cost basis. Market means current replacement cost except that (1) market should not exceed net realizable value and (2) market should not be less than net realizable value reduced by an allowance for a normal profit margin. The Company continuously evaluates inventories, based on an analysis of inventory levels, historical sales experience and future sales forecasts, to determine obsolete, slow-moving and excess inventory. Adjustments to reduce such inventory to its estimated recoverable value have been recorded by management.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Equipment held under capital leases are stated at the present value of minimum lease payments. Expenditures for property and equipment and for items which substantially increase the useful lives of existing assets are capitalized at cost and depreciated over their estimated useful life utilizing the straight-line method. Routine expenditures for repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method based on the estimated useful lives of assets, generally 3 to 19 years. Plant and equipment held under capital leases are amortized straight-line over the shorter of the lease term or estimated useful life of the asset.

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated financial statements
December 31, 2008, 2009 and 2010 (continued)

Gains or losses resulting from the disposition of assets are recognized in income, and the related asset cost and accumulated depreciation are removed from the accounts. Assets acquired in connection with business combinations are recorded at fair value.

Rental equipment consists of equipment leased to customers under operating leases. Rental equipment is recorded at cost and depreciated using the straight-line method over the estimated useful lives of three to ten years.

Effective January 1, 2010, we implemented a change in accounting estimate to adjust the useful life of marine electronic survey equipment. This change resulted in an approximately $3.2 million reduction in the depreciation expense in the year ended December 31, 2010, an increase to net income of $2.1 million (or $1.43 per diluted share). We extended the useful lives of these long-lived assets based on our review of their historical service lives, technological improvements in the assets and proven longer useful mechanical and technical lives.

The Company reviews long-lived assets for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable. In performing the review for impairment, future cash flows expected to result from the use of the asset and its eventual disposal are estimated. If the undiscounted future cash flows are less than the carrying amount of the assets, the asset is impaired. The amount of the impairment is measured as the difference between the carrying value and the estimated fair value of the asset. The fair value is determined either through the use of an external valuation, or by means of an analysis of discounted future cash flows based on expected utilization. The impairment loss recognized represents the excess of the assets carrying value as compared to its estimated fair value. For the years ended December 31, 2008, 2009 and 2010, no impairments were recorded.

To the extent that asset retirement obligations are incurred, the Company records the fair value of an asset retirement obligation as a liability in the period in which the associated legal obligation is incurred. The fair values of these obligations are recorded as liabilities on a discounted basis. The costs associated with these liabilities are capitalized as part of the related assets and depreciated. Over time, the liabilities are accreted for any change in their present value. Asset retirement obligations at December 31, 2009 or 2010 are not significant.

Goodwill and intangible assets

For goodwill and intangible assets with indefinite lives, an assessment for impairment is performed annually or whenever an event indicating impairment may have occurred. The Company completes its annual impairment test for goodwill and other indefinite-lived intangibles using an assessment date of December 31. Goodwill is reviewed for impairment by comparing the carrying value of each reporting unit's net assets (including allocated goodwill) to the fair value of the reporting unit. We have four reporting units. We determine the fair value of our reporting units using a discounted cash flow approach. Determining the fair value of a reporting unit requires judgment and the use of significant estimates and assumptions. Such estimates and assumptions include revenue growth rates, operating margins, weighted average costs of capital and future market conditions, among others. We believe that the estimates and

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated financial statements
December 31, 2008, 2009 and 2010 (continued)

assumptions used in our impairment assessments are reasonable. If the reporting unit's carrying value is greater than its fair value, a second step is performed whereby the implied fair value of goodwill is estimated by allocating the fair value of the reporting unit in a hypothetical purchase price allocation analysis consistent with that described in *ASC 805, Business Combinations*. The Company recognizes a goodwill impairment charge for the amount by which the carrying value of goodwill exceeds its fair value. The impairment test is a fair value test which includes assumptions such as growth and discount rates. Any impairment losses are reflected in operating income. In December 2008, an impairment loss of $39.8 million was recorded and in 2009 an impairment loss of $5.5 million was recorded. In December 2010, no impairment loss was recorded.

Intangible assets with definite lives comprised of customer and distributor relationships, non-compete agreements, and patents are amortized on a straight-line basis over the life of the intangible asset, generally 3 to 17 years. These assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. In 2008 and 2009, the Company recorded impairment charges of $4.2 million and $1.5 million, respectively, which are classified within impairment of goodwill and other intangible assets on the consolidated statement of income. No impairment to intangible assets was recorded at December 31, 2010.

In the third quarter of 2010, we implemented a change in accounting estimate to adjust the useful lives of certain of our customer relationship and distributor relationship intangible assets. This change resulted in an approximate $2.2 million reduction in the amortization expense in the year ended December 31, 2010, an increase to net income of $1.4 million (or $1.00 per diluted share). We extended the useful lives of these intangible assets based on positive changes in customer attrition rates and due to several factors pursuant to the Combination which would further strengthen these relationships.

Recognition of provisions for contingencies

In the ordinary course of business, the Company is subject to various claims, suits and complaints. The Company, in consultation with internal and external advisors, will provide for a contingent loss in the consolidated financial statements if it is probable that a liability has been incurred at the date of the consolidated financial statements and the amount can be reasonably estimated. If it is determined that the reasonable estimate of the loss is a range and that there is no best estimate within the range, provision will be made for the lower amount of the range. Legal costs are expensed as incurred.

An assessment is made of the areas where potential claims may arise under the contract warranty clauses. Where a specific risk is identified and the potential for a claim is assessed as probable and can be reasonably estimated, an appropriate warranty provision is recorded. Warranty provisions are eliminated at the end of the warranty period except where warranty claims are still outstanding. The liability for product warranty is included in other accrued liabilities on the consolidated balance sheet.

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated financial statements
December 31, 2008, 2009 and 2010 (continued)

Changes in the Company's warranty liability were as follows (in thousands):

Period ended	Item	Balance at beginning of period	Charged to expense	Deductions or other	Balance at end of period
December 31, 2008	Warranty accrual	$ 6,277	$ 5,067	$ (3,924)	$ 7,420
December 31, 2009	Warranty accrual	7,420	3,210	(5,149)	5,481
December 31, 2010	Warranty accrual	5,481	2,281	(1,054)	6,708

Revenue recognition and deferred revenue

Revenue is recognized when all of the following criteria have been met: (a) persuasive evidence of an arrangement exists, (b) delivery of the equipment has occurred or services have been rendered, (c) the price of the product or service is fixed and determinable and (d) collectability is reasonably assured. Revenue from product sales, including shipping costs, is recognized as title passes to the customer, which generally occurs when items are shipped from the Company's facilities. Revenue from services is recognized when the service is completed to the customer's specifications.

Customers are sometimes billed in advance of services performed or products manufactured, and the Company recognizes the associated liability as deferred revenue. On a contract by contract basis, cost and profit in excess of billings represents the cumulative revenue recognized less the cumulative billings to the customer. Billings in excess of costs and profits represents the cumulative billings to the customer less the cumulative revenue recognized.

Revenue generated from long-term contracts typically longer than six months in duration are recognized on the percentage-of-completion method of accounting. The Company recognizes revenue and cost of goods sold each period based upon the advancement of the work-in-progress unless the stage of completion is insufficient to enable a reasonably certain forecast of profit to be established. In such cases, no profit is recognized during the period. The percentage-of-completion is calculated based on the ratio of costs incurred to-date to total estimated costs, taking into account the level of completion. The percentage-of-completion method requires management to calculate reasonably dependable estimates of progress toward completion of contract revenues and contract costs. Whenever revisions of estimated contract costs and contract values indicate that the contract costs will exceed estimated revenues, thus creating a loss, a provision for the total estimated loss is recorded in that period.

Primarily related to our remotely operated vehicles product lines, which may take longer to manufacture, accounting estimates during the course of multi-year projects may change. The effect of such a change, which can be upward as well as downward, is accounted for in the period of change and the cumulative income recognized to date is adjusted to reflect the latest estimates. These revisions to estimates are accounted for on a prospective basis.

Revenue from the rental of equipment or providing of services is recognized over the period when the asset is rented or services are rendered and collectability is reasonably assured. Rates for asset rental and service provision are priced on a per day, per man hour, or similar basis.

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated financial statements
December 31, 2008, 2009 and 2010 (continued)

Concentration of credit risk

Financial instruments which potentially subject the Company to credit risk include trade accounts receivable. Trade accounts receivable consist of uncollateralized receivables from domestic and internationally based customers. For the years ended December 31, 2008, 2009 and 2010, no one customer accounted for 10% or more of the total revenue or 10% or more of the total account receivable balance at the end of the respective period.

Share-based compensation

The Company accounts for awards of share-based compensation under the proper accounting guidance. This guidance and the related interpretations require companies to measure all employee share-based compensation awards at fair value on the date they are granted to employees and recognize compensation cost in their financial statements over the requisite service period. The Company has stock-based compensation plans for its employees, directors, and consultants of the Company and its subsidiaries. Compensation expense is recorded for restricted stock over the applicable vesting period based on the fair value of the stock on the date of grant. Options are issued with an exercise price equal to the fair value of the stock on the date of grant. Compensation expense is recorded for the fair value of the stock options, and is recognized over the period of the underlying security's vesting schedule. Consideration paid on the exercise of stock options is credited to share capital and additional paid-in capital.

Fair value of the share-based compensation was measured by use of the Black-Scholes model for most of the outstanding options and a Binomial model for certain legacy share-based compensation instruments issued by Triton. The following sections address the assumptions used related to the Black-Scholes pricing model.

Expected life

The expected term of stock options represents the period the stock options are expected to remain outstanding and is based on the simplified method which is the weighted average vesting term plus the original contractual term divided by two.

Expected volatility

Expected volatility measures the amount that a stock price has fluctuated or is expected to fluctuate during a period. Since the Company's stock is not publicly traded, the Company determines volatility based on an analysis of comparable companies.

Dividend yield

The Company has never declared or paid any cash dividends and does not plan to pay cash dividends in the foreseeable future. Therefore, a zero expected dividend yield was used in the valuation model.

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated financial statements
December 31, 2008, 2009 and 2010 (continued)

Risk-free interest rate

The risk-free interest rate is based on United States Treasury zero-coupon issues with remaining terms similar to the expected term on the options.

Forfeitures

The applicable accounting guidance also requires the Company to estimate forfeitures at the time of grant, and revise those estimates in subsequent periods if actual forfeitures differ from those estimates. The Company uses historical data to estimate pre-vesting option forfeitures and record stock-based compensation expense only for those awards that are expected to vest. If the Company's actual forfeiture rate is materially different from its estimate, the stock-based compensation expense could be different from what the Company has recorded in the current period.

Fair value of common stock

The value of the Company's stock at the time of each option grant used to establish the strike price, and the value applied in each acquisition transaction, was estimated by management, and approved by the Company's Board of Directors, in accordance with an internal valuation model. These valuation models are based upon an average of cash flow and book value multiples of comparable companies. The comparable companies selected reflect the market's view on key sector, geographic, and product type exposure that are similar to those that impact the Company's business. The value is further subject to judgmental factors such as prevailing market conditions, changes in oilfield service indices and the overall outlook for the Company and its products in general.

Income taxes

The Company follows the liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based upon temporary differences between the carrying amounts and tax bases of the Company's assets and liabilities at the balance sheet date, and are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in the tax rates is recognized in income in the period in which the change occurs. The Company records a valuation reserve in each reporting period when management believes that it is more likely than not that any deferred tax asset created will not be realized.

The accounting guidance for income taxes requires that the Company recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. If a tax position meets the "more likely than not" recognition criteria, the accounting guidance requires the tax position be measured at the largest amount of benefit greater than 50% likely of being realized upon ultimate settlement.

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated financial statements
December 31, 2008, 2009 and 2010 (continued)

Earnings per share

Basic earnings per share for all periods presented equals net income divided by the weighted average number of the shares of the Company's common stock outstanding during the period. Diluted earnings per share is computed by dividing net income by the weighted average number of shares of the Company's common stock outstanding during the period as adjusted for the dilutive effect of the Company's stock options, restricted share plans and warrants.

The exercise price of each option is based on the fair value of the Company's stock at the date of grant. The diluted earnings per share calculation excludes 14 thousand stock options for the year ended December 31, 2008, 26 thousand stock options for the year ended December 31, 2009 and excludes 440 thousand stock options and warrants for the year ended December 31, 2010, because increasing fair values during the year resulted in these options' exercise prices being greater than the average market price over the entire year in the respective periods.

The following is a reconciliation of the number of shares used for the basic and diluted earnings per share computations:

	December 31,		
	2008	2009	2010
	(shares in thousands)		
Basic weighted average shares outstanding	1,232	1,304	1,454
Dilutive effect of stock option and restricted share plan	29	18	14
Diluted weighted average shares outstanding	1,261	1,322	1,468

Non-United States local currency translation

The Company operates globally and its primary functional currency is the United States dollar ($). The majority of the Company's non-United States subsidiaries have designated the local currency as their functional currency. Financial statements of these foreign operations are translated into United States dollars using the current rate method whereby assets and liabilities are translated at the balance sheet rate and income and expenses are translated into United States dollars at the average exchange rates in effect during the period. The resultant translation adjustments are reported as a component of accumulated other comprehensive income within stockholders' equity.

Hedging and use of derivative instruments

The Company utilizes interest rate swap and collar agreements to hedge the exposure to variable cash flows on a portion of its floating rate debt (i.e., cash flow hedges). The instruments are not used for trading or speculative purposes. The Company records these interest rate derivative instruments on the balance sheet as either derivative assets or derivative liabilities as applicable.

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Certain derivative instruments qualify for hedge accounting as they reduce the interest rate risk of the underlying hedged item and were formally designated as cash flow hedges at inception. These derivative instruments result in financial impacts that are inversely correlated to those of the items being hedged. Since the terms of the hedged item and the instruments substantially coincide, the hedge is expected to offset changes in expected cash flows due to fluctuations in the variable rate and, therefore, the Company currently does not expect any ineffectiveness. Changes in the fair value of the instruments designated as cash flow hedges are deferred in accumulated other comprehensive income, net of tax, to the extent the contracts are effective as hedges, until settlement of the underlying hedged transaction. If the necessary correlation ceases to exist or if physical delivery of the hedged item becomes improbable, the Company would discontinue hedge accounting and apply mark-to-market accounting with any changes in the fair values of the derivative instruments then recognized in earnings. Amounts paid or received from interest rate derivative instruments are charged or credited to interest expense and matched with the cash flows and interest expense of the debt being hedged, resulting in an adjustment to the effective interest rate.

The Company adjusts the balance of these derivative instruments to fair value on a recurring basis. The Company's fair value measurements are based on projected future interest rates as provided by the counterparties to the interest rate swap agreements and the fixed rates that the Company is obligated to pay under these agreements. The Company determines the value of derivative financial instruments using composite quotes obtained from market pricing services or, in certain cases, active-market quotes obtained from financial institutions. The established fair value hierarchy divides fair value measurement into three broad levels: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly; and Level 3 inputs are unobservable inputs for the asset or liability which reflect the best judgment of the Company. The Company's measurements fall in Level 3.

Certain derivative instruments do not qualify for hedge accounting. These derivatives are also recorded at fair value, with the changes in fair value being recorded into earnings.

Fair value of financial instruments

The carrying amounts for financial instruments classified as current assets and current liabilities approximate fair value, due to the short maturity of such instruments. The book values of other financial instruments, such as the Company's long-term debt, approximates fair value because interest rates charged are similar to other financial instruments with similar terms and maturities.

Noncontrolling interest

Effective January 1, 2009, the Company adopted newly issued accounting guidance that changed the accounting for, and reporting of, minority interest (now referred to as noncontrolling interest). Noncontrolling interests are now classified as equity in the consolidated balance sheet.

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The new guidance also changed the way the consolidated statement of earnings is presented by requiring net earnings to include the net earnings for both controlling and noncontrolling interests, with disclosure of both amounts on the consolidated statement of earnings.

Fair value measurements

The Company has adopted the authoritative guidance for fair value measurements as they relate to nonfinancial assets and liabilities that are measured at fair value on a nonrecurring basis. The guidance defines fair value, establishes a framework for measuring fair value when an entity is required to use a fair value measure for recognition or disclosure purposes and expands the disclosures about fair value measures. The adoption did not have a material impact on the Company's financial statements. The Company previously adopted the guidance as it relates to financial assets and liabilities that are measured at fair value and for nonfinancial assets and liabilities that are measured at fair value on a recurring basis.

Recent accounting pronouncements

In January 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2010-06 "Improving Disclosures about Fair Value Measurements" ("ASU No. 2010-06") as an update to Accounting Standards Codification Topic 820, "Fair Value Measurements and Disclosures" ("ASC Topic 820"). ASU No. 2010-06 requires additional disclosures about transfers between Levels 1 and 2 of the fair value hierarchy and disclosures about purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements. ASU No. 2010-06 is effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the rollforward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The Company adopted the required provisions of ASU No. 2010-06. There was no significant impact to the Company's Consolidated Financial Statements.

In June 2011, the FASB issued an update to ASC 220, *Presentation of Comprehensive Income*. This ASU provides that an entity that reports items of other comprehensive income has the option to present comprehensive income in either 1) a single statement that presents the components of net income and total net income, the components of other comprehensive income and total other comprehensive income, and a total for comprehensive income; or 2) a two-statement approach which presents the components of net income and total net income in a first statement, immediately followed by a financial statement that presents the components of other comprehensive income, a total for other comprehensive income, and a total for comprehensive income. The option in current GAAP that permits the presentation of other comprehensive income in the statement of changes in equity was eliminated. The guidance will be applied retrospectively and is effective for the Company for annual periods beginning on January 1, 2012. Early adoption is permitted. The adoption of this guidance will not have a material impact on the Company's financial statements.

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In December 2010, the FASB issued FASB ASU 2010-28, which affects entities evaluating goodwill for impairment under FASB ASC 350-20. ASU 2010-28, among other things, requires entities with a zero or negative carrying value to assess, considering qualitative factors, whether it is more likely than not that goodwill impairment exists. If an entity concludes that it is more likely than not that goodwill impairment exists, the entity must perform step 2 of the goodwill impairment test. ASU 2010-28 is effective for impairment tests performed during an entity's fiscal year beginning after December 15, 2010, with early adoption not permitted. We do not believe the adoption of this ASU will have a material impact on the Company's financial position or results of operations.

3. Inventories

The significant components of inventory are as follows:

	December 31,	
	2009	2010
	(in thousands)	
Raw materials and parts	$ 64,105	$ 63,234
Work in process	11,807	19,534
Finished goods	101,651	101,115
	177,563	183,883
Inventory reserve	(8,935)	(10,106)
Inventories, net	$168,628	$173,777

The change in the amounts of the inventory reserve during the three year period ending December 31, 2010 is as follows (in thousands):

Period ended	Item	Balance at beginning of period	Charged to expenses	Deductions or other	Balance at end of period
December 31, 2008	Reserve for inventory obsolescence	$ 6,162	$ 3,518	$ (1,958)	$ 7,722
December 31, 2009	Reserve for inventory obsolescence	7,722	4,821	(3,608)	8,935
December 31, 2010	Reserve for inventory obsolescence	8,935	1,244	(73)	10,106

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4. Property and equipment

Property and equipment consists of the following as of December 31:

	Estimated useful lives (in years)	2009	2010
			(in thousands)
Land		$ 1,206	$ 2,026
Buildings and leasehold improvements	7-20	20,104	23,848
Computer equipment	3-5	8,233	9,433
Machinery and equipment	5-10	70,371	66,640
Furniture and fixtures	3-10	1,432	2,215
Vehicles	3-5	5,585	6,304
Construction in progress		2,037	853
		108,968	111,319
Less: Accumulated depreciation		(42,918)	(55,746)
Property and equipment, net		66,050	55,573
Rental equipment		45,805	57,962
Less: Accumulated depreciation		(15,108)	(22,903)
Rental equipment, net		30,697	35,059
Total property and equipment, net		$ 96,747	$ 90,632

5. Goodwill and intangible assets

Goodwill

The changes in the amount of goodwill from January 1, 2009 to December 31, 2010, are as follows:

	2009	2010
		(in thousands)
Goodwill Balance at January 1, net	$299,246	$300,576
Goodwill impairment	(5,545)	—
Purchase price adjustments	(4,439)	—
Impact of non-United States local currency translation	11,314	(6,195)
Goodwill Balance at December 31, net	$300,576	$294,381

The Company performs its annual impairment tests of goodwill as of December 31. For the year ended December 31, 2009, the Company recognized a goodwill impairment loss of $5.5 million relating to certain Triton subsidiaries primarily due to the change in market conditions and declining operating results. There was no impairment of goodwill during the year ended December 31, 2010. The fair values were determined using the net present value of the expected future cash flows. Accumulated impairment losses on goodwill were $40.0 million as of December 31, 2009 and 2010, respectively.

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Intangible assets

At December 31, 2009 and 2010, intangible assets consist of the following, respectively:

				December 31, 2009
	Gross carrying amount	Accumulated amortization	Net amortizable intangibles	Amortization period (in years)
				(In thousands)
Customer relationships	$ 71,698	$ (20,396)	$ 51,302	4-15
Patents and technology	5,389	(1,015)	4,374	5-17
Non-compete agreements	4,074	(2,688)	1,386	3-6
Trade names	15,174	(2,736)	12,438	10-15
Contracts	260	(260)	—	<1
Distributor relationships	22,160	(5,566)	16,594	8-15
Trademark	5,521	—	5,521	Indefinite
	$ 124,276	$ (32,661)	$ 91,615	

				December 31, 2010
	Gross carrying amount	Accumulated amortization	Net amortizable intangibles	Amortization period (in years)
				(In thousands)
Customer relationships	$ 70,837	$ (26,907)	$ 43,930	4-15
Patents and technology	5,764	(1,626)	4,138	5-17
Non-compete agreements	4,047	(3,598)	449	3-6
Trade names	15,312	(3,865)	11,447	10-15
Contracts	260	(260)	—	<1
Distributor relationships	22,160	(7,486)	14,674	8-15
Trademark	5,521	—	5,521	Indefinite
	$ 123,901	$ (43,742)	$ 80,159	

Amortization expense was $13.6 million, $14.2 million and $11.3 million for the years ended December 31, 2008, 2009 and 2010, respectively. The total weighted average amortization period is 13 years and the estimated amortization expense for the next five years is as follows (in thousands):

Year ending December 31,	
2011	$8,470
2012	8,223
2013	7,927
2014	7,250
2015	6,979

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In 2009, the Company concluded that the fair value of its trademarks was less than the carrying values and the assets were impaired. Accordingly, the Company recorded impairment charges of $1.5 million in the year ended December 31, 2009. Accumulated impairment losses on the trademark were $1.7 million as of December 31, 2009 and 2010.

6. Debt and mandatorily redeemable preferred stock

Notes payable and lines of credit as of December 31, 2009 and 2010 consist of the following:

		2009	2010
			(in thousands)
$450 million senior secured revolving credit facility	(f)	$ —	$204,000
FOT debt			
US revolving line of credit and Canadian dollar revolving line of credit, interest at LIBOR plus applicable margin	(a)	99,629	—
GFT debt			
Revolving credit loan payable, interest at LIBOR rate plus 1.75%	(b)	16,100	—
Revolving credit loan payable, interest at US prime rate	(b)	232	—
Term note payable, interest at LIBOR rate plus 3.0%	(b)	2,453	—
Triton			
Facility A, interest of LIBOR plus the applicable margin	(c)	40,729	—
Facility B, interest at LIBOR plus the applicable margin	(c)	44,251	—
Facility C, interest at LIBOR plus the applicable margin	(c)	44,251	—
Revolving credit facility, interest at LIBOR plus the applicable margin	(c)	1,500	—
SSI			
Notes payable to a financial institution, interest of rates based upon the bank's prime rate	(d)	12,750	—
Allied			
Credit agreement, interest at various rates based on leverage ratios	(e)	5,800	—
Other debt	(g)	4,182	3,924
Total debt		271,877	207,924
Less: current maturities		(34,940)	(3,209)
Long-term debt		$236,937	$204,715

Debt as of December 31, 2009

(a) FOT had a $240 million US revolving line of credit and C$13.2 million (Canadian dollar) revolving line of credit, with the principal due in November 2011. Amounts outstanding at December 31, 2009 were $88.5 million and $11.1 million under the US and Canadian lines, respectively. Interest was payable every 30, 60 or 90 days based on interest rate elections. Amounts outstanding are collateralized by substantially all of Forum's assets. Weighted average

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interest rate (without the effect of hedging) at December 31, 2009 on all outstanding principal was 2.1%. FOT was in compliance with the covenants related to this facility at December 31, 2009. This line of credit was replaced by the Company's senior secured credit facility in August 2010.

(b) GFT had a revolving line of credit of up to $35 million and a term loan in the amount of $19 million. Under the provisions of the term loan, amounts borrowed are subject to interest at the LIBOR rate plus 3%. Amounts outstanding at December 31, 2009 were $2.5 million at an interest rate of 3.28%. Under the revolving line of credit, GFT had borrowings of $0.2 million at the base rate of 3.25% and $16.1 million at the Eurodollar rate of 2.00%. The facility was secured by substantially all the assets of GFT. In conjunction with the Combination, this debt was paid through the funds obtained from the Company's senior secured credit facility.

(c) Triton, in December 2009, through its UK and US subsidiaries, had a credit agreement and provided for up to $58.4 million and £54.6 million in term loans and credit facility borrowings, comprised of revolving facility commitments of up to $15.0 million and Facility A, Facility B and Facility C commitments of $16.8 million and £16.2 million, $13.3 million and £19.2 million, and $13.3 million and £19.2 million, respectively, at the effective date of the agreement. This credit agreement required quarterly payments of principal and interest with a maturity date for the revolving facility of December 31, 2013 and Facility A of between December 31, 2012 and December 31, 2013. The Facility B and Facility C commitments were repayable in full on their respective maturity dates of December 31, 2014 and December 31, 2015. Interest rates for the revolving and term loans under this credit agreement are based on interest rates tied to a margin calculation, LIBOR and a mandatory cost rate, if applicable, ranging from 2.5% to 5.5%. This debt was secured by debentures, bonds floating charges and pledges over certain of the Company's subsidiary entities. In conjunction with the Combination, this debt was paid through the funds obtained from the Company's senior secured credit facility.

(d) SSI had various notes payable to a financial institution. Each had annual interest at the greater of the bank's Prime Rate in effect plus 1.25% or 5.75% (6.25% at December 31, 2009) and matured at various dates. The notes payable were secured by all assets of SSI. In conjunction with the Combination, this debt was paid through the funds obtained from the Company's senior secured credit facility.

(e) Allied had a credit agreement, which gave Allied the ability to borrow up to $15.0 million under a revolver arrangement for working capital needs. The borrowing base was $16.1 million at December 31, 2009, and is calculated based upon 80% of receivables, 50% of finished goods inventory and 75% of the fixed asset values, all of which are subject to certain exclusions. Allied had $5.8 million outstanding under the credit agreement as of December 31, 2009. In conjunction with the Combination, this debt was paid through the funds obtained from the Company's senior secured credit facility.

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Debt as of December 31, 2010

(f) In conjunction with the Combination, FET entered into a senior secured credit facility with several financial institutions. The credit facility provides for a $450.0 million revolving credit facility, including up to $75.0 million of letters of credit and up to $25.0 million in swingline loans, and matures in August 2014. In addition, the Company has the ability to increase the commitments under this facility by up to $150 million.

Amounts outstanding at December 31, 2010 were $204 million. Interest is payable every 30, 60 or 90 days based on interest rate elections. Amounts outstanding are collateralized by substantially all of FET's assets. Weighted average interest rates (without the effect of hedging) at December 31, 2010 was 3.0%. The credit facility allows management to elect how interest will be computed which may be determined by reference to the London interbank offered rate, or LIBOR, plus an applicable margin between 2.0% and 3.75% per annum or a base rate plus an applicable margin between 0.5% and 2.25% per annum (with the applicable margin depending upon FET's ratio of total funded debt to EBITDA).

This credit facility contains covenants which require FET to maintain certain financial ratios. These covenants are as follows:

- Total funded debt to EBITDA (as defined in the credit facility) of not more than 3.75 to 1.0 for periods ending through June 30, 2011, 3.50 to 1.0 for periods ending from July 1, 2011 through June 30, 2012, 3.25 to 1.0 for periods ending from July 1, 2012 through June 30, 2013 and 3.00 to 1.0 for periods ending thereafter;
- EBITDA to interest expense ratio (as defined in the credit facility) of not less than 3.0 to 1.0; and
- Total balance sheet debt to total capitalization (as defined in the credit facility) of not more than 0.65 to 1.0.

Availability under the credit facility, considering the covenants discussed above, was approximately $210 million at December 31, 2010. The Company is in compliance with the aforementioned financial covenants at December 31, 2010.

Subsequent to December 31, 2010, we amended our credit facility to increase the commitment and we had significant increases in our debt amount related to acquisitions. See footnote 16, Subsequent Events.

Other debt

(g) Other debt consists primarily of upfront annual insurance premiums that have been financed and capital lease obligations.

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Debt issue costs

In conjunction with entering into the new senior secured facility, the Company incurred approximately $6.7 million in loan costs that have been capitalized and are amortized to interest expense over the term of the facility. As a result, approximately $1.8 million was amortized to interest expense for the year ended December 31, 2010. Due to the payment of the debt and replacement of the facilities held by certain combining entities, the related debt issue costs of $6.1 million that had been previously capitalized were fully written off in August 2010.

Future payments

Future principal payments under long-term debt, by year, are as follows (in thousands):

Year ending December 31,	
2011	$ 3,209
2012	715
2013	—
2014	204,000
Thereafter	—
	$207,924

Allied and GFT redeemable preferred shares

Allied had issued shares of preferred stock to an investment advisor in lieu of payment of management fees. These shares were redeemable at $100 per share and paid an 8% dividend. As of December 31, 2009, there were 624 shares of its preferred stock outstanding. In conjunction with the Combination, these shares and the accrued dividends were redeemed for cash.

As part of GFT acquisitions prior to 2009, GFT had authorized and issued mandatorily redeemable preferred stock. Below is a description of each of Series of redeemable preferred shares. In conjunction with the Combination, these shares and the accrued annual dividends were redeemed for cash for the following amounts:

Series B	$ 6.5 million
Series C	3.5 million
Series D	8.3 million
	$ 18.3 million

Mandatorily redeemable Series B

As of December 31, 2009, 100,000 Series B preferred shares of GFT (“Series B”) were authorized and outstanding with a par value of $.001 per share. The Series B preferred stock (“Series B”) ranked senior to Series C and Series D preferred shares. The holders of Series B shares were

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entitled to receive dividends at the rate of 6% per annum. Dividends were cumulative and payable on each anniversary of the date of issuance commencing with the fifth anniversary of that date. Each share of Series B preferred stock shall convert into one share of Series C preferred stock. For those Series B shares not converted to Series C shares in 2010, mandatory redemption began in 2011. The holders of Series B preferred shares, except as otherwise expressly provided by applicable law in the certificate of incorporation, were not entitled to vote. Due to the terms of the Series B preferred stock, the Company had recorded the value of the outstanding shares plus accreted interest as a liability.

Mandatorily redeemable Series C

As of December 31, 2009, 47,000 Series C preferred shares of GFT (“Series C”) were authorized with a par value of $.001. No shares were outstanding at December 31, 2009 but were outstanding at the time of the Combination and redemption due to the mandatory conversion of Series B preferred shares to Series C preferred shares. The Series C preferred shares (“Series C”) ranked senior to Series D preferred shares. The holder of Series C shares were entitled to receive dividends at the rate of 7% per annum. Dividends were cumulative and payable on each anniversary of the issue date commencing with the sixth anniversary of the issue date. The redemption value was equal to the issue price of the shares plus all unpaid, accreted interest. The Company had the right at any time to redeem Series C shares. The holders of Series C preferred shares, except as otherwise expressly provided by applicable law in the certificate of incorporation, were not entitled to vote.

Mandatorily redeemable Series D

As of December 31, 2009, 62,000 Series D preferred shares of GFT (“Series D”) were authorized and outstanding with a par value of $.001 per share. The holders of Series D preferred shares (“Series D”) were entitled to receive dividends at the rate of 6% per annum. In the event that all outstanding shares of Series D were not redeemed on the mandatory redemption date, the remaining outstanding shares of Series D were to continue to accrue dividends at the annual rate of 8% from the mandatory redemption date to the date on which there were no longer any shares of Series D outstanding. Dividends were cumulative and payable at the mandatory redemption date. The redemption value was equal to the issue price of the shares plus all unpaid, accreted interest. The Company had the right at any time to redeem Series D shares. The holders of Series D preferred shares, except as otherwise expressly provided by applicable law in the certificate of incorporation, were not entitled to vote. Due to the terms of the Series D preferred stock, the Company recorded the value of the outstanding shares plus accreted interest as a liability and accrued dividends are included in earnings as interest expense.

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7. Income taxes

The components of the Company's income before tax for the years ended December 31, 2008, 2009 and 2010 are as follows:

	2008	2009	2010
			(in thousands)
United States	$42,391	$18,026	$24,162
Non United States	25,358	13,818	20,184
Income from continuing operations before taxes	$67,749	$31,844	$44,346

The Company's provision (benefit) for income taxes from continuing operations for the years ended December 31, 2008, 2009 and 2010 are as follows:

	2008	2009	2010
			(in thousands)
Current			
United States Federal and state	$24,341	$ 4,334	$13,869
Non-United States	13,429	8,111	7,606
Total Current	37,770	12,445	21,475
Deferred			
United States Federal and state	(496)	(2,241)	132
Non-United States	(4,336)	807	(1,310)
Total Deferred	(4,832)	(1,434)	(1,178)
Provision for income tax expense	$32,938	$11,011	$20,297

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The reconciliation between the actual provision for income taxes from continuing operations and that computed by applying the United States statutory rate to income from continuing operations before income tax and noncontrolling interests are outlined below. In 2008 and 2009, the United States statutory rate for purposes of this reconciliation is less than the corporate statutory rate of 35% as certain of the companies party to the Combination were subject to tax at 34% for United States purposes, which differs from the 35% that the Company is subject to in 2010.

	2008		2009		2010	
					(In thousands)	
Income tax expense at the statutory rate	$23,374	34.5%	$11,048	34.7%	$15,521	35.0%
Change resulting from						
Impairment of goodwill and other intangible assets	11,497	17.0%	—	—	—	—
State taxes, net of federal tax benefit	1,131	1.7%	423	1.3%	1,172	2.6%
Non-United States operations	(1,090)	(1.6)%	(2,003)	(6.3)%	(1,273)	(2.9)%
Nondeductible expenses	1,636	2.4%	797	2.5%	3,936	8.9%
Domestic incentives	(779)	(1.1)%	(446)	(1.4)%	(1,107)	(2.5)%
Prior year federal, non-U.S. and state tax	(3,698)	(5.5)%	2,048	6.4%	1,431	3.2%
Other	867	1.2%	(856)	(2.7)%	617	1.4%
	$32,938	48.6%	$11,011	34.5%	$20,297	45.7%

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The primary components of deferred taxes include:

	2009	2010
		(in thousands)
Deferred Tax Assets		
Reserves and accruals	$ 3,249	$ 4,788
Inventory	4,868	5,091
Stock awards	787	2,668
Interest rate swaps	1,670	1,442
Non-United States tax credit carryforwards	2,831	3,541
NOL and other tax credit carryforwards	2,223	1,579
Other	1,648	19
Total deferred tax assets	17,276	19,128
Deferred Tax Liabilities		
Property and equipment	(3,529)	(4,235)
Goodwill and intangible assets	(25,593)	(23,487)
Unremitted non-United States earnings	(650)	(740)
Prepaid expenses and other	(1,171)	(2,419)
Total deferred tax liabilities	(30,943)	(30,881)
Net deferred tax liabilities	$ (13,667)	$ (11,753)

At December 31, 2010, the Company had $3.7 million of United States net operating loss carryforwards that expire in 2027. The company also had $1.0 million of non-United States foreign net operating loss carryforwards with indefinite expiration dates. All of the United States net operating losses relate to companies acquired by the Company. Use of these losses are subject to limitations under Section 382 of the Internal Revenue Code. The Company anticipates being able to fully utilize the losses prior to their expiration.

At December 31, 2010, the Company had $3.5 million of foreign tax credit carryforwards that are expected to be utilized in the carryforward period.

Goodwill from certain acquisitions is tax deductible due to the acquisition structure as an asset purchase or due to tax elections made by the Company and the respective sellers at the time of acquisition.

The Company is required to evaluate whether it is more likely than not that deferred tax assets will be realized. The Company believes that it is more likely than not that deferred tax assets at December 31, 2009 and 2010 will be utilized to offset future taxable income and the reversal of taxable temporary differences. Consequently, no valuation allowance has been recorded in the financial statements.

The Company is required to evaluate the need to provide United States income taxes on the undistributed earnings of non-United States subsidiaries. Taxes are provided as necessary with

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respect to non-United States earnings that are not permanently reinvested. For all other non-United States subsidiaries, no United States taxes are provided because such earnings are intended to be reinvested indefinitely to finance non-United States activities.

The Company is the parent of a group of domestic companies which are included in the United States consolidated federal tax income short-period tax return. As a result of the Combination in August 2010, the Company will file pre-acquisition tax returns for all of the parties to the Combination except FOT. The Company will file a 2010 consolidated tax return which will include the full year earnings of FOT and the post-combination earnings of the other companies. The Company also files income tax returns in various states and non-United States jurisdictions. With few exceptions, the Company is no longer subject to income tax examination by tax authorities in these jurisdictions prior to 2007.

The Company accounts for uncertain tax positions in accordance with guidance in FASB ASC 740 which prescribes the minimum recognition threshold a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. A reconciliation of the beginning and ending amount of uncertain tax positions is as follows:

	(In thousands)
Balance at January 1, 2010	$ 542
Additional based on tax positions related to prior years	1,553
Reduction based on tax positions related to prior years	—
Balance at December 31, 2010	$ 2,095

The total amount of uncertain tax positions that, if recognized, would affect the Company's effective tax rate was approximately $1.7 million as of December 31, 2010. The difference between this amount and the amount reflected in the tabular reconciliation above relates primarily to deferred United States federal and non-United States income tax benefits on uncertain tax positions related to United States federal and non-United States income taxes. The Company does not anticipate any significant changes to the unrecognized tax benefits within the next twelve months.

The Company recognizes interest and penalties related to uncertain tax positions within the provision for income taxes in the consolidated statement of income. As of December 31, 2009 and 2010, we had accrued approximately $0.1 million and $0.1 million, respectively, in interest and penalties. During the year ended December 31, 2009, we recognized $0.1 million in net interest and penalties charges related to uncertain tax positions. During the year ended December 31, 2010, we recognized no change in the interest and penalties related to uncertain tax positions.

As of December 31, 2010, the uncertain tax positions and accrued interest and penalties were not expected to be settled within one year and therefore are classified with other long-term liabilities. Increases as a result of positions taken during 2010 or in prior years were $1.6 million of which approximately $0.1 million were offset by tax benefits recognized in the current year

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and therefore did not have an impact on the effective tax rate in 2010. The remaining $1.5 million increase relates primarily to uncertain tax positions that were not previously accrued and, consequently had an unfavorable impact on the effective tax rate in 2010.

8. Derivatives

As of December 31, 2010, the Company had interest rate swap agreements to convert variable interest payments related to $49 million of floating rate debt to fixed interest payments. These swaps expire in March and November 2011 and have a weighted average fixed rate of 5.1% plus the applicable margin. As of December 31, 2010, the Company also had an interest rate collar arrangement to reduce the variability in interest payments related to $20 million in floating rate debt. This interest rate collar instrument expires in November 2011 and has a floor interest rate of 4.36%, plus the applicable margin, and a cap interest rate of 5.36%, plus the applicable margin. The Company's balance sheet at December 31, 2009 and 2010 included a derivative liability of approximately $4.3 million and $2.2 million, respectively.

These instruments, which the Company has designated as cash flow hedging instruments, meet the specific hedge criteria provided by the derivatives and hedging accounting guidance and any changes in their fair values are recognized in accumulated other comprehensive income or loss. Since the terms of the hedged item and the instruments substantially coincide, the hedge is expected to offset changes in expected cash flows due to fluctuations in the variable rate and, therefore, the Company currently does not expect any ineffectiveness.

The counterparties to the Company's interest rate swap agreements are major international financial institutions with good credit ratings so nonperformance is not expected from them.

Certain derivative instruments were not designated for hedge accounting at inception. These derivatives are also recorded at fair value, which is measured using the market approach valuation technique. GFT and Triton had entered these interest rate swap agreements to hedge the interest rate risk exposure associated with a their respective debt. At December 31, 2009, the fair value of the swap agreements was recorded as a current and long-term liability of $0.4 million and $1.3 million, respectively. At December 31, 2010, the fair value of the swap agreements was recorded as a long-term liability of $2.2 million. Related to these swaps, the Company recorded $1.0 million of interest expense and $0.4 million as interest income in the year ended December 31, 2009 and 2010, respectively.

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Our financial assets and liabilities are measured at fair value on a recurring basis. There were no outstanding financial assets as of December 31, 2009 and 2010. The following fair value hierarchy table presents information about the Company's financial liabilities measured at fair value on a recurring basis as of December 31, 2009 and 2010:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance as of December 31, 2009
				(in thousands)
Liabilities				
Interest rate derivatives	$ —	$ —	$ 6,007	$ 6,007
Total Liabilities	$ —	$ —	$ 6,007	$ 6,007

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance as of December 31, 2010
				(in thousands)
Liabilities				
Interest rate derivatives	$ —	$ —	$ 4,356	$ 4,356
Total Liabilities	$ —	$ —	$ 4,356	$ 4,356

The following table sets forth a reconciliation of changes for the years ended December 31, 2008, 2009 and 2010 in the fair value of financial liabilities classified as Level 3 in the fair value hierarchy.

	December 31,		
	2008	2009	2010
		(in thousands)	
Balance at beginning of period	$(2,254)	$(6,618)	$(6,007)
Total Gains or (Losses) (Realized or Unrealized):			
Included in Earnings	(809)	(1,001)	(441)
Included in Other Comprehensive Income	(3,555)	1,612	2,092
Purchases, Issuances and Settlements	—	—	—
Transfers In and/or Out of Level 3	—	—	—
Balance at end of period	$(6,618)	$(6,007)	$(4,356)

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9. Commitments and contingencies

Litigation

In the ordinary course of business, the Company is, and in the future, could be involved in various pending or threatened legal actions, some of which may or may not be covered by insurance. Management has reviewed pending judicial and legal proceedings, reasonably anticipated costs and expenses in connection with such proceedings, and availability and limits of insurance coverage, and has established reserves that are believed to be appropriate in light of those outcomes that are believed to be probable and can be estimated. The reserve accrued at December 31, 2010 is insignificant. In the opinion of management, the amount of ultimate liability, if any, with respect to these actions will not have a material adverse effect on the Company's financial statements.

Portland Harbor Superfund litigation

In May 2009, one of our subsidiaries (which is presently a dormant company with nominal assets except for rights under insurance policies) was named along with many defendants in a suit filed by the Port of Portland, Oregon seeking reimbursement of costs related to a five-year study of contaminated sediments at the port. In March 2010, the subsidiary also received a notice letter from the EPA indicating that it had been identified as a potentially responsible party with respect to environmental contamination in the "study area" for the Portland Harbor Superfund Site. Under a 1997 indemnity agreement, our subsidiary is indemnified by a third party with respect to losses relating to environmental contamination. As required under the indemnity agreement, our subsidiary provided notice of these claims, and the indemnitor has assumed responsibility and is providing a defense of the claims. Although we believe that it is unlikely that our subsidiary contributed to the contamination at the Portland Harbor Superfund Site, the potential liability of our subsidiary and the ability of the indemnitor to fulfill its indemnity obligations cannot be quantified at this time.

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Operating leases

The Company has operating leases for warehouse, office space, manufacturing facilities and equipment. The leases generally require the Company to pay certain expenses including taxes, insurance, maintenance, and utilities. The minimum future lease commitments under noncancelable leases in effect at December 31, 2010 are as follows for the respective years ended December 31:

	(In thousands)
2011	$ 10,033
2012	6,758
2013	4,339
2014	2,327
2015	1,403
Thereafter	6,236
	$ 31,096

Total rent expense was $7.5 million, $9.2 million and $11.6 million under operating leases for the years ended December 31, 2008, 2009 and 2010, respectively.

Letters of credit and guarantees

The Company executes letters of credit and guarantees in the normal course of business to secure the delivery of product from specific vendors and also to guarantee the Company fulfilling certain performance obligations relating to certain large contracts. At December 31, 2010, the Company had $9.4 million in letters of credit and guarantees.

10. Stockholders' equity and employee benefit plans

Combination

On August 2, 2010, the Company completed the Combination pursuant to which the shareholders of the companies exchanged all of their common stock for common stock of FOT. In conjunction with the Combination, FOT changed its name to Forum Energy Technologies, Inc.

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The shareholders received the following number of FET shares for each share of the respective companies.

Triton	.3562 shares
Subsea	.3168 shares
Global Flow	.9886 shares
Allied	.4623 shares

In conjunction with the Combination, other events occurred including;

- the conversion of options to purchase shares of the legacy companies' shares to options to purchase FET shares,
- the conversion of certain restricted legacy shares to FET restricted shares,
- conversion of certain legacy options and shares to cash
- an offer by the majority shareholder to purchase shares from other shareholders, and
- an offer for shareholders to purchase additional FET shares.

Conversion of options and restricted shares

FOT

While FOT changed its name to FET, option holders of FOT common stock retained their options unchanged. FOT restricted stock was also unchanged due to the Combination.

Allied, GFT and SSI options

The options related to Allied, GFT and Subsea were converted based on the conversion ratios described above. The respective exercise price changed in proportion so that the total expected proceeds from the now converted options to purchase FET shares would be the same as the expected proceeds from the legacy options.

Triton Series A and B units

Triton had issued Series A and B time-based management units which vested over time into common units. Depending on certain factors such as whether the person was an accredited investor or the person's country of residency, the Series A units converted into:

- options to purchase FET shares at a ratio of .25 options per each Series A unit, or
- restricted or unrestricted FET shares based on the legacy vesting schedule at a ratio of .171 share per each Series A unit, and/or cash.

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Depending on certain factors, the Series B units converted into:

- options to purchase FET shares at a ratio of .4809 options per each Series B unit, or
- cash.

SSI and GFT convertible preferred stock

In 2008 and 2009, SSI granted to its major shareholder and to certain members of management 7,055 restricted convertible preferred stock awards. The preferred stock accrued an 18% cumulative and compounding dividend payable in common stock. Accrued but not declared dividends amounted to $2.0 million at December 31, 2009. In conjunction with the Combination, these shares and the accrued common stock dividends were converted to SSI common stock and, in turn, converted to FET shares at the applicable ratio.

As of December 31, 2009, in relation to GFT's convertible preferred shares, 62,000 shares were outstanding with a par value of $.001 per share. The Series A preferred stock ("Series A") ranked senior to all other GFT capital stock. In conjunction with the Combination, these shares were converted to FET shares at the applicable ratio.

Allied and GFT redeemable preferred shares

The redeemable preferred shares previously issued by Allied and GFT were redeemed for cash in conjunction with the Combination. See more discussion under the "Debt and redeemable preferred shares" footnote.

Offer to purchase shares

In conjunction with the Combination, the Company purchased 87,938 FET shares or approximately $25 million at a price of $284.29 each share. The amount is included in Treasury Stock in the Company's Consolidated Balance Sheet.

Offer to sell shares

In conjunction with the Combination, the Company offered to sell FET shares to certain accredited investors at a price of $284.29 per share. In addition to this offer, purchasers obtained a warrant to purchase additional FET shares equal to one-half of the number of FET shares purchased. The warrants are discussed below. Detail of the purchased shares is as follows:

Purchaser	Shares purchased	Amount	Warrants granted
Majority shareholder	175,876	$50.0 million	87,938
All others	42,660	$12.1 million	21,321

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Capital from the majority shareholder

In addition to the above $50 million from the majority shareholder, the same shareholder is committed to purchasing an additional $50 million of common shares by August 2011. The commitment to purchase the shares is at a price per share of $284.29 plus a 5% annual increase or approximately $298.50 per share at August 2011. Similar to the initial purchase of shares, the shareholder will receive a warrant to purchase a share of common stock for every two shares purchased. Based on the August 2011 price, warrants of 83,752 would be issued.

Warrants

The warrants issued pursuant to the above offers to sell shares have an initial exercise price of $284.29 per FET share and are exercisable any time up to the expiration date. The exercise price increases 0.5% at the end of each month which equates to an annual increase of 6%. The warrants expire the earlier of five years from the initial issuance or 2.5 years after the consummation of an initial public offering of the Company stock or if other events occur such as a merger with another company.

The warrants outstanding as of December 31, 2010 were recorded to stockholders' equity at their fair value. A fair value of $71.62 per warrant was determined using the Black-Scholes pricing model with the following assumptions:

- Expected life of 5 years
- Volatility of 36.2%
- Dividend yield of 0%
- Risk-free interest rate of 2.05%

Employee benefit plans

Each of the legacy entities maintained separate employee savings plans such as contributory profit sharing plans and/or 401(k) savings plan, which benefit eligible employees. Employees are allowed to make contributions to the respective plan in which they participate up to certain limits. The companies made employer contributions either at their discretion or as a matching percentage. The expense under these various plans were $3.5 million, $2.9 million and $3.3 million for the years ended December 31, 2008, 2009 and 2010, respectively.

11. Stock based compensation

FET share-based compensation plan

In August 2010, the Company created the 2010 Stock Incentive Plan (the "Plan") to allow for employees, directors and consultants of the Company and its subsidiaries to maintain stock ownership in the Company through award of stock options, restricted stock or any combination thereof. When certain legacy Triton units were converted, the options granted in 2010 were from this Plan.

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Stock options

The exercise price of each option is based on the fair value of the Company's stock at the date of grant. Options may be exercised over a ten-year period and generally vest annually in equal increments over four years. The Company's policy for issuing stock upon a stock option exercise is to issue new shares. The following tables provide additional information related to the options:

2010 Activity	Number of shares	Weighted average exercise price	Remaining weighted average contractual life in years	Intrinsic value (in thousands)
Beginning balance	—	$ —		$ —
Granted	133,782	284		
Exercised	—	—		
Forfeited	—	—		
Total outstanding	133,782	284	9.6	$ 7,453
Options exercisable	—	$ —	—	$ —

The above intrinsic value at December 31, 2010, is the amount by which the fair value of the underlying share exceeds the exercise price of an option as of December 31, 2010.

The assumptions used in the Black-Scholes to estimate the fair value of the options granted in 2010 are as follows:

	2010
Weighted average fair value	$ 105
Assumptions	
Expected life (in years)	6.25
Volatility	34%
Dividend yield	0.0%
Risk free interest rate	1.54% - 2.0%

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FOT share-based compensation plan

FOT's 2005 Stock Incentive Plan (the "FOT Plan") permitted employees, directors and consultants of FOT and its subsidiaries to maintain stock ownership in the Company through award of stock options, restricted stock or any combination thereof. For stock options, the exercise price of each option is based on the fair value of the Company's stock at the date of grant and the options may be exercised over a five-year period and vest annually in equal increments over three or four years. The Company's policy for issuing stock upon a stock option exercise is to issue new shares. The following tables provide additional information related to the options:

2008 Activity	Number of shares	Weighted average exercise price	Remaining weighted average contractual life in years	Intrinsic value (in thousands)
Beginning balance	34,079	$ 215		$ —
Granted	4,610	320		
Exercised	(706)	132		
Forfeited	(5,702)	273		
Total outstanding	32,281	221	3.1	$ 2,222
Options exercisable	9,870	156	2.6	$ 1,325

2009 Activity	Number of shares	Weighted average exercise price	Remaining weighted average contractual life in years	Intrinsic value (in thousands)
Beginning balance	32,281	$ 221		$ —
Granted	11,380	225		
Exercised	(607)	125		
Forfeited	(6,539)	190		
Total outstanding	36,515	230	2.9	$ —
Options exercisable	9,543	161	1.6	$ 614

2010 Activity	Number of shares	Weighted average exercise price	Remaining weighted average contractual life in years	Intrinsic value (in thousands)
Beginning balance	36,515	$ 221	2.9	$ —
Granted	—	—		
Exercised	(500)	100		
Forfeited	(1,900)	181		
Total outstanding	34,115	234	2.9	$ —
Options exercisable	24,742	223	1.4	$ 2,890

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The intrinsic value of options exercised during 2008 was approximately $0.1 million. The above intrinsic value at December 31, 2008, is the amount by which the fair value of the underlying share exceeds the exercise price of an option as of December 31, 2008.

The intrinsic value of the options exercised during 2009 was approximately $0.1 million. The above intrinsic value at December 31, 2009, is the amount by which the fair value of the underlying share exceeds the exercise price of an option as of December 31, 2009.

The intrinsic value of the options exercised during 2010 was approximately $0.1 million. The above intrinsic value at December 31, 2010, is the amount by which the fair value of the underlying share exceeds the exercise price of an option as of December 31, 2010.

The assumptions used in the Black-Scholes to estimate the fair value of the options granted in 2008 and 2009 are as follows:

	2008	2009
Weighted average fair value	$ 72.22	$ 67.01
Assumptions		
Expected life (in years)	3.8	3.8
Volatility	25.2%	38.9%
Dividend yield	0.0%	0.0%
Risk free interest rate	2.10%	0.32%

Allied share-based compensation plan

Stock option awards granted under the Allied plan generally vest over a four-year period, with one-fourth vesting in each successive year so that the option is fully exercisable after four years. Such awards generally have ten-year contractual terms.

The following provides additional information related to the options:

2008 Activity	Number of shares	Weighted average exercise price	Remaining weighted average contractual life in years	Intrinsic value (in thousands)
Beginning balance	24,905	$ 216		$ 1,835
Granted	1,225	216		
Exercised	—	—		
Forfeited	(832)	216		
Total outstanding	25,298	216	9.0	$ 1,864
Options exercisable	16,317	216	9.0	$ 1,202

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2009 Activity	Number of shares	Weighted average exercise price	Remaining weighted average contractual life in years	Intrinsic value (in thousands)
Beginning balance	25,298	$ 216	9.0	$ 1,864
Granted	1,987	216		
Exercised	(23)	216		
Forfeited	(184)	216		
Total outstanding	27,078	216	8.2	$ 235
Options exercisable	18,624	$ 216	8.0	$ 162

2010 Activity	Number of shares	Weighted average exercise price	Remaining weighted average contractual life in years	Intrinsic value (in thousands)
Beginning balance	27,078	$ 216	8.2	$ 235
Granted	—	—		
Exercised	—	—		
Forfeited	(14,064)	216		
Total outstanding	13,014	216	7.2	$ 1,610
Options exercisable	8,458	$ 216	7.0	$ 1,046

The assumptions used in the Black-Scholes to estimate the fair value of the options granted in 2008 and 2009 are as follows:

	2008	2009
Weighted average fair value	$ 29.50	$ 38.87
Assumptions		
Expected life (in years)	6.25	6.25
Volatility	45%	50%
Dividend yield	0.0%	0.0%
Risk free interest rate	4.25%	2.79%

GFT share based compensation plan

GFT had its 2005 Stock Incentive Plan (“the GFT Plan”) which provided for the granting of nonqualified stock options, restricted stock awards, or any combination of the foregoing, as is best suited to the circumstances of the particular employee, consultant or director as provided herein. Option awards under the Plan vest 33% on the first anniversary of the grant date and 33% each year for the following two years and expire seven years from the grant date.

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The following provides additional information related to the options:

2008 Activity	Number of shares	Weighted average exercise price	Remaining weighted average contractual life in years	Intrinsic value (in thousands)
Beginning balance	17,093	$ 133	5.9	$ 3,104
Granted	—			
Exercised	—			
Forfeited	—			
Total outstanding	17,093	133	4.9	$ 2,691
Options exercisable	8,217	120	4.9	$ 1,391

2009 Activity	Number of shares	Weighted average exercise price	Remaining weighted average contractual life in years	Intrinsic value (in thousands)
Beginning balance	17,093	$ 133	4.9	$ 2,691
Granted	—			
Exercised	—			
Forfeited	(1,088)	133		
Total outstanding	16,005	133	3.9	$ 1,467
Options exercisable	13,346	127	3.8	$ 1,305

2010 Activity	Number of shares	Weighted average exercise price	Remaining weighted average contractual life in years	Intrinsic value (in thousands)
Beginning balance	16,005	$ 133	3.9	$ 1,467
Granted	—			
Exercised	—			
Forfeited	(1,212)	129		
Total outstanding	14,793	134	2.9	$ 3,052
Options exercisable	14,793	134	2.9	$ 3,052

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SSI share-based compensation plan

Effective January 2007, the Company established the Subsea Services International, Inc. 2007 Stock Incentive Plan ("SSI Plan"). Awards granted under this plan generally vest over three years and have a six year contractual term. The following provides more information related to these options:

2008 Activity	Number of shares	Weighted average exercise price	Remaining weighted average contractual life in years	Intrinsic value (in thousands)
Beginning balance	1,467	$ 316	6.2	$ —
Granted	—			
Exercised	—			
Forfeited	(525)	316		
Total outstanding	942	316	5.2	$ —
Options exercisable	314	316	4.4	$ —

2009 Activity	Number of shares	Weighted average exercise price	Remaining weighted average contractual life in years	Intrinsic value (in thousands)
Beginning balance	942	$ 316	5.2	$ —
Granted	587	316		
Exercised	—			
Forfeited				
Total outstanding	1,529	316	4.2	$ —
Options exercisable	629	316	3.4	$ —

2010 Activity	Number of shares	Weighted average exercise price	Remaining weighted average contractual life in years	Intrinsic value (In thousands)
Beginning balance	1,529	$ 316	4.2	$ —
Granted	316	316		
Exercised	—			
Forfeited	—	—		
Total outstanding	1,845	316	3.2	$ 45
Options exercisable	1,137	316	2.4	$ 28

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Restricted stock for FET combined

Restricted stock vests over a three or four year period from the date of grant. Further information about the restricted stock follows:

	Restricted stock
2008 Activity	
Nonvested at the beginning of the year	18,932
Granted	2,142
Vested	(8,686)
Cancelled	(250)
Nonvested at the end of the year	12,138
2009 Activity	
Nonvested at the beginning of the year	12,138
Granted	1,248
Vested	(5,498)
Cancelled	(600)
Nonvested at the end of the year	7,288
2010 Activity	
Nonvested at the beginning of the year	7,288
Granted	6,576
Vested	(4,133)
Cancelled	(649)
Nonvested at the end of the year	9,082

The weighted average grant date fair value of the restricted stock was $341, $225 and $282 per share during the years ended December 31, 2008, 2009 and 2010, respectively.

For all the plans, the total amount of compensation expense recorded was approximately $2.9 million, $3.3 million and $5.1 million for the years ended December 31, 2008, 2009 and 2010, respectively. As of December 31, 2010, the Company expects to record compensation expense of approximately $15.6 million over the remaining term of the restricted stock and options of approximately four years. Future stock option grants will result in additional compensation expense.

12. Related party transactions

FOT has related party transactions, including sales and leasing activity with certain former owners of acquired companies or certain stockholders. The dollar amounts related to these related party activities are not significant to the Company's consolidated financial statements. For GFT, in conjunction with the acquisition of one of its subsidiaries, the Company entered into various operating lease agreements with the former principals for office and warehouse space. For the

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years ended December 31, 2008, 2009 and 2010, the Company paid $0.3 million each year in lease payments to these affiliates. GFT also utilizes a certain agent, which is owned by a former owner. The amount paid to this agent for the years ended December 31, 2009 and 2010 was $0.2 million each year.

Allied leases two facilities from a stockholder in FET. Allied paid $0.7 million, $0.8 million and $0.9 million in lease payments for the years ended December 31, 2008, 2009 and 2010, respectively. Allied purchased inventory and services from a shareholder of $5.0 million, $3.1 million and $4.2 million from a shareholder for the years ended December 31, 2008, 2009 and 2010, respectively. The Company sold $0.1 million, $1.6 million and $0.1 million of equipment and services to a shareholder during the years ended December 31, 2008, 2009 and 2010, respectively.

13. Business segments

The Company’s operations are divided into the following segments: (1) Drilling and Subsea and (2) Production and Infrastructure and (3) Corporate. Our Drilling and Subsea segment designs, manufactures, and provides products and related services to the drilling and intervention sectors as well as to the subsea services and construction sectors. The company’s Production and Infrastructure segment designs, manufactures and provides surface process and pipeline equipment, specialty pipeline construction equipment, a broad range of valves, surface completion and flow equipment, and offer supporting aftermarket services.

The Company’s reportable segments are strategic units that offer distinct products and services. They are managed separately since each business segment requires different marketing strategies due to customer specifications. The Company evaluates the performance of its reportable segments based on operating income. This segmentation is representative of the manner in which our Chief Operating Decision Maker (“CODM”) and our Board of Directors views the business. We consider the CODM to be the Chief Executive Officer.

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Summary financial data by segment follows (in thousands):

	Year ended December 31, 2008					
	Drilling and subsea	Production and infrastructure	Corporate	Consolidated	Gain/(Loss) on sale of assets not part of segment income	Total
Revenues	$ 658,804	$ 313,747	$ —	$ 972,551	$ —	$972,551
Depreciation and amortization	27,475	7,439	—	34,914	—	34,914
Operating income	67,041	22,728	—	89,769	619	90,388
Capital expenditures	32,066	7,576	—	39,642	—	39,642

	Year ended December 31, 2009					
	Drilling and subsea	Production and infrastructure	Corporate	Consolidated	Gain/(Loss) on sale of assets not part of segment income	Total
Revenues	$ 455,019	$ 222,359	$ —	$ 677,378	$ —	$677,378
Depreciation and amortization	30,296	8,142	—	38,438	—	38,438
Operating income	38,226	12,118	—	50,344	(137)	50,207
Capital expenditures	12,487	2,591	—	15,078	—	15,078
Total Assets	664,586	175,640	—	840,226	—	840,226
Goodwill	281,647	18,929	—	300,576	—	300,576

	Year ended December 31, 2010					
	Drilling and subsea	Production and infrastructure	Corporate	Consolidated	Gain/(Loss) on sale of assets not part of segment income	Total
Revenues	$ 474,306	$ 273,029	$ —	$ 747,335	$ —	$747,335
Depreciation and amortization	25,777	7,439	—	33,216	—	33,216
Operating income	53,533	22,614	(3,331)	72,816	461	73,277
Capital expenditures	13,188	6,436	—	19,624	—	19,624
Total assets	637,395	179,686	1,251	818,332	—	818,332
Goodwill	275,528	18,853	—	294,381	—	294,381

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated financial statements
December 31, 2008, 2009 and 2010 (continued)

For internal management reporting, and therefore in the above segment information, Corporate includes expenses associated with the Company's Corporate Office, as well as the Company's interest income, interest expense and acquisition-related costs of the Company.

Revenues by shipping location and long-lived assets by country were as follows (in thousands):

	Year ended December 31,		
	2008	2009	2010
Revenues:			
United States	$547,141	$352,578	$408,615
Canada	102,494	55,100	69,624
Latin America	18,697	28,300	26,228
Europe & Africa	173,673	131,600	119,204
Middle East	42,381	23,000	18,245
Asia-Pacific	88,165	86,800	105,419
Total revenues	$972,551	$677,378	$747,335

	Year ended December 31,	
	2009	2010
Long-lived assets:		
United States	$ 271,598	$ 254,615
Canada	16,969	17,545
Latin America	1,584	1,551
Europe & Africa	198,277	191,487
Middle East	3,264	3,251
Asia-Pacific	8,345	7,776
Total long lived assets	$ 500,037	$ 476,225

14. Acquisitions

During the year ended December 31, 2008, the Company completed the acquisition of six companies. There were no significant acquisitions in 2009 or 2010. The Company allocated the total purchase consideration to the assets acquired and liabilities assumed based on their respective fair values as of the acquisition date. In making its purchase price allocations, the assets and liabilities acquired in these acquisitions are valued based upon estimated fair values of the tangible assets and appraisals of the intangible assets. The estimates used in valuing all intangible assets were based upon assumptions believed to be reasonable at the date of acquisition. The 2008 acquisitions are discussed below.

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated financial statements
December 31, 2008, 2009 and 2010 (continued)

Dynamic Positioning Services Ltd.

In March 2008, the Company acquired Dynamic Positioning Services Ltd ("DPS"). Based in Aberdeen, Scotland, DPS specializes in equipment rental, product sales, engineering sales, engineering solutions and personnel supply to leading oil and gas companies worldwide. The financial operating results of DPS are included in the Company's consolidated financial statements beginning from March 14, 2008. The Company acquired DPS for total consideration of $84.9 million. Total consideration included $74.6 million in cash, contingent deferred loan notes of $3.4 million and common stock valued at $6.3 million. The Company incurred acquisition related fees and expenses of $0.6 million. Such consideration has been allocated to the assets acquired and liabilities assumed, including identifiable intangible assets, based on their respective fair values as of the acquisition date. Such allocation resulted in goodwill of $45.3 million. The following table summarizes the fair values of the assets acquired and the liabilities assumed as of the acquisition date (in thousands):

Cash and cash equivalents	$ 280
Accounts receivable	6,777
Inventory	350
Revenue equipment, property and equipment	20,823
Non-tax-deductible Goodwill	45,313
Intangible assets (primarily customer relationships)	17,655
Deferred tax asset	1,457
Other assets	6,923
Total assets acquired	99,578
Accounts payable	(3,022)
Accrued liabilities	(721)
Deferred tax liability	(4,943)
Other liabilities	(1,783)
Long-term debt	(4,160)
Total liabilities assumed	(14,629)
Total net assets acquired	$ 84,949

Associated Dynamic, Ltd.

In July 2008, the Company purchased Associated Dynamics, Ltd. ("ADI"). ADI is a wholesaler of bearings used in the drilling industry primarily selling to distributors and original equipment manufacturers. This acquisition provides access to a global distribution network for the Company's drilling consumables product line. The results of ADI's operations are included in the consolidated financial statements of the Company beginning August 1, 2008. The purchase was for cash of $17.6 million, plus common stock of the Company valued at $5.5 million. Such consideration has been allocated to the assets acquired and liabilities assumed, including identifiable intangible assets, based on their respective fair values as of the acquisition date. Such

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated financial statements
December 31, 2008, 2009 and 2010 (continued)

allocation resulted in goodwill of $7.3 million. The following table summarizes the fair values of the assets acquired and the liabilities assumed as of the acquisition date (in thousands):

Current assets, net of cash acquired	$12,952
Property and equipment	148
Other assets	323
Intangible assets (primarily customer relationships)	6,200
Non-tax-deductible goodwill	7,329
Current liabilities	(1,768)
Deferred income tax (asset) liability, net	(1,991)
Net assets acquired	$23,193
Cash consideration, net of cash acquired	$17,646
Issuance of stock	5,547
Total consideration	$23,193

Equipment and Technical Services Inc.

In December 2008, the Company acquired Equipment and Technical Services Inc. (“ETS”). Based in Houston, ETS specializes in equipment rental, sales and technical support to the marine and offshore industries. The financial operating results of ETS are included in the Company’s consolidated financial statements beginning from December 23, 2008. The Company acquired ETS for total consideration of $27.4 million. Total consideration included $17.0 million in cash and common stock valued at $8.5 million. The Company incurred acquisition related fees and expenses of $1.9 million. Such consideration has been allocated to the assets acquired and liabilities assumed, including identifiable intangible assets, based on their respective fair values as of the acquisition date. Such allocation resulted in goodwill of $14.6 million. The following table summarizes the fair values of the assets acquired and the liabilities assumed as of the acquisition date (in thousands):

Cash and cash equivalents	$ 1,185
Accounts receivable	5,278
Inventory	101
Revenue equipment, property and equipment	7,230
Non-tax-deductible Goodwill	14,578
Intangible assets (primarily customer relationships)	2,770
Other assets	529
Total assets acquired	31,671
Accounts payable	(889)
Accrued liabilities	(73)
Deferred tax liability	(1,069)
Other liabilities	(2,265)
Total liabilities assumed	(4,296)
Total net assets acquired	$27,375

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated financial statements
December 31, 2008, 2009 and 2010 (continued)

Other acquisitions

In addition to the acquisitions previously mentioned, the Company had three other acquisitions during the year ended December 31, 2008. Total consideration was $31.0 million, which consisted of $25.3 million in cash, loan notes of $2.1 million and common stock valued at $2.8 million. The Company incurred acquisition related fees and expenses of $0.8 million. Such consideration was allocated to the assets acquired and liabilities assumed, including identifiable intangible assets, based on their respective fair values as of the respective acquisition dates. The following table summarizes the fair values of the assets acquired and the liabilities assumed as of the acquisition dates (in thousands):

Cash and cash equivalents	$ 3,208
Accounts receivable	4,654
Revenue equipment, property and equipment	6,143
Non-tax-deductible Goodwill	13,962
Intangible assets (primarily customer relationships)	8,599
Other assets	165
Total assets acquired	36,731
Accounts payable	(1,149)
Accrued liabilities	(248)
Deferred tax liability	(2,711)
Other liabilities	(1,614)
Total liabilities assumed	(5,722)
Total net assets acquired	$31,009

Pro forma information related to the acquisition (unaudited)

The following table provides pro forma information related to the acquisitions (in thousands, except per share data):

	Year ended December 31, 2008
Revenue	$ 1,010,296
Net income	39,282
Basic earnings per share	30.76
Diluted earnings per share	30.08

The pro forma information for the year ended December 31, 2008 assumes the acquisitions listed above occurred at the beginning of the period.

The combined results of operations of the acquired businesses have been adjusted to reflect additional depreciation of fixed assets and amortization of intangible assets subject to amortization. Pro forma interest expense was calculated on notes payable and draws on the Company's available line of credit at a rate of 7%, as if the businesses were acquired at the beginning of the period.

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated financial statements
December 31, 2008, 2009 and 2010 (continued)

Although the Company believes the accounting policies and procedures used to prepare the pro forma schedules are reasonable, these pro forma results do not purport to be indicative of the actual results which would have been achieved had the acquisition been consummated on January 1, 2008. The amounts shown are not intended to be a projection of future results.

15. Discontinued operations

Due to deteriorating economic conditions and the uncertainty surrounding the political climate, during 2009 GFT discontinued the valve operations of its Venezuelan subsidiary. For the year ended December 31, 2008 and 2009, the subsidiary incurred losses of $0.4 million and $1.3 million, respectively.

The assets and liabilities classified as discontinued operations as of December 31, 2009 were as follows (in thousands):

	2009
Assets	
Accounts receivable	$230
Total assets of discontinued operations	$230
Liabilities	
Accounts payable	$ 10
Other liabilities	763
Total liabilities of discontinued operations	$773

The results of discontinued operations were as follows (in thousands):

	2008	2009
Net sales	$2,937	$ 104
Operating loss from discontinued operations	(396)	(1,342)
(Provision) benefit from income taxes	—	—
Loss from discontinued operations	$ (396)	$(1,342)

The Company has reclassified from continuing operations to discontinued operations, for periods presented, the results of operations and assets and liabilities for the subsidiary.

16. Subsequent events

The Company has evaluated subsequent events through the date these financial statements were issued.

Effective June 29, 2011, we amended our senior secured credit facility to, among other things, increase the commitment to $750 million. In conjunction with the acquisitions made subsequent to December 31, 2010, discussed below, the Company borrowed on its credit facility an amount of approximately $520 million.

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated financial statements
December 31, 2008, 2009 and 2010 (continued)

Subsequent to December 31, 2010, there were eight acquisitions, of which, the significant ones are discussed below.

In February 2011, the Company purchased Wood Flowline Products, LLC ("WFP"). WFP manufactures pressure control and flow equipment products that are principally used in the fracturing and well stimulation process. WFP also provides on-site recertification and refurbishment services of the associated flow equipment products. This acquisition provides the Company new exposure to the growing well completions sector, specifically focused on the development of North American unconventional shale and tight sands resources. The results of WFP's operations have been included in the Company's consolidated financial statements beginning February 1, 2011 and will be included in the Company's Production and Infrastructure segment. The Company incurred acquisition related fees and expenses of $0.4 million. WFP recorded revenue and earnings of $22.1 million and $4.9 million, respectively, from the time of acquisition through June 30, 2011. The purchase price included: (1) cash of $32.7 million, (2) 35,000 shares of common stock of the Company valued at $340 per share based on an internal valuation and (3) two separate contingent consideration payments which may be payable in cash and/or shares of Company stock based upon WFP's 2011 and 2012 calendar year earnings as defined in the purchase and sale agreement. The fair value of the contingent consideration was estimated to be $13.4 million based on an internal valuation of the earnings level that the acquired company is expected to achieve. The total consideration has been allocated on a preliminary basis to the assets acquired and liabilities assumed, including identifiable intangible assets, based on their respective fair values as of the acquisition date. The fair value of the contingent consideration payment was remeasured as of June 30, 2011 at $16.2 million and is included in "Contingent consideration liability" in the consolidated balance sheet. The change in fair value of $2.8 million is included in "Contingent consideration" in the consolidated statements of operations.

The following table summarizes the preliminary fair values of the assets acquired and the liabilities assumed as of the acquisition date (in thousands):

Current assets, net of cash acquired	$12,733
Property and equipment	3,239
Intangible assets (primarily customer relationships)	16,800
Non-tax-deductible goodwill	29,893
Current liabilities	(4,654)
Net assets acquired	$58,011

In April 2011, the Company purchased Phoinix Global LLC ("Phoinix"), a provider of high pressure flow control equipment and products utilized in the well stimulation and flow back processes of oil and gas well completion based in Alice, Texas. This acquisition adds to the Company's completion products capabilities through a product offering that includes fluid-ends for frac pressure pumps, plug valves, relief valves, chokes, manifolds, manifold trailers and flow equipment transport trucks. The results of the Phoinix operations have been included in the Company's consolidated financial statements beginning May 1, 2011 and will be included in the

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated financial statements
December 31, 2008, 2009 and 2010 (continued)

Company's Production and Infrastructure segment. The Company incurred acquisition related fees and expenses of $0.2 million. Phoinix recorded revenue and earnings of $10.6 million and $1.7 million, respectively, from the time of acquisition through June 30, 2011. The purchase price included: (1) cash of $23.6 million (subject to working capital adjustments), (2) 20,252 shares of common stock of the Company valued at $395 per share based on an internal valuation and (3) two separate contingent consideration payments which may be payable in cash based upon Phoinix's 2011 and 2012 calendar year earnings as defined in the purchase and sale agreement. The fair value of the contingent consideration was estimated to be $16.3 million based on an internal valuation of the earnings level that the acquired company is expected to achieve. The total consideration has been allocated on a preliminary basis to the assets acquired and liabilities assumed, including identifiable intangible assets, based on their respective fair values as of the acquisition date. The Company is still assessing the economic characteristics of certain customer relationships. The Company expects to substantially complete this assessment during the third quarter of 2011 and may adjust amounts recorded to reflect any revised evaluations. The fair value of the contingent consideration payment was remeasured as of June 30, 2011 at $19.3 million and is included in "Contingent consideration liability" in the consolidated balance sheet. The change in fair value of $3.0 million is included in "Contingent consideration" in the consolidated statements of operations.

The following table summarizes the preliminary fair values of the assets acquired and the liabilities assumed as of the acquisition date (in thousands):

Current assets, net of cash acquired	$11,496
Property and equipment	1,350
Intangible assets (primarily customer relationships)	17,600
Non-tax-deductible goodwill	24,570
Current liabilities	(7,132)
Net assets acquired	$47,884

In July 2011, the Company acquired Cannon Services ("Cannon"), based in Stafford, Texas, and is a provider of standard and customized clamp and stamped metal protection systems used to shield the downhole control lines and gauges during their installation and provide protection during production enhancement operations. The purchase price included: (1) $48.7 million of cash (subject to working capital adjustments) and (2) 20,944 shares of common stock. The results of Cannon's operations will be included in the Company's consolidated financial statements beginning July 1, 2011.

In July 2011, the Company acquired AMC Global Group, Ltd. ("AMC"), based in Aberdeen, Scotland, and designs and manufactures specialized torque equipment for tubular connections, including high torque stroking units, fully rotational torque units and portable torque units for field deployment and related control systems, and provides aftermarket service. The purchase price included: (1) $42.5 million of cash (subject to working capital adjustments) and (2) 16,200 shares of common stock. The results of AMC's operations will be included in the Company's consolidated financial statements beginning July 1, 2011.

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated financial statements
December 31, 2008, 2009 and 2010 (continued)

In July 2011, the Company acquired P-Quip, Ltd. (“P-Quip”), based in Kilbirnie, Scotland, a manufacturer of proprietary mud pump fluid end assemblies, mud pump rod systems, liner retention systems, valve cover retention systems and other drilling flow control products. The purchase price included $32.4 million of cash (subject to working capital adjustments). The results of P-Quip’s operations will be included in the Company’s consolidated financial statements beginning July 1, 2011.

On July 29, 2011, the Company acquired Davis-Lynch LLC (“Davis-Lynch”), a provider of proprietary, downhole cementing and casing products based in Pearland, Texas. The purchase price included $316.0 million of cash (subject to working capital adjustments). The results of Davis-Lynch’s operations will be included in the Company’s consolidated financial statements beginning August 1, 2011.

Forum Energy Technologies, Inc. and subsidiaries
Consolidated balance sheets
at December 31, 2010 and June 30, 2011

(Unaudited)

(in thousands of dollars, except share information)	December 31, 2010	June 30, 2011
Assets		
Current assets		
Cash and cash equivalents	$ 20,348	$ 66,137
Accounts receivable—trade, net	117,656	159,395
Inventories, net	173,777	217,024
Prepaid expenses and other current assets	18,051	13,998
Costs and estimated profits in excess of billings	3,660	18,555
Deferred income taxes, net	8,615	6,481
Total current assets	342,107	481,590
Property and equipment, net of accumulated depreciation	90,632	104,496
Deferred financing costs, net	6,458	7,749
Intangibles, net	80,159	111,613
Goodwill	294,381	358,433
Other long-term assets	4,595	4,630
Total assets	$ 818,332	$1,068,511
Liabilities and Equity		
Current liabilities		
Current portion of long-term debt and capital lease obligations	$ 3,209	$ 1,940
Accounts payable—trade	61,981	81,044
Accrued liabilities and other current liabilities	44,542	56,275
Contingent consideration liability	—	35,500
Deferred revenue	7,130	11,187
Billings in excess of costs and profits recognized	7,889	9,802
Derivative instruments	2,194	940
Total current liabilities	126,945	196,688
Long-term debt, net of current portion	204,715	279,668
Deferred income taxes, net	20,368	16,626
Derivative instruments	2,162	2,160
Other long-term liabilities	1,065	998
Total liabilities	355,255	496,140
Commitments and contingencies		
Equity		
Common stock, $0.01 par value, 8,000,000 shares authorized, 1,555,514 and 1,784,536 shares issued and outstanding, respectively	16	18
Additional paid-in capital	342,217	397,411
Warrants	7,825	27,097
Retained earnings	150,803	176,906
Treasury stock	(25,823)	(25,877)
Accumulated other comprehensive loss	(12,515)	(3,884)
Total stockholders' equity	462,523	571,671
Noncontrolling interest in subsidiary	554	700
Total equity	463,077	572,371
Total liabilities and equity	$ 818,332	$1,068,511

The accompanying notes are an integral part of these consolidated financial statements.

Forum Energy Technologies, Inc. and subsidiaries
Consolidated statements of income
for the six months ended June 30, 2010 and 2011

(Unaudited)

(in thousands of dollars, except share information)	Six months ended June 30, 2010	2011
Net sales	$349,290	$460,506
Cost of sales	245,957	324,517
Gross profit	103,333	135,989
Operating expenses		
Selling, general and administrative expenses	64,597	78,880
Contingent consideration	—	5,800
Transaction expenses	—	2,616
(Gain) loss on sale of assets	(123)	(420)
Total operating expenses	64,474	86,876
Income from operations	38,859	49,113
Other expense (income)		
Interest expense	9,242	7,689
Other, net	(981)	751
Total other expense (income)	8,261	8,440
Income before income taxes	30,598	40,673
Income tax expense	10,235	14,383
Net income	20,363	26,290
Less: Income attributable to noncontrolling interest	(73)	(187)
Net income attributable to common stockholders	$ 20,290	26,103
Weighted average shares outstanding		
Basic	1,309	1,591
Diluted	1,322	1,658
Earnings per share		
Basic	$ 15.50	$ 16.41
Diluted	15.35	15.74

The accompanying notes are an integral part of these consolidated financial statements.

Forum Energy Technologies, Inc. and subsidiaries Consolidated statement of changes in stockholders' equity For the six months ended June 30, 2011

(Unaudited)

(in thousands of dollars, except share information)	Common Stock Shares	Common Stock Amount	Additional paid in capital	Treasury stock	Warrants	Retained earnings	Accumulated other comprehensive income / (loss)	Total common Stockholders' equity	Non controlling Interest	Total Equity
Balance at December 31, 2010	1,555,154	$ 16	$ 342,217	$ (25,823)	$ 7,825	$150,803	$ (12,515)	$ 462,523	$ 554	$463,077
Stock issuance related to acquisitions	55,252	—	19,900	—	—	—	—	19,900	—	19,900
Stock issuance	168,236	2	49,998	—	—	—	—	50,000	—	50,000
Restricted stock issuance	755	—	—	—	—	—	—	—	—	—
Restricted stock purchase	4,075	—	1,610	—	—	—	—	1,610	—	1,610
Restricted stock withheld	(105)	—	—	(54)	—	—	—	(54)	—	(54)
Stock based compensation expense	—	—	2,664	—	—	—	—	2,664	—	2,664
Exercised stock options	1,084	—	163	—	—	—	—	163	—	163
Warrant issuance	—	—	(19,278)	—	19,278	—	—	—	—	—
Exercise of warrants	85	—	31	—	(6)	—	—	25	—	25
Excess tax benefits	—	—	106	—	—	—	—	107	—	107
Comprehensive income:										
Net income	—	—	—	—	—	26,103	—	26,103	187	26,290
Change in currency translation adj	—	—	—	—	—	—	7,814	7,814	(41)	7,773
Change related to derivative liabilities, net of tax	—	—	—	—	—	—	817	817	—	817
Comprehensive income	—	—	—	—	—	—	—	34,734	—	34,880
Balance at June 30, 2011	1,784,536	$ 18	$ 397,411	$ (25,877)	$ 27,097	$176,906	$ (3,884)	$ 571,671	$ 700	$572,371

The accompanying notes are an integral part of these consolidated financial statements.

Forum Energy Technologies, Inc. and subsidiaries
Consolidated statements of cash flows
For the six months ended June 30, 2010 and 2011

(Unaudited)

(in thousands of dollars, except share information)	Six months ended June 30, 2010	2011
Cash flows from operating activities		
Net income	$ 20,290	$ 26,103
Adjustments to reconcile net income to net cash provided by operating activities		
Change in contingent consideration	—	5,800
Share-based compensation expense	1,017	2,664
Depreciation expense	10,200	11,564
Amortization of deferred loan costs	259	960
Amortization of intangible assets	4,513	4,791
Loss (gain) on disposal of fixed assets	(113)	(251)
Deferred income taxes	468	(2,089)
Changes in operating assets and liabilities		
Accounts receivable—trade	(6,568)	(26,589)
Inventories	(5,730)	(30,782)
Prepaid expenses and other current assets	(231)	2,830
Cost and estimated profit in excess of billings	927	(14,287)
Accounts payable, deferred revenue and other accrued liabilities	7,039	19,353
Billings in excess of costs and estimated profits earned	(6,210)	1,839
Net cash provided by operating activities	25,861	1,906
Cash flows from investing activities		
Capital expenditures for property and equipment	(4,773)	(20,482)
Proceeds from sale of property and equipment	373	964
Capitalized costs related to patents	(645)	(58)
Acquisition of businesses, net of cash acquired	—	(65,249)
Net cash used in investing activities	(5,045)	(84,825)
Cash flows from financing activities		
Deferred financing costs	—	(2,252)
Borrowings due to Acquisitions	—	65,249
Borrowings on long-term debt	5,774	11,256
Repayment of long-term debt	(27,087)	—
Purchases of stock	(76)	—
Proceeds from stock issuance	19	51,804
Net cash provided by (used in) financing activities	(21,370)	126,057
Effect of exchange rate changes on cash	(691)	2,651
Net increase (decrease) in cash and cash equivalents	(1,245)	45,789
Cash and cash equivalents		
Beginning of period	26,894	20,348
End of period	$ 25,649	$ 66,137
Supplemental cash flow disclosures		
Interest paid	$ 11,373	$ 7,185
Income taxes paid	12,194	13,655
Noncash investing and financing activities		
Acquisition via contingent consideration and stock	$ —	$ 49,600

The accompanying notes are an integral part of these consolidated financial statements.

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated interim financial statements

(Unaudited)

1. Organization and basis of presentation

The accompanying consolidated financial statements of the Company include the accounts of Forum Energy Technologies, Inc. and its subsidiaries Forum Oilfield Technologies, Inc. (“FOT”), Triton Group Holdings LLC (“Triton”), Subsea Services International, Inc. (“SSI”), Global Flow Technologies, Inc. (“GFT”), Allied Production Services, Inc. (“Allied”) and, effective February 1, 2011, Wood Flowline Products, LLC and, effective April 30, 2011, Phoinix Global LLC and, effective May 31, 2011, Specialist ROV Tooling Services, Ltd.

All significant intercompany transactions have been eliminated in consolidation. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for the fair presentation have been included.

These interim financial statements are unaudited and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) regarding interim financial reporting. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States of America (“GAAP”) for complete consolidated financial statements and should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2010 included elsewhere in this prospectus.

2. Recent accounting pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board which are adopted by the Company as of the specified effective date. Unless otherwise discussed, management believes that the impact of recently issued standards, which are not yet effective, will not have a material impact on the Company’s consolidated financial statements upon adoption.

In June 2011, the Financial Accounting Standards Board (“FASB”) issued an update to ASC 220, *Presentation of Comprehensive Income*. This Accounting Standards Update (“ASU”) provides that an entity that reports items of other comprehensive income has the option to present comprehensive income in either 1) a single statement that presents the components of net income and total net income, the components of other comprehensive income and total other comprehensive income, and a total for comprehensive income; or 2) a two-statement approach which presents the components of net income and total net income in a first statement, immediately followed by a financial statement that presents the components of other comprehensive income, a total for other comprehensive income, and a total for comprehensive income. The option in current GAAP that permits the presentation of other comprehensive income in the statement of changes in equity was eliminated. The guidance will be applied retrospectively and is effective for the Company for annual periods beginning on January 1, 2012. Early adoption is permitted. The adoption of this guidance will not have a material impact on the Company’s financial statements.

In December 2010, the FASB issued FASB ASU 2010-28, which affects entities evaluating goodwill for impairment under FASB ASC 350-20. ASU 2010-28, among other things, requires entities with

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated interim financial statements (continued)
(Unaudited)

a zero or negative carrying value to assess, considering qualitative factors, whether it is more likely than not that goodwill impairment exists. If an entity concludes that it is more likely than not that goodwill impairment exists, the entity must perform step 2 of the goodwill impairment test. ASU 2010-28 is effective for impairment tests performed during an entity's fiscal year beginning after December 15, 2010, with early adoption not permitted. We do not believe the adoption of this ASU will have a material impact on the Company's financial position or results of operations.

3. Acquisition

Wood Flowline Products, LLC

In February 2011, the Company purchased Wood Flowline Products, LLC ("WFP"). WFP manufactures pressure control and flow equipment products that are principally used in the fracturing and well stimulation process. WFP also provides on-site recertification and refurbishment services of the associated flow equipment products. This acquisition provides the Company new exposure to the growing well completions sector, specifically focused on the development of North American unconventional shale and tight sands resources. The results of WFP's operations have been included in the Company's consolidated financial statements beginning February 1, 2011 and will be included in the Company's Production and Infrastructure segment. The Company incurred acquisition related fees and expenses of $0.4 million. WFP recorded revenue and earnings of $22.1 million and $4.9 million, respectively, from the time of acquisition through June 30, 2011. The purchase price included: (1) cash of $32.7 million, (2) 35,000 shares of common stock of the Company valued at $340 per share based on an internal valuation and (3) two separate contingent consideration payments which may be payable in cash and/or shares of Company stock based upon WFP's 2011 and 2012 calendar year earnings as defined in the purchase and sale agreement. The fair value of the contingent consideration was estimated to be $13.4 million based on an internal valuation of the earnings level that the acquired company is expected to achieve. The total consideration has been allocated on a preliminary basis to the assets acquired and liabilities assumed, including identifiable intangible assets, based on their respective fair values as of the acquisition date. The fair value of the contingent consideration payment was remeasured as of June 30, 2011 at $16.2 million and is included in "Contingent consideration liability" in the consolidated balance sheet. The change in fair value of $2.8 million is included in "Contingent consideration" in the consolidated statements of operations.

The following table summarizes the preliminary fair values of the assets acquired and the liabilities assumed as of the acquisition date (in thousands):

Current assets, net of cash acquired	$12,733
Property and equipment	3,239
Intangible assets (primarily customer relationships)	16,800
Non-tax-deductible goodwill	29,893
Current liabilities	(4,654)
Net assets acquired	$58,011

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated interim financial statements (continued)
(Unaudited)

Phoinix Global LLC

In April 2011, the Company purchased Phoinix Global LLC ("Phoinix"), a provider of high pressure flow control equipment and products utilized in the well stimulation and flow back processes of oil and gas well completion based in Alice, Texas. This acquisition adds to the Company's completion products capabilities through a product offering that includes fluid-ends for frac pressure pumps, plug valves, relief valves, chokes, manifolds, manifold trailers and flow equipment transport trucks. The results of the Phoinix operations have been included in the Company's consolidated financial statements beginning May 1, 2011 and will be included in the Company's Production and Infrastructure segment. The Company incurred acquisition related fees and expenses of $0.2 million. Phoinix recorded revenue and earnings of $10.6 million and $1.7 million, respectively, from the time of acquisition through June 30, 2011. The purchase price included: (1) cash of $23.6 million (subject to working capital adjustments), (2) 20,252 shares of common stock of the Company valued at $395 per share based on an internal valuation and (3) two separate contingent consideration payments which may be payable in cash based upon Phoinix's 2011 and 2012 calendar year earnings as defined in the purchase and sale agreement. The fair value of the contingent consideration was estimated to be $16.3 million based on an internal valuation of the earnings level that the acquired company is expected to achieve. The total consideration has been allocated on a preliminary basis to the assets acquired and liabilities assumed, including identifiable intangible assets, based on their respective fair values as of the acquisition date. The Company is still assessing the economic characteristics of certain customer relationships. The Company expects to substantially complete this assessment during the third quarter of 2011 and may adjust amounts recorded to reflect any revised evaluations. The fair value of the contingent consideration payment was remeasured as of June 30, 2011 at $19.3 million and is included in "Contingent consideration liability" in the consolidated balance sheet. The change in fair value of $3.0 million is included in "Contingent consideration" in the consolidated statements of operations.

The following table summarizes the preliminary fair values of the assets acquired and the liabilities assumed as of the acquisition date (in thousands):

Current assets, net of cash acquired	$11,496
Property and equipment	1,350
Intangible assets (primarily customer relationships)	17,600
Non-tax-deductible goodwill	24,570
Current liabilities	(7,132)
Net assets acquired	$47,884

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated interim financial statements (continued)
(Unaudited)

The following table provides pro forma information related to all acquisitions in the aggregate (in thousands, except per share data):

	Six months ended June 30, 2010	Six months ended June 30, 2011
Revenue	$ 373,796	$ 481,241
Net income	22,298	28,916
Basic earnings per share	16.35	17.57
Diluted earnings per share	16.19	16.88

The pro forma information for the six months ended June 30, 2010 and June 30, 2011 assumes the acquisitions listed above occurred as of January 1, 2010.

The combined results of operations of the acquired businesses have been adjusted to reflect additional depreciation of fixed assets and amortization of intangible assets subject to amortization. Pro forma interest expense was calculated on notes payable and draws on the Company's available line of credit at a rate of 4.7%, as if the businesses were acquired at the beginning of the period.

Although the Company believes the accounting policies and procedures used to prepare the pro forma schedules are reasonable, these pro forma results do not purport to be indicative of the actual results which would have been achieved had the acquisition been consummated on January 1, 2010. The amounts shown are not intended to be a projection of future results.

4. Inventories

The significant components of inventory are as follows:

	December 31, 2010	June 30 2011
		(in thousands)
Raw materials and parts	$ 63,234	$ 99,080
Work in process	19,534	16,393
Finished goods	101,115	112,446
	183,883	227,919
Inventory reserve	(10,106)	(10,895)
Inventories, net	$ 173,777	$217,024

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated interim financial statements (continued)
(Unaudited)

5. Goodwill and intangible assets

Goodwill

The changes in the amount of goodwill from January 1, 2011 to June 30, 2011, are as follows (in thousands):

Goodwill Balance at January 1, net	$294,381
Acquisition	58,931
Impact of non-United States local currency translation	5,121
Goodwill Balance at June 30, net	$358,433

Intangible assets

At December 31, 2010 and June 30, 2011, intangible assets consist of the following, respectively:

				December 31, 2010
	Gross carrying amount	Accumulated amortization	Net amortizable intangibles	Amortization period (in years)
				(in thousands)
Customer relationships	$ 70,837	$ (26,907)	$ 43,930	4-15
Patents and technology	5,764	(1,626)	4,138	5-17
Non-compete agreements	4,047	(3,598)	449	3-6
Trade names	15,312	(3,865)	11,447	10-15
Contracts	260	(260)	—	<1
Distributor relationships	22,160	(7,486)	14,674	8-15
Trademark	5,521	—	5,521	Indefinite
Intangible Assets Total	$ 123,901	$ (43,742)	$ 80,159	

				June 30, 2011
	Gross carrying amount	Accumulated amortization	Net amortizable intangibles	Amortization period (in years)
				(in thousands)
Customer relationships	$ 106,182	$ (30,328)	$ 75,854	4-15
Patents and technology	5,822	(1,939)	3,883	5-17
Non-compete agreements	4,960	(3,790)	1,170	3-6
Trade names	15,312	(4,171)	11,141	10-15
Contracts	260	(260)	—	<1
Distributor relationships	22,160	(8,116)	14,044	8-15
Trademark	5,521	—	5,521	Indefinite
Intangible Assets Total	$ 160,217	$ (48,604)	$ 111,613	

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated interim financial statements (continued)
(Unaudited)

6. Debt

Notes payable and lines of credit consist of the following:

	December 31, 2010	June 30, 2011
		(in thousands)
Senior secured revolving credit facility	$ 204,000	$279,615
Other debt	3,924	1,993
Total debt	207,924	281,608
Less: current maturities	(3,209)	(1,940)
Long-term debt	$ 204,715	$279,668

In conjunction with the Combination, FET entered into a senior secured credit facility with several financial institutions. The credit facility provided for a $450.0 million revolving credit facility, including up to $75.0 million of letters of credit and up to $25.0 million in swingline loans, and matures in August 2014. Effective June 29, 2011, we amended our senior secured credit facility to, among other things, increase the commitment to $750 million.

Interest is payable every 30, 60 or 90 days based on interest rate elections. Amounts outstanding are collateralized by substantially all of FET's assets. Weighted average interest rates (without the effect of hedging) at June 30, 2011 and December 31, 2010 were 4.5% and 3.0%, respectively. The credit facility allows management to elect how interest will be computed which may be determined by reference to the London interbank offered rate, or LIBOR, plus an applicable margin between 2.0% and 3.75% per annum or a base rate plus an applicable margin between 0.5% and 2.25% per annum (with the applicable margin depending upon FET's ratio of total funded debt to EBITDA).

This credit facility contains covenants which require FET to maintain certain financial ratios. These covenants are as follows:

- Total funded debt to EBITDA (as defined in the credit facility) of not more than 3.75 to 1.0 for periods ending through December 31, 2011; 3.50 to 1.0 for periods ending from January 1, 2012 through December 31, 2012; 3.25 to 1.0 for periods ending from January 1, 2013 through December 31, 2013 and 3.00 to 1.0 for periods ending thereafter;
- EBITDA to interest expense ratio (as defined in the credit facility) of not less than 3.0 to 1.0; and
- Total balance sheet debt to total capitalization (as defined in the credit facility) of not more than 0.65 to 1.0.

Availability under the credit facility, considering the covenants discussed above, was approximately $210 million and $292 million at December 31, 2010 and June 30, 2011, respectively. The Company was in compliance with the aforementioned financial covenants at December 31, 2010 and June 30, 2011.

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated interim financial statements (continued)
(Unaudited)

Subsequent to June 30, 2011, we had significant increases in our debt amount related to acquisitions. See footnote 13, Subsequent Events.

Other debt

Other debt consists primarily of upfront annual insurance premiums that have been financed and capital lease obligations.

Debt issue costs

In conjunction with entering into the senior secured facility, the Company incurred approximately $8.9 million in loan costs that have been capitalized and are amortized to interest expense over the term of the facility.

7. Income taxes

The Company's effective tax rates for the six months ended June 30, 2010 and 2011 were 33.4% and 35.4%, respectively. The tax provision for the first six months of 2011 is higher than the comparable period in 2010 primarily due to the fact that the applicable United States statutory rate for 2011 for the companies was 35%; however, in 2010, several of the companies in the Combination were taxed at the statutory rate of 34%.

8. Derivatives

The Company has an interest rate swap agreement to convert variable interest payments related to $34 million of floating rate debt to fixed interest payments. This swap expires in November 2011 and has a weighted average fixed rate of 4.9% plus the applicable margin. The Company also has an interest rate collar arrangement to reduce the variability in interest payments related to $20 million in floating rate debt. This interest rate collar instrument expires in November 2011 and has a floor interest rate of 4.36%, plus the applicable margin, and a cap interest rate of 5.36%, plus the applicable margin. The Company's balance sheet at December 31, 2010 and June 30, 2011 included a current derivative liability of $2.2 million and $0.9 million, respectively.

These instruments, which the Company has designated as cash flow hedging instruments, meet the specific hedge criteria provided by the derivatives and hedging accounting guidance and any changes in their fair values are recognized in accumulated other comprehensive income or loss. Since the terms of the hedged item and the instruments substantially coincide, the hedge is expected to offset changes in expected cash flows due to fluctuations in the variable rate and, therefore, the Company currently does not expect any ineffectiveness.

The counterparties to the Company's interest rate swap agreements are major international financial institutions with good credit ratings so nonperformance is not expected from them.

Certain derivative instruments were not designated for hedge accounting at inception. These derivatives are also recorded at fair value, which is measured using the market approach valuation technique. These interest rate swap agreements were entered into to hedge the

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated interim financial statements (continued)
(Unaudited)

interest rate risk exposure. At December 31, 2010 and June 30, 2011, the fair value of the swap agreements was recorded as a long-term liability of $2.2 million and $2.2 million, respectively.

Our financial assets and liabilities are measured at fair value on a recurring basis. There were no outstanding financial assets as of December 31, 2010 and June 30, 2011. The following fair value hierarchy table presents information about the Company's financial liabilities measured at fair value on a recurring basis as of December 31, 2010 and June 30, 2011:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance as of December 31, 2010
				(in thousands)
Liabilities				
Interest rate derivatives	$ —	$ —	$ 4,356	$ 4,356
Total Liabilities	$ —	$ —	$ 4,356	$ 4,356

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance as of June 30, 2011
				(in thousands)
Liabilities				
Interest rate derivatives	$ —	$ —	$ 3,100	$ 3,100
Total Liabilities	$ —	$ —	$ 3,100	$ 3,100

The following table sets forth a reconciliation of changes for the three-month period ended June 30, 2011 in the fair value of financial liabilities classified as Level 3 in the fair value hierarchy.

	(in thousands)
Balance at beginning of period	$ (4,356)
Total Gains or (Losses) (Realized or Unrealized):	
Included in Earnings	2
Included in Other Comprehensive Income	1,254
Purchases, Issuances and Settlements	—
Transfers In and/or Out of Level 3	—
Balance at end of period	$ (3,100)

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated interim financial statements (continued)
(Unaudited)

9. Business segments

The Company's operations are divided into three business segments, Drilling and Subsea ("D&S"), Production and Infrastructure ("P&I") and Corporate. Summary financial data by segment follows (in thousands):

	Six months ended June 30, 2010					
	D&S	P&I	Corp	Total segments	Gain/(loss) on sale of assets not part of segment income	Total
Revenue	$221,949	$127,341	$ —	$ 349,290		$349,290
Operating income	28,318	10,418		38,736	123	38,859
Total assets	666,493	171,950		838,443		838,443

	Six months ended June 30, 2011							
	D&S	P&I	Corp	Total segments	Gain/(loss) on sale of assets not part of segment income	Contingent Consideration not part of segment income	Transaction expenses not part of segment income	Total
Revenue	$267,965	$192,541	$ —	$ 460,506	$ —	$ —	$ —	$ 460,506
Operating income	40,066	27,026	(9,983)	57,109	420	(5,800)	(2,616)	49,113
Total assets	699,328	320,558	48,625	1,068,511	—	—	—	1,068,511

10. Earnings per share

The calculation of basic and diluted earnings per share for each presented was as follows (dollars and shares in thousands, except per share amounts):

	Six months ended June 30,	
	2010	2011
Net Income attributable to common stockholders	$20,290	$26,103
Average shares outstanding (basic)	1,309	1,591
Common stock equivalents	13	67
Diluted shares	1,322	1,658
Basic earnings per share	$ 15.50	$ 16.41
Diluted earnings per share	$ 15.35	15.74

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated interim financial statements (continued)
(Unaudited)

11. Commitments and contingencies

In the ordinary course of business, the Company is, and in the future, could be involved in various pending or threatened legal actions, some of which may or may not be covered by insurance. Management has reviewed pending judicial and legal proceedings, reasonably anticipated costs and expenses in connection with such proceedings, and availability and limits of insurance coverage, and has established reserves that are believed to be appropriate in light of those outcomes that are believed to be probable and can be estimated. The reserve accrued at December 31, 2010 and June 30, 2011 is insignificant. In the opinion of management, the amount of ultimate liability, if any, with respect to these actions will not have a material adverse effect on the Company's financial statements.

Portland Harbor Superfund litigation

In May 2009, one of our subsidiaries (which is presently a dormant company with nominal assets except for rights under insurance policies) was named along with many defendants in a suit filed by the Port of Portland, Oregon seeking reimbursement of costs related to a five-year study of contaminated sediments at the port. In March 2010, the subsidiary also received a notice letter from the EPA indicating that it had been identified as a potentially responsible party with respect to environmental contamination in the "study area" for the Portland Harbor Superfund Site. Under a 1997 indemnity agreement, our subsidiary is indemnified by a third party with respect to losses relating to environmental contamination. As required under the indemnity agreement, our subsidiary provided notice of these claims, and the indemnitor has assumed responsibility and is providing a defense of the claims. Although we believe that it is unlikely that our subsidiary contributed to the contamination at the Portland Harbor Superfund Site, the potential liability of our subsidiary and the ability of the indemnitor to fulfill its indemnity obligations cannot be quantified at this time.

12. Related party transactions

FOT has related party transactions, including sales and leasing activity with certain former owners of acquired companies or certain stockholders. The dollar amounts related to these related party activities are not significant to the Company's consolidated financial statements. For GFT, in conjunction with the acquisition of one of its subsidiaries, the Company entered into various operating lease agreements with the former principals for office and warehouse space. For the six-month periods ended June 30, 2010 and 2011, the Company paid $0.1 million each period in lease payments to these affiliates. GFT also utilizes a certain agent, which is owned by a former owner. The amount paid to this agent for each of the three-month periods ended June 30, 2010 and 2011 was $0.1 million.

Allied leases two facilities from a stockholder of FET. Allied paid $0.4 million in lease payments for each of six-month periods ended June 30, 2010 and 2011. Allied purchased inventory and services from a shareholder totaling $2.0 million and $2.4 million during the six-month periods

Forum Energy Technologies, Inc. and subsidiaries
Notes to consolidated interim financial statements (continued)
(Unaudited)

ended June 30, 2010 and 2011, respectively. The Company sold less than $10,000 and $0.3 million of equipment and services to a stockholder during the six-month periods ended June 30, 2010 and 2011, respectively.

13. Subsequent events

Subsequent to June 30, 2011, there were five acquisitions, of which, the significant ones are discussed below.

In July 2011, the Company acquired Cannon Services (“Cannon”), based in Stafford, Texas, and is a provider of standard and customized clamp and stamped metal protection systems used to shield the downhole control lines and gauges during their installation and provide protection during production enhancement operations. The purchase price included: (1) $48.7 million of cash (subject to working capital adjustments) and (2) 20,944 shares of common stock. The results of Cannon’s operations will be included in the Company’s consolidated financial statements beginning July 1, 2011.

In July 2011, the Company acquired AMC Global Group, Ltd. (“AMC”), based in Aberdeen, Scotland, and designs and manufactures specialized torque equipment for tubular connections, including high torque stroking units, fully rotational torque units and portable torque units for field deployment and related control systems, and provides aftermarket service. The purchase price included: (1) $42.5 million of cash (subject to working capital adjustments) and (2) 16,200 shares of common stock. The results of AMC’s operations will be included in the Company’s consolidated financial statements beginning July 1, 2011.

In July 2011, the Company acquired P-Quip, Ltd. (“P-Quip”), based in Kilbirnie, Scotland, a manufacturer of proprietary mud pump fluid end assemblies, mud pump rod systems, liner retention systems, valve cover retention systems and other drilling flow control products. The purchase price included $32.4 million of cash (subject to working capital adjustments). The results of P-Quip’s operations will be included in the Company’s consolidated financial statements beginning July 1, 2011.

On July 29, 2011, the Company acquired Davis-Lynch LLC (“Davis-Lynch”), a provider of proprietary, downhole cementing and casing products based in Pearland, Texas. The purchase price included $316.0 million of cash (subject to working capital adjustments). The results of Davis-Lynch’s operations will be included in the Company’s consolidated financial statements beginning August 1, 2011.

In conjunction with the July acquisitions, the Company borrowed on its credit facility an amount of approximately $450 million.

Davis-Lynch, Inc.
Financial statements for the year ended December 31, 2010
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Report of independent registered public accounting firm

To the Owner of
Davis-Lynch, Inc.:

We have audited the accompanying balance sheets of Davis-Lynch, Inc. (the “Company”) as of December 31, 2010 and 2009, and the related statements of operations, of changes in stockholder’s equity and of cash flows for each of the three years in the period ended December 31, 2010. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Davis-Lynch, Inc. as of December 31, 2010 and 2009, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

/s/ UHY LLP
Houston, Texas
August 26, 2011

Davis-Lynch, Inc.
Balance sheets

	December 31, 2010	December 31, 2009
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 81,642,230	$ 53,518,507
Accounts receivable—trade, net	19,865,005	11,029,726
Inventory, net	25,044,231	28,090,506
Prepaid expenses and other assets	288,959	293,853
TOTAL CURRENT ASSETS	126,840,425	92,932,592
PROPERTY AND EQUIPMENT, net	1,041,298	1,405,369
TOTAL ASSETS	$ 127,881,723	$ 94,337,961
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable, trade	$ 4,163,096	$ 4,507,103
Accrued expenses and other liabilities	3,236,188	1,084,121
TOTAL CURRENT LIABILITIES	7,399,284	5,591,224
TOTAL LIABILITIES	7,399,284	5,591,224
COMMITMENTS AND CONTINGENCIES (NOTE E AND H)		
STOCKHOLDER'S EQUITY		
Common stock; $1 par value; 240,000 shares authorized, issued and outstanding	240,000	240,000
Retained earnings	120,242,439	88,506,737
TOTAL STOCKHOLDER'S EQUITY	120,482,439	88,746,737
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 127,881,723	$ 94,337,961

See accompanying notes to financial statements.

Davis-Lynch, Inc.
Statements of operations

	Year ended December 31,		
	2010	2009	2008
NET SALES	$ 89,151,747	$ 60,043,232	$ 110,085,510
COST OF SALES	37,381,245	18,024,713	40,040,640
GROSS PROFIT	51,770,502	42,018,519	70,044,870
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	13,943,185	12,637,033	17,103,185
OPERATING INCOME	37,827,317	29,381,486	52,941,685
OTHER INCOME (EXPENSE)			
Interest income	329,852	278,337	1,034,670
Interest expense	—	(1,000,000)	(1,000,000)
Loss from unauthorized employee activities	—	(2,284,580)	(4,114,016)
Other, net	148,370	(6,212)	87,039
TOTAL OTHER INCOME (EXPENSE)	478,222	(3,012,455)	(3,992,307)
NET INCOME BEFORE INCOME TAX EXPENSE	38,305,539	26,369,031	48,949,378
STATE INCOME TAX EXPENSE	1,569,837	157,412	410,051
NET INCOME	$ 36,735,702	$ 26,211,619	$ 48,539,327

See accompanying notes to financial statements.

Davis-Lynch, Inc.
Statements of changes in stockholder's equity
For the years ended December 31, 2010, 2009 and 2008

	Common stock	Retained earnings	Total stockholder's equity
Balance, January 1, 2008	$ 240,000	$ 55,087,867	$ 55,327,867
Dividends	—	(31,332,076)	(31,332,076)
Net income	—	48,539,327	48,539,327
Balance, December 31, 2008	240,000	72,295,118	72,535,118
Dividends	—	(10,000,000)	(10,000,000)
Net income	—	26,211,619	26,211,619
Balance, December 31, 2009	240,000	88,506,737	88,746,737
Dividends	—	(5,000,000)	(5,000,000)
Net income	—	36,735,702	36,735,702
Balance, December 31, 2010	$ 240,000	$120,242,439	$ 120,482,439

See accompanying notes to financial statements.

Davis-Lynch, Inc.
Statements of cash flows

	Year ended December 31,		
	2010	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 36,735,702	$ 26,211,619	$ 48,539,327
Adjustment to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	495,627	600,023	1,322,169
Provision for bad debts	—	88,515	408,610
Provision for inventory obsolescence	1,230,458	4,400,000	—
Gain on sale of property and equipment	(26,182)	(9,609)	(50,289)
Changes in operating assets and liabilities:			
Accounts receivable, trade	(8,835,279)	11,654,639	(4,514,615)
Inventories	1,815,817	(9,378,607)	(11,437,721)
Prepaid expenses and other assets	4,894	91,217	(4,892)
Accounts payable, trade	(344,007)	(5,705,293)	(3,070,992)
Accrued expenses and other liabilities	2,152,067	(702,751)	263,488
Accrued interest	—	(1,000,000)	1,000,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	33,229,097	26,249,753	32,455,085
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property and equipment	49,000	16,145	66,967
Purchases of property and equipment	(154,374)	(104,822)	(811,728)
NET CASH USED IN INVESTING ACTIVITIES	(105,374)	(88,677)	(744,761)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from notes payable, stockholder	—	10,000,000	10,000,000
Payment of notes payable, stockholder	—	(20,000,000)	—
Payment of dividends	(5,000,000)	(10,000,000)	(31,332,076)
NET CASH USED IN FINANCING ACTIVITIES	(5,000,000)	(20,000,000)	(21,332,076)
NET INCREASE IN CASH AND CASH EQUIVALENTS	28,123,723	6,161,076	10,378,248
CASH AND CASH EQUIVALENTS, beginning of year	53,518,507	47,357,431	36,979,183
CASH AND CASH EQUIVALENTS, end of year	$ 81,642,230	$ 53,518,507	$ 47,357,431
SUPPLEMENTAL DISCLOSURES:			
Interest paid	$ —	$ 2,000,000	$ —
State taxes paid	$ 267,499	$ 165,000	$ 245,051
NON-CASH ACTIVITIES:			
Write off of fully depreciated property and equipment	$ —	$ 660,588	$ 1,095,047

See accompanying notes to financial statements.

Davis-Lynch, Inc.
Notes to financial statements

Note A—Organization and nature of business

Davis-Lynch, Inc. (the “Company”) is a Subchapter S Corporation formed in 1947 that is privately and wholly owned by Carl A. Davis, President. The Company’s line of business includes designing, manufacturing, and marketing cementing equipment with operations solely in the United States. The Company operates in one segment. It sells its products primarily in the United States and through distributors in certain foreign geographic areas such as the Middle East, Africa, and South America. Originally a manufacturer of float equipment, the Company has expanded its product line to include a full line of centralizers and primary cementing aids, multi-purpose float collars, stage cementing tools, inner-string cementing tools, inflatable packers, flotation collars, cementing plugs, fill and circulate tools for running casing, casing hangers and drive pipe landing rings, as well as surge reduction equipment. The Company’s headquarters are located in Pearland, Texas. The financial statements of the Company have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

Note B—Summary of significant accounting policies

Cash and cash equivalents: For purposes of the statements of cash flows, cash and cash equivalents consists of cash in banks, money market funds, and certificates of deposit with original maturities of three months or less.

The Company reclassified overdrafts of approximately $1.1 million and $3.3 million from cash and cash equivalents to accounts payable at December 31, 2009 and 2008, respectively. There were no cash overdrafts at December 31, 2010.

Allowance for doubtful accounts: Earnings are charged with a provision for doubtful accounts based upon a current review of the collectability of accounts from customers. Accounts deemed uncollectible are applied against the allowance for doubtful accounts. Accounts receivable, trade was net of an allowance for doubtful accounts of $1,055,817 at December 31, 2010 and 2009, respectively. Bad debt expense totaled $0, $88,515 and $408,610 for the years ended December 31, 2010, 2009 and 2008, respectively.

Davis-Lynch, Inc.
Notes to financial statements (continued)

Inventory: Inventories are stated at the lower of cost or market value using an average standard cost. Cost is determined using standard cost, which approximates average cost, and includes the application of related direct labor and overhead. The Company periodically evaluates the components comprising its inventories and reviews for items that have not been utilized over a certain period of time based on current products in production, physical condition, and future applicability to be utilized in production to determine its obsolescence reserve. Inventory obsolescence expense totaled $1,230,458, $4,400,000 and $0 for the years ended December 31, 2010, 2009 and 2008, respectively. Inventories consist of the following:

	December 31,	
	2010	2009
Raw material	$ 8,502,006	$ 14,915,896
Work-in-process	9,317,852	2,951,182
Finished goods	12,854,831	14,623,428
	30,674,689	32,490,506
Less: obsolescence reserve	(5,630,458)	(4,400,000)
Inventory, net	$ 25,044,231	$ 28,090,506

Property and equipment: Property and equipment are stated at cost. Depreciation is computed over the estimated useful lives of the related assets using the straight-line method. Maintenance and repairs are charged to expense as incurred and significant renewals and betterments are capitalized. The cost and related accumulated depreciation of assets retired or otherwise disposed of are eliminated from the accounts, and any resulting gains or losses are recognized in operations in the year of disposal.

Property and equipment, net and related accumulated depreciation consist of the following:

	Estimated useful life	December 31,	
		2010	2009
Autos	3-20 years	$ 440,544	$ 452,121
Forklifts	3-10 years	321,033	321,033
Machinery and equipment	7-30 years	7,703,908	7,908,692
Leasehold improvements		2,314,447	2,314,447
		10,779,932	10,996,293
Less: accumulated depreciation and amortization		(9,738,634)	(9,590,924)
Property and equipment, net		$ 1,041,298	$ 1,405,369

For the years ended December 31, 2010, 2009 and 2008, depreciation expense related to property and equipment totaled $495,627, $600,023 and $1,322,169, respectively. For the years ended December 31, 2010, 2009 and 2008, $452,902, $536,560 and $1,199,252, respectively, of depreciation expense is included in “cost of sales” and $42,725, $63,463 and $122,917, respectively, is included in “selling, general and administrative expenses” in the accompanying statements of operations. Repairs and maintenance expense totaled $521,435, $209,339 and $885,571 for the years ended December 31, 2010, 2009 and 2008, respectively.

Davis-Lynch, Inc.
Notes to financial statements (continued)

Impairment of long-lived assets: The Company reviews the recoverability of its long-lived assets, such as plant, property and equipment, when events or changes in circumstances occur that indicate the carrying value of the asset or asset group may not be recoverable and the expected future pre-tax cash flows (undiscounted) to be generated by those assets are less than the carrying value of the assets. In such case, the impairment loss would be equal to the amount by which the carrying value exceeds estimated fair market value of the related assets. Long-lived assets are reviewed for impairment at the individual asset or the asset group level for which the lowest level of independent cash flows can be identified. The Company determined that no impairment had occurred during the year ended December 31, 2010, 2009 or 2008.

Income taxes: As the Company is a Subchapter S Corporation, there is no provision for federal income taxes reflected in the financial statements as the Company is not subject to federal income taxes. Earnings are included in the owner's personal income tax return.

Effective January 1, 2009, the Company adopted guidance in Accounting Standards Codification ("ASC") Topic 740 (ASC 740), *Income Taxes*, for the accounting for the uncertainty in income taxes. The guidance clarifies the accounting for income taxes by prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the financial statements and applies to all income tax positions. Each income tax position is assessed using a two step process. A determination is made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement.

The adoption of this guidance did not impact the Company's financial position, results of operations, or cash flows as the income tax positions taken by the Company for any years open under the various statute of limitations is that the Company continues to be exempt from federal income taxes by virtue of its pass through status and that federal income tax is attributable to its owner. Management believes that this tax position meets the more likely than not threshold and accordingly, the tax benefit of this income tax position (no federal income tax expense or liability) has been recognized for the years ended on or before December 31, 2010.

The Company records income tax related interest and penalties as a component of the provision for income taxes. For the year ended December 31, 2010, the Company recorded approximately $177,000 of interest and $53,000 in penalties related to state income taxes. For the years ended December 31, 2009 and 2008, the Company did not record any income tax related interest or penalties. The Company believes there is no tax positions taken or expected to be taken that would significantly increase or decrease unrecognized tax benefits within twelve months of the reporting date.

During 2010, the Company underwent a tax audit by the State of Louisiana (the "State"). As a result of this audit, it was determined the Company owed additional taxes totaling $1,249,246, inclusive of interest and penalties, to the State. This amount was reflected in the December 31, 2010 financial statements and was subsequently paid in January 2011. No other state tax returns are currently under examination by state authorities. However, fiscal years 2007 and later remain subject to examination by the respective states in which the Company does business.

Davis-Lynch, Inc.
Notes to financial statements (continued)

In May 2006, the State of Texas enacted a bill that replaced the existing state franchise tax with a margin tax. Effective January 1, 2007, the margin tax applies to legal entities conducting business in Texas, including previously non-taxable entities such as limited partnerships and limited liability partnerships. The margin tax is based on Texas sourced taxable margin. The tax is calculated by applying a tax rate to a base rate that considers both revenues and expenses and therefore has the characteristics of an income tax. As a result, the Company recorded $146,825, $134,389 and $154,705 in estimated state income taxes for the years ended December 31, 2010, 2009 and 2008, respectively, that is solely attributable to the Texas margin tax and is included in “state income tax expense” in the accompanying statements of operations. The Company also recorded $1,423,012, $23,023 and $255,346 in state income taxes for the years ended December 31, 2010, 2009 and 2008, respectively, attributable to various other states in which the Company conducts business.

Concentrations of credit risk: Financial instruments that potentially subject the Company to credit risk are cash and cash equivalents and trade accounts receivable. The Company maintains cash balances in high credit quality financial institutions which at times may exceed federally insured limits. The Company monitors the financial condition of these institutions and has experienced no losses associated with these accounts. The Company extends credit to customers throughout the United States of America and certain foreign countries. The Company’s allowance for doubtful accounts is based upon a current review of collectability for each customer taking into consideration current market conditions and other factors.

The Company’s primary customers are in the energy industry. As such, the Company could be affected by events that affect this industry such as natural disasters, political unrest, terrorism, oil prices and domestic policies regarding energy related industries.

In October 2008, the Federal Deposit Insurance Corporation increased its insurance to $250,000 per depositor, and to an unlimited amount for non-interest bearing accounts. The coverage increase, which is temporary, extends through December 31, 2013.

Revenue recognition: Revenue is recognized when products are shipped or services are performed.

Shipping and handling fees and costs: Shipping and handling fees, if billed to customers, are included in net sales. Shipping and handling costs are classified as cost of sales.

Reclassifications: Certain reclassifications of 2009 amounts were made to conform to the current period presentation. Such reclassifications had no impact on 2009 reported net income or stockholder’s equity.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, the Company evaluates its estimates and assumptions, including those related to its allowance for doubtful accounts, inventory obsolescence, impairment for property and equipment and contingencies. Actual results could differ from these estimates.

Davis-Lynch, Inc.
Notes to financial statements (continued)

Environmental remediation: The Company accounts for environmental remediation in accordance with ASC Topic 410, *Asset Retirement and Environmental Obligations*. In accordance with this guidance, liabilities are recorded when environmental assessments indicate that remediation efforts are probable and the costs can be reasonably estimated. Estimates of the liability are based upon currently available facts, existing technology and presently enacted laws and regulations, taking into consideration the likely effects of inflation and other societal and economic factors, and include estimates of associated legal costs.

Fair value of financial instruments: Financial instruments of the Company consist primarily of cash and cash equivalents, accounts receivable and accounts payable. The Company's management considers the carrying values of cash and cash equivalents, accounts receivable and accounts payable to be representative of their respective fair values because of their short-term nature.

Recent accounting standards: In June 2011, the Financial Accounting Standards Board ("FASB") issued an update to ASC 220, *Presentation of Comprehensive Income*. This Accounting Standards Update ("ASU") provides that an entity that reports items of other comprehensive income has the option to present comprehensive income in either 1) a single statement that presents the components of net income and total net income, the components of other comprehensive income and total other comprehensive income, and a total for comprehensive income; or 2) a two-statement approach which presents the components of net income and total net income in a first statement, immediately followed by a financial statement that presents the components of other comprehensive income, a total for other comprehensive income, and a total for comprehensive income. The option in current GAAP that permits the presentation of other comprehensive income in the statement of changes in equity was eliminated. The guidance will be applied retrospectively and is effective for the Company for annual periods beginning on January 1, 2012. Early adoption is permitted. The adoption of this guidance will not have a material impact on the Company's financial statements.

In May 2011, the FASB issued an update to ASC 820, *Fair Value Measurements*. This ASU clarifies the application of certain fair value measurement requirements and requires, among other things, expanded disclosures for Level 3 fair value measurements and the categorization by level for items for which fair value is required to be disclosed in accordance with ASC 825, *Financial Instruments*. The guidance will be applied prospectively and is effective for the Company for annual periods beginning on January 1, 2012. Early adoption is not permitted. The adoption of this standard will not have an impact on the Company's financial statements.

In October 2009, the FASB issued an update to ASC 605, *Revenue Recognition*. This ASU allows companies to allocate consideration for qualified separate deliverables using the estimated selling price for both delivered and undelivered items when vendor-specific objective evidence or third-party evidence is unavailable. It also requires additional disclosures on the nature of multiple element arrangements, the types of deliverables under the arrangements, the general timing of their delivery, and significant factors and estimates used to determine estimated selling prices. The Company adopted this new guidance on January 1, 2011. Accordingly, the Company applies this guidance to transactions initiated or materially modified on or after January 1, 2011. The Company's adoption of this new guidance did not have an impact on its financial position, results of operations, cash flows or existing revenue recognition policies.

Davis-Lynch, Inc.
Notes to financial statements (continued)

In December 2010, the FASB issued an update to ASC 805, *Business Combinations*. This ASU addressed the disclosure of comparative financial statements and expanded on the supplementary pro forma information for business combinations. The Company adopted this ASU prospectively for business combinations occurring on or after December 15, 2010.

Note C—Accrued expenses and other liabilities

Accrued expenses consisted of the following:

	December 31,	
	2010	**2009**
Sales tax payable	$ 131,164	$ 119,881
Customer credits	74,270	195,729
Accrued commissions	2,098,912	297,297
Accrued royalties	527,842	306,259
Accrued state taxes	404,000	157,412
Payroll taxes payable	—	7,543
	$ 3,236,188	$ 1,084,121

Note D—Income taxes

The provision for income taxes consists of the following:

	December 31,		
	2010	**2009**	**2008**
Texas margin tax	$ 146,825	$ 134,389	$ 154,705
Louisiana income tax inclusive of interest and penalties	1,373,012	—	—
Other state income taxes	50,000	23,023	255,346
Total	$ 1,569,837	$ 157,412	$ 410,051

Note E—Commitments and contingencies

In 2009, an embezzlement scheme totaling approximately $15 million was discovered by the Company, whereby former employees had submitted fraudulent invoices for payments for over a decade. The fraud came to light during a two-month examination of the Company's accounting records. The Company hired a third-party independent consultant to investigate this matter and to conduct the examination. The consultant reported their findings to management of the Company, which has begun legal action against the defendants in Federal District Court. Approximately $2.3 million and $4.1 million of unauthorized invoices were recorded and paid in 2009 and 2008, respectively, related to this matter which is included as loss from unauthorized employee activities in the statement of operations. All other amounts pertaining to this matter related to years prior to 2008. In 2010, the Company was awarded summary judgment, no amounts have been received, and no receivable has been recorded by the Company at December 31, 2010, 2009 or 2008. The Company intends to vigorously pursue this matter.

Davis-Lynch, Inc.
Notes to financial statements (continued)

In January 2010, a favorable settlement was reached in a patent infringement lawsuit whereby the Company was the plaintiff. Terms of the settlement were not disclosed, but the defendant will pay a 10% royalty on future sales of the products included in the lawsuit. The Company recognized royalty income of $608,062 related to this settlement for the year ended December 31, 2010.

The Company is involved in various disputes arising in the ordinary course of business. Management does not believe the outcome of these disputes will have a material adverse effect on the Company's financial position, results of operations or cash flows.

The Company leases certain equipment and office and manufacturing space under non-cancelable operating leases which expired at various dates through 2010 and now are month to month in nature. Total rental expense for the years ended December 31, 2010, 2009 and 2008 was approximately $235,000, $189,000 and $254,000, respectively.

The Company has various standby letters of credit with a financial institution up to a total commitment limit of $3,000,000 of which approximately $2,503,000 was utilized at December 31, 2010. The letters of credit expire through November 2011, and support certain international operations.

Note F—Related party transactions

On January 1, 2008, the Company entered into a note payable with the owner of the Company for $10,000,000, bearing interest at 10% per annum. The Company repaid the outstanding note payable plus all accrued and unpaid interest on January 2, 2009. Concurrent with the repayment on January 2, 2009, the Company entered into a new note payable agreement with the owner of the Company for $10,000,000, bearing interest at 10% per annum. The Company repaid the outstanding note payable plus all accrued and unpaid interest on December 31, 2009. Interest expense incurred on the note payable was $1,000,000 for the year ended December 31, 2009. No interest expense was incurred for the year ended December 31, 2010 as no note payable with the owner was outstanding subsequent to December 31, 2009.

The Company leases land from a related party. Total rent expense for the years ended December 31, 2010, 2009 and 2008 was approximately $120,000 in each year, respectively. During 2010, 2009 and 2008, the Company purchased supplies and materials from a related party which totaled approximately $351,000, $150,000 and $258,000, respectively.

The Company utilizes a staffing company that is a related party. Total expense for the year ended December 31, 2010 to this company was approximately $2,748,000. There was no expense to this party for the years ended December 31, 2009 and 2008.

Note G—Significant customers

During the years ended December 31, 2010 and 2008, no customer had net sales of more than 10% of total net sales. During the year ended December 31, 2009, the Company had net sales from one customer totaling approximately 10% of total net sales, or $6,162,900. At December 31, 2009, accounts receivable from the customer was $594,724.

Davis-Lynch, Inc.
Notes to financial statements (continued)

Note H—Environmental remediation

In 2008, a toxic liquid substance was discovered in the water system at the Company's manufacturing facility in Pearland, Texas. In 2008, a third party was contracted to perform an assessment and to perform remediation work. The total estimated cost for the remediation, which was completed and paid in 2009, totaling approximately $750,000 was recorded as an expense in 2008 in accordance with ASC Topic 410, *Asset Retirement and Environmental Obligations*. Quarterly water samples are now being taken in order to satisfy State regulatory authorities that the matter has been resolved.

Note I—Risk and uncertainties

The current downturn in the United States economy, the moratorium on drilling in the Gulf of Mexico, and any economic slowdown in future periods, could adversely affect the Company in ways that cannot be predicted. During times of economic slowdown, the Company's customers may reduce their capital expenditures and defer or cancel pending orders. Such developments occur even among customers that are not experiencing financial difficulties. These deferrals or cancelling of capital expenditures could directly impact the demand for the Company's products and services. Additionally, bankruptcies or financial difficulties among the Company's customers could reduce its cash flows and adversely impact liquidity and profitability.

Note J—Subsequent events

The Company has evaluated all events subsequent from the balance sheet date of December 31, 2010 through August 26, 2011, and noted no subsequent events that would require recognition or disclosure in the financial statements, other than those items disclosed herein and below.

On June 23, 2011, the Company converted from a Subchapter S Corporation to a Limited Liability Company.

On June 25, 2011, Forum Energy Technologies, Inc. entered into an agreement to purchase the Company for cash, as outlined under the terms in the purchase and sale agreement, subject to certain working capital adjustments. The transaction closed on July 29, 2011.

Davis-Lynch, Inc.
Financial statements for the six months ended June 30, 2011
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Davis-Lynch, LLC
Balance sheets

	June 30, 2011 (Unaudited)	December 31, 2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 71,903,646	$ 81,642,230
Accounts receivable—trade, net	21,552,415	19,865,005
Inventory, net	31,594,469	25,044,231
Prepaid expenses and other assets	41,280	288,959
TOTAL CURRENT ASSETS	125,091,810	126,840,425
PROPERTY AND EQUIPMENT, net	887,979	1,041,298
TOTAL ASSETS	$ 125,979,789	$ 127,881,723
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable, trade	$ 2,067,177	$ 4,163,096
Accrued expenses and other liabilities	4,472,862	3,236,188
TOTAL CURRENT LIABILITIES	6,540,039	7,399,284
TOTAL LIABILITIES	6,540,039	7,399,284
COMMITMENTS AND CONTINGENCIES (Note E)		
STOCKHOLDER'S EQUITY		
Common stock; $1 par value; 240,000 shares authorized, issued and outstanding	240,000	240,000
Retained earnings	119,199,750	120,242,439
TOTAL STOCKHOLDER'S EQUITY	119,439,750	120,482,439
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 125,979,789	$ 127,881,723

See accompanying notes to unaudited financial statements.

Davis-Lynch, LLC
Statements of operations
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2011	**2010**	**2011**	**2010**
NET SALES	$ 26,447,304	$ 22,750,235	$ 50,353,477	$ 39,699,511
COST OF SALES	10,545,532	8,609,062	19,393,377	14,664,447
GROSS PROFIT	15,901,772	14,141,173	30,960,100	25,035,064
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	3,437,077	4,751,250	6,186,204	6,445,339
OPERATING INCOME	12,464,695	9,389,923	24,773,896	18,589,725
OTHER INCOME				
Interest income	96,217	74,659	189,102	135,856
Other income	—	—	—	2,000,000
Other, net	56,556	34,218	112,359	56,991
TOTAL OTHER INCOME	152,773	108,877	301,461	2,192,847
NET INCOME BEFORE INCOME TAX EXPENSE	12,617,468	9,498,800	25,075,357	20,782,572
INCOME TAX EXPENSE	(120,000)	(45,568)	(238,367)	(65,568)
NET INCOME	$ 12,497,468	$ 9,453,232	$ 24,836,990	$ 20,717,004

See accompanying notes to unaudited financial statements.

Davis-Lynch, LLC
Statements of changes in stockholder's equity
Six months ended June 30, 2011

	Common stock	Retained earnings	Total stockholder's equity
Balance, January 1, 2011	$ 240,000	$ 120,242,439	$ 120,482,439
Dividend *(unaudited)*	—	(25,879,679)	(25,879,679)
Net income *(unaudited)*	—	24,836,990	24,836,990
Balance, June 30, 2011 *(unaudited)*	$ 240,000	$ 119,199,750	$ 119,439,750

See accompanying notes to unaudited financial statements.

Davis-Lynch, LLC
Statements of cash flows
(Unaudited)

	Six months ended June 30,	
	2011	**2010**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 24,836,990	$ 20,717,004
Adjustment to reconcile net income to net cash provided by operating activities:		
Depreciation	169,656	210,267
Provision for inventory obsolescence	(158,909)	2,659,790
Gain on sale of property and equipment	(18,322)	—
Changes in operating assets and liabilities:		
Accounts receivable, trade	(1,687,410)	(6,079,655)
Inventories	(6,391,329)	(892,025)
Prepaid expenses and other assets	247,679	255,460
Accounts payable, trade	(2,095,919)	(1,806,651)
Accrued expenses and other liabilities	1,236,674	875,786
NET CASH PROVIDED BY OPERATING ACTIVITIES	16,139,110	15,939,976
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	20,675	—
Purchases of property and equipment	(18,690)	(50,144)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	1,985	(50,144)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of dividends	(25,879,679)	—
NET CASH USED IN FINANCING ACTIVITIES	(25,879,679)	—
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(9,738,584)	15,889,832
CASH AND CASH EQUIVALENTS, beginning of period	81,642,230	53,518,507
CASH AND CASH EQUIVALENTS, end of period	$ 71,903,646	$ 69,408,339
SUPPLEMENTAL DISCLOSURES:		
State taxes paid	$ 1,679,445	$ 157,412

See accompanying notes to unaudited financial statements.

Davis-Lynch, Inc.
Notes to financial statements

Note A—Organization and nature of business

Davis-Lynch, LLC (the “Company”) is a Subchapter S Corporation that converted to a limited liability company on June 23, 2011. The Company was formed in 1947 and is privately and wholly owned by Carl A. Davis, President. The Company’s line of business includes designing, manufacturing, and marketing cementing equipment with operations solely in the United States. The Company operates in one segment. It sells its products primarily in the United States and through distributors in certain foreign geographic areas such as the Middle East, Africa, and South America. Originally a manufacturer of float equipment, the Company has expanded its product line to include a full line of centralizers and primary cementing aids, multi-purpose float collars, stage cementing tools, inner-string cementing tools, inflatable packers, flotation collars, cementing plugs, fill and circulate tools for running casing, casing hangers and drive pipe landing rings, as well as surge reduction equipment. The Company’s headquarters are located in Pearland, Texas. The financial statements have been prepared in the accrual basis of accounting principles in the United States of America.

The unaudited financial statements contained herein include all adjustments which are, in the opinion of management, necessary to provide a fair presentation of the financial condition and results of operations for the periods presented. All such adjustments are of a normal recurring nature. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted in these financial statements. These financial statements should be read in conjunction with the financial statements and notes included in the Company’s latest audited financial statements as of December 31, 2010 and each of the three years ended December 31, 2010. The results of operations as of June 30, 2011 and for the six-month periods ended June 30, 2011 and 2010 are not necessarily indicative of the results to be expected for the full years ending December 31, 2011 and 2010.

Note B—Summary of significant accounting policies

Cash and cash equivalents: For purposes of the statements of cash flows, cash and cash equivalents consists of cash in banks, money market funds, and certificates of deposit with original maturities of three months or less.

Allowance for doubtful accounts: Earnings are charged with a provision for doubtful accounts based upon a current review of the collectability of accounts from customers. Accounts deemed uncollectible are applied against the allowance for doubtful accounts. Accounts receivable, trade was net of an allowance for doubtful accounts of $1,055,817 at June 30, 2011 and December 31, 2010. Bad debt expense totaled $0 for the three months ended June 30, 2011 and 2010, and $0 for the six months ended June 30, 2011, and 2010.

Inventory: Inventories are stated at the lower of cost or market value using an average standard cost. Cost is determined using standard cost, which approximates average cost, and includes the application of related direct labor and overhead. The Company periodically evaluates the components comprising its inventories and reviews for items that have not been utilized over a certain period of time based on current products in production, physical condition, and future applicability to be utilized in production to determine its obsolescence reserve.

Davis-Lynch, Inc.
Notes to financial statements (continued)

Inventories consist of the following:

	June 30, 2011 (Unaudited)	December 31, 2010
Raw material	$ 11,015,383	$ 8,502,006
Work-in-process	11,574,594	9,317,852
Finished goods	14,476,041	12,854,831
	37,066,018	30,674,689
Less: obsolescence reserve	(5,471,549)	(5,630,458)
Inventory, net	$ 31,594,469	$ 25,044,231

Property and equipment: Property and equipment are stated at cost. Depreciation is computed over the estimated useful lives of the related assets using the straight-line method. Maintenance and repairs are charged to expense as incurred and significant renewals and betterments are capitalized. The cost and related accumulated depreciation of assets retired or otherwise disposed of are eliminated from the accounts, and any resulting gains or losses are recognized in operations in the year of disposal.

Property and equipment, net and related accumulated depreciation consist of the following:

	Estimated useful life	June 30, 2011	December 31, 2010 (Unaudited)
Autos	3-20 years	$ 429,464	$ 440,544
Forklifts	3-10 years	321,033	321,033
Machinery and equipment	7-30 years	7,642,423	7,703,908
Leasehold improvements		2,314,447	2,314,447
		10,707,367	10,779,932
Less: accumulated depreciation and amortization		(9,819,388)	(9,738,634)
Property and equipment, net		$ 887,979	$ 1,041,298

Depreciation expense related to property and equipment were $64,522 and $60,441 for the three months ended June 30, 2011 and 2010, respectively, and $169,656 and $210,268 for the six months ended June 30, 2011 and 2010, respectively. For the three months ended June 30, 2011, and 2010, $59,964 and $54,944, respectively, of depreciation expense is included in “cost of sales” and $4,558 and $5,497, respectively, is included in “selling, general, and administrative expenses” in the accompanying statements of operations. For the six months ended June 30, 2011, and 2010, $154,416 and $188,905, respectively, of depreciation expense is included in “cost of sales” and $15,240 and $21,363, respectively, is included in “selling, general and administrative expenses” in the accompanying statement of operations. Repairs and maintenance expense was $118,482 and $96,139 for the three months ended June 30, 2011 and 2010, respectively, and $253,486 and $135,725 for the six months ended June 30, 2011 and 2010, respectively.

Davis-Lynch, Inc.
Notes to financial statements (continued)

Impairment of long-lived assets: The Company reviews the recoverability of its long-lived assets, such as plant, property and equipment, when events or changes in circumstances occur that indicate the carrying value of the asset or asset group may not be recoverable and the expected future pre-tax cash flows (undiscounted) to be generated by those assets are less than the carrying value of the assets. In such case, the impairment loss would be equal to the amount by which the carrying value exceeds estimated fair market value of the related assets. Long-lived assets are reviewed for impairment at the individual asset or the asset group level for which the lowest level of independent cash flows can be identified.

Income taxes: On June 23, 2011, the Company converted from a Subchapter S Corporation to a Limited Liability Company. As a Limited Liability Company, there is no provision for federal income taxes reflected in the financial statements as the Company is not subject to federal income taxes. Earnings flow through to the owner's personal income tax return.

Effective January 1, 2009, the Company adopted guidance in Accounting Standards Codification ("ASC") Topic 740 (ASC 740), *Income Taxes*, for the accounting for the uncertainty in income taxes. The guidance clarifies the accounting for income taxes by prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the financial statements and applies to all income tax positions. Each income tax position is assessed using a two step process. A determination is made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement.

The adoption of this guidance did not impact the Company's financial position, results of operations, or cash flows as the income tax positions taken by the Company for any years open under the various statute of limitations is that the Company continues to be exempt from federal income taxes by virtue of its pass through status and that federal income tax is attributable to its owner. Management believes that this tax position meets the more likely than not threshold and accordingly, the tax benefit of this income tax position (no federal income tax expense or liability) has been recognized for any period presented.

The Company records income tax related interest and penalties as a component of the provision for income taxes. For the three months and six months ended June 30, 2011 and 2010, the Company recorded approximately $0 of interest and $0 in penalties related to state income taxes, respectively. The Company believes there is no tax positions taken or expected to be taken that would significantly increase or decrease unrecognized tax benefits within twelve months of the reporting date.

During 2010, the Company underwent a tax audit by the State of Louisiana (the "State"). As a result of this audit, it was determined the Company owed additional taxes totaling $1,249,246, inclusive of interest and penalties, to the State. This amount was reflected in the December 31, 2010 financial statements and was subsequently paid in January 2011. No other state tax returns are currently under examination by state authorities. However, fiscal years 2007 and later remain subject to examination by the respective states in which the Company does business.

Davis-Lynch, Inc.
Notes to financial statements (continued)

In May 2006, the State of Texas enacted a bill that replaced the existing state franchise tax with a margin tax. Effective January 1, 2007, the margin tax applies to legal entities conducting business in Texas, including previously non-taxable entities such as limited partnerships and limited liability partnerships. The margin tax is based on Texas sourced taxable margin. The tax is calculated by applying a tax rate to a base rate that considers both revenues and expenses and therefore has the characteristics of an income tax. As a result, the Company recorded $61,200 and $24,825 in estimated state income taxes for the three months ended June 30, 2011 and 2010, respectively, and $122,400 and $44,825 for the six months ended June 30, 2011 and 2010, respectively, that is solely attributable to the Texas margin tax and is included in “income tax expense” in the accompanying statements of operations. The Company also recorded $58,800 and $20,743 in state income taxes for the three months ended June 30, 2011 and 2010, respectively, and $115,967 and $20,743 for the six months ended June 30, 2011 and 2010, respectively, attributable to various other states in which the Company conducts business.

Concentrations of credit risk: Financial instruments that potentially subject the Company to credit risk are cash and cash equivalents and trade accounts receivable. The Company maintains cash balances in high credit quality financial institutions which at times may exceed federally insured limits. The Company monitors the financial condition of these institutions and has experienced no losses associated with these accounts. The Company extends credit to customers throughout the United States of America and certain foreign countries. The Company’s allowance for doubtful accounts is based upon a current review of collectability for each customer taking into consideration current market conditions and other factors.

The Company’s primary customers are in the energy industry. As such, the Company could be affected by events that affect this industry such as natural disasters, political unrest, terrorism, oil prices and domestic policies regarding energy related industries.

In October 2008, the Federal Deposit Insurance Corporation increased its insurance to $250,000 per depositor, and to an unlimited amount for non-interest bearing accounts. The coverage increase, which is temporary, extends through December 31, 2013.

Revenue recognition: Revenue is recognized when products are shipped or services are performed.

Shipping and handling fees and costs: Shipping and handling fees, if billed to customers, are included in net sales. Shipping and handling costs are classified as cost of sales.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, the Company evaluates its estimates and assumptions, including those related to its allowance for doubtful accounts, inventory obsolescence, impairment for property and equipment and contingencies. Actual results could differ from these estimates.

Davis-Lynch, Inc.
Notes to financial statements (continued)

Environmental remediation: The Company accounts for environmental remediation in accordance with ASC Topic 410, *Asset Retirement and Environmental Obligations*. In accordance with this guidance, liabilities are recorded when environmental assessments indicate that remediation efforts are probable and the costs can be reasonably estimated. Estimates of the liability are based upon currently available facts, existing technology and presently enacted laws and regulations, taking into consideration the likely effects of inflation and other societal and economic factors, and include estimates of associated legal costs.

Fair value of financial instruments: Financial instruments of the Company consist primarily of cash and cash equivalents, accounts receivable and accounts payable. The Company's management considers the carrying values of cash and cash equivalents, accounts receivable and accounts payable to be representative of their respective fair values because of their short-term nature.

Recent accounting standards: In June 2011, the Financial Accounting Standards Board ("FASB") issued an update to ASC 220, *Presentation of Comprehensive Income*. This Accounting Standards Update ("ASU") provides that an entity that reports items of other comprehensive income has the option to present comprehensive income in either 1) a single statement that presents the components of net income and total net income, the components of other comprehensive income and total other comprehensive income, and a total for comprehensive income; or 2) a two-statement approach which presents the components of net income and total net income in a first statement, immediately followed by a financial statement that presents the components of other comprehensive income, a total for other comprehensive income, and a total for comprehensive income. The option in current GAAP that permits the presentation of other comprehensive income in the statement of changes in equity was eliminated. The guidance will be applied retrospectively and is effective for the Company for annual periods beginning on January 1, 2012. Early adoption is permitted. The adoption of this guidance will not have a material impact on the Company's financial statements.

In May 2011, the FASB issued an update to ASC 820, *Fair Value Measurements*. This ASU clarifies the application of certain fair value measurement requirements and requires, among other things, expanded disclosures for Level 3 fair value measurements and the categorization by level for items for which fair value is required to be disclosed in accordance with ASC 825, *Financial Instruments*. The guidance will be applied prospectively and is effective for the Company for annual periods beginning on January 1, 2012. Early adoption is not permitted. The adoption of this standard will not have an impact on the Company's financial statements.

In October 2009, the FASB issued an update to ASC 605, *Revenue Recognition*. This ASU allows companies to allocate consideration for qualified separate deliverables using the estimated selling price for both delivered and undelivered items when vendor-specific objective evidence or third-party evidence is unavailable. It also requires additional disclosures on the nature of multiple element arrangements, the types of deliverables under the arrangements, the general timing of their delivery, and significant factors and estimates used to determine estimated selling prices. The Company adopted this new guidance on January 1, 2011. Accordingly, the Company applies this guidance to transactions initiated or materially modified on or after January 1, 2011. The Company's adoption of this new guidance did not have an impact on its financial position, results of operations, cash flows or existing revenue recognition policies.

Davis-Lynch, Inc.
Notes to financial statements (continued)

In December 2010, the FASB issued an update to ASC 805, *Business Combinations*. This ASU addressed the disclosure of comparative financial statements and expanded on the supplementary pro forma information for business combinations. The Company adopted this ASU prospectively for business combinations occurring on or after December 15, 2010.

Note C—Accrued expenses and other liabilities

Accrued expenses consisted of the following:

	June 30, 2011 (Unaudited)	December 31, 2010
Sales tax payable	$ 165,774	$ 131,164
Customer credits	74,270	74,270
Accrued commissions	2,063,768	2,098,912
Accrued bonuses	642,000	—
Accrued royalties	1,242,538	527,842
Accrued state taxes	159,512	404,000
Accrued professional services	125,000	—
	$ 4,472,862	$ 3,236,188

Note D—Income taxes

The provision for income taxes as of June 30, 2011 and 2010 consists of the following *(unaudited)*:

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
Texas margin tax	$ 61,200	$24,825	122,400	$44,825
Other state income taxes	58,800	20,743	115,967	20,743
Total	$120,000	$45,568	$238,367	$65,568

Note E—Commitments and contingencies

In 2009, an embezzlement scheme totaling approximately $15 million was discovered by the Company, whereby former employees had submitted fraudulent invoices for payments for over a decade. The fraud came to light during a two month examination of the Company's accounting records. The Company hired a third party independent consultant to investigate this matter and to conduct the examination. The consultant has reported their findings to management of the Company, which has begun legal action against the defendants in Federal District Court. All amounts pertaining to this matter related to years prior to 2010. In 2010, the Company was awarded summary judgment, no amounts have been received, and no receivable has been recorded by the Company at June 30, 2011. The Company intends to vigorously pursue this matter.

Davis-Lynch, Inc.
Notes to financial statements (continued)

In January 2010, a favorable settlement was reached in a patent infringement lawsuit whereby the Company was the plaintiff. Terms of the settlement were not disclosed, but the defendant will pay a 10% royalty on future sales of the products included in the lawsuit. The Company recognized royalty income of $88,936 and $396,793 related to this settlement in the six months ended June 30, 2011 and 2010, respectively.

The Company is involved in various disputes arising in the ordinary course of business. Management does not believe the outcome of these disputes will have a material adverse effect on the Company's financial position, results of operations or cash flows.

The Company leases certain equipment and office and manufacturing space under non-cancelable operating leases which expire at various dates through 2010 and now are month to month in nature. Total rental expense for the three months ended June 30, 2011, and 2010, were both approximately $59,000, and approximately $118,000 for both the six months ended June 30, 2011 and 2010, respectively.

The Company has various standby letters of credit with a financial institution up to a total commitment limit of $3,000,000 of which approximately $2,645,675 was utilized at June 30, 2011. The letters of credit expire through November 2011, and support certain international operations.

Note F—Related party transactions

The Company leases land from a related party. Total rent expense was approximately $30,000 for both the three months ended June 30, 2011, and 2010, and approximately $60,000 for both the six months ended June 30, 2011 and 2010.

For the three months ended June 30, 2011 and 2010, the Company purchased supplies and materials from a related party which totaled approximately $79,000 and $63,000, respectively, and approximately $158,000 and $125,000 for the six months ended June 30, 2011 and 2010, respectively.

The Company utilizes a staffing company that is a related party. Total expense for the three months ended June 30, 2011 and 2010 was approximately $3,600,000 and $0, respectively, and approximately $6,896,000 and $0 for the six months ended June 30, 2011 and 2010, respectively.

Note G—Risk and uncertainties

The current downturn in the United States economy, and any economic slowdown in future periods, could adversely affect the Company in ways that cannot be predicted. During times of economic slowdown, the Company's customers may reduce their capital expenditures and defer or cancel pending orders. Such developments occur even among customers that are not experiencing financial difficulties. These deferrals or cancelling of capital expenditures could directly impact the demand for the Company's products and services. Additionally, bankruptcies or financial difficulties among the Company's customers could reduce its cash flows and adversely impact liquidity and profitability.

Davis-Lynch, Inc.
Notes to financial statements (continued)

Note H—Subsequent events

The Company has evaluated all events subsequent from the balance sheet date of June 30, 2011 through August 29, 2011, and noted no subsequent events that would require recognition or disclosure in the financial statements, other than those items disclosed herein and below.

On June 25, 2011, Forum Energy Technologies, Inc. entered into an agreement to purchase the Company for cash, as outlined under the terms in the purchase and sale agreement, subject to certain working capital adjustments. The transaction closed on July 29, 2011.

Wood Flowline Products, LLC financial statements

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Report of independent registered public accounting firm

To the Members of
Wood Flowline Products, LLC

In our opinion, the accompanying balance sheet and the related statements of operations, of members' equity and of cash flows, present fairly, in all material respects, the financial position of Wood Flowline Products, LLC at December 31, 2010 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
June 24, 2011

Wood Flowline Products, LLC
Balance sheet
December 31, 2010

		(thousands)
Assets		
Current assets		
Cash and cash equivalents	$	710
Accounts receivable, net		5,444
Inventories		4,792
Prepaid expenses and other current assets		373
Total current assets		11,319
Property, plant and equipment, net		2,265
Total assets	$	13,584
Liabilities and Members' Equity		
Current liabilities		
Current portion of long-term debt—related party	$	629
Current portion of long-term debt		65
Accounts payable		2,359
Accrued expenses and other payables		496
Total current liabilities		3,549
Long-term debt, less current portion—related party		203
Long-term debt, less current portion		100
Commitments and contingencies (Note 7)		
Members' Equity		9,732
Total liabilities and members' equity	$	13,584

The accompanying notes are an integral part of this financial statements.

Wood Flowline Products, LLC
Statement of operations
Year ended December 31, 2010

	(thousands)
Revenue	
Products	$ 23,964
Services	4,560
Total revenue	28,524
Operating costs and expenses	
Cost of revenue	
Products	17,781
Services	958
Selling, general and administrative expenses	1,576
	20,315
Income from operations	8,209
Other income (expense)	
Interest expense	(81)
Other expense, net	(4)
Total other expenses	(85)
Net income	$ 8,124

The accompanying notes are an integral part of this financial statements.

Wood Flowline Products, LLC
Consolidated statements of members' equity
December 31, 2010

	(thousands) Total members' equity
Balance, December 31, 2009	$ 1,925
Distributions to members	(317)
Net income	8,124
Balance, December 31, 2010	$ 9,732

The accompanying notes are an integral part of this financial statements.

Wood Flowline Products, LLC
Statement of cash flows
December 31, 2010

		(thousands)
Cash flow from operating activities		
Net income	$	8,124
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation expense		427
Bad debt expense		40
Loss on sale of equipment		4
Changes in operating assets and liabilities		
Accounts receivable (increase)		(4,672)
Inventories (increase)		(3,105)
Prepaid expenses and other current assets (increase)		(262)
Accounts payable and accrued expenses increase		1,687
Net cash provided by operating activities		2,243
Cash flow from investing activities		
Net cash received from sale of assets		23
Purchase of property, plant and equipment		(1,055)
Net cash used by investing activities		(1,032)
Cash flow from financing activities		
Proceeds from related party notes		390
Payments of related party notes		(544)
Payments of equipment notes		(38)
Distributions to members		(317)
Net cash used by financing activities		(509)
Net increase in cash		702
Cash and cash equivalents		
Beginning of period		8
End of period	$	710
Supplemental cash flow information		
Cash paid for interest	$	69
Noncash investing and financing activities		
Property, plant and equipment acquired through note payable	$	203

The accompanying notes are an integral part of this financial statements.

Wood Flowline Products, LLC
Notes to financial statements
December 31, 2010

1. Description of business and organization

Wood Flowline Products LLC (the “Company”), formed as a limited liability company in the State of Texas in September 2008, is a company focused on the manufacturing, distribution and maintenance of well-completion products. This includes the manufacturing, testing, rebuilding and recertification of swivel joints, pup joints, check valves, release valves, manifold trailers and other completion products. The Company has facilities in Oklahoma and Arkansas. The Company provides complete and detailed rebuild and recertification services for frac iron at its facilities. The Company also has a mobile rebuild and recertification team that provides flow line and valve maintenance, repair, ultrasonic testing and hydrostatic testing in the field.

2. Significant accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash on hand and all highly liquid investments with original maturities of three months or less.

Revenue recognition

For product sales, the Company recognizes revenue when persuasive evidence of an arrangement exists, performance has occurred, collection is reasonably assured, the sale price is fixed and determinable, and risk of loss for products shipped has occurred.

For rebuild and recertification services, the Company recognizes revenue when the service is complete.

Shipping and handling fees

The Company includes shipping and handling fees billed to customers in product sales revenue. Shipping and handling costs associated with these sales were $258 thousand for the year ended December 31, 2010.

Accounts receivable

The Company extends credit to customers in the normal course of business. The Company estimates its bad debt exposure based upon aging its accounts receivable balances each period and records a bad debt provision for accounts receivable it believes it may not collect in full. The Company has recorded a reserve for uncollectible accounts receivable of $40 thousand at December 31, 2010.

Concentration of credit risk

The majority of the Company’s customers operate in the oil and gas industry. While current energy prices are important contributors to positive cash flow for the customers, expectations about future prices and price volatility are generally more important for determining future

Wood Flowline Products, LLC
Notes to financial statements
December 31, 2010 (continued)

spending levels. Any prolonged increase or decrease in oil and natural gas prices affects the levels of exploration, development and production activity as well as the entire health of the oil and natural gas industry, and can therefore negatively impact spending by Company's customers.

Revenue for the year ended December 31, 2010 includes sales to 5 customers that each individually represented more than 10% of total revenue. These customers accounted for 85% of revenue for the year ended December 31, 2010. Accounts receivable from these customers totaled 86% of accounts receivable at December 31, 2010.

The Company maintains its cash balances at one financial institution. The Federal Deposit Insurance Corporation insures account balances up to $250 thousand, and they have offered unlimited coverage for noninterest bearing accounts at participating FDIC insured institutions through June 30, 2012. The Company's major bank participates in this program. The Company does not believe that it is exposed to any significant credit risk on any uninsured amounts.

Inventories

Inventories are stated at the lower of cost or market, cost being determined on an average cost basis. The Company reviews its inventory balances and writes down its inventory for estimated obsolescence or excess inventory equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future demand and market conditions. There was no reserve recorded for inventory on hand at December 31, 2010.

Concentration of supplier risk

Purchases during the year ended December 31, 2010 include purchases from 3 suppliers that each individually represented more than 10% of total inventory purchases. These suppliers accounted for 59% of total inventory purchases for the year ended December 31, 2010. The Company's accounts payable to these vendors totaled 60% of total accounts payable at December 31, 2010.

Property, plant and equipment

Property and equipment are recorded at cost. The costs of major renewals and betterments are capitalized; repair and maintenance costs are expensed as incurred. When assets are sold or retired, the cost and related accumulated depreciation are removed from the appropriate accounts, and the resulting gain or loss is included in current operations. Leasehold improvements are capitalized and amortized over the lesser of their estimated useful lives or 5 years.

Wood Flowline Products, LLC
Notes to financial statements
December 31, 2010 (continued)

Depreciation of property and equipment is computed principally using the straight-line basis over the estimated useful lives of the assets as set forth below:

Description	Useful life
Leasehold and improvements	5 years
Furniture, fixtures	5 years
Machinery and equipment	7 years
Vehicles	3 years
Computers and software	3 years

Members' equity

The Company has one class of equity. Members' interests were determined based upon each member's initial capital contribution in accordance with the Company Agreement. Initial capital contributions totaled $1 million.

Impairment of long-lived assets

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For purposes of evaluating the recoverability of long-lived assets, the recoverability test is performed using undiscounted future net cash flows of assets grouped at the lowest level for which there are identifiable cash flows that are independent of the cash flows of other groups of assets. If the undiscounted future net cash flows are less than the carrying amount of the asset, the asset is deemed impaired. The amount of the impairment is measured as the difference between carrying value and the fair value of the asset.

Income taxes

As a limited liability company, provision for income taxes is not made in the Company's accounts since such taxes are the responsibility of the individual members. Further, the members capital account reflected in the accompanying balance sheet differs from amounts reported in the members' income tax returns because of differences in the timing of certain expense and revenue items for financial and tax reporting purposes.

Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Wood Flowline Products, LLC
Notes to financial statements
December 31, 2010 (continued)

3. Inventories

Inventories consist of the followings at December 31, 2010:

	(thousands)
Raw materials	$ 4,026
Work-in-progress	335
Finished goods	431
	$ 4,792

4. Property, plant and equipment

The following is a summary of property, plant and equipment at December 31, 2010:

	(thousands)
Machinery and equipment	$ 1,534
Furniture, fixtures and computers and software	85
Automobile and other vehicles	382
Leasehold improvements	796
Less: Accumulated depreciation	(634)
Construction in process	102
	$ 2,265

Depreciation expense was $427 thousand for the year ended December 31, 2010, of which $279 thousand, $88 thousand and $60 thousand is recorded within products cost of revenue, services cost of revenue and selling, general and administrative expenses, respectively, in the accompanying statement of operations.

5. Accrued expenses

The following is a summary of accrued expenses at December 31, 2010:

	(thousands)
Accrued vacation	$ 31
Accrued interest	13
Insurance payable	222
Sales, franchise taxes	110
Payroll accrual	114
Payroll liabilities	6
	$ 496

Wood Flowline Products, LLC
Notes to financial statements
December 31, 2010 (continued)

6. Long-term debt

The Company entered into loan agreements with a related party for a total of $1.1 million. These loans were made from January 2009 to July 2009. The loans are unsecured and bear interest at 7% per year payable in equal installments of $35 thousand each month.

Additional loan agreements totaling $273 thousand were entered into with the related party from December 2009 to September 2010. These loans are also unsecured, bear interest at 7% per year and were due in full in February 2011.

Three equipment notes were entered into between June 2010 and August 2010. The notes are collateralized by assets and bear interest at rates between 6.5% and 7% per year, payable in installments totaling $6 thousand per month.

The long-term debt's fair value approximates its carrying value.

Following are maturities of notes payable for each of the next five years:

2011	$694
2012	254
2013	37
2014	8
2015	4
	$997

7. Commitments and contingencies

At December 31, 2010 the Company had a commitment for $376 thousand to purchase machinery and equipment.

8. Related party transactions

The Company conducts business with another entity related through common ownership. Sales to that entity for the year ending December 31, 2010 were $519 thousand. Accounts receivable from that entity at December 31, 2010 was $257 thousand.

During the year ending December 31, 2010 the Company purchased fixed assets from an owner of the Company. The fixed assets purchased were two trucks and two trailers used in the mobile recertification/rebuild operations of the Company. One truck and trailer was purchased for $50 thousand, and the other was purchased for $127 thousand.

The Company entered into loan agreements with an investment company affiliated with two of the Company's four ownership interests. See Note 6.

9. Subsequent events

On February 3, 2011 Forum Energy Technologies Inc., through one of its subsidiaries, purchased 100% of the stock of Wood Flowline Products LLC. Forum Energy Technologies is a global oilfield

Wood Flowline Products, LLC
Notes to financial statements
December 31, 2010 (continued)

products Company, serving the drilling, subsea, completion, production and process sectors of the oil and natural gas industry. All of the long-term debt outstanding at December 31, 2010 was repaid in connection with this transaction.

Events occurring after December 31, 2010 were evaluated as of June 24, 2011, the date this report was made available to be issued, to ensure any subsequent events that meet the criteria for recognition and/or disclosure in this report have been identified.

AMC Global Group Limited
Financial statements
for the year ended 30 April 2011

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AMC Global Group Limited

Report of independent registered public accounting firm to the member of AMC Global Group Limited

In our opinion, the accompanying consolidated and company balance sheets and the related consolidated profit and loss account and cash flow statement present fairly, in all material respects, the financial position of AMC Global Group Limited and its subsidiaries at 30 April 2011, and the results of their operations and their cash flows for the year ended 30 April 2011 in conformity with accounting principles generally accepted in the United Kingdom. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Accounting principles generally accepted in the United Kingdom vary in certain significant respects from accounting principles generally accepted in the United States of America. Information relating to the nature of such differences is presented in notes 2 to the combined financial statements.

/s/ PricewaterhouseCoopers LLP

Aberdeen, United Kingdom
August 31, 2011

AMC Global Group Limited
Consolidated profit and loss account for the year ended 30 April 2011

	Note	2011 £
Turnover	3	**12,832,852**
Cost of sales		**(5,755,776)**
Gross profit		**7,077,076**
Administrative expenses		**(1,930,342)**
Other operating income		**10,496**
Operating profit	4	**5,157,230**
Interest receivable and similar income	7	**16,209**
Interest payable and similar charges	8	**(15,011)**
Profit on ordinary activities before taxation		**5,158,428**
Tax on profit on ordinary activities	9	**(1,522,053)**
Profit for the financial year	23	**3,636,375**

All amounts relate to continuing operations.

The Group has no recognised gains or losses other than those included in the profit and loss account above.

There is no difference between the profit on ordinary activities before taxation and the profit for the year above and their historical cost equivalents.

The accompanying notes are an integral part of these financial statements.

AMC Global Group Limited
Consolidated and company balance sheets as at 30 April 2011

	Note	Group 2011 £	Company 2011 £
Fixed assets			
Intangible assets	12	**2,975,987**	**—**
Tangible assets	13	**1,504,047**	**—**
Investments	14	**—**	**5,057,887**
		4,480,034	**5,057,887**
Current assets			
Stock	15	**1,437,739**	**—**
Debtors	16	**2,958,619**	**—**
Investments	17	**550,000**	**—**
Cash at bank and in hand		**3,569,422**	**25,329**
		8,515,780	**25,329**
Creditors: amounts falling due within one year	18	**(2,586,354)**	**(1,845,419)**
Net current assets/(liabilities)		**5,929,426**	**(1,820,090)**
Total assets less current liabilities		**10,409,460**	**3,237,797**
Creditors: amounts falling due after more than one year	19	**—**	**—**
Provisions for liabilities	20	**(8,706)**	**—**
Net assets		**10,400,754**	**3,237,797**
Capital and reserves			
Called up share capital	21	**2,550,000**	**2,550,000**
Profit and loss account	22	**7,850,754**	**687,797**
Total shareholders' funds	23	**10,400,754**	**3,237,797**

The financial statements on pages F-118 to F-132 were approved by the board of directors on August 31, 2011 and were signed on its behalf by:

/s/ James W. Harris
Director

Registered no. SC SC333600 (Scotland)

AMC Global Group Limited
Consolidated cash flow statement for the year ended 30 April 2011

	Note	£	£
Net cash inflow from operating activities	24		**4,263,878**
Returns on investments and servicing of finance			
Interest received	7	**16,209**	
Interest paid	8	**(15,011)**	
Net cash inflow from returns on investments and servicing of finance			**1,198**
Taxation			**(762,940)**
Capital expenditure and financial investment			
Purchase of tangible fixed assets	13	**(453,155)**	
Sale of tangible fixed assets		**5,501**	
Net cash inflow for capital and financial investment			**(447,654)**
Equity dividends paid to shareholders	11		**(62,500)**
Net cash inflow before use of liquid resources and financing			**2,991,982**
Net cash outflow from management of liquid resources			**(300,000)**
Financing			
Redemption of loan notes		**(752,845)**	
Net cash inflow from financing			**(752,845)**
Increase in net cash			**1,939,137**
Reconciliation to net cash			
Net cash at 1 May			**1,127,439**
Decrease in net cash			**1,939,138**
Cash inflow from increase in liquid resources			**300,000**
Movement in borrowings			**752,845**
Net cash at 30 April 2011			**4,119,422**

AMC Global Group Limited
Notes to the consolidated financial statements for the year ended 30 April 2011

1. Business activities

The principal activity of the Group is the manufacture, sale and maintenance of torquing equipment (bucking machines) to the global oil and gas industry.

2. Accounting policies

(a) UK GAAP accounting policies

Accounting convention

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below.

Basis of consolidation

The Group financial statements comprise the financial statements of the Company and all its subsidiary undertakings. The accounting reference date of the Company and its subsidiary undertakings is 30 April. Uniform accounting policies are applied throughout the Group. Profits or losses on intra-Group transactions are eliminated on consolidation.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. It includes the relevant proportion of contract value for performance up to the year end.

Goodwill

When the fair value of the consideration for an acquired undertaking exceeds the fair value of its separable net assets the difference is treated as purchased goodwill and is capitalised and amortised through the profit and loss account on a straight line basis over its estimated economic life of 20 years. Impairment reviews are carried out to ensure that goodwill is not carried at above its recoverable amount.

AMC Global Group Limited
Notes to the consolidated financial statements for the year ended 30 April 2011 (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	10% Straight line
Plant & equipment	20% Straight line
Fixtures, fittings & equipment	20%—30% Straight line
Motor vehicles	25% Straight line

Investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Current asset investments are stated at the lower of cost and net realisable value.

Stocks

Stock is valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow-moving items.

Long-term contracts

Turnover and profit is recognised on long-term contracts as contract activity progresses and is calculated by reference to the value of work performed to date as a proportion of the total contract cost where the outcome can be assessed with reasonable certainty. Provisions for foreseeable losses are recognised in full when identified Turnover derived from variations on long-term contracts is recognised only when they have been accepted by the customer.

Where the invoiced value of work performed on a long-term contract is less than the actual value of the work performed by reference to the proportion of overall estimated contract costs incurred, the difference is recorded as amounts recoverable on long-term contracts and included within debtors due within one year.

Where payments are received from customers which exceed the value of work performed on a long-term contract the excess amounts are recorded as amounts payable under long-term contracts and included within creditors falling due within one year.

AMC Global Group Limited
Notes to the consolidated financial statements for the year ended 30 April 2011 (continued)

Pension costs

The Company operates a defined contribution scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions payable for the period are charged in the profit and loss account in the period to which they relate.

Current and deferred taxation

Corporation tax is provided on the assessable profits of the Company at the appropriate rates in force.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements. Deferred tax is measured at average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets and tax debtors arising from withholding tax credits are recognised to the extent that they are more likely than not to be recoverable. Deferred tax is measured on a non-discounted basis.

Foreign currency translation

The functional and presentational currency of the Company is Pounds Sterling.

Transactions in foreign currencies are recorded at the date ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Research and development

Research expenditure is written off to to cost of sales in the profit and loss account in the year in which it is incurred.

(b) Principal differences to US GAAP

The financial statements have been prepared in accordance with accounting principles generally accepted in the United Kingdom ('UK GAAP"). Such principles differ in certain significant respects from generally accepted accounting principles in the United States ('US GAAP'). A summary of principal differences applicable to AMC Global Group Limited are set out below.

AMC Global Group Limited
Notes to the consolidated financial statements for the year ended 30 April 2011 (continued)

Goodwill and intangible asset amortization

Under UK GAAP, goodwill arising and separately identifiable and separable intangible assets acquired on acquisitions made on or after 1 April 1998 are capitalized and amortized over their useful life, with a rebuttable presumption that the useful life will not exceed a period of 20 years. Prior to 1 April 1998, all goodwill and separately identifiable and separate intangible assets were written off to reserves on acquisition.

Under US GAAP, SFAS 142, “Goodwill and Other Intangible Assets” became effective for fiscal years beginning after 15 December 2001. Under SFAS 142, goodwill is not amortized but is tested for impairment on an annual basis or where there is an indicator of impairment. Prior to SFAS 142, goodwill was capitalized and amortized over its estimated useful life. Under SFAS 142, recognized intangible assets are amortized over their estimated useful lives.

Deferred income taxes

Under UK GAAP, deferred taxation is provided in full on all material timing differences. Deferred tax assets are recognized where their recovery is considered more likely than not. US GAAP requires deferred taxation to be provided in full, using the liability method. In addition, US GAAP requires the recognition of the deferred tax consequences of differences between the assigned values and the tax bases of the identifiable intangible assets, with the exception of non tax-deductible goodwill, in a purchase business combination. Consequently, a deferred tax liability attributable to identifiable intangible assets will be recognized and amortized over the useful economic lives of the underlying intangible assets.

Statement of cash flows

The statement of cash flows under UK GAAP is prepared in accordance with FRS 1 (revised) and presents substantially the same information as that required under US GAAP. Under US GAAP, however, there are certain differences from UK GAAP with regard to the classification of items within the cash flow statement and with regard to the definition of cash and cash equivalents.

Revenue Recognition—Long-term contract

Under UK GAAP, SSAP 9 defines a long-term contract as a contract entered into for the design, manufacture or construction of a single substantial asset where the time taken substantially to complete the contract is such that the contract activity falls into different accounts periods. This definition requires contracts with duration of less than one year to be accounted for as long-term contracts if they are sufficiently material to the activities of the period that failure to record turnover and profit on them would result in the accounts not giving a true and fair view. The Company recognizes revenue and cost of goods sold each period based upon the advancement of the work-in-progress unless the stage of completion is insufficient to enable a reasonably certain forecast of profit to be established. Under US GAAP, revenue would be accounted for on these contracts only when delivery has occurred.

AMC Global Group Limited
Notes to the consolidated financial statements for the year ended 30 April 2011 (continued)

Financial statement presentation

The format and presentation of the balance sheet, income statement and statement of cash flows under UK GAAP differs from that under US GAAP.

3. Turnover

In the opinion of the directors it would be seriously prejudicial to disclose segmental information by class of business or by geographical markets.

4. Operating profit

	2011 £
Operating profit is stated after charging/(crediting):	
Depreciation of tangible fixed assets	
Owned assets	**240,764**
Amortisation of goodwill	**175,920**
Loss on disposal of fixed assets	**6,133**
Operating leases	
Plant and machinery	**12,000**
Foreign exchange differences	**(13,220)**
Services provided by the Company's auditor	
Audit fees	**31,100**

5. Directors' remuneration

	2011 £
Remuneration for qualifying services	**300,292**
Company contributions to defined benefit pension schemes	**12,858**
	313,150

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3.

The remuneration disclosed above includes the following amounts paid to the highest paid director:

	2011 £
Remuneration for qualifying services	**119,755**
Company contributions to defined benefit pension schemes	**8,057**

AMC Global Group Limited
Notes to the consolidated financial statements for the year ended 30 April 2011 (continued)

6. Employees

The average monthly number of persons (including executive directors) employed by the Group during the year was:

	2011
Direct	52
Administrative	19
Directors	3
	74

The staff costs for the Group including directors' remuneration were as follows:

	2011 £
Wages and salaries	2,252,408
Social security costs	275,434
Other pension costs	24,944
	2,552,786

7. Interest receivable and similar income

	2011 £
Bank interest	16,209

8. Interest payable and similar charges

	2011 £
On other loans	15,011

9. Taxation

(a) Analysis of tax charge in the year:

	2011 £
Current tax:	
UK corporation tax on profits for the year	1,522,053
Total current tax charge	1,522,053
Deferred tax:	
Origination and reversal of timing differences	—
Total deferred tax charge	—
Tax on profits on ordinary activities	1,522,053

AMC Global Group Limited
Notes to the consolidated financial statements for the year ended 30 April 2011 (continued)

(b) Factors affecting tax charge for the year:

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 27.83%. The differences are explained below:

	2011 £
Profit on ordinary activities before tax	**5,158,428**
Profit on ordinary activities at the standard rate of corporation tax in the UK of 27.83% (2009: 28%)	**1,435,762**
Effects of:	
Expenses disallowed for tax purposes	**5,378**
Depreciation and amortisation in excess of capital allowances	**97,702**
Foreign tax adjustments	**(18,496)**
Other tax adjustments	**1,707**
Current tax charge for year	**1,522,053**

(c) Factors that may affect future tax charges:

The UK substantively enacted on 20 July 2010 an amendment to the corporation tax rate from 28% to 27% effective from 1 April 2011. Further reductions to the UK corporation tax rate were announced in the March 2011 Government Budget. The changes propose to reduce the corporation tax rate to 26% on 1 April 2011 and reduce the rate by 1% per annum thereafter to 23% by 1 April 2014. The reduction of the main corporation tax rate to 26% was substantively enacted on 29 March 2011. The reduction to 25% from April 2012 was substantively enacted on 5 July 2011. The changes to the tax rates do not have a material impact on these financial statements.

10. Profit and loss account of the Company

The Company made a loss of £10,301. The directors have taken advantage of the exemption available under section 408 of the Companies Act 2006 and not presented a profit and loss account for the Company alone.

11. Dividends

	2011 £
Equity—Ordinary	
Interim paid: 31.25p per ordinary share	**62,500**

AMC Global Group Limited
Notes to the consolidated financial statements for the year ended 30 April 2011 (continued)

12. Intangible fixed assets

Group	Goodwill £
Cost	
At 1 May 2010 and 30 April 2011	**3,518,407**
Accumulated amortisation	
At 1 May 2010	366,500
Charge for the year	175,920
At 30 April 2011	**542,420**
Net book value	
At 30 April 2011	**2,975,987**

13. Tangible fixed assets

Group	Land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 May 2010	1,299,887	354,137	55,592	147,879	1,857,495
Additions	348,202	71,933	3,045	29,975	453,155
Disposals	—	(134,874)	(40,598)	(6,200)	(181,672)
At 30 April 2011	**1,648,089**	**291,196**	**18,039**	**171,654**	**2,128,978**
Accumulated depreciation					
At 1 May 2010	255,173	189,886	40,885	68,259	554,203
Charge for the year	140,539	57,155	6,632	36,438	240,764
Disposals	—	(127,020)	(40,187)	(2,829)	(170,036)
At 30 April 2011	**395,712**	**120,021**	**7,330**	**101,868**	**624,931**
Net book value					
At 30 April 2011	**1,252,377**	**171,175**	**10,709**	**69,786**	**1,504,047**

There are no assets held under finance leases or hire purchase contracts.

14. Fixed asset investments

Company	Subsidiary undertakings £
At 30 April 2011	**5,057,887**

AMC Global Group Limited
Notes to the consolidated financial statements for the year ended 30 April 2011 (continued)

In the opinion of the directors, the aggregate value of the Company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

AMC Global Group Limited is a private Company, registered and domiciled in Scotland. Details of investments in which the Company hold more than 20% of the nominal value of any class of share capital are as follows:

Company	Country of incorporation	Class	Shares held %
AMC Global Engineering Limited	Scotland	Ordinary	100

AMC Global Engineering Limited holds 100% of the ordinary share capital of AMC Engineering Limited, a Company incorporated in Scotland and 100% of the ordinary share capital of AMC Torque Solutions Inc., a Company incorporated in the United States of America

The principal activities of subsidiary undertakings are as follows:

AMC Global Engineering Limited	Holding Company, operation of a property business for members of the Group and the provision of management services to its subsidiary.
AMC Engineering Limited	Manufacture, sale and maintenance of torquing equipment (bucking machines) to the global oil and gas industry.
AMC Torque Solutions Inc.	Sale and maintenance of torquing equipment (bucking machines) to the global oil and gas industry.

15. Stock

	2011 £
Raw materials and consumables	**1,437,739**

16. Debtors

	2011 £
Trade debtors	**2,256,615**
Amounts recoverable on long-term contracts	**498,184**
Corporation tax	**—**
Other debtors	**199,729**
Prepayments and accrued income	**4,091**
	2,958,619

AMC Global Group Limited
Notes to the consolidated financial statements for the year ended 30 April 2011 (continued)

17. Current asset investments

	2011 £
Listed investments	**550,000**

Current asset investments comprise of deposit investments with a market value at 30 April 2011 of £603,170.

18. Creditors: amounts falling due within one year

	Group 2011 £	Company 2011 £
Trade creditors	**1,304,986**	**—**
Payments on account on contracts	**192,860**	**—**
Amounts owed to Group undertakings	**—**	**1,845,419**
Corporation tax	**966,709**	**—**
Other taxation and social security	**88,992**	**—**
Other creditors	**9,082**	**—**
Accruals and deferred income	**23,725**	**—**
	2,586,354	**1,845,419**

Amounts owed by Group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

19. Provisions for liabilities

The liability for deferred taxation is analysed below:

	2011 £
Accelerated capital allowances	**8,706**

The movement on the deferred tax liability is as follows:

Group	**£**
At 1 May 2010	8,706
Deferred tax charged to profit and loss account	—
At 30 April 2011	**8,706**

AMC Global Group Limited
Notes to the consolidated financial statements for the year ended 30 April 2011 (continued)

20. Pension and other post-retirement benefit commitments

The Group made the following contributions to defined contribution pension schemes:

	2011 £
Contributions payable by the Group for the year	**16,209**

21. Share capital

Group and Company	2011 £
Allotted, called up and fully paid	
200,000 Ordinary shares of £1 each	**200,000**
2,350,000 Preference shares of £1 each	**2,350,000**
	2,550,000

The Preference shares do not entitle the holders to any dividends and have no set redemption date.

Preference shareholders are not entitled to attend or vote at any general meetings of the Company.

On a distribution of the Company assets, Preference shareholders are to be repaid £1 for each Preference share held. Any surplus remaining is to be distributed among the Ordinary shareholders.

22. Profit and loss account

	Group 2011 £	Company 2011 £
At 1 May	**4,276,879**	**760,598**
Retained profit/(loss) for the year (note 23)	**3,573,875**	**(72,801)**
At 30 April	**7,850,754**	**687,797**

23. Reconciliation of movements in shareholders' funds

	Group 2011 £	Company 2011 £
Profit/(loss) for the financial year	**3,636,375**	**(10,301)**
Dividends	**(62,500)**	**(62,500)**
Retained profit/(loss) for the financial year	**3,573,875**	**(72,801)**
Net addition/(reduction) to shareholder's funds	**3,573,875**	**(72,801)**
Closing shareholders funds	**10,400,754**	**3,237,797**

AMC Global Group Limited
Notes to the consolidated financial statements for the year ended 30 April 2011 (continued)

24. Net cash inflow from operating activities

	2011 £
Operating profit	**5,157,230**
Depreciation	**240,764**
Goodwill amortisation	**175,920**
Loss on disposal of tangible fixed assets	**6,134**
Increase in debtors	**(62,848)**
Increase in creditors	**131,964**
(Increase) in stock	**(1,385,286)**
Net cash inflow from operating activities	**4,263,878**

25. Related party transactions

During the year the Group repaid £752,845 of loan notes to Kerry Polson, the wife of director, Andrew Polson. At 30 April 2011 the amount of loan notes outstanding was £nil. During the year interest of £15,011 was charged on the loan notes at 4% over base rate

The Company has taken advantage of the exemptions in FRS 8 not to disclose related party transactions with entities that are part of the Group headed by AMC Global Group Limited.

26. Operating lease commitments

At 30 April 2011 the Group was committed to making the following payments under non-cancellable operating leases:

	Other 2011 £
Operating leases which expire:	
Within one year	**—**
Between two and five years	**12,000**
	12,000

27. Ultimate controlling party

During the financial year the Group was controlled by its director, Andrew Polson, by virtue of the fact that he owns the majority of the issued Ordinary share capital of the Company.

On 1 July 2011 the Company was acquired by Forum Energy Technologies Inc.

From 1 July 2011 the ultimate parent undertaking and controlling party is Forum Energy Technologies Inc. (formerly Forum Oilfield Technologies Inc.), a Company incorporated in United States of America.

P-Quip Limited
Financial statements
For the year ended 31 May 2011

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P-Quip Limited

Report of independent registered public accounting firm to the member of P-Quip Limited

In our opinion, the accompanying balance sheet and the related profit and loss account and cash flow statement present fairly, in all material respects, the financial position of P-Quip Limited at 31 May 2011, and the results of its operations and its cash flows for the year ended 31 May 2011 in conformity with accounting principles generally accepted in the United Kingdom. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Accounting principles generally accepted in the United Kingdom vary in certain significant respects from accounting principles generally accepted in the United States of America. Information relating to the nature of such differences is presented in note 2 to the financial statements.

/s/ PricewaterhouseCoopers LLP

Aberdeen, United Kingdom
August 31, 2011

P-Quip Limited
Profit and loss account for the year ended 31 May 2011

	Note	2011 £
Turnover	3	**9,097,357**
Cost of sales		**(4,659,977)**
Gross profit		**4,437,380**
Administrative expenses		**(1,121,508)**
Operating profit	4	**3,315,872**
Interest receivable and similar income	7	**7,649**
Interest payable and similar charges	8	**(2,442)**
Profit on ordinary activities before taxation		**3,321,079**
Tax on profit on ordinary activities	9	**(578,534)**
Profit for the financial year	20	**2,742,545**

All amounts relate to continuing operations.

There were no recognised gains and losses other than those included in the profit and loss account above.

There is no difference between the profit on ordinary activities before taxation and the profit for the year above and their historical cost equivalents.

The accompanying notes are an integral part of these financial statements.

P-Quip Limited
Balance sheet as at 31 May 2011

	Note	2011 £
Fixed assets		
Tangible assets	11	**73,033**
Current assets		
Stock	12	**2,947,496**
Debtors	13	**5,518,157**
Cash at bank and in hand		**965,549**
		9,431,202
Creditors: amounts falling due within one year	14	**(2,946,836)**
Net current assets		**6,484,366**
Total assets less current liabilities		**6,557,399**
Creditors: amounts falling due after more than one year	15	**(19,937)**
Net assets		**6,537,462**
Capital and reserves		
Called up share capital	18	**33,215**
Profit and loss account	19	**6,504,247**
Total shareholder's funds	20	**6,537,462**

The financial statements on pages F-135 to F-148 were approved by the board of directors on August 31, 2011 and were signed on its behalf by:

/s/ James W. Harris
Director

P-Quip Limited

Registered no. SC046702

P-Quip Limited
Cash flow statement for the year ended 31 May 2011

	Note	2011 £	£
Net cash inflow from operating activities	21		**3,501,799**
Returns on investments and servicing of finance			
Interest received	7	**7,649**	
Interest paid	8	**(2,442)**	
Net cash inflow from returns on investments and servicing of finance			**5,207**
Taxation			**(543,712)**
Capital expenditure and financial investment			
Purchase of tangible fixed assets	11	**(5,132)**	
Net cash (outflow) for capital and financial investment			**(5,132)**
Equity dividends paid to shareholders	10		**(3,500,000)**
Net cash outflow before use of liquid resources and financing			**(541,838)**
Financing			
Capital element of hire purchase contracts		**(16,958)**	
Net cash outflow from financing			**(16,958)**
Decrease in net cash			**(558,796)**
Reconciliation to net (debt)/cash			
Net cash at 1 June			**1,498,594**
Decrease in net cash			**(558,796)**
Movement in borrowings			**16,958**
Other non-cash changes			**(25,300)**
Net cash at 31 May			**931,456**

P-Quip Limited
Notes to the financial statements for the year ended 31 May 2011

1. Business activities

The principal activity of the company is the design, supply, manufacture, installation and commissioning of proprietary mud pump fluid end assemblies for the oil industry. P-Quip's products include mud pump rod systems, a liner retention system, valve cover retention systems, discharge strainer systems, valve seat pulling jack, special mud pump pistons, an automatic self- supporting mud bucket and a washpipe system. These products are sold to drilling contractors and mud pump manufacturers.

2. Accounting policies

(a) UK GAAP accounting policies

Accounting convention

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below:

Turnover

Turnover arising from the sale of goods is recognised once substantially all the risks and rewards of ownership of the goods are transferred to the customer. Typically this will be upon shipment of goods, but will depend on factors such as insurance arrangements for goods in transit, where if all risks of ownership are not deemed to have passed then revenues are deferred until risk is deemed transferred to the customer.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is shorter:

Leasehold improvements	10 years
Fixtures and fittings	10 years
Plant and equipment	4 years
Computer equipment	3 years
Motor vehicles	4 years

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives.

P-Quip Limited
Notes to the financial statements for the year ended 31 May 2011 (continued)

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Taxation

Corporation tax is provided on the assessable profits of the company at the appropriate rates in force.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements. Deferred tax is measured at average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets and tax debtors arising from withholding tax credits are recognised to the extent that they are more likely than not to be recoverable. Deferred tax is measured on a non-discounted basis. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currencies

The functional and presentational currency of the company is Pounds Sterling.

Transactions in foreign currencies are recorded at the date ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

P-Quip Limited
Notes to the financial statements for the year ended 31 May 2011 (continued)

Pensions

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the period are charged in the profit and loss account in the period to which they relate.

(b) Principal differences to US GAAP

The financial statements have been prepared in accordance with accounting principles generally accepted in the United Kingdom ('UK GAAP"). Such principles differ in certain significant respects from generally accepted accounting principles in the United States ('US GAAP'). A summary of principal differences applicable to the company are set out below.

Deferred income taxes

Under UK GAAP, deferred taxation is provided in full on all material timing differences. Deferred tax assets are recognized where their recovery is considered more likely than not. US GAAP requires deferred taxation to be provided in full, using the liability method. In addition, US GAAP requires the recognition of the deferred tax consequences of differences between the assigned values and the tax bases of the identifiable intangible assets, with the exception of non tax-deductible goodwill, in a purchase business combination. Consequently, a deferred tax liability attributable to identifiable intangible assets will be recognized and amortized over the useful economic lives of the underlying intangible assets.

Statement of cash flows

The statement of cash flows under UK GAAP is prepared in accordance with FRS 1 (revised) and presents substantially the same information as that required under US GAAP. Under US GAAP, however, there are certain differences from UK GAAP with regard to the classification of items within the cash flow statement and with regard to the definition of cash and cash equivalents.

Financial statement presentation

The format and presentation of the balance sheet, income statement and statement of cash flows under UK GAAP differs from that under US GAAP.

3. Turnover

In the opinion of the directors it would be seriously prejudicial to disclose segmental information by class of business or by geographical markets.

P-Quip Limited
Notes to the financial statements for the year ended 31 May 2011 (continued)

4. Operating profit

	2011 £
Operating profit is stated after charging	
Depreciation of tangible fixed assets	
Owned assets	**6,481**
Leased assets	**20,715**
Auditors remuneration	**23,400**
Operating leases	
Land and buildings	**16,300**
Plant and machinery	**1,800**
Foreign exchange differences	**227,012**

5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2011 £
Wages and salaries	**612,632**
Social security costs	**72,069**
Other pension costs	**20,298**
	704,999

The average monthly number of employees, including directors, during the year was as follows:

	2011
Directors	**1**
Engineering	**9**
Administration	**2**
	12

6. Directors' remuneration

	2011 £
Emoluments	**169,337**
Company pension contributions to defined contribution pension schemes	**4,434**

During the year retirement benefits were accruing to 1 director in respect of defined contribution pension schemes.

The amounts above relate to the emoluments of the highest paid director.

P-Quip Limited
Notes to the financial statements for the year ended 31 May 2011 (continued)

7. Interest receivable and similar income

	2011 £
Bank Interest	7,649

8. Interest payable and similar charges

	2011 £
On bank loans and overdrafts	55
On finance leases and hire purchase contracts	2,387
	2,442

9. Taxation

(a) Analysis of tax charge in the year

	2011 £
Current tax	
UK corporation tax charge on profit for the year	655,792
Adjustments in respect of prior periods	(104,617)
Total current tax	551,175
Deferred tax	
Origination and reversal of timing differences	25,308
Adjustments in respect of prior periods	2,051
Total deferred tax (note 17)	27,359
Tax on profit on ordinary activities	578,534

P-Quip Limited
Notes to the financial statements for the year ended 31 May 2011 (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 27.67% (2010: 28%). The differences are explained below:

	2011 £
Profit on ordinary activities before taxation	**3,321,079**
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 27.67%	**918,942**
Effects of:	
Expenses not deductible for tax purposes	**2,017**
Group relief claimed	**(238,234)**
Depreciation in excess of capital allowances	**737**
Other short term timing differences	**(27,670)**
Adjustments to tax charge in respect of prior periods	**(104,617)**
Current tax charge for the year	**551,175**

(c) Factors that may affect future tax charges

The UK substantively enacted on 20 July 2010 an amendment to the corporation tax rate from 28% to 27% effective from 1 April 2011. Further reductions to the UK corporation tax rate were announced in the March 2011 Government Budget. The changes propose to reduce the corporation tax rate to 26% on 1 April 2011 and reduce the rate by 1% per annum thereafter to 23% by 1 April 2014. The reduction of the main corporation tax rate to 26% was substantively enacted on 29 March 2011. The reduction to 25% from April 2012 was substantively enacted on 5 July 2011. The changes to the tax rates do not have a material impact on these financial statements.

P-Quip Limited
Notes to the financial statements for the year ended 31 May 2011 (continued)

10. Dividends

	2011 £
Dividends paid on equity capital: £105.37 per ordinary share	3,500,000

11. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost						
At 1 June 2010	8,381	13,322	84,712	22,606	5,712	134,733
Additions	—	—	25,300	4,540	592	30,432
At 31 May 2011	**8,381**	**13,322**	**110,012**	**27,146**	**6,304**	**165,165**
Depreciation						
At 1 June 2010	3,562	9,675	33,862	14,120	3,717	64,936
Charge for year	838	2,043	20,715	2,753	847	27,196
At 31 May 2011	**4,400**	**11,718**	**54,577**	**16,873**	**4,564**	**92,132**
Net book value						
At 31 May 2011	**3,981**	**1,604**	**55,435**	**10,273**	**1,740**	**73,033**

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2011 £
Cost	**110,012**
Depreciation	**(54,577)**
Net book value	**55,435**

12. Stock

	2011 £
Finished goods and goods for resale	**2,947,496**

P-Quip Limited
Notes to the financial statements for the year ended 31 May 2011 (continued)

13. Debtors

	2011 £
Trade debtors	**2,883,647**
Amounts owed by group undertakings	**2,205,610**
Other debtors	**394,182**
Prepayments and accrued income	**33,367**
Deferred tax (note 17)	**1,351**
	5,518,157

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

14. Creditors: amounts falling due within one year

	2011 £
Trade creditors	**2,345,251**
Net obligations under finance leases and hire purchase contracts	**14,156**
Corporation tax	**229,273**
Social security and other taxes	**9,791**
Accruals and deferred income	**348,365**
	2,946,836

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

15. Creditors: amounts falling due after more than one year

	2011 £
Net obligations under finance leases and hire purchase contracts	**19,937**

16. Security

The bank holds a bond and floating charge over all the assets of the company.

The bank held a cross corporate guarantee between KLS Holdings Ltd, Lothian Steel Services Ltd, Ecosteel Ltd, P-Quip Ltd & Bridgeforth Engineering Ltd and third party.

The bank held standard security over 19/23 Bellknowes Industrial Estate, which was granted by KLS Holdings Limited.

P-Quip Limited
Notes to the financial statements for the year ended 31 May 2011 (continued)

Both the cross corporate guarantee and the standard security was removed following the acquisition of P-Quip Ltd by Forum Energy Technologies (UK) Ltd, on 5th July 2011.

17. Deferred tax asset

	2011 £
At 31 May 2010	**28,710**
Charged for during the year	**(27,359)**
At 31 May 2011	**1,351**

The deferred tax asset is made up as follows:

	2011 £
Short term timing differences	—
Accelerated capital allowances	**1,351**
	1,351

18. Share Capital

	2011 £
Authorised	
35,000 Ordinary shares of £1 each	**35,000**
Allotted, called up and fully paid	
33,215 Ordinary shares of £1 each	**33,215**

19. Profit and loss account

	2011 £
1 June 2010	**7,261,702**
Retained loss for the financial year (note 20)	**(757,455)**
31 May 2011	**6,504,247**

P-Quip Limited
Notes to the financial statements for the year ended 31 May 2011 (continued)

20. Reconciliation of movement in shareholder's funds

	2011 £
Profit for the financial year	**2,742,545**
Dividends	**(3,500,000)**
Retained loss for the financial year	**(757,455)**
Net reduction to shareholder's funds	**(757,455)**
Closing shareholder's funds	**6,537,462**

21. Cash flow from operating activities

	2011 £
Operating profit	**3,315,872**
Depreciation	**27,196**
Loss on disposal of tangible fixed assets	**—**
(Increase) in debtors	**(720,216)**
Increase in creditors	**1,786,659**
(Increase) in stock and work in progress	**(907,712)**
Net cash inflow from operating activities	**3,501,799**

22. Pension commitments

Contributions made by the company to defined contribution pension schemes amounted to £20,298. There were no pension contributions outstanding at the year end.

23. Operating lease commitments

	Land and buildings 2011 £	Other 2011 £
Expiry date		
Within one year	**—**	1,800
Between two and five years	**16,300**	—

24. Ultimate parent undertaking and controlling party

During the financial year the ultimate parent company was KLS (Holdings) Limited, a company incorporated in Scotland. This is the parent undertaking of the smallest and largest group to consolidate these financial statements.

P-Quip Limited
Notes to the financial statements for the year ended 31 May 2011 (continued)

The company has taken advantage of the exemptions in FRS 8 not to disclose related party transactions with entities that are part of the group headed by KLS (Holdings) Limited.

On 5 July 2011 the company was acquired by Forum Energy Technologies (UK) Limited.

From 5 July 2011, the ultimate parent undertaking and controlling party is Forum Energy Technologies Inc. (formerly Forum Oilfield Technologies Inc.), a company incorporated in United States of America.

Cannon Services, Ltd. financial statements for the year ended December 31, 2010

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Report of independent registered public accounting firm

To the Partners of
Cannon Services, Ltd.

In our opinion, the accompanying balance sheet and the related statements of income, of changes in partners' capital and of cash flows, present fairly, in all material respects, the financial position of Cannon Services, Ltd. at December 31, 2010 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
August 19, 2011

Cannon Services, Ltd.
Balance sheet
December 31, 2010
(in thousands)

Assets	
Current assets	
Cash and cash equivalents	$ 1,346
Accounts receivable, net	5,221
Inventories	4,920
Prepaid expenses and other current assets	127
Total current assets	11,614
Property and equipment, net	457
Total assets	$12,071
Liabilities and Partners' Capital	
Current liabilities	
Accounts payable	$ 397
Accrued expenses and other payables	420
Total current liabilities	817
Commitments and contingencies (Note 6)	
Partners' Capital	11,254
Total liabilities and partners' capital	$12,071

The accompanying notes are an integral part of this financial statements.

Cannon Services, Ltd.
Statement of income
Year ended December 31, 2010
(in thousands)

Product sales	$29,684
Cost of sales	16,039
Gross profit	13,645
Selling, general and administrative expenses	5,869
Income from operations	7,776
Other income	38
Net income	$ 7,814

The accompanying notes are an integral part of this financial statements.

Cannon Services, Ltd.
Statement of changes in partners' capital
December 31, 2010
(in thousands)

	Total partners' capital
Balance at December 31, 2009	$ 8,585
Distributions to partners	(5,145)
Net income	7,814
Balance at December 31, 2010	$ 11,254

The accompanying notes are an integral part of this financial statements.

Cannon Services, Ltd.
Statement of cash flows
December 31, 2010
(in thousands)

Cash flow from operating activities	
Net income	$ 7,814
Adjustments to reconcile net income to net cash provided by operating activities	
Bad debt expense	19
Depreciation of property and equipment	165
Changes in operating assets and liabilities	
Accounts receivable (increase)	(2,264)
Inventories (increase)	(1,626)
Prepaid expenses and other current assets (increase)	(24)
Accounts payable and accrued expenses (decrease)	(131)
Net cash provided in operating activities	3,953
Cash flow from investing activities	
Purchase of property, plant and equipment	(232)
Net cash used in investing activities	(232)
Cash flow from financing activities	
Distributions to partners	(5,145)
Net cash used in financing activities	(5,145)
Net decrease in cash	(1,424)
Cash and cash equivalents	
Beginning of period	2,770
End of period	$ 1,346

The accompanying notes are an integral part of this financial statements.

Cannon Services, Ltd.
Notes to financial statements
December 31, 2010
(in thousands)

1. Description of business and organization

Cannon Services, Ltd. (the “Company”), was formed in 1986 and converted to a limited partnership in the State of Texas in January 2001. The Company manufactures and supplies protection systems for downhole completion control lines and cables. Products include protectors for ESP cable, TEC lines, gauges, control lines, intelligent well flat packs, sub-sea umbilicals and fiber optics. The Company has facilities in Stafford Texas. The accompanying financial statements and related footnotes are presented in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

2. Significant accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash on hand and all highly liquid investments with original maturities of three months or less.

Revenue recognition

The Company recognizes revenue from its product sales when persuasive evidence of an arrangement exists, performance has occurred, collection is reasonably assured, the sale price is fixed and determinable, and the transfer of risk of loss for products shipped has occurred.

Accounts receivable

The Company extends credit to customers in the normal course of business. The Company estimates its bad debt exposure based upon the age of its accounts receivable balances each period and records a bad debt provision for accounts receivable that the Company believes it may not collect in full.

Concentration of credit risk

The majority of the Company’s customers operate in the oil and gas industry. While current energy prices are important contributors to positive cash flow for the customers, expectations about future prices and price volatility are generally more important for determining future spending levels. Any prolonged increase or decrease in oil and natural gas prices affects the levels of exploration, development and production activity as well as the entire health of the oil and natural gas industry, and can therefore negatively impact spending by Company’s customers.

Revenue for the year ended December 31, 2010 includes sales to 3 customers that each individually represented more than 10% of total revenue. These customers accounted for 40% of revenue for the year ended December 31, 2010. Accounts receivable from these customers totaled 58% of accounts receivable at December 31, 2010.

Cannon Services, Ltd.
Notes to financial statements
December 31, 2010 (continued)
(in thousands)

The Company maintains its cash balances at one financial institution. The Federal Deposit Insurance Corporation insures account balances up to $250 thousand, and they have offered unlimited coverage for noninterest bearing accounts at participating FDIC insured institutions through June 30, 2012. The Company's financial institution participates in this program. The Company does not believe that it is exposed to any significant credit risk on any uninsured amounts.

Inventories

Inventories are stated at the lower of cost or market, cost being determined on an average cost basis. The Company reviews its inventory balances and writes down its inventory for estimated obsolescence or excess inventory equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future demand and market conditions. There was no reserve recorded for inventory on hand at December 31, 2010.

Concentration of supplier risk

Purchases during the year ended December 31, 2010 include purchases from one supplier that represented 91% of total inventory purchases. The Company's accounts payable to this vendor totaled 62% of total accounts payable at December 31, 2010.

Property and equipment

Property and equipment are recorded at cost. The costs of major renewals and betterments are capitalized; repair and maintenance costs are expensed as incurred. When assets are sold or retired, the cost and related accumulated depreciation are removed from the appropriate accounts, and the resulting gain or loss is included in current income.

Depreciation of property and equipment is computed principally using the straight-line basis over the estimated useful lives of the assets as set forth below:

Description	Useful Life
Furniture and fixtures	5
Machinery and equipment	7
Tooling	7
Computers and software	3

Impairment of Long-lived assets

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For purposes of evaluating the recoverability of long-lived assets, the recoverability test is performed using undiscounted future net cash flows of assets grouped at the lowest level

Cannon Services, Ltd.
Notes to financial statements
December 31, 2010 (continued)
(in thousands)

for which there are identifiable cash flows that are independent of the cash flows of other groups of assets. If the undiscounted future net cash flows are less than the carrying amount of the asset, the asset is deemed impaired. The amount of the impairment is measured as the difference between carrying value and the fair value of the asset.

Income taxes

As a limited partnership, provision for income taxes is not made in the Company's accounts since such taxes are the responsibility of the individual members. Further, the partners' capital account reflected in the accompanying balance sheet differs from amounts reported in the partners' income tax returns because of differences in the timing of certain expense and revenue items for financial and tax reporting purposes.

Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

3. Property and equipment

The following is a summary of property and equipment at December 31, 2010:

Machinery and equipment	$ 451
Furniture, fixtures and computers and software	144
Tooling	929
Less: Accumulated depreciation	(1,067)
	$ 457

Depreciation expense was $165 thousand for the year ended December 31, 2010.

4. Accrued expenses

The following is a summary of accrued expenses at December 31, 2010:

Payroll	$146
Commissions payable	237
Other	37
	$420

Cannon Services, Ltd.
Notes to financial statements
December 31, 2010 (continued)
(in thousands)

5. Commitments and contingencies

The Company rents its facilities from a company affiliated through common ownership (See note 6). Future minimum payments due under this agreement at December 31, 2010 are as follows:

2011	$395
2012	415
2013	176
2014	—
2015	—
	$986

6. Related party transactions

The Company rents its facilities from a company affiliated through common ownership. Rent expense for the year ended December 31, 2010 was $384 thousand. The Company pays a 5 percent royalty to a partner based upon annual product sales. The total royalty expense for the year ended December 31, 2010 was $1.455 million.

7. Subsequent events

On July 1, 2011 Forum Energy Technologies Inc., through one of its subsidiaries, purchased 100% of the partnership interests of Cannon Services, Ltd. Forum Energy Technologies is a global oilfield products Company, serving the drilling, subsea, completion, production and process sectors of the oil and natural gas industry.

Events occurring after December 31, 2010 were evaluated as of the date that this report was made available to be issued, to ensure any subsequent events that meet the criteria for recognition and/or disclosure in this report have been identified.

Cannon Services, Ltd. Financial statements for the six months ended June 30, 2010 and June 30, 2011

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Cannon Services, Ltd.
Condensed balance sheets (unaudited)
(in thousands)

	December 31, 2010	June 30, 2011
Assets		
Current assets		
Cash and cash equivalents	$ 1,346	$ 1,640
Accounts receivable, net	5,221	3,452
Inventories	4,920	5,537
Prepaid expenses and other current assets	127	1,125
Total current assets	11,614	11,754
Property, plant and equipment, net	457	497
Total assets	$ 12,071	$ 12,251
Liabilities and Partners' Capital		
Current liabilities		
Accounts payable	$ 397	$ 1,178
Accrued expenses and other payables	420	560
Total current liabilities	817	1,738
Commitments and contingencies (Note 5)		
Partners' Capital	11,254	10,513
Total liabilities and partners' capital	$ 12,071	$ 12,251

The accompanying notes are an integral part of these condensed financial statements.

Cannon Services, Ltd.
Condensed statements of income (unaudited)
(in thousands)

	Six months ended June 30,	
	2010	**2011**
Product sales	$14,127	$13,544
Cost of sales	7,661	5,633
Gross profit	6,466	7,911
Selling, general and administrative expenses	2,117	3,472
Income from operations	4,349	4,439
Other income	2	—
Net income	$ 4,351	$ 4,439

The accompanying notes are an integral part of these condensed financial statements.

Cannon Services, Ltd.
Condensed statements of cash flows (unaudited)
(in thousands)

	Six months ended June 30,	
	2010	**2011**
Cash flow from operating activities		
Net income	$ 4,351	$ 4,439
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation of property and equipment	84	80
Changes in operating assets and liabilities		
Accounts receivable (increase) decrease	(2,444)	1,769
Inventories (increase)	(1,006)	(617)
Prepaid expenses and other current assets (increase) decrease	78	(998)
Accounts payable and accrued expenses increase	1,114	921
Net cash provided by operating activities	2,177	5,594
Cash flow from investing activities		
Purchase of property and equipment	(64)	(120)
Net cash used in investing activities	(64)	(120)
Cash flow from financing activities		
Distributions to partners	(1,795)	(5,180)
Net cash used in financing activities	(1,795)	(5,180)
Net increase in cash	318	294
Cash and cash equivalents		
Beginning of period	2,771	1,346
End of period	$ 3,089	$ 1,640

The accompanying notes are an integral part of these condensed financial statements.

Cannon Services, Ltd.
Notes to condensed financial statements (unaudited)
(in thousands)

1. Description of business and organization

Cannon Services, Ltd (the “Company”), was formed in 1986 and was converted to a limited partnership in the State of Texas in January 2001. The Company manufactures and supplies protection systems for downhole completion control lines and cables. Products include protectors for ESP cable, TEC lines, gauges, control lines, intelligent well flat packs, sub-sea umbilicals and fiber optics. The Company has facilities in Stafford Texas. The accompanying financial statements and related footnotes are presented in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Basis of presentation

The condensed balance sheet of the Company at December 31, 2010 was derived from the Company’s audited financial statements as of that date, but does not include all disclosures required by accounting principles generally accepted in the United States of America. The condensed balance sheet at June 30, 2011, the condensed statements of income for the six month periods ended June 30, 2011 and June 30, 2010, respectively, and the condensed statements of cash flows for the six month periods ended June 30, 2011 and June 30, 2010, respectively, were prepared by the Company.

In the opinion of Company management, all adjustments, consisting of normal recurring adjustments, necessary to state fairly the financial position, results of operations and cash flows were recorded. The results of operations for the six month period ended June 30, 2011 are not necessarily indicative of the operating results for a full year or of future operations.

Certain information and footnote disclosures normally included in financial statements presented in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. The accompanying condensed financial statements should be read in conjunction with the financial statements and notes thereto contained in the Company’s financial statements for the year ended December 31, 2010.

2. Commitments and contingencies

The Company rents its facilities from a company affiliated through common ownership. Future minimum payments due under this agreement at June 30, 2011 are as follows:

2011	$ 201
2012	415
2013	176
2014	—
2015	—
	$ 792

Cannon Services, Ltd.
Notes to condensed financial statements (unaudited) (continued)
(in thousands)

3. Related party transactions

The Company rents its facilities from a company affiliated through common ownership (Note 2).

The Company owes a 5 percent royalty to a partner based on sales. Total royalty expense for the six month periods ended June 30, 2010 and 2011 were $350 thousand and $661 thousand, respectively. On July 1, 2011 the Company purchased the patents underlying the above described royalty agreement and cancelled the royalty agreement in exchange for $1.0 million. This payment was made in June 2011 and is included in prepaid expenses and other current assets on the accompanying balance sheet at June 30, 2011.

4. Subsequent events

On July 1, 2011 Forum Energy Technologies Inc., through one of its subsidiaries, purchased 100% of the stock of Cannon Services, Ltd. Forum Energy Technologies is a global oilfield products Company, serving the drilling, subsea, completion, production and process sectors of the oil and natural gas industry.

Events occurring after June 30, 2011 were evaluated as the date these financial statements were made available to be issued, to ensure any subsequent events that meet the criteria for recognition and/or disclosure in this report have been identified.

Glossary

Selected industry terms

The following industry terms defined in this section are used throughout this prospectus:

Bbl. One stock tank barrel of 42 U.S. gallons liquid volume, used herein in reference to crude oil, condensate or natural gas liquids.

Blowout preventer (BOP). A large valve at the top of a well that may be closed to regain control of a reservoir if the drilling crew or other wellsite personnel lose control of formation fluids.

Bottomhole assembly. The lower end of a drill string composed of specialized components including the drill bit.

Casing. Large-diameter pipe lowered into an openhole wellbore and cemented in place.

Catwalk. The ramp at the side of the drilling rig where tubulars are laid to be lifted to the drill floor.

Choke. A device incorporating an orifice that is used to control fluid flow rate or downstream system pressure.

Coiled tubing. A long, continuous length of pipe wound on a spool. The pipe is straightened prior to pushing into a wellbore and recoiled to spool the pipe back onto the transport and storage spool.

Drilling rig. The machine used to drill a wellbore.

Drill bit. Tool attached to the bottom of a drill string that serves as the cutting or boring element used to drill the wellbore.

Drill floor. The elevated platform where the majority of activity by a drilling rig crew occurs during drilling operations, including make-up and breakout of tubulars and supervision and monitoring of the drilling process.

Drill pipe. Heavy tubular steel conduit fitted with special threaded ends called tool joints. The drill pipe connects the surface equipment with the bottomhole assembly, both to pump drilling fluid to the drill bit and to raise, lower and rotate the bottomhole assembly.

Drill string. The combination of the drillpipe and the bottomhole assembly.

Elevator. A set of clamps that grip tubulars so that the tubulars can be raised or lowered into the wellbore.

Flatpacks. A method of encapsulating downhole control lines and electrical conduit material so as to protect against damage caused by pressure or temperature.

Flow Equipment. The high pressure tubulars, piping, joints, valves, manifolds, fittings, assemblies, and other pressure control products used in the well stimulation process. Flow equipment also commonly refers to all of the pressure control products that connect the hydraulic fracturing pressure pump to the top of the well, and serves as the conduit though which the fracturing fluids travel.

Hydrocarbon. A naturally occurring organic compound comprising hydrogen and carbon. Hydrocarbons can be as simple as methane, but many are highly complex molecules, and can occur as gases, liquids or solids. Petroleum is a complex mixture of hydrocarbons. The most common hydrocarbons are natural gas, oil and coal.

Iron roughneck. Machine on drill floor used to make-up or breakout tubulars.

Landing String. A long string of drill pipe used to lower blowout preventer stacks and casing strings to the ocean floor from an offshore drilling rig.

Lease Automatic Custody Transfer (LACT) Unit. Measurement systems used in the ownership transfer of crude oil and petroleum products from the well site to trucks, pipelines or storage tanks.

Make-up and breakout. Process of spinning and torquing when connecting and disconnecting tubulars.

Manifold. An arrangement of piping, valves and chokes designed to control, distribute and often monitor fluid flow. Manifolds are often configured for specific functions, such as a choke and kill manifold used in well-control operations and a squeeze manifold used in squeeze-cementing work.

Mcf. One thousand cubic feet of natural gas.

Mud Pump. A large reciprocating pump used to circulate the drilling fluid on a drilling rig.

Mousehole. Shallow bores under the drill floor, usually lined with pipe, in which joints of drill pipe are temporarily suspended for later connection to the drill string.

Pick-up and lay-down. Pipe handling systems that consist of truck mounted units that raise and lower tubulars to and from the drill floor. Pick-up and lay-down operations are typically conducted by specialized service company crews.

Pipe handling. Equipment used to move and connect tubulars.

Rotary table. Machine embedded into drill floor used to rotate the drill string.

Slips. Wedge-shaped pieces of metal with gripping elements that are used to hold tubulars in place or to prevent tubulars from slipping down into the wellbore.

Tongs. Large wrenches used for torquing when making-up or breaking-out tubulars.

Top Drive. Machine used to rotate the drill string by attaching to the top of the drillpipe without the use of the rotary table.

Tubing. String of pipe set inside the well casing, through which a reservoir’s oil or natural gas is produced.

Tubulars. Drill pipe, casing, tubing, or other piping placed in the wellbore.

Wellbore. The physical conduit from surface into the hydrocarbon reservoir.

Wireline. A general term used to describe well-intervention operations conducted using single-strand or multistrand wire or cable for intervention in oil or gas wells.

Definitions of categories used in revenue split analysis

Phase of well life driver. This revenue split is intended to answer the question, "What phase in the development process of oil or natural gas reserves drives the need for our product or related service?"

- *Drilling*—includes items on the rig, drill string, and items supporting drilling activities
- *Well Construction & Completion*—includes items or activities used to construct, complete and stimulate the well before production comes online
- *Production*—includes items or activities involved after the resource begins producing, to maintain or enhance production, or to conduct workover activities
- *Infrastructure*—includes infrastructure items related to or used in pre-drilling field development, pipeline operation or construction, midstream processing, refining, petrochemical processing, or in other general processing industries
- All others

Geographic exposure. This revenue split is intended to answer the question, "Where is the activity that is driving our business, when estimated by product shipment destination?"

- *United States*—includes items delivered or related services provided in the United States of America or surrounding waters
- *Canada*—includes items delivered or related services provided in Canada
- *Europe*—includes items delivered or related services provided in Europe or surrounding waters
- *Far East*—includes items delivered or related services provided in Australasia or surrounding waters
- *Other*—includes items delivered or related services provided everywhere else in the world

Land versus offshore. This revenue split is intended to answer the question, "Is the activity that is driving our revenue related to land or offshore activity?"

- *Land*—includes items delivered or related services provided on land
- *Offshore*—includes items delivered or related services provided on water

Product Spend cycle. This revenue split is intended to answer the question, "From our customers' perspective, what type of spending is driving our revenue?"

- *Capital products*—includes items and related services that are additive to the industry's capacity; and/or used in major capital refurbishment or expansion projects of major processing facilities; and/or are expected to last at least 5 years. Our customers often, although not exclusively, procure these items and related services from their capital expenditure budgets.
- *Consumables, spare parts and aftermarket*—includes items and related services that are consumed during the operation of other, often larger pieces of equipment or products; spare parts used to maintain other equipment; aftermarket service and parts used to maintain, refurbish, or recertify other equipment. Our customers often, although not always, procure these items and related services from their operating budgets. These products or related services are also often not discretionary in nature.

- *Rental*—includes all revenue generated by products that are rented to our customers
- *Other*—includes all items or related services that generates revenue from other types of spending

Commodity exposure. This revenue split is intended to answer the question, "What commodity is the target of the activity that is driving demand for our products or related services?"

- *Oil*
- *Natural Gas*
- *Other*—this category can include precious metals, unrelated government program spending, renewable energy, scientific research activities.

shares

Common stock

Prospectus

J.P. Morgan

, 2011

You should rely only on the information contained in this prospectus and any free writing prospectus prepared by or on behalf of us or to which we have referred you. Neither we nor the selling stockholders have authorized anyone to provide you with information different from that contained in this prospectus and any free writing prospectus. We and the selling stockholders are offering to sell shares of common stock and seeking offers to buy shares of common stock only in jurisdictions where offers and sales are permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of the common stock.

No action is being taken in any jurisdiction outside the United States to permit a public offering of the common stock or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus applicable to that jurisdiction.

Until , 2011, all dealers that buy, sell or trade our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This requirement is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Part II

Information not required in prospectus

Item 13. Other expenses of issuance and distribution

The following table sets forth an itemized statement of the amounts of all expenses (excluding underwriting discounts and commissions) payable by us in connection with the registration of the common stock offered hereby. With the exception of the Registration Fee, FINRA Filing Fee and New York Stock Exchange listing fee), the amounts set forth below are estimates. The selling stockholders will not bear any portion of such expenses.

SEC Registration Fee	$ 34,830
FINRA Filing Fee	$ 30,500
New York Stock Exchange listing fee	
Accountants' fees and expenses	
Legal fees and expenses	
Printing and engraving expenses	
Transfer agent and registrar fees	
Miscellaneous	
Total	$

Item 14. Indemnification of directors and officers

Our amended and restated certificate of incorporation will provide that a director will not be liable to the corporation or its stockholders for monetary damages to the fullest extent permitted by the DGCL. In addition, if the DGCL is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the corporation, in addition to the limitation on personal liability provided for in our certificate of incorporation, will be limited to the fullest extent permitted by the amended DGCL. Our amended and restated bylaws will provide that the corporation will indemnify, and advance expenses to, any officer or director to the fullest extent authorized by the DGCL.

Section 145 of the DGCL provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement in connection with specified actions, suits and proceedings whether civil, criminal, administrative, or investigative, other than a derivative action by or in the right of the corporation, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification extends only to expenses, including attorneys' fees, incurred in connection with the defense or settlement of such action and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's certificate of incorporation, bylaws, disinterested director vote, stockholder vote, agreement or otherwise.

Our amended and restated certificate of incorporation will also contain indemnification rights for our directors and our officers. Specifically, our amended and restated certificate of incorporation will provide that we shall indemnify our officers and directors to the fullest extent authorized by the DGCL. Further, we may maintain insurance on behalf of our officers and directors against expense, liability or loss asserted incurred by them in their capacities as officers and directors.

We have obtained directors' and officers' insurance to cover our directors, officers and some of our employees for certain liabilities.

Each of our current and former directors and officers and that of Allied, Global Flow, Triton and Subsea and their respective subsidiaries, as applicable, are indemnified pursuant to an indemnification agreement and to the fullest extent possible under law against all losses pertaining to certain actions taken by them, or failures to act, while serving in those capacities before the Combination. For six years after the Combination, we will honor all rights to indemnification under our charter and that of the Allied Charter, the Global Flow Charter, the Triton LLC Agreement and the Subsea Charter, and any our indemnification agreements or that of Allied, Global Flow, Triton and Subsea existing in favor of any of our current or former directors or officers or that of Allied, Global Flow, Triton and Subsea arising from any act or omission occurring prior to the closing of the Combination. Pursuant to these proposed agreements, if an officer or director makes a claim of indemnification to us, either a majority of the independent directors or independent legal counsel selected by the independent directors must review the relevant facts and make a determination whether the officer or director has met the standards of conduct under Delaware law that would permit (under Delaware law) and require (under the indemnification agreement) us to indemnify the officer or director.

Item 15. Recent sales of unregistered securities.

During the past three years, we have issued unregistered securities to a limited number of persons, as described below. None of these transactions involved any underwriters, underwriting discounts or commissions or any public offering, and we believe that each of these transactions was exempt from the registration requirements pursuant to Section 4(2) of the Securities Act, Regulation D or Regulation S promulgated thereunder or Rule 701 of the Securities Act. The recipients of these securities represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were affixed to the share certificates and instruments issued in these transactions. All share and price information included in this section does not reflect the impact of the expected pre-offering split of our common stock previously described in the section titled "Stock split."

On August 2, 2010, we completed the Combination, through which FOT, Global Flow, Triton, Allied and Subsea were combined. In the Combination, FOT became the parent company and was renamed Forum Energy Technologies, Inc., all of the outstanding shares held by each of the former Allied shareholders in Allied were acquired in exchange for 77,109 of our shares, all of the outstanding shares held by each of the former Global Flow shareholders in Global Flow were acquired in exchange for 183,321 of our shares, all of the outstanding shares held by each of the former Triton unitholders in Triton were acquired in exchange for 283,239 of our shares and all of the outstanding shares held by each of the former Subsea shareholders in Subsea were acquired in exchange for 90,761 of our shares.

The following table sets forth information on the restricted stock awards issued by us and common stock issued pursuant to the exercise of stock options in the three years preceding the filing of this registration statement.

Person or class of person	Date of issuance/option exercise	Total shares of restricted stock	Common stock issued pursuant to options exercises	Total consideration
FOT Employee	September 30, 2008	300		*
FOT Directors	September 15, 2009	1,248		*
FOT Employee	December 22, 2009		607	$ 75,875
FOT Employee	March 31, 2010	300		*
Former Holders of Triton Management Units**	August 2, 2010	1,447		*
FET Executive Officer	October 25, 2010	1,760		*
FET Executive Officer	November 1, 2010	2,638		*
FOT Director	November 17, 2010		500	$ 100,000
FET Executive Officer	November 29, 2010	431		*
FET Employees	March 28, 2011	817		*
FET Employee	May 18, 2011		500	$ 50,580
FET Employees	May 19, 2011		84	$ 12,180
FET Executive Officer	May 19, 2011		500	$ 100,000
FET Employees	July 1, 2011	287		*
FOT Employee	July 19, 2011		145	$ 42,525
FOT Employee	August 12, 2011		1,897	$ 275,065
FOT Employee	August 16, 2011		125	$ 28,125
FOT Employee	August 17, 2011		50	$ 12,732.25

* No cash consideration was paid to us by any recipient of any restricted stock award.

** In connection with the Combination, we issued 1,447 shares of our restricted stock to former holders of Triton management units.

The following table sets forth information on the stock options issued by us in the three years preceding the filing of this registration statement.

Date of issuance	Number of options granted	Grant date exercise price ($/sh)
September 9, 2010	1,056	284.29
October 4, 2010	700	284.29
October 18, 2010	350	284.29
October 25, 2010	6,000	284.29
November 29, 2010	569	284.29
February 4, 2011	1,000	340.00
February 22, 2011	500	340.00
February 24, 2011	253	395.00
March 28, 2011	1,045	395.00
May 2, 2011	600	395.00
May 16, 2011	100	395.00
May 17, 2011	250	395.00
June 6, 2011	600	513.00
July 1, 2011	322	513.00
July 8, 2011	1,600	513.00
July 18, 2011	900	565.00
August 17, 2011	616	568.00

No cash consideration was paid to us by any recipient of any of the foregoing options for the grant of such options. All of the stock options described above issued prior to the Combination, August 2, 2010, were granted under the Forum Oilfield Technologies, Inc. 2005 Stock Incentive Plan, or Prior Plan, to the officers, employees and consultants of FOT. In connection with the Combination, we amended and restated the Prior Plan to change, among other things, the name of the plan to the Forum Energy Technologies, Inc. 2010 Stock Incentive Plan, or 2010 Plan. At the time of the Combination, both vested and unvested stock options of Allied, Global Flow and Subsea outstanding under a Pre-Combination Equity Plan were converted into an option under the 2010 Plan to acquire the number of shares of our common stock that resulted from multiplying the applicable exchange ratio by the number of shares still subject to the original award. Because Triton's management units were not convertible into our options, at the time of the Combination, holders of those management units were granted options under the 2010 Plan to purchase 11,314 shares of common stock. All of the stock options described above issued on or after the Combination were granted under the 2010 Plan to our officers, employees and consultants.

In connection with the Combination and pursuant to a subscription agreement dated August 20, 2010, we offered each of our stockholders who were accredited investors or non-U.S. persons (as such term is defined for purposes of the Securities Act of 1933) the opportunity to purchase shares of our common stock worth $115 million in the aggregate, up to their pro-rata ownership of us. In connection with this subscription offer, 34 stockholders, including some of our executive officers and directors, subscribed to purchase 11,707 shares of our common stock in exchange for aggregate cash payments of $3,328,183. In connection with the purchase of these shares of our common stock pursuant to the subscription agreement, we issued to those stockholders who purchased shares of our common stock a warrant to purchase additional shares of our common

stock on the basis of one warrant share for every two shares purchased in the subscription offer, resulting in warrants issued to purchase an aggregate of 5,853 shares of our common stock. The warrants were exercisable upon their issuance and will remain exercisable until the date that is the 30 month anniversary following the consummation of this offering. The initial exercise price of the warrants was $284.29 per share, and the exercise price increases by 0.5% of the then-current exercise price on the last day of each month following their original issuance. For more information about these warrants, please see “Description of capital stock—Warrants” (in the prospectus included in this registration statement).

In connection with the Combination and pursuant to a subscription agreement dated August 2, 2010, each of SCF-VII, L.P., Sunray Capital and Messrs. Gaut and Connelly subscribed to purchase 175,876, 17,587, 12,311 and 1,055 shares of our common stock in exchange for a cash payment of $49,999,788.04, $4,999,808.23, $3,499,894.19 and $299,925.95, respectively. In connection with the purchase of these shares of our common stock pursuant to the Subscription Agreement, each of SCF-VII, L.P., Sunray Capital and Messrs. Gaut and Connelly received a warrant to purchase 87,938, 8,794, 6,156 and 528 shares of our common stock, respectively. Each of these warrants entitle the holder to purchase shares of our common stock at a purchase price per share of $284.29, subject to a monthly increase of the then-current exercise price by 0.5%, and expire on the 30 month anniversary of the completion of this offering. For more information about these warrants, please see “Description of capital stock—Warrants” (in the prospectus included in this registration statement).

Pursuant to a subscription agreement dated October 25, 2010, Mr. McCulloch subscribed to purchase 7,035 shares of our common stock in exchange for a cash payment of $1,999,980.

Pursuant to that certain Subscription Agreement dated November 18, 2010, Mr. Jones subscribed to purchase 2,638 shares of our common stock in exchange for a cash payment of $749,957.

On January 31, 2011, we issued 35,000 shares of common stock to the former members of Wood Flowline Products, LLC as consideration for the WFP Acquisition.

On April 29, 2011, we issued 20,252 shares of common stock to the former members of Phoinix Global LLC as consideration for the Phoinix Acquisition.

On May 17, 2011, we issued 4,075 shares of restricted stock to former shareholders of Specialist ROV Tooling Services, Ltd. as consideration for the Specialist Acquisition.

On July 1, 2011, we issued 20,944 shares of common stock to the former unitholders of Cannon Services LP as consideration for the Cannon Acquisition.

On July 1, 2011, we issued 16,200 shares of common stock to the former shareholders of AMC Global Group Ltd. as consideration for the AMC Acquisition.

On July 1, 2011, we issued 5,847 restricted shares of common stock to a former shareholder and its affiliate of SVP Products Inc. as consideration for the SVP Acquisition.

Pursuant to a Subscription Agreement dated August 2, 2011 between Forum Energy Technologies, Inc. and Mr. John A. Carrig, Mr. Carrig subscribed to purchase 884 shares of our common stock in exchange for a cash payment of $499,460.

Pursuant to a Subscription Agreement dated August 3, 2011 between Forum Energy Technologies, Inc. and Ms. Evelyn Angelle, Ms. Angelle subscribed to purchase 176 shares of our common stock in exchange for a cash payment of $99,440.

Pursuant to the terms of the Subscription Agreement among Forum Energy Technologies, Inc., SCF-VII, L.P., Sunray Capital and Messrs. Gaut and Connelly, SCF-VII, L.P. purchased an additional 168,236 shares of our common stock in August 2011 in exchange for a cash payment of $50.0 million. In connection with the purchase of these shares, SCF-VII, L.P. also received a warrant to purchase 84,118 shares of our common stock pursuant to the Subscription Agreement.

Pursuant to the terms of those Subscription Agreements dated July 29, 2011 between Forum Energy Technologies, Inc. and certain shareholders of Davis-Lynch, such shareholders subscribed to purchase a total of 710 shares of our common stock in exchange for a cash payment of $401,150.

Certain transactions, including (i) the issuance of shares to SCF, former Allied shareholders, former Global Flow shareholders, former Triton and former Subsea shareholders in connection with the Combination, (ii) certain of the above-described issuances of restricted stock and option grants to accredited investors, (iii) issuances of our common stock and warrants made pursuant to the Subscription Agreements described above and (iv) issuances of our common stock as consideration for acquisitions as described above were made in reliance upon the exemption from registration requirements of the Securities Act available under Section 4(2) of the Securities Act, Rule 506 of Regulation D and Regulation S. The recipients of the securities in these transactions represented that they were sophisticated persons and that they intended to acquire the securities for investment only and not with a view to, or for sale in connection with, any distribution thereof, and appropriate legends were affixed to the share certificates and instruments issued in such sales. We believe that the purchasers either received adequate information about us or had adequate access, through their relationships with us, to such information.

All other issuances of common stock described above either represent grants of restricted stock under, or were made pursuant to the exercise of stock options granted under, our Prior Plan or 2010 Plan to our officers, directors, employees and consultants in reliance upon an available exemption from the registration requirements of the Securities Act, including those contained in Rule 701 promulgated under Section 3(b) of the Securities Act. Among other things, we relied on the fact that, under Rule 701, companies that are not subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act are exempt from registration under the Securities Act with respect to certain offers and sales of securities pursuant to “compensatory benefit plans” as defined under that rule. We believe that our Prior Plan and our 2010 Plan qualify as compensatory benefit plans.

Item 16. Exhibits and financial statement schedules

(a) Exhibits

Exhibit number	Description
*1.1	Form of Underwriting Agreement
**2.1	Combination Agreement dated July 16, 2010 by and among Forum Oilfield Technologies, Inc., Allied Production Services, Inc., Allied Merger Sub, LLC, Global Flow Technologies, Inc., Global Flow Merger Sub, LLC, Subsea Services International, Inc., Subsea Merger Sub, LLC, Triton Group Holdings LLC, Triton Merger Sub, LLC and SCF-VII, L.P.
**2.2	Purchase and Sale Agreement among Davis-Lynch Holding Co., Inc., Carl A. Davis and Forum Energy Technologies, Inc., dated June 25, 2011
3.1	Second Amended and Restated Certificate of Incorporation of Forum Energy Technologies, Inc.
3.2	Amended and Restated Bylaws of Forum Energy Technologies, Inc.
*3.3	Form of Third Amended and Restated Certificate of Incorporation of Forum Energy Technologies, Inc.
*3.4	Form of Second Amended and Restated Bylaws of Forum Energy Technologies, Inc.
*4.1	Form of Common Stock Certificate
4.2	Amended and Restated Stockholders Agreement dated as of August 2, 2010 by and among the Company and certain of its stockholders, as amended
4.3	Registration Rights Agreement by and among Forum Energy Technologies and the other parties thereto (included as Exhibit B to Exhibit 4.2 hereto)
*5.1	Opinion of Vinson & Elkins L.L.P. as to the legality of the securities being registered
10.1	Credit Agreement, dated as of August 2, 2010, among Forum Energy Technologies, Inc., as Borrower, Wells Fargo Bank, National Association, as Administrative Agent and Swing Line Lender, Wells Fargo Bank, National Association, JPMorgan Chase Bank, N.A. and Bank of America, N.A. and such other lenders designated from time to time as issuing lenders.
†10.2	Employment Agreement dated as of August 2, 2010 between Forum Energy Technologies, Inc. and C. Christopher Gaut
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†10.6	Employment Agreement dated as of August 2, 2010 between Forum Energy Technologies, Inc. and James W. Harris
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†10.8	Secondment Agreement dated as of August 2, 2010 by and among Forum Energy Technologies, L.E. Simmons & Associates, Inc. and W. Patrick Connelly

Exhibit number	Description
†10.9	Indemnification Agreement dated as of August 2, 2010 between Forum Energy Technologies and C. Christopher Gaut
†10.10	Form of Indemnification Agreement between Forum Energy Technologies, Inc. and the executive officers identified on Annex A thereto
†10.11	Form of Indemnification Agreement between Forum Energy Technologies and each of the non-SCF directors identified on Annex A thereto
†10.12	Form of Indemnification Agreement between Forum Energy Technologies and each of the SCF directors identified on Annex A thereto
†10.13	2011 Management Incentive Plan
†10.14	Forum Energy Technologies, Inc. 2010 Stock Incentive Plan
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†10.16	Form of Restricted Stock Agreement
*†10.17	Form of Notice of Grant of Restricted Stock Unit
*†10.18	Form of Restricted Stock Unit Agreement
†10.19	Form of Nonstatutory Stock Option Agreement (Employees)
†10.20	Form of Nonstatutory Stock Option Agreement (Directors)
10.21	Subscription Agreement dated July 16, 2010 by and among Forum Oilfield Technologies, Inc., SCF-VII, L.P., Sunray Capital, LP, C. Christopher Gaut and W. Patrick Connelly, as amended
10.22	Subscription Agreement dated August 20, 2010 by and among Forum Energy Technologies, Inc. and the parties thereto (with attached schedule of parties thereto), as amended
10.23	Form of Warrant Agreement (with attached schedule of parties thereto)
10.24	Subscription Agreement dated October 25, 2010 between Forum Energy Technologies, Inc. and James L. McCulloch
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*21.1	List of Subsidiaries of Forum Energy Technologies, Inc.
23.1	Consent of PricewaterhouseCoopers LLP (Forum Energy Technologies, Inc.)
23.2	Consent of Ernst & Young LLP (Allied Production Services, Inc.)

Exhibit number	Description
23.3	Consent of Deloitte & Touche LLP (Allied Production Services, Inc.)
23.4	Consent of Pannell Kerr Forster of Texas, P.C. (Subsea Services International, Inc.)
23.5	Consent of Deloitte LLP (Triton Group Holdings LLC)
23.6	Consent of UHY LLP (Davis-Lynch, Inc.)
23.7	Consent of PricewaterhouseCoopers LLP (Wood Flowline LLC)
23.8	Consent of PricewaterhouseCoopers LLP (AMC Global Group Limited)
23.9	Consent of PricewaterhouseCoopers LLP (P-Quip Limited)
23.10	Consent of PricewaterhouseCoopers LLP (Cannon Services, Ltd.)
*23.11	Consent of Vinson & Elkins L.L.P. (included as part of Exhibit 5.1 hereto)
24.1	Power of Attorney (included on the signature page of this Registration Statement)

* To be filed by amendment.

** Certain schedules and exhibits to the Combination Agreement are not filed herewith in accordance with Item 601(b)(2) of Regulation S-K. Forum agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Combination Agreement to the Securities and Exchange Commission upon request.

† Management contract or compensatory plan or arrangement.

Item 17. Undertakings

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Signatures

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston, State of Texas, on August 31, 2011.

FORUM ENERGY TECHNOLOGIES, INC.

By: /s/ C. Christopher Gaut
C. Christopher Gaut
President, Chief Executive Officer and Chairman of the Board

Each person whose signature appears below appoints C. Christopher Gaut, James W. Harris and James L. McCulloch, and each of them, any of whom may act without the joinder of the other, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and any Registration Statement (including any amendment thereto) for this offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or would do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons in the capacities and the dates indicated.

Signature	Title	Date
/s/ C. Christopher Gaut C. Christopher Gaut	President, Chief Executive Officer and Chairman of the Board (Principal Executive Officer)	August 31, 2011
/s/ James W. Harris James W. Harris	Senior Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	August 31, 2011
/s/ Evelyn Angelle Evelyn Angelle	Director	August 31, 2011
/s/ David C. Baldwin David C. Baldwin	Director	August 31, 2011
/s/ John A. Carrig John A. Carrig	Director	August 31, 2011
/s/ Michael McShane Michael McShane	Director	August 31, 2011

Signature	Title	Date
/s/ Franklin Myers Franklin Myers	Director	August 31, 2011
/s/ John Schmitz John Schmitz	Director	August 31, 2011
/s/ Andrew L. Waite Andrew L. Waite	Director	August 31, 2011

Index to exhibits

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23.5	Consent of Deloitte LLP (Triton Group Holdings LLC)
23.6	Consent of UHY LLP (Davis-Lynch, Inc.)
23.7	Consent of PricewaterhouseCoopers LLP (Wood Flowline LLC)
23.8	Consent of PricewaterhouseCoopers LLP (AMC Global Group Limited)
23.9	Consent of PricewaterhouseCoopers LLP (P-Quip Limited)
23.10	Consent of PricewaterhouseCoopers LLP (Cannon Services, Ltd.)
*23.11	Consent of Vinson & Elkins L.L.P. (included as part of Exhibit 5.1 hereto)
24.1	Power of Attorney (included on the signature page of this Registration Statement)

* To be filed by amendment.

** Certain schedules and exhibits to the Combination Agreement are not filed herewith in accordance with Item 601(b)(2) of Regulation S-K. Forum agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Combination Agreement to the Securities and Exchange Commission upon request.

† Management contract or compensatory plan or arrangement.

COMBINATION AGREEMENT

By and Among

FORUM OILFIELD TECHNOLOGIES, INC.,

ALLIED PRODUCTION SERVICES, INC.,

ALLIED MERGER SUB, LLC,

GLOBAL FLOW TECHNOLOGIES, INC.,

GLOBAL FLOW MERGER SUB, LLC,

SUBSEA SERVICES INTERNATIONAL, INC.,

SUBSEA MERGER SUB, LLC,

TRITON GROUP HOLDINGS LLC,

TRITON MERGER SUB, LLC

and

SCF-VII, L.P.

Dated as of July 16, 2010

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EXHIBITS

Exhibit A	Form of Amended and Restated Stockholders Agreement of Forum
Exhibit B	Form of Stockholder Consent of SCF and the stockholders of Allied
Exhibit C	Form of Stockholder Consent of SCF and the stockholders of Global Flow
Exhibit D	Form of Stockholder Consent of SCF and the stockholders of Subsea
Exhibit E	Form of Stockholder Consent of SCF and the stockholders of Triton
Exhibit F	Form of Stockholder Consent of SCF and the stockholders of Forum
Exhibit G	Form of Second Amended and Restated Certificate of Incorporation of Forum
Exhibit H	Form of Amended and Restated Bylaws of Forum
Exhibit I	Financing Term Sheet
Exhibit J	Form of Surviving Company Certificate of Incorporation
Exhibit K	Form of Surviving Company Bylaws
Exhibit L	Form of Fourth Amended and Restated Limited Liability Company Agreement of the Triton Surviving Company
Exhibit M	Form of 2010 Long Term Incentive Plan
Exhibit 3.10	Global Flow Escrow Provisions

SCHEDULES

Schedule 8.10	Agreements to be Terminated at Closing

COMBINATION AGREEMENT

This Combination Agreement, dated as of July 16, 2010 (this "Agreement"), is by and among Forum Oilfield Technologies, Inc., a Delaware corporation ("Forum"), Allied Production Services, Inc., a Delaware corporation ("Allied"), Allied Merger Sub, LLC, a Delaware limited liability company ("Allied Merger Sub"), Global Flow Technologies, Inc., a Delaware corporation ("Global Flow"), Global Flow Merger Sub, LLC, a Delaware limited liability company ("Global Flow Merger Sub"), Subsea Services International, Inc., a Delaware corporation ("Subsea"), Subsea Merger Sub, LLC, a Delaware limited liability company ("Subsea Merger Sub"), Triton Group Holdings LLC, a Delaware limited liability company ("Triton"), Triton Merger Sub, LLC, a Delaware limited liability company ("Triton Merger Sub" and together with Allied Merger Sub, Global Flow Merger Sub and Subsea Merger Sub, the "Merger Subs") and SCF-VII, L.P., a Delaware limited partnership ("SCF-VII").

W I T N E S S E T H:

WHEREAS, the parties to this Agreement desire to effect a combination of the businesses conducted by Forum, Allied, Global Flow, Subsea and Triton (collectively, the "Combining Companies");

WHEREAS, in order to effectuate the foregoing, (a) Allied Merger Sub, upon the terms and subject to the conditions of this Agreement and in accordance with the General Corporation Law of the State of Delaware (the "DGCL") and the Limited Liability Company Act of the State of Delaware (the "DLLCA"), will merge with and into Allied in a merger (the "Allied Merger") in which Allied shall be the surviving company, (b) Global Flow Merger Sub, upon the terms and subject to the conditions of this Agreement and in accordance with the DGCL and the DLLCA, will merge with and into Global Flow in a merger (the "Global Flow Merger") in which Global Flow shall be the surviving company, (c) Subsea Merger Sub, upon the terms and subject to the conditions of this Agreement and in accordance with the DGCL and the DLLCA, will merge with and into Subsea in a merger (the "Subsea Merger") in which Subsea shall be the surviving company, and (d) Triton Merger Sub, upon the terms and subject to the conditions of this Agreement and in accordance with the DLLCA, will merge with and into Triton in a merger (the "Triton Merger" and together with the Allied Merger, the Global Flow Merger and the Subsea Merger, the "Mergers") in which Triton shall be the surviving company;

WHEREAS, respective committees of directors or managers, as applicable, each member of which is not affiliated with SCF (the "Committees") of the Boards of Forum, Global Flow, Triton and Subsea have each recommended this Agreement to its respective Board;

WHEREAS, the Board of Forum has authorized and approved, and has determined to be in the best interest of the stockholders of Forum, (i) this Agreement, (ii) the Charter Amendment, (iii) the Amended and Restated Stockholders Agreement, (iv) the LTIP, (v) the Bylaw Amendment, (vi) the Tender Offer and (vii) the Offer to Sell, in each case upon the terms and subject to the conditions set forth in this Agreement, and has determined that it is advisable and in the best interest of the stockholders of Forum to adopt, authorize and approve the actions, transactions and agreements described in clauses (i) through (iv) (the "Forum Approval");

WHEREAS, the respective Boards of the Merging Companies have each determined that the Mergers are advisable and in the best interest of their respective stockholders or members, as applicable, and have authorized and approved this Agreement upon the terms and subject to the conditions set forth in this Agreement, and the sole member of each of Allied Merger Sub, Global Flow Merger Sub, Subsea Merger Sub and Triton Merger Sub has approved the Mergers upon the terms and subject to the conditions set forth in this Agreement;

WHEREAS, in connection with the transactions contemplated by this Agreement, Forum intends to offer to purchase up to 87,938 shares of Forum Common Stock as further described in Section 8.1 of this Agreement; and

WHEREAS, in connection with the transactions contemplated by this Agreement, Forum intends to offer to sell up to an aggregate of 404,516 shares of Forum Common Stock to eligible purchasers who are stockholders of Forum (after giving effect to the Mergers) as further described in Section 8.15 of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements herein contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

The terms set forth below in this Article I shall have the meanings ascribed to them below or in the part of this Agreement referred to below:

"Accredited Investor" shall have the meaning set forth for such term in Rule 501 of Regulation D promulgated under the Securities Act (but excluding for such purposes Rule 501(a)(4) thereunder), as such rule may be amended, modified or superseded from time to time.

"Acquisition Proposal" shall have the meaning set forth in Section 8.2(f)(i).

"Affiliate" shall mean a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified. As used in this definition, the term "control" (including the terms "controlling," "controlled by," and "under common control with") shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" shall have the meaning specified in the opening paragraph hereof.

"Allied" shall have the meaning specified in the opening paragraph hereof.

"Allied Certificate of Designations" shall mean the Certificate of Designations, Preferences and Rights of Series A Preferred Stock of Allied, filed with the Secretary of State of the State of Delaware on October 19, 2007.

"Allied Common Stock" shall mean the common stock, par value $0.01 per share, of Allied.

"Allied Consent" shall have the meaning set forth in Section 9.1(c).

"Allied Dissenting Shares" shall have the meaning set forth in Section 2.15.

"Allied Dissenting Stockholders" shall have the meaning set forth in Section 2.15.

"Allied Merger" shall have the meaning set forth in the recitals hereof.

"Allied Merger Sub" shall have the meaning specified in the opening paragraph hereof.

"Allied Option" shall have the meaning set forth in Section 2.8.

"Allied Option Plan" shall mean the Allied Production Services, Inc. 2007 Long Term Incentive Plan.

"Allied Per Share Merger Cash Consideration" shall have the meaning set forth in Section 2.6(b).

"Allied Per Share Merger Consideration" shall mean the Allied Per Share Merger Cash Consideration and the Allied Per Share Merger Stock Consideration, as applicable.

"Allied Per Share Merger Stock Consideration" shall have the meaning set forth in Section 2.6(a).

"Allied Preferred Stock" shall mean the Series A Preferred Stock, par value $0.01 per share, of Allied.

"Allied Surviving Company" shall have the meaning set forth in Section 2.1.

"Amended and Restated Stockholders Agreement" shall mean the Amended and Restated Stockholders Agreement of Forum in substantially the form attached hereto as Exhibit A.

"Benefit Plan" shall mean (a) each "employee benefit plan," as such term is defined in Section 3(3) of ERISA, (b) each plan that would be an "employee benefit plan," as such term is defined in Section 3(3) of ERISA, if it were subject to ERISA, such as foreign plans and plans for directors, (c) each equity bonus, equity ownership, equity option, restricted equity, equity purchase, equity appreciation rights, phantom equity, or other equity-based compensation plan or arrangement, (d) each bonus plan or arrangement, incentive award plan or arrangement, deferred compensation plan or arrangement, change in control plan or arrangement, executive compensation or supplemental income plan or arrangement, retention plan or arrangement, personnel policy, vacation policy, severance pay plan, policy or agreement, consulting agreement, or employment agreement, and (e) each other employee benefit plan, agreement, arrangement, program, practice or understanding.

"Board" shall mean the board of directors or board of managers, as applicable, of a Combining Company.

"Business Day" shall mean any day other than a Saturday, a Sunday or any other day when banks are not open for business in Houston, Texas.

"Bylaw Amendment" shall mean the Amended and Restated Bylaws of Forum in substantially the form attached hereto as Exhibit H.

"Capital Stock" shall mean (a) with respect to any Person that is a corporation, any and all shares, interests, participation or other equivalents (however designated and whether or not voting) of corporate stock, including the common stock of such Person, and (b) with respect to any Person that is not a corporation, any and all partnership, membership or other equity interests of such Person.

"Capitalized Lease Obligations" shall mean the obligations of such Person that are required to be classified and accounted for as capital lease obligations under GAAP, together with all obligations to make termination payments under such capitalized lease obligations.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq.

"Change of Recommendation" shall have the meaning set forth in Section 8.2(d).

"Charter Amendment" shall mean the Second Amended and Restated Certificate of Incorporation of Forum in substantially the form attached hereto as Exhibit G.

"Closing" shall have the meaning set forth in Section 6.1.

"Closing Date" shall have the meaning set forth in Section 6.1.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Combining Companies" shall have the meaning set forth in the recitals hereof.

"Committees" shall have the meaning set forth in the recitals hereof.

"Confidential Information Memorandum" shall mean an information memorandum to be delivered as soon as reasonably practicable after the date hereof to the holders of Allied Common Stock, Global Flow Common Stock, Global Flow Series A Preferred Stock, Subsea Common Stock, Subsea Preferred Stock, Forum Common Stock, Triton Units and such other Persons as determined by any party to this Agreement, seeking their approval of the matters contemplated by this Agreement, as set forth in the Consents, as applicable.

"Consent" shall mean the Allied Consent, Global Flow Consent, Subsea Consent, Triton Consent or Forum Consent.

"Constituents of Concern" shall mean any substance defined as a hazardous substance, hazardous waste, hazardous material, pollutant or contaminant by any Environmental Law, any petroleum hydrocarbon and any degradation product of a petroleum hydrocarbon, asbestos in a friable condition, PCB or similar substance, the generation, recycling, use, treatment, storage, transportation, Release, disposal or exposure of or to which is subject to regulation under any Environmental Law.

"Contract" shall mean any lease, agreement, contract, commitment or other legally binding contractual right or obligation (whether written or oral).

"Dataroom" shall mean the RR Donnelley electronic data room for each Combining Company as the same exists as of the date of this Agreement.

"DGCL" shall have the meaning set forth in the recitals hereof.

"Disclosure Letter" shall mean the disclosure letter of the Combining Companies exchanged among the parties hereto on the date hereof and with respect to each Combining Company, such Combining Company's individual subsection of each section included therein.

"DLLCA" shall have the meaning set forth in the recitals hereof.

"Effective Time" shall mean (a) when used in the context of the Allied Merger, the time and date of the filing of a certificate of merger with the Secretary of State of the State of Delaware with respect to the Allied Merger or such later time and date as is specified in such certificate of merger, (b) when used in the context of the Global Flow Merger, the time and date of the filing of a certificate of merger with the Secretary of State of the State of Delaware with respect to the Global Flow Merger or such later time and date as is specified in such certificate of merger, (c) when used in the context of the Subsea Merger, the time and date of the filing of a certificate of merger with the Secretary of State of the State of Delaware with respect to the Subsea Merger or such later time and date as is specified in such certificate of merger, (d) when used in the context of the Triton Merger, the time and date of the filing of a certificate of merger with the Secretary of State of the State of Delaware with respect to the Triton Merger or such later time and date as is specified in such certificate of merger, and (e) when used in the context of the Mergers collectively, the latest of the foregoing times and dates specified in clauses (a) through (d).

"Environmental Claims" shall mean administrative, regulatory or judicial actions, suits, written demands, demand letters, written claims, liens, citations, summonses, written notices of non-compliance or violation, requests for information, investigations or proceedings relating in any way to the Release of Constituents of Concern or any Environmental Law, including (a) Environmental Claims by Governmental Authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law and (b) Environmental Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from Constituents of Concern or arising from an alleged injury or threat of injury to human health and safety or the environment.

"Environmental Condition" shall mean, with respect to a particular Combining Company or its Subsidiaries, a condition with respect to the environment that has resulted or would reasonably be expected to result in a material loss, liability, cost or expense to such Combining Company or its Subsidiaries, taken as a whole.

"Environmental Law" shall mean any Law, administrative interpretation having the force and effect of law, administrative order, consent decree or judgment relating to the environment, human health and safety, including CERCLA, and any state and local counterparts or equivalents.

"Environmental Permits" shall mean all Permits issued by Governmental Authorities that are required by Environmental Laws.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" shall mean, with respect to each Combining Company, each trade or business (whether or not incorporated) which together with the Combining Company would be deemed to be a "single employer" within the meaning of Section 4001(b)(1) of ERISA or subsections (b), (c), (m) or (o) of Section 414 of the Code.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Expense Sharing Agreement" shall mean the Expense Sharing Agreement, dated June 29, 2010, by and among SCF-VII, Forum, Allied, Global Flow, Subsea and Triton.

"Financial Statements" shall have the meaning set forth in Section 7.5.

"Financing" shall mean the debt financing described in the term sheet attached hereto as Exhibit I, with such changes thereto as are agreed upon by Forum and the lenders under such debt financing.

"Foreign Plan" shall mean each Benefit Plan (whether governmental or nongovernmental and/or industrial or nonindustrial) that is sponsored, maintained, administered or contributed to by a Combining Company or any of its Subsidiaries and covers any current or former employee, officer or director of the Combining Company or its Subsidiaries outside of the United States.

"Forum" shall have the meaning specified in the opening paragraph hereof.

"Forum Approval" shall have the meaning set forth in the recitals hereof.

"Forum Common Stock" shall mean the common stock, par value $0.01 per share, of Forum.

"Forum Consent" shall have the meaning set forth in Section 9.1(g).

"Forum Dissenting Shares" shall have the meaning set forth in Section 11.13.

"Forum Dissenting Stockholders" shall have the meaning set forth in Section 11.13.

"GAAP" shall mean U.S. generally accepted accounting principles, consistently applied.

"Global Flow" shall have the meaning specified in the opening paragraph hereof.

"Global Flow Certificate of Designations" shall mean, as applicable, (a) the Certificate of Designations, Powers, Preferences and Relative Participating, Optional or Other Special Rights and Relative Qualifications, Limitations or Restrictions of the Series A Convertible Preferred Stock of Global Flow, filed with the Secretary of State of the State of Delaware on June 30, 2005, (b) the Certificate of Designations, Powers, Preferences and Relative Participating, Optional or Other Special Rights and Relative Qualifications, Limitations or Restrictions of the Series B Preferred Stock of Global Flow, filed with the Secretary of State of the State of Delaware on June 30, 2005, (c) the Certificate of Designations, Powers, Preferences and Relative Participating, Optional or Other Special Rights and Relative Qualifications, Limitations or Restrictions of the Series C Preferred Stock of Global Flow, filed with the Secretary of State of the State of Delaware on June 30, 2005 and (d) the Certificate of Designations, Powers, Preferences and Relative Participating, Optional or Other Special Rights and Relative Qualifications, Limitations or Restrictions of the Series D Preferred Stock of Global Flow, filed with the Secretary of State of the State of Delaware on June 30, 2005.

"Global Flow Common Stock" shall mean the common stock, par value $0.001 per share, of Global Flow.

"Global Flow Consent" shall have meaning set forth in Section 9.1(d).

"Global Flow Dissenting Shares" shall have the meaning set forth in Section 3.15.

"Global Flow Dissenting Stockholders" shall have the meaning set forth in Section 3.15.

"Global Flow Merger" shall have the meaning set forth in the recitals hereof.

"Global Flow Merger Sub" shall have the meaning specified in the opening paragraph hereof.

"Global Flow Option" shall have the meaning set forth in Section 3.8.

"Global Flow Option Plan" shall mean the Global Flow Technologies, Inc. 2005 Stock Incentive Plan.

"Global Flow Per Share Merger Cash Consideration" shall have the meaning set forth in Section 3.6(b).

"Global Flow Per Share Merger Consideration" shall mean the Global Flow Per Share Merger Cash Consideration and the Global Flow Per Share Merger Stock Consideration, as applicable.

"Global Flow Per Share Merger Stock Consideration" shall have the meaning set forth in Section 3.6(a).

"Global Flow Preferred Stock" shall mean the Series B Preferred Stock, par value $0.001 per share, Series C Preferred Stock, par value $0.001 per share, and Series D Preferred Stock, par value $0.001 per share, of Global Flow.

"Global Flow Series A Preferred Stock" shall mean the Series A Preferred Stock, par value $0.001 per share, of Global Flow.

"Global Flow Surviving Company" shall have the meaning set forth in Section 3.1.

"Governmental Authorities" shall mean, with respect to any Combining Company, the country, state, province, county, city and political subdivisions in which any property of such Combining Company is located or which exercises jurisdiction over any such property or entity, and any agency, department, commission, board, bureau or instrumentality of any of them which exercises jurisdiction over any such property or entity.

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Indebtedness" shall mean with respect to any Person, at any date, without duplication, (a) all obligations of such Person for borrowed money, including all principal, interest, premiums, fees, expenses, overdrafts and penalties with respect thereto, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of any property or services, except trade payables incurred in the ordinary course of business, (d) all obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit or similar instrument that have been drawn upon, (e) all Capitalized Lease Obligations, (f) all other obligations of a Person which would be required to be shown as indebtedness on a balance sheet of such Person prepared in accordance with GAAP, and (g) all indebtedness of any other Person of the type referred to in clauses (a) to (f) above directly or indirectly guaranteed by such Person or secured by any assets of such Person, whether or not such Indebtedness has been assumed by such Person.

"Indemnified Persons" shall have the meaning set forth in Section 8.13(a).

"Intellectual Property Right" shall mean any trademark, service mark, trade name, trade secret, patent, copyright, domain name (including applications for registration or renewal of any of the foregoing), or any other similar type of proprietary intellectual property right.

"Knowledge" shall mean (a) in the case of Allied, the actual knowledge of Wendell R. Brooks or Ryan Liles, (b) in the case of Global Flow, the actual knowledge of Steve Twellman or Greg O'Brien, (c) in the case of Subsea, the actual knowledge of Dennis Lee or Tom Simms, (d) in the case of Triton, the actual knowledge of Peter Stuart or Euan Leask, and (e) in the case of Forum, the actual knowledge of Charles E. Jones or James W. Harris.

"Latest Allied Balance Sheet" shall mean the audited consolidated balance sheet of Allied and its Subsidiaries as of December 31, 2009, as presented in the Dataroom.

"Latest Forum Balance Sheet" shall mean the audited consolidated balance sheet of Forum and its Subsidiaries as of December 31, 2009, as presented in the Dataroom.

"Latest Global Flow Balance Sheet" shall mean the audited consolidated balance sheet of Global Flow and its Subsidiaries as of December 31, 2009, as presented in the Dataroom.

"Latest Subsea Balance Sheet" shall mean the audited consolidated balance sheet of Subsea and its Subsidiaries as of December 31, 2009, as presented in the Dataroom.

"Latest Triton Balance Sheet" shall mean the unaudited consolidated balance sheet of Triton and its Subsidiaries as of December 31, 2009, as presented in the Dataroom.

"Laws" shall mean any law, statute, code, ordinance, order, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, authorization, or other directional requirement (including, without limitation, any of the foregoing that relates to environmental standards or controls, energy regulations and occupational, safety and health standards or controls) of any Governmental Authority.

"Letters of Transmittal" shall have the meaning set forth in Section 8.1.

"Liens" shall mean any lien, pledge, charge, mortgage, security interest, encumbrance, or other adverse claim of any kind whatsoever.

"LTIP" shall mean the 2010 Long Term Incentive Plan of Forum, in substantially the form attached hereto as Exhibit M.

"Material Adverse Effect" shall mean with respect to any Combining Company any event, occurrence, fact, condition, change, development or effect, individually or in the aggregate, that has had or is reasonably likely to result in a material adverse change in the financial condition, results of operations, assets, business or properties of such Combining Company and its Subsidiaries, taken as a whole; *provided*, *however*, a Material Adverse Effect shall exclude any adverse changes or conditions to the extent such changes or conditions result from general changes in the business of the oilfield products and services industry or the oil and gas industry as a whole or general economic conditions (including as a result of weather disasters, an outbreak or escalation of hostilities or acts of terrorism) or changes in GAAP (or interpretations thereof).

"Material Contract" shall have the meaning set forth in Section 7.16(a).

"Maximum Tender Amount" shall have the meaning set forth in Section 8.1.

"Merger Subs" shall have the meaning specified in the opening paragraph hereof.

"Mergers" shall have the meaning set forth in the recitals hereof.

"Merging Companies" shall have the meaning set forth in Section 8.13(a).

"Non-U.S. Person" shall mean any Person other than a U.S. Person.

"Order" shall mean any judgment, injunction, judicial or administrative order or decree.

"Permits" shall have the meaning set forth in Section 7.8(b).

"Permitted Lien" shall mean (a) mechanics' Liens, workmen's Liens, carriers' Liens, repairmen's Liens, landlord's Liens or other like Liens arising or incurred in the ordinary course of business consistent with past practices in respect of obligations that are not overdue, (b) statutory Liens for Taxes, assessments and other similar governmental charges that are not overdue or that are being contested in good faith, (c) Liens incurred or deposits made to secure the performance of bids, contracts, statutory obligations, surety and appeal bonds incurred in connection with the business of the respective Combining Company and its Subsidiaries and in the ordinary course of such business consistent with past practices, or (d) Liens that arise under zoning, land use, right-of-way, easement or similar restrictions, and other similar imperfections of title that arise in the ordinary course of business and that, in the aggregate, are not reasonably expected to materially affect the value, use or marketability of the property subject thereto.

"Person" shall mean an individual, corporation, partnership, limited liability company, joint venture, association, trust or other entity or organization or Governmental Authority.

"Public Stock" means shares of capital stock (including depositary receipts or depositary shares related to common stock or similar ordinary shares) of any Person that are registered under Section 12 of the Exchange Act and listed for trading on a national securities exchange registered under Section 6(a) of the Exchange Act.

"Release" shall mean any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the environment (including ambient air, surface water, groundwater and surface or subsurface strata) or into or out of any real property and related improvements, including the movement of Constituents of Concern through or in the air, soil, surface water, groundwater or property.

"Representatives" shall have the meaning set forth in Section 8.2(a).

"SCF" shall mean, collectively, SCF-V, SCF-VI and SCF-VII.

"SCF-V" shall mean SCF-V, L.P., a Delaware limited partnership.

"SCF-VI" shall mean SCF-VI, L.P., a Delaware limited partnership.

"SCF-VII" shall have the meaning specified in the opening paragraph hereof.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Subscription Agreement" shall mean the Subscription Agreement to be entered into on the date hereof by and among Forum, SCF-VII, Sunray Capital, LP, C. Christopher Gaut and W. Patrick Connelly.

"Subscription Offer" shall have the meaning set forth in Section 8.15.

"Subsea" shall have the meaning specified in the opening paragraph hereof.

"Subsea Certificate of Designations" shall mean the Certificate of Designations of Series A Cumulative Convertible Preferred Stock of Subsea, filed with the Secretary of State of the State of Delaware on February 29, 2008.

"Subsea Common Stock" shall mean the common stock, par value $0.01 per share, of Subsea.

"Subsea Consent" shall have meaning set forth in Section 9.1(e).

"Subsea Dissenting Shares" shall have the meaning set forth in Section 4.15.

"Subsea Dissenting Stockholders" shall have the meaning set forth in Section 4.15.

"Subsea Merger" shall have the meaning set forth in the recitals hereof.

"Subsea Merger Sub" shall have the meaning specified in the opening paragraph hereof.

"Subsea Option" shall have the meaning set forth in Section 4.8.

"Subsea Option Plan" shall mean the Subsea Services International, Inc. 2007 Stock Incentive Plan.

"Subsea Per Share Merger Cash Consideration" shall have the meaning set forth in Section 4.6(b).

"Subsea Per Share Merger Consideration" shall mean the Subsea Per Share Merger Cash Consideration and the Subsea Per Share Merger Stock Consideration, as applicable.

"Subsea Per Share Merger Stock Consideration" shall have the meaning set forth in Section 4.6(a).

"Subsea Preferred Stock" shall mean the Series A Cumulative Convertible Preferred Stock, par value $0.01 per share, of Subsea.

"Subsea Surviving Company" shall have the meaning set forth in Section 4.1.

"Subsidiary" shall mean, when used with reference to any entity, any corporation or other entity a majority of the outstanding voting securities of which are owned directly or indirectly by such entity.

"Superior Offer" shall have the meaning set forth in Section 8.2(f)(ii).

"Surviving Companies" shall have the meaning set forth in Section 5.1.

"Tax" shall mean with respect to any Person (a) any net income, alternative or add-on minimum, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, license, withholding on amounts paid by such Person, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental or windfall profit, custom, duty or other tax, governmental fee or other like assessment or charge of any kind whatsoever,

together with any interest, penalty, addition to tax or additional amount imposed by any Governmental Authority, (b) any liability of such Person for the payment of any amounts of any of the foregoing types as a result of being a member of an affiliated, consolidated, combined or unitary group, or being a party to any agreement or arrangement whereby liability of such Person for payment of such amounts was determined or taken into account with reference to the liability of any other Person, and (c) any liability of such Person for the payment of any amounts as a result of being a party to any Tax-Sharing Agreement or with respect to the payment of any amounts of any of the foregoing types as a result of any express or implied obligation to indemnify any other Person.

"Tax Returns" shall mean returns, declarations, reports, claims for refund, information returns or other documents (including any related or supporting schedules, statements or information) and including any amendment thereof filed or required to be filed in connection with the determination, assessment or collection of Taxes of any party or the administration of any Laws relating to any Taxes.

"Tax-Sharing Agreements" shall mean all existing Tax-sharing agreements or arrangements (whether or not written) that are binding on any Combining Company or its Subsidiaries.

"Tender Offer" shall have the meaning set forth in Section 8.1.

"Tenderees" shall have the meaning set forth in Section 8.1.

"Threshold Value" shall have the meaning ascribed to such term in the Triton LLC Agreement.

"Triton" shall have the meaning specified in the opening paragraph hereof.

"Triton Common Units" shall mean the common units of Triton (excluding the Triton Management Units).

"Triton Consent" shall have meaning set forth in Section 9.1(f).

"Triton Dissenting Members" shall have the meaning set forth in Section 5.13.

"Triton Dissenting Units" shall have the meaning set forth in Section 5.13.

"Triton LLC Agreement" shall mean the Third Amended and Restated Limited Liability Company Agreement of Triton dated as of November 13, 2009, as amended.

"Triton Management Units" shall mean Triton Series A Management Units and Triton Series B Management Units.

"Triton Management Units Merger Consideration" shall mean the Triton Series A Management Units Accredited Consideration, the Triton Series A Management Units Unaccredited Consideration, the Triton Series B Management Units Accredited Consideration and the Triton Series B Management Units Unaccredited Consideration, as applicable.

"Triton Merger" shall have the meaning set forth in the recitals hereof.

"Triton Merger Consideration" shall mean the Triton Per Common Unit Merger Cash Consideration, the Triton Per Common Unit Merger Stock Consideration and the Triton Management Units Merger Consideration, as applicable.

"Triton Merger Sub" shall have the meaning specified in the opening paragraph hereof.

"Triton Per Common Unit Merger Cash Consideration" shall have the meaning set forth in Section 5.7(b).

"Triton Per Common Unit Merger Stock Consideration" shall have the meaning set forth in Section 5.7(a).

"Triton Series A Management Units" shall mean the Triton Management Units designated as "Series A Management Units" under the Triton LLC Agreement.

"Triton Series A Management Units Accredited Consideration" shall have the meaning set forth in Section 5.7(c).

"Triton Series A Management Units Unaccredited Consideration" shall have the meaning set forth in Section 5.7(d).

"Triton Series B Management Units" shall mean the Triton Management Units designated as "Series B Management Units" under the Triton LLC Agreement.

"Triton Series B Management Units Accredited Consideration" shall have the meaning set forth in Section 5.7(e).

"Triton Series B Management Units Unaccredited Consideration" shall have the meaning set forth in Section 5.7(f).

"Triton Surviving Company" shall have the meaning set forth in Section 5.1.

"Triton Surviving Company LLC Agreement" shall have the meaning set forth in Section 5.4.

"Triton Units" shall mean the Triton Common Units and the Triton Management Units.

"U.S. Person" shall have the meaning set forth for such term in Rule 902 of Regulation S promulgated under the Securities Act.

"VE Due Diligence Report" shall mean the Due Diligence Report prepared by Vinson & Elkins LLP, dated as of June 7, 2010, a copy of which has been circulated among the parties hereto prior to the date of this Agreement.

ARTICLE II
THE ALLIED MERGER

Section 2.1 Merger of Allied Merger Sub into Allied. Subject to the provisions of this Agreement, on the Closing Date Allied shall file with the Secretary of State of the State of Delaware a certificate of merger with respect to the Allied Merger, executed in accordance with the relevant provisions of the DGCL and the DLLCA. At the Effective Time, Allied Merger Sub shall merge with and into Allied and the separate existence of Allied Merger Sub shall cease. Allied shall be the surviving entity in the Allied Merger (hereinafter sometimes referred to as the "Allied Surviving Company") and its separate corporate existence, with all its purposes, objects, rights, privileges, powers and franchises, shall continue unaffected and unimpaired by the Allied Merger.

Section 2.2 Effect of the Allied Merger. The Allied Merger shall have the effects provided for in the DGCL and DLLCA.

Section 2.3 Certificate of Incorporation. At the Effective Time, the Certificate of Incorporation of the Allied Surviving Company shall be amended in its entirety to read as set forth in the form attached hereto as Exhibit J.

Section 2.4 Bylaws. At the Effective Time, the bylaws of the Allied Surviving Company shall be amended in their entirety to read as set forth in the form attached hereto as Exhibit K.

Section 2.5 Officers and Directors. The Board of Allied Merger Sub immediately prior to the Effective Time shall be the board of directors of the Allied Surviving Company immediately following the Effective Time, until their respective successors have been duly elected or appointed and qualified or their earlier death, resignation or removal in accordance with the Certificate of Incorporation and bylaws of the Allied Surviving Company. The duly elected officers of Allied who hold office immediately prior to the Effective Time shall be the officers of the Allied Surviving Company and shall thereafter continue to hold such positions until their successors have been duly elected.

Section 2.6 Allied Common Stock.

(a) Each share of Allied Common Stock outstanding immediately prior to the Effective Time that is held by (i) an Accredited Investor or (ii) a Non-U.S. Person (each as certified on such holder's Allied Consent) shall by virtue of the Allied Merger and without any further action by the holder thereof cease to be outstanding and shall be converted into the right to receive 0.4623 shares of Forum Common Stock (the "Allied Per Share Merger Stock Consideration"), and each certificate which immediately prior to the Effective Time represented such outstanding shares of Allied Common Stock shall at and after the Effective Time be deemed for all purposes to represent the right to receive the Allied Per Share Merger Stock Consideration.

(b) Each share of Allied Common Stock outstanding immediately prior to the Effective Time that is held by a Person not subject to the provisions of Section 2.6(a) or Section 2.6(c) shall by virtue of the Allied Merger and without any further action by the

holder thereof cease to be outstanding and shall be converted into the right to receive $131.42 in cash (the "Allied Per Share Merger Cash Consideration"), and each certificate which immediately prior to the Effective Time represented such outstanding shares of Allied Common Stock shall at and after the Effective Time be deemed for all purposes to represent the right to receive the Allied Per Share Merger Cash Consideration.

(c) All shares of Allied Common Stock which immediately prior to the Effective Time are held in the treasury of Allied or owned by Forum or by any Subsidiaries of Allied shall at the Effective Time be cancelled and retired and cease to exist, without the payment of any consideration therefor or any conversion thereof into Forum Common Stock or cash.

Section 2.7 Allied Preferred Stock. Allied shall take such actions as are necessary to cause the Allied Preferred Stock to be redeemed or repurchased prior to the Effective Time pursuant to the terms of the Allied Certificate of Designations.

Section 2.8 Allied Stock Options. Before the Closing, the Board of Allied (or, if appropriate, any committee of the Board of Allied administering the Allied Option Plan) shall adopt such resolutions or take such other actions as may be required to effect adjustments to the terms of all options outstanding under the Allied Option Plan to provide that each such option outstanding immediately prior to the Effective Time (each, an "Allied Option") shall be converted as of the Effective Time into an option to purchase the number of shares of Forum Common Stock (rounded down to the nearest whole share) equal to 0.4623 multiplied by the number of shares of Allied Common Stock that could have been obtained immediately prior to the Effective Time upon the exercise of each such option as if such options were fully vested at such time, with an exercise price per share (rounded up to the nearest whole cent) equal to the exercise price per share for the shares of Allied Common Stock purchasable pursuant to such Allied Option immediately prior to its conversion divided by 0.4623. At the Effective Time, Forum shall assume the Allied Option Plan, with the result that all obligations of Allied under the Allied Option Plan shall be obligations of Forum following the Effective Time.

Section 2.9 Allied Merger Sub Capital Stock. At the Effective Time, by virtue of the Allied Merger and without any action on the part of Allied or Allied Merger Sub or the holders of Capital Stock of either of the foregoing, each unit of Capital Stock of Allied Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into one validly issued, fully paid and nonassessable share of common stock, par value $0.01 per share, of the Allied Surviving Company.

Section 2.10 Issuance of New Certificates or Payment of Cash.

(a) Each holder of a certificate or certificates representing shares of Allied Common Stock immediately prior to the Effective Time that are being converted in accordance with Section 2.6(a) may thereafter surrender such certificate or certificates and shall be entitled, upon such surrender and the delivery of the certification required by Section 2.10(c), to receive in exchange therefor a certificate or certificates representing the number of shares of Forum Common Stock into which such shares of Allied Common Stock shall have been converted in accordance with Section 2.6 hereof. If any such

certificate for Forum Common Stock is to be issued in a name other than that in which the surrendered certificate is registered, it shall be a condition of such exchange that the certificate so surrendered shall be properly endorsed or otherwise in proper form for transfer and that the Person requesting such exchange shall have paid any transfer and other taxes required by reason of such issuance of certificates of Forum Common Stock in a name other than that of the registered holder of the certificate surrendered, or shall have established to the satisfaction of Forum that such tax has been paid or is not applicable.

(b) Each holder of a certificate or certificates representing shares of Allied Common Stock immediately prior to the Effective Time that are being converted in accordance with Section 2.6(b) may thereafter surrender such certificate or certificates and shall be entitled, upon such surrender and the delivery of the certification required by Section 2.10(c), to receive in exchange therefor cash in an amount equal to $131.42 per share of Allied Common Stock, without interest thereon.

(c) To determine the consideration to be received by a holder of a certificate or certificates representing shares of Allied Common Stock immediately prior to the Effective Time, each such holder shall, as a prerequisite to obtaining the consideration set forth herein, deliver a completed Allied Consent to Forum certifying whether or not such holder is an Accredited Investor or Non-U.S. Person, and Forum shall be permitted to withhold the payment of any Allied Per Share Merger Consideration to such holder that would otherwise be payable pursuant to the terms of this Agreement pending the delivery by such holder of such certification as to whether or not such holder is an Accredited Investor or a Non-U.S. Person; *provided* that any such holder who does not deliver such certification within 60 days after the Effective Date may be deemed by Forum, in its sole and absolute discretion, not to be an Accredited Investor or Non-U.S. Person and upon such determination by Forum, subject to Section 2.15, such holder's shares of Allied Common Stock shall be converted into the Allied Per Share Merger Cash Consideration in accordance with Section 2.6(b).

Section 2.11 Lost Certificates. If any certificate for Allied Common Stock shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact and an indemnity with respect thereto by the person claiming such certificate to be lost, stolen or destroyed and, if required by Forum, the posting by such person of a bond, in such reasonable amount as Forum may direct, as indemnity against any claim that may be made against it with respect to such certificate, Forum will deliver in exchange for such lost, stolen or destroyed certificate a certificate or certificates representing the number of shares of Forum Common Stock or cash, as applicable, into which such shares of Allied Common Stock shall have been converted into the right to receive in accordance with Section 2.6 hereof.

Section 2.12 No Further Ownership Rights in Allied Common Stock. The Allied Per Share Merger Consideration issued and paid upon the surrender for exchange of shares of Allied Common Stock in accordance with the terms hereof (including any cash paid pursuant to Section 2.6(b) or Section 2.14) shall be deemed to have been issued and paid in full satisfaction of all rights pertaining to such shares of Allied Common Stock. As of the Effective Time, the stock transfer books of Allied shall be deemed closed, and no transfer of shares of Allied

Common Stock that were outstanding immediately prior to the Effective Time shall thereafter be made or consummated. If, after the Effective Time, a certificate for Allied Common Stock is presented to Forum for any reason, it shall be cancelled and exchanged as provided in Section 2.6 and Section 2.10.

Section 2.13 Certificate Legends.

(a) The certificates evidencing the Forum Common Stock delivered pursuant to Section 2.10 of this Agreement that are being converted in accordance with Section 2.6(a)(i) of this Agreement shall bear a legend substantially in the form set forth below and containing such other information as Forum may deem necessary or appropriate:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND NEITHER THE SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND SUCH LAWS OR PURSUANT TO AN EXEMPTION THEREFROM WHICH, IN THE OPINION OF COUNSEL FOR THE HOLDER, WHICH COUNSEL AND OPINION ARE REASONABLY SATISFACTORY TO COUNSEL FOR THIS COMPANY, IS AVAILABLE.

THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED STOCKHOLDERS AGREEMENT OF THE COMPANY AND SET FORTH IN THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE COMPANY, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

(b) The certificates evidencing the Forum Common Stock delivered pursuant to Section 2.10 of this Agreement that are being converted in accordance with Section 2.6(a)(ii) of this Agreement shall bear a legend substantially in the form set forth below and containing such other information as Forum may deem necessary or appropriate:

ANY TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS STRICTLY PROHIBITED EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), PURSUANT TO REGISTRATION UNDER THE ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION. THE HOLDER OF THIS CERTIFICATE MAY NOT ENGAGE IN ANY HEDGING TRANSACTIONS INVOLVING THE SECURITIES REPRESENTED HEREBY EXCEPT IN COMPLIANCE WITH THE ACT.

THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED STOCKHOLDERS AGREEMENT OF THE COMPANY AND SET FORTH IN THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE COMPANY, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

Section 2.14 Fractional Shares. Notwithstanding the foregoing, no fractional shares of Forum Common Stock or scrip shall be issued as a result of the Allied Merger. Instead of any fractional share of Forum Common Stock which would otherwise be issuable as a result of the Allied Merger, Forum shall pay a cash adjustment in respect of such fractional interest in a per share amount equal to $284.29.

Section 2.15 Appraisal Rights. Notwithstanding anything in this Agreement to the contrary, shares of Allied Common Stock (the "Allied Dissenting Shares") that are issued and outstanding immediately prior to the Effective Time and which are held by a stockholder who did not approve the Allied Consent and who is entitled to demand and properly demands appraisal of such shares pursuant to, and who complies in all respects with, the provisions of Section 262 of the DGCL (the "Allied Dissenting Stockholders"), shall not be converted into or be exchangeable for the right to receive the Allied Per Share Merger Consideration, but instead such holder shall be entitled to payment of the fair value of such shares in accordance with the provisions of Section 262 of the DGCL (and at the Effective Time, such Allied Dissenting Shares shall no longer be outstanding and shall automatically be cancelled and shall cease to exist, and such holder shall cease to have any rights with respect thereto, except the right to receive the fair value of such Allied Dissenting Shares in accordance with the provisions of Section 262 of the DGCL), unless and until such holder shall have failed to perfect or shall have effectively withdrawn or lost rights to appraisal under the DGCL. If any Allied Dissenting Stockholder shall have failed to perfect or shall have effectively withdrawn or lost such right with respect to any Allied Dissenting Shares, such shares shall thereupon be treated as if they had been converted into and become exchangeable for the right to receive, as of the Effective Time, the Allied Per Share Merger Consideration for each such share, in accordance with Section 2.6(a) or Section 2.6(b), as applicable, without any interest thereon. Allied shall give the other Combining Companies prompt notice of any written demands for appraisal for any shares of Allied Common Stock, attempted withdrawals of such demands and any other instruments served pursuant to the DGCL and received by Allied relating to stockholders' rights of appraisal.

ARTICLE III
THE GLOBAL FLOW MERGER

Section 3.1 Merger of Global Flow Merger Sub into Global Flow. Subject to the provisions of this Agreement, on the Closing Date Global Flow shall file with the Secretary of State of the State of Delaware a certificate of merger with respect to the Global Flow Merger, executed in accordance with the relevant provisions of the DGCL and the DLLCA. At the Effective Time, Global Flow Merger Sub shall merge with and into Global Flow and the separate existence of Global Flow Merger Sub shall cease. Global Flow shall be the surviving entity in the Global Flow Merger (hereinafter sometimes referred to as the "Global Flow Surviving Company") and its separate corporate existence, with all its purposes, objects, rights, privileges, powers and franchises, shall continue unaffected and unimpaired by the Global Flow Merger.

Section 3.2 Effect of the Global Flow Merger. The Global Flow Merger shall have the effects provided for in the DGCL and the DLLCA.

Section 3.3 Certificate of Incorporation. At the Effective Time, the Certificate of Incorporation of the Global Flow Surviving Company shall be amended in its entirety to read as set forth in the form attached hereto as Exhibit J.

Section 3.4 Bylaws. At the Effective Time, the bylaws of the Global Flow Surviving Company shall be amended in their entirety to read as set forth in the form attached hereto as Exhibit K.

Section 3.5 Officers and Directors. The Board of Global Flow Merger Sub immediately prior to the Effective Time shall be the board of directors of the Global Flow Surviving Company immediately following the Effective Time, until their respective successors have been duly elected or appointed and qualified or their earlier death, resignation or removal in accordance with the Certificate of Incorporation and bylaws of the Global Flow Surviving Company. The duly elected officers of Global Flow who hold office immediately prior to the Effective Time shall be the officers of the Global Flow Surviving Company and shall thereafter continue to hold such positions until their successors have been duly elected.

Section 3.6 Global Flow Common Stock.

(a) Each share of Global Flow Common Stock outstanding immediately prior to the Effective Time that is held by (i) an Accredited Investor or (ii) a Non-U.S. Person (each as certified on such holder's Global Flow Consent) shall by virtue of the Global Flow Merger and without any further action by the holder thereof cease to be outstanding and shall be converted into the right to receive 0.9886 shares of Forum Common Stock; provided, however, with respect to each such holder of Global Flow Common Stock, a number of shares of Forum Common Stock equal to 14.4% of such shares of Forum Common Stock (rounded down to the nearest whole share) that such holder is entitled to receive shall be held in escrow subject to and delivered only in accordance with Section 3.10 (the "Global Flow Per Share Merger Stock Consideration"), and each certificate which immediately prior to the Effective Time represented such outstanding shares of Global Flow Common Stock shall at and after the Effective Time be deemed for all purposes to represent the right to receive the Global Flow Per Share Merger Stock Consideration.

(b) Each share of Global Flow Common Stock outstanding immediately prior to the Effective Time that is held by a Person not subject to the provisions of Section 3.6(a) or Section 3.6(c) shall by virtue of the Global Flow Merger and without any further action by the holder thereof cease to be outstanding and shall be converted into the right to receive $281.05 in cash (the "Global Flow Per Share Merger Cash Consideration"), and each certificate which immediately prior to the Effective Time represented such outstanding shares of Global Flow Common Stock shall at and after the Effective Time be deemed for all purposes to represent the right to receive the Global Flow Per Share Merger Cash Consideration.

(c) All shares of Global Flow Common Stock which immediately prior to the Effective Time are held in the treasury of Global Flow or owned by Forum or by any Subsidiaries of Global Flow shall at the Effective Time be cancelled and retired and cease to exist, without the payment of any consideration therefor or any conversion thereof into Forum Common Stock or cash.

Section 3.7 Global Flow Preferred Stock. Global Flow shall take such actions as are necessary to cause the Global Flow Preferred Stock to be redeemed or repurchased prior to the Effective Time pursuant to the terms of the applicable Global Flow Certificate of Designations. Each share of Global Flow Series A Preferred Stock outstanding immediately prior to the Effective Time shall by virtue of the Global Flow Merger and without any further action by the holder thereof cease to be outstanding and shall be converted into the right to receive the Global Flow Per Share Merger Stock Consideration, and each certificate which immediately prior to the Effective Time represented such outstanding shares of Global Flow Series A Preferred Stock shall at and after the Effective Time be deemed for all purposes to represent the right to receive the Global Flow Per Share Merger Stock Consideration (for purposes of clarity, each reference in this Section 3.7 to "Global Flow Per Share Merger Stock Consideration" shall mean after giving effect to the escrow provisions described in Section 3.6(a)).

Section 3.8 Global Flow Stock Options. Before the Closing, the Board of Global Flow (or, if appropriate, any committee of the Board of Global Flow administering the Global Flow Option Plan) shall adopt such resolutions or take such other actions as may be required to effect adjustments to the terms of all options outstanding under the Global Flow Option Plan to provide that each such option outstanding immediately prior to the Effective Time (each, a "Global Flow Option") shall be converted as of the Effective Time into an option to purchase the number of shares of Forum Common Stock (rounded down to the nearest whole share) equal to 0.9886 multiplied by the number of shares of Global Flow Common Stock that could have been obtained immediately prior to the Effective Time upon the exercise of each such option as if such options were fully vested at such time, with an exercise price per share (rounded up to the nearest whole cent) equal to the exercise price per share for the shares of Global Flow Common Stock purchasable pursuant to such Global Flow Option immediately prior to its conversion divided by 0.9886. At the Effective Time, Forum shall assume the Global Flow Option Plan, with the result that all obligations of Global Flow under the Global Flow Option Plan shall be obligations of Forum following the Effective Time.

Section 3.9 Global Flow Merger Sub Capital Stock. At the Effective Time, by virtue of the Global Flow Merger and without any action on the part of Global Flow or Global Flow Merger Sub or the holders of Capital Stock of either of the foregoing, each unit of Capital Stock of Global Flow Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into one validly issued, fully paid and nonassessable share of common stock, par value $0.01 per share, of the Global Flow Surviving Company.

Section 3.10 Issuance of New Certificates or Payment of Cash.

(a) Each holder of a certificate or certificates representing shares of Global Flow Common Stock or Global Flow Series A Preferred Stock immediately prior to the Effective Time that are being converted in accordance with Section 3.6(a) may thereafter surrender such certificate or certificates and shall be entitled, upon such surrender and the delivery of the certification required by Section 3.10(c), to receive in exchange therefor a certificate or certificates representing the number of shares of Forum Common Stock into

which such shares of Global Flow Common Stock or Global Flow Series A Preferred Stock shall have been converted in accordance with Section 3.6 hereof; *provided*, *however*, that Forum shall cause such certificates representing Forum Common Stock equal to 14.4% of such shares of Forum Common Stock issued to such holder (rounded down to the nearest whole share) to be held in escrow pursuant to the terms of Exhibit 3.10 hereof and any disbursements of such certificates held in escrow shall be made in accordance with Exhibit 3.10 hereof, but only as and when such disbursements are required to be made pursuant to the terms of Exhibit 3.10 hereof. If any such certificate for Forum Common Stock is to be issued in a name other than that in which the surrendered certificate is registered, it shall be a condition of such exchange that the certificate so surrendered shall be properly endorsed or otherwise in proper form for transfer and that the Person requesting such exchange shall have paid any transfer and other taxes required by reason of such issuance of certificates of Forum Common Stock in a name other than that of the registered holder of the certificate surrendered, or shall have established to the satisfaction of Forum that such tax has been paid or is not applicable.

(b) Each holder of a certificate or certificates representing shares of Global Flow Common Stock immediately prior to the Effective Time that are being converted in accordance with Section 3.6(b) may thereafter surrender such certificate or certificates and shall be entitled, upon such surrender and the delivery of the certification required by Section 3.10(c), to receive in exchange therefor cash in an amount equal to $281.05 per share of Global Flow Common Stock, without interest thereon.

(c) To determine the consideration to be received by a holder of a certificate or certificates representing shares of Global Flow Common Stock immediately prior to the Effective Time, each such holder shall, as a prerequisite to obtaining the consideration set forth herein, deliver a completed Global Flow Consent to Forum certifying whether or not such holder is an Accredited Investor or Non-U.S. Person, and Forum shall be permitted to withhold the payment of any Global Flow Per Share Merger Consideration to such holder that would otherwise be payable pursuant to the terms of this Agreement, including Exhibit 3.10 hereof, pending the delivery by such holder of such certification as to whether or not such holder is an Accredited Investor or a Non-U.S. Person; *provided* that any such holder who does not deliver such certification within 60 days after the Effective Date may be deemed by Forum, in its sole and absolute discretion, not to be an Accredited Investor or Non-U.S. Person and upon such determination by Forum, subject to Section 3.15, such holder's shares of Global Flow Common Stock shall be converted into the Global Flow Per Share Merger Cash Consideration in accordance with Section 3.6(b).

Section 3.11 Lost Certificates. If any certificate for Global Flow Common Stock shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact and an indemnity with respect thereto by the person claiming such certificate to be lost, stolen or destroyed, and, if required by Forum, the posting by such person of a bond, in such reasonable amount as Forum may direct, as indemnity against any claim that may be made against it with respect to such certificate, Forum will deliver in exchange for such lost, stolen or destroyed certificate a certificate or certificates representing the number of shares of Forum Common Stock or cash, as applicable, into which such shares of Global Flow Common Stock shall have been converted into the right to receive in accordance with Section 3.6 hereof.

Section 3.12 No Further Ownership Rights in Global Flow Common Stock. The Global Flow Per Share Merger Consideration issued and paid upon the surrender for exchange of shares of Global Flow Common Stock in accordance with the terms hereof (including any cash paid pursuant to Section 3.6(b) or Section 3.14) shall be deemed to have been issued and paid in full satisfaction of all rights pertaining to such shares of Global Flow Common Stock. As of the Effective Time, the stock transfer books of Global Flow shall be deemed closed, and no transfer of shares of Global Flow Common Stock that were outstanding immediately prior to the Effective Time shall thereafter be made or consummated. If, after the Effective Time, a certificate for Global Flow Common Stock is presented to Forum for any reason, it shall be cancelled and exchanged as provided in Section 3.6 and Section 3.10.

Section 3.13 Certificate Legends.

(a) The certificates evidencing the Forum Common Stock delivered pursuant to Section 3.10 of this Agreement that are being converted in accordance with Section 3.6(a)(i) of this Agreement shall bear a legend substantially in the form set forth below and containing such other information as Forum may deem necessary or appropriate:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND NEITHER THE SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND SUCH LAWS OR PURSUANT TO AN EXEMPTION THEREFROM WHICH, IN THE OPINION OF COUNSEL FOR THE HOLDER, WHICH COUNSEL AND OPINION ARE REASONABLY SATISFACTORY TO COUNSEL FOR THIS COMPANY, IS AVAILABLE.

THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED STOCKHOLDERS AGREEMENT OF THE COMPANY AND SET FORTH IN THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE COMPANY, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

(b) The certificates evidencing the Forum Common Stock delivered pursuant to Section 3.10 of this Agreement that are being converted in accordance with Section 3.6(a)(ii) of this Agreement shall bear a legend substantially in the form set forth below and containing such other information as Forum may deem necessary or appropriate:

ANY TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS STRICTLY PROHIBITED EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), PURSUANT TO REGISTRATION UNDER THE ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION. THE HOLDER OF THIS

CERTIFICATE MAY NOT ENGAGE IN ANY HEDGING TRANSACTIONS INVOLVING THE SECURITIES REPRESENTED HEREBY EXCEPT IN COMPLIANCE WITH THE ACT.

THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED STOCKHOLDERS AGREEMENT OF THE COMPANY AND SET FORTH IN THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE COMPANY, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

Section 3.14 Fractional Shares. Notwithstanding the foregoing, no fractional shares of Forum Common Stock or scrip shall be issued as a result of the Global Flow Merger. Instead of any fractional share of Forum Common Stock which would otherwise be issuable as a result of the Global Flow Merger, Forum shall pay a cash adjustment in respect of such fractional interest in a per share amount equal to $284.29.

Section 3.15 Appraisal Rights. Notwithstanding anything in this Agreement to the contrary, shares of Global Flow Common Stock (the "Global Flow Dissenting Shares") that are issued and outstanding immediately prior to the Effective Time and which are held by a stockholder who did not approve the Global Flow Consent and who is entitled to demand and properly demands appraisal of such shares pursuant to, and who complies in all respects with, the provisions of Section 262 of the DGCL (the "Global Flow Dissenting Stockholders"), shall not be converted into or be exchangeable for the right to receive the Global Flow Per Share Merger Consideration, but instead such holder shall be entitled to payment of the fair value of such shares in accordance with the provisions of Section 262 of the DGCL (and at the Effective Time, such Global Flow Dissenting Shares shall no longer be outstanding and shall automatically be cancelled and shall cease to exist, and such holder shall cease to have any rights with respect thereto, except the right to receive the fair value of such Global Flow Dissenting Shares in accordance with the provisions of Section 262 of the DGCL), unless and until such holder shall have failed to perfect or shall have effectively withdrawn or lost rights to appraisal under the DGCL. If any Global Flow Dissenting Stockholder shall have failed to perfect or shall have effectively withdrawn or lost such right with respect to any Global Flow Dissenting Shares, such shares shall thereupon be treated as if they had been converted into and become exchangeable for the right to receive, as of the Effective Time, the Global Flow Per Share Merger Consideration for each such share, in accordance with Section 3.6(a) or Section 3.6(b), as applicable, without any interest thereon. Global Flow shall give the other Combining Companies prompt notice of any written demands for appraisal for any shares of Global Flow Common Stock, attempted withdrawals of such demands and any other instruments served pursuant to the DGCL and received by Global Flow relating to stockholders' rights of appraisal.

ARTICLE IV
THE SUBSEA MERGER

Section 4.1 Merger of Subsea Merger Sub into Subsea. Subject to the provisions of this Agreement, on the Closing Date Subsea shall file with the Secretary of State of the State of Delaware a certificate of merger with respect to the Subsea Merger, executed in accordance with the relevant provisions of the DGCL and the DLLCA. At the Effective Time, Subsea Merger

Sub shall merge with and into Subsea and the separate existence of Subsea Merger Sub shall cease. Subsea shall be the surviving entity in the Subsea Merger (hereinafter sometimes referred to as the "Subsea Surviving Company") and its separate corporate existence, with all its purposes, objects, rights, privileges, powers and franchises, shall continue unaffected and unimpaired by the Subsea Merger.

Section 4.2 Effect of the Subsea Merger. The Subsea Merger shall have the effects provided for in the DGCL and the DLLCA.

Section 4.3 Certificate of Incorporation. At the Effective Time, the Certificate of Incorporation of the Subsea Surviving Company shall be amended in its entirety to read as set forth in the form attached hereto as Exhibit J.

Section 4.4 Bylaws. At the Effective Time, the bylaws of the Subsea Surviving Company shall be amended in their entirety to read as set forth in the form attached hereto as Exhibit K.

Section 4.5 Officers and Directors. The Board of Subsea Merger Sub immediately prior to the Effective Time shall be the board of directors of the Subsea Surviving Company immediately following the Effective Time, until their respective successors have been duly elected or appointed and qualified or their earlier death, resignation or removal in accordance with the Certificate of Incorporation and bylaws of the Subsea Surviving Company. The duly elected officers of Subsea who hold office immediately prior to the Effective Time, shall be the officers of the Subsea Surviving Company and shall thereafter continue to hold such positions until their successors have been duly elected.

Section 4.6 Subsea Common Stock.

(a) Each share of Subsea Common Stock outstanding immediately prior to the Effective Time that is held by (i) an Accredited Investor or (ii) a Non-U.S. Person (each as certified on such holder's Subsea Consent) shall by virtue of the Subsea Merger and without any further action by the holder thereof cease to be outstanding and shall be converted into the right to receive 0.3168 shares of Forum Common Stock (the "Subsea Per Share Merger Stock Consideration"), and each certificate which immediately prior to the Effective Time represented such outstanding shares of Subsea Common Stock shall at and after the Effective Time be deemed for all purposes to represent the right to receive the Subsea Per Share Merger Stock Consideration.

(b) Each share of Subsea Common Stock outstanding immediately prior to the Effective Time that is held by a Person not subject to the provisions of Section 4.6(a) or Section 4.6(c) shall by virtue of the Subsea Merger and without any further action by the holder thereof cease to be outstanding and shall be converted into the right to receive $90.08 in cash (the "Subsea Per Share Merger Cash Consideration"), and each certificate which immediately prior to the Effective Time represented such outstanding shares of Subsea Common Stock shall at and after the Effective Time be deemed for all purposes to represent the right to receive the Subsea Per Share Merger Cash Consideration.

(c) All shares of Subsea Common Stock which immediately prior to the Effective Time are held in the treasury of Subsea or owned by Forum or by any Subsidiaries of Subsea shall at the Effective Time be cancelled and retired and cease to exist, without the payment of any consideration therefor or any conversion thereof into Forum Common Stock or cash.

Section 4.7 Subsea Preferred Stock. Subsea shall take such actions as are necessary to cause the Subsea Preferred Stock to be redeemed or repurchased prior to the Effective Time pursuant to the terms of the Subsea Certificate of Designations.

Section 4.8 Subsea Stock Options. Before the Closing, the Board of Subsea (or, if appropriate, any committee of the Board of Subsea administering the Subsea Option Plan) shall adopt such resolutions or take such other actions as may be required to effect adjustments to the terms of all options outstanding under the Subsea Option Plan to provide that each such option outstanding immediately prior to the Effective Time (each, a "Subsea Option") shall be converted as of the Effective Time into an option to purchase the number of shares of Forum Common Stock (rounded down to the nearest whole share) equal to 0.3168 multiplied by the number of shares of Subsea Common Stock that could have been obtained immediately prior to the Effective Time upon the exercise of each such option as if such options were fully vested at such time, with an exercise price per share (rounded up to the nearest whole cent) equal to the exercise price per share for the shares of Subsea Common Stock purchasable pursuant to such Subsea Option immediately prior to its conversion divided by 0.3168. At the Effective Time, Forum shall assume the Subsea Option Plan, with the result that all obligations of Subsea under the Subsea Option Plan shall be obligations of Forum following the Effective Time.

Section 4.9 Subsea Merger Sub Capital Stock. At the Effective Time, by virtue of the Subsea Merger and without any action on the part of Subsea or Subsea Merger Sub or the holders of Capital Stock of either of the foregoing, each unit of Capital Stock of Subsea Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into one validly issued, fully paid and nonassessable share of common stock, par value $0.01 per share, of the Subsea Surviving Company.

Section 4.10 Issuance of New Certificates or Payment of Cash.

(a) Each holder of a certificate or certificates representing shares of Subsea Common Stock immediately prior to the Effective Time that are being converted in accordance with Section 4.6(a) may thereafter surrender such certificate or certificates and shall be entitled, upon such surrender and the delivery of the certification required by Section 4.10(c), to receive in exchange therefor a certificate or certificates representing the number of shares of Forum Common Stock into which such shares of Subsea Common Stock shall have been converted in accordance with Section 4.6 hereof. If any such certificate for Forum Common Stock is to be issued in a name other than that in which the surrendered certificate is registered, it shall be a condition of such exchange that the certificate so surrendered shall be properly endorsed or otherwise in proper form for transfer and that the Person requesting such exchange shall have paid any transfer and other taxes required by reason of such issuance of certificates of Forum Common Stock in a name other than that of the registered holder of the certificate surrendered, or shall have established to the satisfaction of Forum that such tax has been paid or is not applicable.

(b) Each holder of a certificate or certificates representing shares of Subsea Common Stock immediately prior to the Effective Time that are being converted in accordance with Section 4.6(b) may thereafter surrender such certificate or certificates and shall be entitled, upon such surrender and the delivery of the certification required by Section 4.10(c), to receive in exchange therefor cash in an amount equal to $90.08 per share of Subsea Common Stock, without interest thereon.

(c) To determine the consideration to be received by a holder of a certificate or certificates representing shares of Subsea Common Stock immediately prior to the Effective Time, each such holder shall, as a prerequisite to obtaining the consideration set forth herein, deliver a completed Subsea Consent to Forum certifying whether or not such holder is an Accredited Investor or Non-U.S. Person, and Forum shall be permitted to withhold the payment of any Subsea Per Share Merger Consideration to such holder that would otherwise be payable pursuant to the terms of this Agreement pending the delivery by such holder of such certification as to whether or not such holder is an Accredited Investor or a Non-U.S. Person; *provided* that any such holder who does not deliver such certification within 60 days after the Effective Date may be deemed by Forum, in its sole and absolute discretion, not to be an Accredited Investor or Non-U.S. Person and upon such determination by Forum, subject to Section 4.15, such holder's shares of Subsea Common Stock shall be converted into the Subsea Per Share Merger Cash Consideration in accordance with Section 4.6(b).

Section 4.11 Lost Certificates. If any certificate for Subsea Common Stock shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact and an indemnity with respect thereto by the person claiming such certificate to be lost, stolen or destroyed, and, if required by Forum, the posting by such person of a bond, in such reasonable amount as Forum may direct, as indemnity against any claim that may be made against it with respect to such certificate, Forum will deliver in exchange for such lost, stolen or destroyed certificate a certificate or certificates representing the number of shares of Forum Common Stock or cash, as applicable, into which such shares of Subsea Common Stock shall have been converted into the right to receive in accordance with Section 4.6 hereof.

Section 4.12 No Further Ownership Rights in Subsea Common Stock. The Subsea Per Share Merger Consideration issued and paid upon the surrender for exchange of shares of Subsea Common Stock in accordance with the terms hereof (including any cash paid pursuant to Section 4.6(b) or Section 4.14) shall be deemed to have been issued and paid in full satisfaction of all rights pertaining to such shares of Subsea Common Stock. As of the Effective Time, the stock transfer books of Subsea shall be deemed closed, and no transfer of shares of Subsea Common Stock that were outstanding immediately prior to the Effective Time shall thereafter be made or consummated. If, after the Effective Time, a certificate for Subsea Common Stock is presented to Forum for any reason, it shall be cancelled and exchanged as provided in Section 4.6 and Section 4.10.

Section 4.13 Certificate Legends.

(a) The certificates evidencing the Forum Common Stock delivered pursuant to Section 4.10 of this Agreement that are being converted in accordance with Section 4.6(a)(i) of this Agreement shall bear a legend substantially in the form set forth below and containing such other information as Forum may deem necessary or appropriate:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND NEITHER THE SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND SUCH LAWS OR PURSUANT TO AN EXEMPTION THEREFROM WHICH, IN THE OPINION OF COUNSEL FOR THE HOLDER, WHICH COUNSEL AND OPINION ARE REASONABLY SATISFACTORY TO COUNSEL FOR THIS COMPANY, IS AVAILABLE.

THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED STOCKHOLDERS AGREEMENT OF THE COMPANY AND SET FORTH IN THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE COMPANY, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

(b) The certificates evidencing the Forum Common Stock delivered pursuant to Section 4.10 of this Agreement that are being converted in accordance with Section 4.6(a)(ii) of this Agreement shall bear a legend substantially in the form set forth below and containing such other information as Forum may deem necessary or appropriate:

ANY TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS STRICTLY PROHIBITED EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), PURSUANT TO REGISTRATION UNDER THE ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION. THE HOLDER OF THIS CERTIFICATE MAY NOT ENGAGE IN ANY HEDGING TRANSACTIONS INVOLVING THE SECURITIES REPRESENTED HEREBY EXCEPT IN COMPLIANCE WITH THE ACT.

THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED STOCKHOLDERS AGREEMENT OF THE COMPANY AND SET FORTH IN THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE COMPANY, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

Section 4.14 Fractional Shares. Notwithstanding the foregoing, no fractional shares of Forum Common Stock or scrip shall be issued as a result of the Subsea Merger. Instead of any fractional share of Forum Common Stock which would otherwise be issuable as a result of the Subsea Merger, Forum shall pay a cash adjustment in respect of such fractional interest in a per share amount equal to $284.29.

Section 4.15 Appraisal Rights. Notwithstanding anything in this Agreement to the contrary, shares of Subsea Common Stock (the "Subsea Dissenting Shares") that are issued and outstanding immediately prior to the Effective Time and which are held by a stockholder who did not approve the Subsea Consent and who is entitled to demand and properly demands appraisal of such shares pursuant to, and who complies in all respects with, the provisions of Section 262 of the DGCL (the "Subsea Dissenting Stockholders"), shall not be converted into or be exchangeable for the right to receive the Subsea Per Share Merger Consideration, but instead such holder shall be entitled to payment of the fair value of such shares in accordance with the provisions of Section 262 of the DGCL (and at the Effective Time, such Subsea Dissenting Shares shall no longer be outstanding and shall automatically be cancelled and shall cease to exist, and such holder shall cease to have any rights with respect thereto, except the right to receive the fair value of such Subsea Dissenting Shares in accordance with the provisions of Section 262 of the DGCL), unless and until such holder shall have failed to perfect or shall have effectively withdrawn or lost rights to appraisal under the DGCL. If any Subsea Dissenting Stockholder shall have failed to perfect or shall have effectively withdrawn or lost such right with respect to any Subsea Dissenting Shares, such shares shall thereupon be treated as if they had been converted into and become exchangeable for the right to receive, as of the Effective Time, the Subsea Per Share Merger Consideration for each such share, in accordance with Section 4.6(a) or Section 4.6(b), as applicable, without any interest thereon. Subsea shall give the other Combining Companies prompt notice of any written demands for appraisal for any shares of Subsea Common Stock, attempted withdrawals of such demands and any other instruments served pursuant to the DGCL and received by Subsea relating to stockholders' rights of appraisal.

ARTICLE V
THE TRITON MERGER

Section 5.1 Merger of Triton Merger Sub into Triton. Subject to the provisions of this Agreement, on the Closing Date Triton shall file with the Secretary of State of the State of Delaware a certificate of merger with respect to the Triton Merger, executed in accordance with the relevant provisions of the DLLCA. At the Effective Time, Triton Merger Sub shall merge with and into Triton and the separate existence of Triton Merger Sub shall cease. Triton shall be the surviving entity in the Triton Merger (hereinafter sometimes referred to as the "Triton Surviving Company" and together with the Allied Surviving Company, the Global Flow Surviving Company, and the Subsea Surviving Company, the "Surviving Companies") and its separate limited liability company existence, with all its purposes, objects, rights, privileges, powers and franchises, shall continue unaffected and unimpaired by the Triton Merger.

Section 5.2 Effect of the Triton Merger. The Triton Merger shall have the effects provided for in the DLLCA.

Section 5.3 Certificate of Formation. At the Effective Time, the Certificate of Formation of the Triton Surviving Company shall be the certificate of formation of Triton as in effect immediately prior to the Effective Time.

Section 5.4 Limited Liability Company Agreement. At the Effective Time, the Fourth Amended and Restated Limited Liability Company Agreement of the Triton Surviving Company in the form attached hereto as Exhibit L shall by virtue of the Triton Merger be automatically adopted as the limited liability company agreement of the Triton Surviving Company (the "Triton Surviving Company LLC Agreement").

Section 5.5 Officers and Directors. The Board of Triton Merger Sub immediately prior to the Effective Time shall be the board of managers of the Triton Surviving Company immediately following the Effective Time, until their respective successors have been duly elected or appointed and qualified or their earlier death, resignation or removal in accordance with the certificate of formation and the Triton Surviving Company LLC Agreement. The duly elected officers of Triton who hold office immediately prior to the Effective Time, shall be the officers of the Triton Surviving Company and shall thereafter continue to hold such positions until their successors have been duly elected.

Section 5.6 Membership Units of Triton Merger Sub. The common unit of Triton Merger Sub outstanding immediately prior to the Effective Time shall by virtue of the Triton Merger be converted into the 100% membership interest of the Triton Surviving Company and the holder of such common unit shall be automatically admitted as a member of the Triton Surviving Company with respect to such membership interest and shall be bound by the Triton Surviving Company LLC Agreement without any requirement that such holder execute the Triton Surviving Company LLC Agreement.

Section 5.7 Triton Units.

(a) Each Triton Common Unit outstanding immediately prior to the Effective Time that is held by (i) an Accredited Investor or (ii) a Non-U.S. Person (each as certified on such holder's Triton Consent) shall by virtue of the Triton Merger and without any further action by the holder thereof cease to be outstanding and shall be converted into the right to receive 0.3562 shares of Forum Common Stock (the "Triton Per Common Unit Merger Stock Consideration"), and each certificate which immediately prior to the Effective Time represented such outstanding Triton Common Units shall at and after the Effective Time be deemed for all purposes to represent the right to receive the Triton Per Common Unit Merger Stock Consideration.

(b) Each Triton Common Unit outstanding immediately prior to the Effective Time that is held by a Person not subject to the provisions of Section 5.7(a) or Section 5.7(h) shall by virtue of the Triton Merger and without any further action by the holder thereof cease to be outstanding and shall be converted into the right to receive $101.26 in cash (the "Triton Per Common Unit Merger Cash Consideration"), and each certificate which immediately prior to the Effective Time represented such outstanding Triton Common Units shall at and after the Effective Time be deemed for all purposes to represent the right to receive the Triton Per Common Unit Merger Cash Consideration.

(c) Each Triton Series A Management Unit outstanding immediately prior to the Effective Time that is held by (i) an Accredited Investor who at the Closing is an employee, officer, manager or director of Triton or its Subsidiaries or (ii) a Non-U.S.

Person (each as certified on such holder's Triton Consent) shall by virtue of the Triton Merger and without any further action by the holder thereof cease to be outstanding and shall be converted into the right to receive (A) $52.66 in cash, (B) an option to purchase 0.25 shares of Forum Common Stock (rounded down to the nearest whole share) at an exercise price of $284.29 per share of Forum Common Stock and (C) (1) to the extent such Triton Series A Management Unit is vested pursuant to its terms, 0.1710 shares of Forum Common Stock (rounded down to the nearest whole share) and (2) to the extent such Triton Series A Management Unit is not vested pursuant to its terms, 0.1710 shares of restricted Forum Common Stock (rounded down to the nearest whole share) (the consideration set forth in clauses (A), (B) and (C) above, the "Triton Series A Management Units Accredited Consideration"), and each certificate which immediately prior to the Effective Time represented such outstanding Triton Series A Management Units shall at and after the Effective Time be deemed for all purposes to represent the right to receive the Triton Series A Management Units Accredited Consideration.

(d) Each Triton Series A Management Unit outstanding immediately prior to the Effective Time that is held by a Person not subject to the provisions of Section 5.7(c) shall by virtue of the Triton Merger and without any further action by the holder thereof cease to be outstanding and shall be converted into the right to receive $101.26 in cash (the "Triton Series A Management Units Unaccredited Consideration"), and each certificate which immediately prior to the Effective Time represented such outstanding Triton Series A Management Units shall at and after the Effective Time be deemed for all purposes to represent the right to receive the Triton Series A Management Units Unaccredited Consideration.

(e) Each Triton Series B Management Unit outstanding immediately prior to the Effective Time that is held by (i) an Accredited Investor who at the Closing is an employee, officer, manager or director of Triton or its Subsidiaries or (ii) a Non-U.S. Person (each as certified on such holder's Triton Consent) shall by virtue of the Triton Merger and without any further action by the holder thereof cease to be outstanding and shall be converted into the right to receive an option to purchase 0.4809 shares of Forum Common Stock (rounded down to the nearest whole share) at an exercise price per share (rounded down to the nearest whole cent) equal to the Threshold Value for such Triton Series B Management Unit immediately prior to the Effective Time divided by 0.3562 (the "Triton Series B Management Units Accredited Consideration"), and each certificate which immediately prior to the Effective Time represented such outstanding Triton Series B Management Units shall at and after the Effective Time be deemed for all purposes to represent the right to receive the Triton Series B Management Units Accredited Consideration.

(f) Each Triton Series B Management Unit outstanding immediately prior to the Effective Time that is held by a Person not subject to the provisions of Section 5.7(e) shall by virtue of the Triton Merger and without any further action by the holder thereof cease to be outstanding and shall be converted into the right to receive an amount in cash equal to (A) with respect to a Triton Series B Management Unit with a Threshold Value of $160, $21.70 and (B) with respect to a Triton Series B Management Unit with a Threshold Value of $180, $18.25 (collectively, the "Triton Series B Management Units

Unaccredited Consideration"), and each certificate which immediately prior to the Effective Time represented such outstanding Triton Series B Management Units shall at and after the Effective Time be deemed for all purposes to represent the right to receive the Triton Series B Management Units Unaccredited Consideration.

(g) Any restricted Forum Common Stock or options to purchase shares of Forum Common Stock to be issued as Triton Management Units Merger Consideration shall be issued pursuant to, and governed by, the LTIP and Forum's customary form of restricted stock agreement or stock option agreement, as applicable, in effect at the Effective Time and the vesting provisions of such restricted Forum Common Stock and options to purchase Forum Common Stock shall be determined in accordance with such standard forms; *provided*, *however*, that the vesting schedules in such standard forms that are based upon years of service shall be revised to conform to the years of service vesting schedule (including the crediting of service from the date of grant of the Triton Management Unit) contained in the documents governing the applicable Triton Management Unit; *provided further*, *however*, that the period of time during which the vested portion of any such option may be exercised shall not expire prior to the earliest of (i) the fifth anniversary of the termination of such option holder's service provider relationship with Forum or its Subsidiaries (or if such holder is not such a service provider at the Effective Time, then the fifth anniversary of the Closing), (ii) the first anniversary of the first date that such option becomes exercisable for Public Stock and/or cash and (iii) the standard term of such option;

(h) All Triton Common Units which immediately prior to the Effective Time are owned by Forum or by any Subsidiaries of Triton shall at the Effective Time be cancelled and retired and cease to exist, without the payment of any consideration therefor or any conversion thereof into Forum Common Stock or cash.

Section 5.8 Issuance of New Certificates or Payment of Cash.

(a) Each holder of a certificate or certificates representing Triton Units immediately prior to the Effective Time that are being converted into Forum Common Stock in accordance with Section 5.7 may thereafter surrender such certificate or certificates and shall be entitled, upon such surrender and the delivery of the certification required by Section 5.8(d), to receive in exchange therefor a certificate or certificates representing the number of shares of Forum Common Stock into which such Triton Units shall have been converted in accordance with Section 5.7 hereof. If any such certificate for Forum Common Stock is to be issued in a name other than that in which the surrendered certificate is registered, it shall be a condition of such exchange that the certificate so surrendered shall be properly endorsed or otherwise in proper form for transfer and that the Person requesting such exchange shall have paid any transfer and other taxes required by reason of such issuance of certificates of Forum Common Stock in a name other than that of the registered holder of the certificate surrendered, or shall have established to the satisfaction of Forum that such tax has been paid or is not applicable.

(b) Each holder of a certificate or certificates representing Triton Units immediately prior to the Effective Time that are being converted into cash in accordance with Section 5.7 may thereafter surrender such certificate or certificates and shall be entitled, upon such surrender and the delivery of the certification required by Section 5.8(d), to receive in exchange therefor cash in such amounts as set forth in Section 5.7, without interest thereon.

(c) Each holder of a certificate or certificates representing Triton Management Units immediately prior to the Effective Time that are being converted into the right to receive options to purchase shares of Forum Common Stock in accordance with Section 5.7(c) or Section 5.7(e) may thereafter surrender such certificate or certificates and shall be entitled, upon such surrender and the delivery of the certification required by Section 5.8(d), to receive in exchange therefor an award agreement representing the number of options to purchase Forum Common Stock into which such Triton Management Units shall have been converted in accordance with Section 5.7(c) or Section 5.7(e) hereof.

(d) To determine the consideration to be received by a certificate or certificates representing shares of Triton Units immediately prior to the Effective Time, each such holder shall, as a prerequisite to obtaining the consideration set forth herein, deliver a completed Triton Consent to Forum certifying whether or not such holder is an Accredited Investor or Non-U.S. Person, and Forum shall be permitted to withhold the payment of any Triton Merger Consideration to such holder that would otherwise be payable pursuant to the terms of this Agreement pending the delivery by such holder of such certification as to whether or not such holder is an Accredited Investor or a Non-U.S. Person; *provided* that any such holder who does not deliver such certification within 60 days after the Effective Date may be deemed by Forum, in its sole and absolute discretion, not to be an Accredited Investor or Non-U.S. Person and upon such determination by Forum, subject to Section 5.13, such holder's Triton Units shall be converted into the Triton Per Common Unit Merger Cash Consideration, the Triton Series A Management Units Unaccredited Consideration or the Triton Series B Management Units Unaccredited Consideration, as applicable in accordance with Section 5.7(b), Section 5.7(d) and Section 5.7(f), respectively.

Section 5.9 Lost Certificates. If any certificate for Triton Units shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact and an indemnity with respect thereto by the person claiming such certificate to be lost, stolen or destroyed, and, if required by Forum, the posting by such person of a bond, in such reasonable amount as Forum may direct, as indemnity against any claim that may be made against it with respect to such certificate, Forum will deliver in exchange for such lost, stolen or destroyed certificate a certificate or certificates representing the number of shares of Forum Common Stock or cash, as applicable, into which such Triton Units shall have been converted into the right to receive in accordance with Section 5.6 hereof.

Section 5.10 No Further Ownership Rights in Triton Units. The Triton Merger Consideration issued and paid upon the surrender for exchange of Triton Units in accordance with the terms hereof (including any cash paid pursuant to Section 5.7(b), Section 5.7(d), Section 5.7(f) or Section 5.12) shall be deemed to have been issued and paid in full satisfaction of all

rights pertaining to such Triton Units. As of the Effective Time, the transfer books of Triton shall be deemed closed, and no transfer of Triton Units that were outstanding immediately prior to the Effective Time shall thereafter be made or consummated. If, after the Effective Time, a certificate for Triton Units is presented to Forum for any reason, it shall be cancelled and exchanged as provided in Section 5.7 and Section 5.9.

Section 5.11 Certificate Legends.

(a) The certificates evidencing the Forum Common Stock delivered pursuant to Section 5.8 of this Agreement that are being converted in accordance with Section 5.7(a)(i) or Section 5.7(c)(i) of this Agreement shall bear a legend substantially in the form set forth below and containing such other information as Forum may deem necessary or appropriate:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND NEITHER THE SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND SUCH LAWS OR PURSUANT TO AN EXEMPTION THEREFROM WHICH, IN THE OPINION OF COUNSEL FOR THE HOLDER, WHICH COUNSEL AND OPINION ARE REASONABLY SATISFACTORY TO COUNSEL FOR THIS COMPANY, IS AVAILABLE.

THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED STOCKHOLDERS AGREEMENT OF THE COMPANY AND SET FORTH IN THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE COMPANY, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

(b) The certificates evidencing the Forum Common Stock delivered pursuant to Section 5.8 of this Agreement that are being converted in accordance with Section 5.7(a)(ii) or Section 5.7(c)(ii) of this Agreement shall bear a legend substantially in the form set forth below and containing such other information as Forum may deem necessary or appropriate:

ANY TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS STRICTLY PROHIBITED EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), PURSUANT TO REGISTRATION UNDER THE ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION. THE HOLDER OF THIS CERTIFICATE MAY NOT ENGAGE IN ANY HEDGING TRANSACTIONS INVOLVING THE SECURITIES REPRESENTED HEREBY EXCEPT IN COMPLIANCE WITH THE ACT.

THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED STOCKHOLDERS

AGREEMENT OF THE COMPANY AND SET FORTH IN THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE COMPANY, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

Section 5.12 Fractional Shares. Notwithstanding the foregoing, no fractional shares of Forum Common Stock or scrip shall be issued as a result of the Triton Merger. Instead of any fractional share of Forum Common Stock which would otherwise be issuable as a result of the Triton Merger, Forum shall pay a cash adjustment in respect of such fractional interest in a per share amount equal to $284.29.

Section 5.13 Appraisal Rights. Notwithstanding anything in this Agreement to the contrary, appraisal rights shall be available to the holders of Triton Units that are issued and outstanding immediately prior to the Effective Time in the same manner and in the same circumstances as would be available to them as stockholders of a Delaware corporation under Section 262 of the DGCL if Triton were a Delaware corporation. The procedures set forth in Section 262 of the DGCL, including those contained in subsections (d) and (e) thereof, shall constitute the procedures for appraisal rights hereunder and shall apply as nearly as practicable. In accordance with the grant of authority to the Court of Chancery of the State of Delaware in Section 18-210 of the DLLCA, the Court of Chancery shall have the power and authority to determine the members (the "Triton Dissenting Members") entitled to appraisal and to appraise the fair value of such Triton Units held by the Triton Dissenting Members (the "Triton Dissenting Units"). Any Triton Dissenting Units shall not be converted into or be exchangeable for the right to receive the applicable Triton Merger Consideration, but instead such member shall be entitled to payment of the fair value of such Triton Units in accordance with the foregoing. If any Triton Dissenting Member shall have failed to perfect or shall have effectively withdrawn or lost such right with respect to any Triton Dissenting Units, such Triton Units shall thereupon be treated as if they had been converted into and become exchangeable for the right to receive, as of the Effective Time, the applicable Triton Merger Consideration for each such unit, in accordance with the applicable subsection of Section 5.7, without any interest thereon. Triton shall give the other Combining Companies prompt notice of any written demands for appraisal for any Triton Units, attempted withdrawals of such demands and any other instruments served pursuant to the foregoing and received by Triton relating to this Section 5.13.

ARTICLE VI
CLOSING

Section 6.1 Time and Place. The closing of the transactions contemplated hereby (the "Closing") shall be held at the offices of Vinson & Elkins L.L.P., 1001 Fannin Street, Houston, Texas 77002 at 10:00 a.m., Houston time, immediately following the satisfaction or waiver of the conditions contained in Article IX or at such other place or time as the parties hereto may mutually agree. The date of the Closing is referred to herein as the "Closing Date."

Section 6.2 Deliveries at Closing. Subject to the provisions of Article IX hereof, at the Closing there shall be delivered the documents required to be delivered pursuant to Article IX hereof.

Section 6.3 Withholding. Notwithstanding any other provision of this Agreement, Forum, the Merger Subs and each Combining Company shall be entitled to deduct and withhold from amounts payable under this Agreement such amounts as are required to be deducted or withheld under applicable Laws for or on account of any Tax. To the extent that amounts are so deducted or withheld, such amounts shall be treated for all purposes of this Agreement as having been paid to the recipient in respect of whom such deduction or withholding was made.

ARTICLE VII
REPRESENTATIONS AND WARRANTIES OF COMBINING COMPANIES

Each Combining Company represents and warrants to each other Combining Company (but not to SCF) that the statements contained in this Article VII, to the extent such statements relate to such Combining Company and its Subsidiaries, are true and correct as of the date of this Agreement and as of the Closing Date, except as set forth in (a) the Disclosure Letter (which is numbered to refer to the sections contained in this article) delivered by each Combining Company to each other Combining Company on the date hereof, (b) the VE Due Diligence Report or (c) any documents contained in, or made available via, the Dataroom. For the avoidance of doubt, the representations and warranties contained in Section 7.25 hereof are made solely by Forum and no other Combining Company.

Section 7.1 Organization; Qualification.

(a) Each of Forum, Allied, Global Flow and Subsea is a corporation duly organized under the DGCL and is validly existing and in good standing under the laws of the State of Delaware. Each Subsidiary of Forum, Allied, Global Flow and Subsea is an entity duly organized under the jurisdiction of its formation and is validly existing and in good standing under the laws of such jurisdiction. Each of Forum, Allied, Global Flow and Subsea and each Subsidiary of Forum, Allied, Global Flow and Subsea has all requisite corporate or entity power and authority to own, operate or lease its respective properties and to carry on its respective business as now being conducted. Each of Forum, Allied, Global Flow and Subsea and each Subsidiary of Forum, Allied, Global Flow and Subsea is duly qualified to do business as a foreign corporation or other entity and is in good standing in each jurisdiction where the character of its properties owned, operated or leased, or the nature of its activities, makes such qualifications necessary, except where the failure to be so qualified and in good standing would not reasonably be expected to have a Material Adverse Effect on Forum, Allied, Global Flow or Subsea, respectively.

(b) Triton is a limited liability company duly organized under the DLLCA and is validly existing and in good standing under the laws of the State of Delaware. Each Subsidiary of Triton is an entity duly organized under the jurisdiction of its formation and is validly existing and in good standing under the laws of such jurisdiction. Triton and each Subsidiary of Triton has all requisite corporate, limited liability company, or other entity power and authority (as applicable) to own, operate or lease its properties and to carry on its business as now being conducted. Triton and each Subsidiary of Triton is duly qualified to do business as a foreign corporation, limited liability company or other entity (as applicable) and is in good standing in each jurisdiction where the character of

its properties owned, operated or leased, or the nature of its activities, makes such qualifications necessary, except where the failure to be so qualified and in good standing would not reasonably be expected to have a Material Adverse Effect on Triton.

Section 7.2 Subsidiaries. Except as set forth in Section 7.2 of the Disclosure Letter, such Combining Company does not own any Capital Stock or other equity or ownership or proprietary interest in any Person.

Section 7.3 Capitalization.

(a) The authorized Capital Stock of Allied consists of 1,000,000 shares of Allied Common Stock, of which 281,670 shares are issued and outstanding as of the date of this Agreement, and 100,000 shares of preferred stock, par value $0.01 per share, 1,000 shares of which are designated as Allied Preferred Stock, of which 624 shares are issued and outstanding as of the date of this Agreement.

(b) The authorized Capital Stock of Global Flow consists of 1,000,000 shares of Global Flow Common Stock, of which 123,539 shares are issued and outstanding as of the date of this Agreement, and 500,000 shares of preferred stock, par value $0.001 per share, 262,000 of which are designated as Series A Preferred Stock, 100,000 shares of which are designated as Series B Preferred Stock, 47,000 shares of which are designated as Series C Preferred Stock, and 62,000 shares of which are designated as Series D Preferred Stock, of which 62,000, 65,000, 35,000 and 62,000 shares are issued and outstanding, respectively, as of the date of this Agreement.

(c) The authorized Capital Stock of Subsea consists of 600,000 shares of Subsea Common Stock, of which 189,149 shares are issued and outstanding as of the date of this Agreement, and 10,000 shares of preferred stock, par value $0.01 per share, 5,500 shares of which are designated as Subsea Preferred Stock, of which 5,500 shares are issued and outstanding as of the date of this Agreement.

(d) The authorized Capital Stock of Forum consists of 1,000,000 shares of Forum Common Stock, of which 722,949 shares are issued and outstanding as of the date of this Agreement, and 10,000 shares of preferred stock, par value $0.01 per share, of which no shares are issued and outstanding as of the date of this Agreement.

(e) The authorized membership units in Triton consists of 1,250,000 Triton Units, of which 827,219 Triton Units are issued and outstanding as of the date of this Agreement, 785,887 of which are designated as Triton Common Units, 28,273 of which are designated as Series A Management Units (18,295 of which have a Threshold Value of $100.00, 2,452 of which have a Threshold Value of $195.00 and 7,526 of which have a Threshold Value of $235.00) and 13,059 of which are designated as Series B Management Units (1,868 of which have a Threshold Value of $125.00, 7,340 of which have a Threshold Value of $160.00 and 3,851 of which have a Threshold Value of $180.00) as of the date of this Agreement.

(f) The issued and outstanding shares or units, as applicable, of such Combining Company's Capital Stock are, as of the date of this Agreement, owned of

record by the persons and in the amounts set forth in Section 7.3 of the Disclosure Letter. All of the outstanding shares or units, as applicable, of such Combining Company's Capital Stock, and all of the outstanding shares or units, as applicable, of the Capital Stock of each Subsidiary of such Combining Company are duly authorized, validly issued, fully paid and nonassessable and were issued free of the preemptive rights of any Person and in compliance with applicable corporate and securities Laws. Except as set forth on Section 7.3 of the Disclosure Letter, all of the outstanding Capital Stock of each Subsidiary of such Combining Company is owned legally and beneficially, directly or indirectly, by such Combining Company as set forth in Section 7.3 of the Disclosure Letter. Except as set forth in Section 7.3 of the Disclosure Letter, as of the date hereof, there are no outstanding subscriptions, options, calls, contracts, commitments, understandings, restrictions, arrangements, rights or warrants, including any right of conversion or exchange under any outstanding security, instrument or other agreement obligating such Combining Company or any Subsidiary of such Combining Company to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of the Capital Stock of such Combining Company or any Subsidiary of such Combining Company or obligating such Combining Company or any Subsidiary of such Combining Company to grant, extend or enter into any such agreement or commitment. Other than as set forth in Section 7.3 of the Disclosure Letter, there are no outstanding contractual obligations, commitments, understandings or arrangements of such Combining Company or any Subsidiary of such Combining Company to purchase, redeem or otherwise acquire or make any payment in respect of or register under federal or state securities laws any shares of Capital Stock of such Combining Company or any Subsidiary of such Combining Company.

Section 7.4 Authority, Authorization and Enforceability. Such Combining Company has all requisite corporate or limited liability company, as applicable, power and authority to execute and deliver this Agreement and each instrument required hereby to be executed and delivered by it, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by such Combining Company of this Agreement and each instrument required hereby to be executed and delivered by it and the performance of its obligations hereunder and thereunder have been duly and validly authorized by the Board of such Combining Company, upon the recommendation (other than Allied) of the Committee of such Combining Company, and no other corporate or limited liability company, as applicable, proceedings, other than the approval of the stockholders or members, as applicable, of such Combining Company contemplated by Section 9.1(c)-(g) hereof, are necessary to authorize the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby. This Agreement and each instrument required hereby have been duly executed and delivered by such Combining Company and (assuming due authorization, execution and delivery hereof and thereof by the other parties hereto and thereto) constitute the valid and legally binding obligations of such Combining Company, enforceable against such Combining Company in accordance with their terms, except that (a) such enforceability may be subject to bankruptcy, insolvency, reorganization, moratorium or other laws, decisions or equitable principles now or hereafter in effect relating to or affecting the enforcement of creditors' rights or debtors' obligations generally, and to general equity principles (whether applied in a proceeding at law or in equity), and (b) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

Section 7.5 Financial Statements. The historical financial statements of such Combining Company (including the related notes) posted in the Dataroom (including the Latest Allied Balance Sheet, the Latest Global Flow Balance Sheet, the Latest Forum Balance Sheet, the Latest Subsea Balance Sheet and the Latest Triton Balance Sheet, as applicable, such Combining Company's "Financial Statements") are (a) with respect to the Combining Companies other than Triton, the audited balance sheets of such Combining Company at December 31, 2008 and 2009 and the related audited statements of income and cash flows for the years then ended and (b) with respect to Triton, the unaudited balance sheet of Triton at December 31, 2009 and the related unaudited statements of income and cash flows for the years then ended and the audited balance sheet of Triton at December 31, 2008 and the related audited statements of income and cash flows for the year then ended. Such Combing Company's Financial Statements have been prepared in accordance with GAAP applied on a consistent basis with respect to such Combining Company and fairly present in all material respects the consolidated financial position of such Combining Company and its Subsidiaries as of the respective dates thereof and the consolidated results of operations and changes in financial position of such Combining Company and its Subsidiaries for the periods indicated.

Section 7.6 No Undisclosed Liabilities. Such Combining Company, together with its Subsidiaries, has not incurred any liabilities of any nature that are material, individually or in the aggregate, in relation to the business of such Combining Company and its Subsidiaries, taken as a whole (whether accrued, absolute, contingent or otherwise) other than (a) liabilities fully provided for in such Combining Company's Financial Statements (including the footnotes thereto), (b) liabilities that are specifically set forth in Section 7.6 of the Disclosure Letter, (c) other liabilities incurred by such Combining Company or its Subsidiaries since December 31, 2009 in the ordinary course of business consistent with past practices and (d) other liabilities that otherwise would not reasonably be expected to have a Material Adverse Effect.

Section 7.7 No Violation. Except as set forth in Section 7.7 of the Disclosure Letter, neither the execution and delivery by such Combining Company of this Agreement or any instrument required hereby to be executed and delivered by such Combining Company at the Closing nor the performance by such Combining Company of its obligations hereunder or thereunder will (a) violate or breach the terms of or cause a default under, or result in the termination of, or accelerate the performance required by, or result in a right of termination, cancellation or acceleration of any obligation under, or result in the creation of any Lien upon any of the properties or assets of such Combining Company or any of its Subsidiaries under (i) any Law, regulation or order of any Governmental Authority applicable to such Combining Company or any of its Subsidiaries, (ii) such Combining Company's or any of its Subsidiaries' organizational documents, including its certificate or articles of incorporation and bylaws or other organizational documents, each as amended or restated, or (iii) any Material Contract of such Combining Company, or (b) with the passage of time, the giving of notice or the taking of any action by a third party, have any of the effects set forth in clause (a) of this Section 7.7, except in each case as would not reasonably be expected to have a Material Adverse Effect.

Section 7.8 Compliance with Laws; Permits.

(a) Except as set forth in Section 7.8(a) of the Disclosure Letter, such Combining Company and its Subsidiaries are in compliance with all applicable Laws, except as would not reasonably be expected to have a Material Adverse Effect. Except as set forth in Section 7.8(a) of the Disclosure Letter, neither such Combining Company nor any of its Subsidiaries has received notice of any violation of any Law, or any potential liability under any Law, relating to the operation of its business or to any of its assets, operations, processes, results or products, except as would not reasonably be expected to have a Material Adverse Effect.

(b) Each Combining Company or its Subsidiary holds each government or regulatory license, authorization, permit, franchise, consent and approval (the "Permits") required to be issued and held to carry on its business as currently conducted and which is material to the business, except as would not reasonably be expected to have a Material Adverse Effect. Except as set forth in Section 7.8(b) of the Disclosure Letter, such Combining Company or the relevant Subsidiary of such Combining Company, as applicable, is the authorized legal holder of such Permits, and each such Permit is valid and in full force and effect, except as would not reasonably be expected to have a Material Adverse Effect. Neither such Combining Company nor the relevant Subsidiary of such Combining Company, as applicable, is in default under, and to the Knowledge of such Combining Company, no condition exists that with notice or lapse of time or both could constitute a default or could give rise to a right of termination, cancellation or acceleration under, any such Permit, except as would not reasonably be expected to have a Material Adverse Effect.

Section 7.9 Litigation.

(a) Except as set forth in Section 7.9(a) of the Disclosure Letter, there are no actions, suits or proceedings pending or, to the Knowledge of such Combining Company, threatened at law or in equity, or before or by any Governmental Authority or before any arbitrator of any kind, against such Combining Company or any of its Subsidiaries, except as would not reasonably be expected to have a Material Adverse Effect. Except as set forth in Section 7.9(a) of the Disclosure Letter, there are no outstanding judgments, orders, injunctions, decrees, stipulations or awards (whether rendered by a court, administrative agency, arbitral body or Governmental Authority) against such Combining Company or any of its Subsidiaries, except as would not reasonably be expected to have a Material Adverse Effect.

(b) All claims, whether in contract or tort, for defective or allegedly defective products or workmanship pending or, to the Knowledge of such Combining Company, threatened, against such Combining Company or any of its Subsidiaries are listed or described in Section 7.9(b) of the Disclosure Letter, except as would not reasonably be expected to have a Material Adverse Effect.

Section 7.10 [Reserved].

Section 7.11 Title to Assets. Except for inventory disposed of in the ordinary course of business consistent with past practices, assets such as accounts receivable which have been converted into other assets in the ordinary course of business, assets such as prepaid insurance that have dissipated over time in the ordinary course of business, and disposal of other assets with an aggregate fair market value not exceeding $1,000,000, such Combining Company or one of its Subsidiaries owns, or in the case of leased property has valid leasehold interests in, the property and assets (whether real or personal, tangible or intangible) reflected in such Combining Company's Financial Statements or acquired after December 31, 2009, free and clear of all Liens, except for Permitted Liens and Liens set forth in Section 7.11 of the Disclosure Letter and except as would not reasonably be expected to have a Material Adverse Effect.

Section 7.12 Tax Matters. Except as set forth in Section 7.12 of the Disclosure Letter and except as would not reasonably be expected to have a Material Adverse Effect:

(a) all Tax Returns required to be filed by or on behalf of such Combining Company or any of its Subsidiaries have been filed on a timely basis in accordance with the applicable Laws;

(b) such Combining Company and each of its Subsidiaries, as applicable, have paid all Taxes due and owing from them in accordance with applicable Laws;

(c) no claim has ever been made by a Governmental Authority in a jurisdiction where such Combining Company or any of its Subsidiaries does not file Tax Returns that such Combining Company or any of its Subsidiaries is or may be subject to taxation by that jurisdiction;

(d) all Taxes that such Combining Company or its Subsidiaries has been required by applicable Laws to withhold, collect or deposit have been duly withheld or collected and, to the extent required, have been paid to the appropriate Governmental Authorities;

(e) there are no Liens with respect to Taxes on the assets of such Combining Company or any of its Subsidiaries, other than Permitted Liens;

(f) there are no pending or, to the Knowledge of such Combining Company, threatened actions or proceedings by a Governmental Authority relating to the assessment or collection of Taxes against such Combining Company or any of its Subsidiaries;

(g) neither such Combining Company nor any of its Subsidiaries is a party to any agreement or arrangement that would result, separately or in the aggregate, in the actual or deemed payment by such Combining Company or any of its Subsidiaries of any "excess parachute payment" within the meaning of Section 280G of the Code;

(h) neither such Combining Company nor any of its Subsidiaries has been included in any consolidated, combined or unitary Tax Return and has no liability for any Taxes of any Person (other than such Combining Company or its Subsidiaries) under Treas. Reg. § 1.1502-6 (or similar provisions of state, local or foreign law) as a transferee or successor, by contract or otherwise;

(i) neither such Combining Company nor any of its Subsidiaries is a party to or bound by any Tax allocation or Tax-Sharing Agreement and has no contractual obligation to indemnify any other person with respect to Taxes;

(j) no assets of such Combining Company or any Subsidiary of such Combining Company are "tax-exempt use property" within the meaning of Section 168(h)(1) of the Code or "tax-exempt bond-financed property" within the meaning of Section 168(g)(5) of the Code;

(k) the unpaid Taxes of such Combining Company and its Subsidiaries as of December 31, 2009 did not exceed in any material respect the reserve for Tax liabilities (rather than the reserve for deferred Taxes to reflect timing differences between book and Tax income and any other amounts reflected in deferred Taxes) on such Combining Company's Financial Statements;

(l) neither such Combining Company nor any of its Subsidiaries will be required to include any amount in income on or after the Closing Date with respect to transactions occurring prior to the Closing Date, as a result of an installment sale, distribution of stock intended to qualify for nonrecognition of gain or loss under Section 355 of the Code, the application of the completed contract or long-term method of accounting or any other similar method of accounting or change in an accounting method (including, without limitation under Section 481(a) of the Code);

(m) such Combining Company and its Subsidiaries use the accrual method of accounting for all relevant Tax accounting purposes;

(n) with respect to each such Combining Company other than Triton, such Combining Company is not and has not been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code, and with respect to Triton, no Subsidiary of Triton is or has been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii); and

(o) neither such Combining Company nor any of its Subsidiaries has participated in any listed transaction required to be disclosed under Treas. Reg. § 1.6011-4.

Section 7.13 Intellectual Property. Except as set forth in Section 7.13 of the Disclosure Letter and except as would not reasonably be expected to have a Material Adverse Effect:

(a) Such Combining Company and/or its Subsidiaries own and possess all right, title, and interest in, free and clear of all Liens (other than license agreements executed in the ordinary course of business and Permitted Liens), or have a right to use, all of the material Intellectual Property Rights necessary for the conduct of their respective businesses.

(b) To the Knowledge of such Combining Company, the conduct of the business by such Combining Company and its Subsidiaries as currently conducted does not infringe upon any Intellectual Property Rights of any third party. There is no claim, suit, action or proceeding that is either pending or, to the Knowledge of such Combining Company, threatened, that, in either case, involves a claim of infringement by such Combining Company or any of its Subsidiaries of any Intellectual Property Rights of any third party, or challenging such Combining Company's or any of its Subsidiaries', as applicable, ownership, right to use, or the validity of any Intellectual Property Right of such Combining Company or any of its Subsidiaries.

(c) No Intellectual Property Right of such Combining Company or any of its Subsidiaries is subject to any outstanding order, judgment, decree, stipulation or agreement restricting the use thereof by such Combining Company or its Subsidiaries, as applicable, or restricting the licensing thereof by such Combining Company or its Subsidiaries, as applicable to any Person, other than with respect to standard and customary restrictions associated with commercially available third party software to which such Combining Company or its Subsidiaries has a valid right to use in connection with their businesses;

(d) Neither such Combining Company nor its Subsidiaries has entered into any agreement to indemnify any other Person against any charge of infringement of any Intellectual Property Right; and

(e) Such Combining Company or its Subsidiaries, as applicable, have duly maintained all registrations for their respective Intellectual Property Rights.

Section 7.14 Environmental Matters.

(a) Except as set forth in Section 7.14(a) of the Disclosure Letter and except as would not reasonably be expected to have a Material Adverse Effect:

(i) Neither such Combining Company nor any of its Subsidiaries have, and to the Knowledge of such Combining Company no other party has, generated, recycled, used, treated or stored on, transported to or from, or Released on, such Combining Company's real property any Constituents of Concern, except in compliance in all material respects with Environmental Laws;

(ii) Neither such Combining Company nor any of its Subsidiaries have disposed of Constituents of Concern generated at such Combining Company's real property to any off-site facility except in compliance in all material respects with Environmental Laws;

(iii) Such Combining Company and its Subsidiaries has each been and are in compliance in all material respects with (A) Environmental Laws and (B) the requirements of Environmental Permits with respect to such Combining Company's real property;

(iv) There are no pending or, to the Knowledge of such Combining Company, threatened Environmental Claims against such Combining Company or any of its Subsidiaries or such Combining Company's real property, and such Combining Company has no Knowledge of any facts, circumstances, conditions or occurrences regarding such Combining Company's or any of its Subsidiaries' operations or with respect to such Combining Company's real property that could reasonably be expected to form the basis of a material Environmental Claim against such Combining Company or its Subsidiaries;

(v) To the Knowledge of such Combining Company, no Environmental Conditions exist on such Combining Company's real property;

(vi) None of such Combining Company, its Subsidiaries and such Combining Company's real property is listed or, to the Knowledge of such Combining Company, proposed for listing on the National Priorities List under CERCLA or on any similar federal, state or foreign list of sites requiring investigation or clean-up, and neither such Combining Company nor any of its Subsidiaries has received any requests for information pursuant to 104(e) of CERCLA or any state counterpart or equivalent; and

(vii) Such Combining Company and its Subsidiaries each have obtained all required Environmental Permits material to its business. Except as set forth in Section 7.14(a)(vii) of the Disclosure Letter, no such Environmental Permits are nontransferable or require consent, notification or other action by a Governmental Authority to remain in full force and effect following the consummation of the transactions contemplated hereby.

(b) Notwithstanding any other provision of this Agreement to the contrary, these representations and warranties in this Section 7.14 shall be the sole and exclusive representations and warranties concerning Environmental Claims, Environmental Conditions, Environmental Laws or Environmental Permits as those terms may apply to the Combining Companies, any of their Subsidiaries or such Combining Company's real property.

Section 7.15 Benefit Plans.

(a) Each Benefit Plan (and each related trust, insurance contract or fund) sponsored, maintained, provided or contributed to by a Combining Company or any ERISA Affiliate of such Combining Company complies in form and in operation with the requirements of applicable Laws including, where applicable, ERISA and the Code, except as would not reasonably be expected to have a Material Adverse Effect. The Combining Company and its ERISA Affiliates have substantially performed all obligations, whether arising by operation of applicable Laws or by contract, required to be performed by them in connection with such Benefit Plans, and to the Knowledge of the Combining Company, there have been no defaults or violations by any other party to such Benefit Plans. Each such Benefit Plan has been administered and operated in compliance with its governing documents and applicable Laws. There are no actions,

suits or claims pending (other than routine claims for benefits) or, to the Knowledge of the Combining Company, threatened against, or with respect to, any of such Benefit Plans or their assets. All contributions, premiums or payments required to be made with respect to such Benefit Plans (including those required pursuant to the terms of such Benefit Plans and the provisions of applicable Laws) have been timely made, and all contributions, premiums or payments that are not yet due but should be accrued in accordance with GAAP do not exceed in any material respect the reserve for such amounts on such Combining Company's Financial Statements. No act, omission or transaction has occurred which would result in imposition on the Combining Company or any of its ERISA Affiliates of: (i) breach of fiduciary duty liability damages under Section 409 of ERISA; (ii) a civil penalty assessed pursuant to Section 502 of ERISA; or (iii) a tax imposed pursuant to Chapter 43 of Subtitle D of the Code. To the Knowledge of the Combining Company, there is no matter pending (other than routine qualification determination filings) with respect to any of such Benefit Plans before the Internal Revenue Service, the Department of Labor or any other Governmental Authority.

(b) Each such Benefit Plan that is intended to be qualified under Section 401(a) of the Code has received a favorable determination or opinion letter from the Internal Revenue Service with respect to its qualified status under Section 401(a) of the Code and the exempt status of any related trust under Section 501(a) of the Code or has pending or has time remaining in which to file an application for such determination from the Internal Revenue Service, and, to the Knowledge of the Combining Company, there is no fact or circumstance that exists that could reasonably be expected to give rise to the revocation of such qualified status or exempt status. No such Benefit Plan is funded through a trust that is intended to be exempt from federal income taxation pursuant to Section 501(c)(9) of the Code. Neither the Combining Company nor any of its ERISA Affiliates contributes to or has any obligation to contribute to, and no such Benefit Plan is, a "multiemployer plan" (within the meaning of Section 3(37) of ERISA) or a plan subject to Title IV of ERISA, Section 302 of ERISA or Section 412 of the Code.

(c) Except as set forth in Section 7.15(c) of the Disclosure Letter, with respect to each such Benefit Plan, neither the execution nor the delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement will, either alone or in conjunction with any other event (whether contingent or otherwise), (i) result in any payment or benefit becoming due or payable, or required to be provided, to any participant, (ii) increase the amount or value of any benefit or compensation otherwise payable or required to be provided to any participant or (iii) result in the acceleration of the time of payment, vesting or funding of any such benefit or compensation.

(d) Except as set forth in Section 7.15(d) of the Disclosure Letter or for policies generally available to the employees of such Combining Company and its Subsidiaries, none of such Benefit Plans provides for the payment of separation, severance, termination or similar-type benefits to any Person or provides for or, except to the extent required by Law, promises retiree medical or retiree life insurance benefits to any current or former employee, officer or director of such Combining Company or any of its Subsidiaries.

(e) There has been no amendment to, written interpretation of, announcement (whether or not written) by such Combining Company or any ERISA Affiliate thereof relating to, or change in employee participation or coverage under, any such Benefit Plan that, to the Knowledge of such Combining Company, would increase materially the expense of maintaining such Benefit Plan above the level of the expense incurred in respect thereto for the most recent fiscal year ended prior to the date hereof, other than in the ordinary course of business.

(f) Each such Benefit Plan is either not a deferred compensation plan subject to the requirements of Section 409A of the Code or has been established, maintained and operated in compliance with the provisions of Section 409A of the Code. No Person providing services to the Combining Company or any of its Subsidiaries is entitled to a tax gross-up or similar payment for any tax or interest that may be due under Section 409A of the Code.

(g) Each such Benefit Plan that is an "employee benefit plan," as such term is defined in Section 3(3) of ERISA, may be unilaterally amended or terminated in its entirety, in accordance with the terms thereof, without liability except as to benefits accrued thereunder prior to such amendment or termination.

(h) No such Benefit Plan that is a Foreign Plan is a defined benefit pension plan or a similar type of accrual-based plan. With respect to each Benefit Plan of such Combining Company or its ERISA Affiliates that is a Foreign Plan, there are no funded benefit obligations for which contributions have not been made or properly accrued and there are no unfunded benefit obligations which have not been accounted for by reserves, or otherwise properly reflected in accordance with GAAP, on the Financial Statements of such Combining Company or its Subsidiaries. Except as set forth in Section 7.15(h) of the Disclosure Letter, the contribution and benefit liabilities of such Combining Company or any of its Subsidiaries respecting each such Foreign Plan are fully funded based upon applicable accounting, valuation and/or actuarial methodology contained in the most recent accounting, valuation and/or actuarial report respecting such Foreign Plan.

Section 7.16 Material Contracts.

(a) Each Combining Company has made available to the others each Contract to which it is a party that is of a type described below (any such contract, a "Material Contract"):

(i) any lease (whether of real or personal property, but excluding personal property leases with annual rental obligations of $1,000,000 or less or that may be terminated without penalty within 90 days or less);

(ii) except pursuant to purchase orders issued in the ordinary course of business, any agreement for the purchase of materials, supplies, goods, services, equipment or other assets that provided for aggregate payments of $1,000,000 or more in 2010;

(iii) any sales, distribution or other similar agreement providing for the sale by such Combining Company or any of its Subsidiaries of materials, supplies, goods, services, equipment or other assets that provided for aggregate payments to such Combining Company or any of its Subsidiaries of $1,000,000 or more in 2010;

(iv) any partnership, joint venture or other similar agreement or arrangement;

(v) any Contract pursuant to which any third party has rights to own or use any material asset of such Combining Company or any of its Subsidiaries, including any Intellectual Property Right the exclusive use of which is material to such Combining Company and its Subsidiaries taken as a whole;

(vi) any agreement relating to the acquisition or disposition of any business (whether by merger, sale of stock, sale of assets or otherwise) or granting to any Person a right of first refusal, first offer or other right to purchase any of the material assets of such Combining Company or any of its Subsidiaries;

(vii) any agreement relating to Indebtedness, whether incurred, assumed, guaranteed or secured by any asset of such Combining Company or any of its Subsidiaries);

(viii) any license, franchise or similar agreement material to the business of such Combining Company and its Subsidiaries, taken as a whole;

(ix) any agency, dealer, sales representative, marketing or other similar agreement material to the business of such Combining Company and its Subsidiaries, taken as a whole;

(x) any agreement with any director or executive officer of such Combining Company or with any “associate” or any member of the “immediate family” (as such terms are respectively defined in Rules 12b-2 and 16a-1 of the Exchange Act) of any such director or executive officer;

(xi) any management service, consulting or any other similar type of agreement material to the business of such Combining Company and its Subsidiaries, taken as a whole;

(xii) any advances or loans to any employees but excluding loans under such Combining Company’s 401(k) plans and entered into by such Combining Company or any of its Subsidiaries;

(xiii) any Contract involving foreign currency transactions entered into for the purpose of hedging any currency or pricing risk;

(xiv) all confidentiality agreements not made in the ordinary course of business other than in connection with acquisitions considered by such

Combining Company or any of its Subsidiaries and all non-competition agreements that restrict the nature or duration of, or impose any geographic limitation on, any business that could be conducted by such Combining Company or any of its Subsidiaries; or

(xv) any other agreement, commitment, arrangement or plan not made in the ordinary course of business of such Combining Company or its Subsidiaries that is material to such Combining Company and its Subsidiaries or their respective businesses, taken as a whole, other than any Benefit Plans.

(b) Except as would not reasonably be expected to have a Material Adverse Effect, each Material Contract is a valid and binding agreement of such Combining Company or its Subsidiaries party thereto, as applicable and, to the Knowledge of such Combining Company party thereto, each other party thereto, is enforceable against such Combining Company or its Subsidiaries party thereto in accordance with its respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws, decisions or equitable principles now or hereafter in effect relating to or affecting the enforcement of creditors' rights or debtors' obligations generally and by general principles of equity (whether applied in a proceeding at law or in equity). Neither such Combining Company nor its Subsidiaries, as applicable, nor, to the Knowledge of such Combining Company, any other party to any such Material Contract is in default or breach (with or without due notice or lapse of time or both) in any respect under the terms of any such Material Contract, except as would not reasonably be expected to have a Material Adverse Effect.

Section 7.17 Real Property; Leases.

(a) Real Property. Each Combining Company or its Subsidiary has good, valid and indefeasible fee simple title to such Combining Company's owned real property, free and clear of all Liens other than Permitted Liens and Liens set forth on Section 7.17(a) of the Disclosure Letter. There are no outstanding options or rights of first refusal to purchase such Combining Company's owned real property, or any portion thereof or interest therein.

(b) Leases. Each material lease comprising each Combining Company's leased real property is legal, valid, binding, enforceable, and in full force and effect against such Combining Company or its Subsidiaries party thereto, as applicable, and, to the Knowledge of such Combining Company, against each other party thereto. Except as set forth in Section 7.17(b) of the Disclosure Letter, to the Knowledge of the such Combining Company, each lease comprising such Combining Company's leased real property grants such Combining Company or its Subsidiaries, as applicable, the exclusive right to use and occupy the demised premises thereunder.

(c) No Proceedings. There are no eminent domain or other similar proceedings pending or, to the Knowledge of such Combining Company, threatened affecting any portion of such Combining Company's owned real property or, to the Knowledge of such Combining Company, such Combining Company's leased real property, except as would not reasonably be expected to have a Material Adverse Effect.

Section 7.18 Absence of Certain Changes. Except as set forth in Section 7.18 of the Disclosure Letter or in connection with the transactions contemplated by this Agreement, since December 31, 2009, such Combining Company, together with its Subsidiaries, has conducted its business in the ordinary course of business consistent with past practices and there has not been any event, occurrence, development or circumstance which has had or which is reasonably expected to have (a) a Material Adverse Effect on such Combining Company or (b) would have constituted a violation of any covenants of such Combining Company included in Section 8.4 had such covenant applied to it since December 31, 2009. Since December 31, 2009, there has not occurred any damage, destruction or casualty loss resulting in damages exceeding $1,000,000 in the aggregate (whether or not covered by insurance) with respect to any asset owned or operated by such Combining Company or any of its Subsidiaries.

Section 7.19 Insurance Coverage. Each Combining Company has made available to the others a list of all of the insurance policies and fidelity bonds covering the assets, business, operations, employees, officers and directors of such Combining Company and its Subsidiaries. There is no material claim by such Combining Company or any of its Subsidiaries pending under any such policies or bonds as to which such Combining Company or any of its Subsidiaries has received any refusal of coverage or any notice that a defense will be afforded with reservation of rights. All premiums due and payable under all such policies and bonds have been paid, and such Combining Company and its Subsidiaries have complied in all material respects with the terms and conditions of all such policies and bonds. Such policies of insurance and bonds (or other policies and bonds providing substantially similar insurance coverage) are in full force and effect. To the Knowledge of such Combining Company, there is no threat of termination of, or material premium increase with respect to, any of such policies or bonds.

Section 7.20 Affiliate Transactions.

(a) Except as set forth in Section 7.20(a) of the Disclosure Letter, there are no outstanding payables, receivables, loans, advances and other similar accounts between such Combining Company or any of its Subsidiaries, on the one hand, and any of its Affiliates, on the other hand, relating to the business of such Combining Company or its Subsidiaries.

(b) Except as set forth in Section 7.20(b) of the Disclosure Letter, to the Knowledge of such Combining Company, no director or executive officer of such Combining Company possesses, directly or indirectly, any ownership interest in, or is a director, officer or employee of, any Person which is a supplier, customer, lessor, lessee, licensor, or competitor of such Combining Company or its Subsidiaries. Ownership of 1% or less of any class of securities of a Person whose securities are registered under the Exchange Act will not be deemed to be an ownership interest for purposes of this Section 7.20(b).

Section 7.21 [Reserved].

Section 7.22 Other Employment Matters.

(a) Neither such Combining Company nor any of its Subsidiaries is a party to any collective bargaining agreement or other contract or understanding with any labor union or other organization that represents or purports to represent any of its employees.

(b) No labor organization or group of such Combining Company, its Subsidiaries or any of their respective employees has made a pending demand for recognition, there are no representation proceedings or petitions seeking a representation proceeding presently pending or, to the Knowledge of such Combining Company, threatened to be brought or filed with the National Labor Relations Board or other labor relations tribunal, and there is no organizing activity involving such Combining Company or any of its Subsidiaries nor, to the Knowledge of such Combining Company, is any such activity threatened by any labor organization or group of employees, in each case except as would not reasonably be expected to have a Material Adverse Effect.

(c) Except as set forth in Section 7.22(c) of the Disclosure Letter, there are no (i) strikes, work stoppages, slow-downs, lockouts or arbitrations or (ii) grievances or other labor disputes pending or, to the Knowledge of such Combining Company, threatened against or involving such Combining Company or any of its Subsidiaries.

(d) Except as set forth in Section 7.22(d) of the Disclosure Letter and except as would not reasonably be expected to have a Material Adverse Effect, there are no complaints, petitions, charges, claims, causes of action, investigations or audits against or relating to such Combining Company or any of its Subsidiaries pending or, to the Knowledge of such Combining Company, threatened to be brought or filed with or by any Governmental Authority based on the employment practices of such Combining Company or arising out of, in connection with, or otherwise relating to the employment by such Combining Company or any of its Subsidiaries, of any Person, including any claim for workers' compensation.

(e) Except as set forth in Section 7.22(e) of the Disclosure Letter and except as would not reasonably be expected to have a Material Adverse Effect, such Combining Company and its Subsidiaries are in compliance with all Laws and Orders in respect of employment, immigration and employment practices and the terms and conditions of employment and wages and hours, and have not, and are not, engaged in any unfair labor practice. Except as set forth in Section 7.22(e) of the Disclosure Letter, no Combining Company or any of its Subsidiaries is subject to any consent decree, investigation or Order with respect to its labor or employment practices.

Section 7.23 Finders' Fees. Except for Houlihan Lokey Howard & Zukin Financial Advisors, Inc., there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of such Combining Company or its Subsidiaries or their Affiliates who might be entitled to any fee or other commission payable by such Combining Company or its Subsidiaries in connection with the transactions contemplated by this Agreement.

Section 7.24 Opinion of Financial Advisor. The Committees and the Board of Allied have received separate opinions of Houlihan Lokey Howard & Zukin Financial Advisors, Inc. to the effect that, as of the date of such opinion and subject to the various assumptions and qualifications set forth therein, the applicable consideration (as defined in such opinion) to be offered to holders of common stock or common units, as the case may be, of the respective Combining Company in the Mergers and the Tender Offer, taken together, is fair from a financial point of view to such holders.

Section 7.25 Merger Sub Matters. Each Merger Sub is a newly formed Delaware limited liability company organized specifically for the purpose of consummating the Allied Merger, the Global Flow Merger, the Subsea Merger and the Triton Merger and has not otherwise conducted any business or operations, and immediately prior to the Effective Time, has no liabilities, except in connection with its formation and this Agreement, and is not a party to any Contract, other than its organizational documents, this Agreement, and the Certificate of Merger to be filed in connection with the Allied Merger, the Global Flow Merger, the Subsea Merger or the Triton Merger, as applicable.

Section 7.26 Disclaimer of Other Representations and Warranties. Except as expressly set forth in this Article VII, such Combining Company makes no representation or warranty, express or implied, at law or in equity, in respect of such Combining Company or any of its Subsidiaries, or any of their respective businesses, assets, liabilities or operations, including, without limitation, with respect to merchantability or fitness for any particular purpose, and any such other representations or warranties are hereby expressly disclaimed.

ARTICLE VIII
COVENANTS

Section 8.1 Tender Offer by Forum. As promptly as reasonably practicable after the date of this Agreement, Forum shall commence a tender offer (the "Tender Offer") to purchase up to 87,938 shares of Forum Common Stock (the "Maximum Tender Amount") from the stockholders of Forum (after giving effect to the Mergers) other than SCF and the parties to the Subscription Agreement, at a price of $284.29 per share in cash. The Tender Offer shall be based upon the completed election notices Forum receives from stockholders of Forum, Allied, Subsea and Global Flow and the holders of membership units of Triton (any such Persons, the "Tenderees") prior to 9:00 a.m., Houston time, on the date that is the 21st Business Day following the commencement of the Tender Offer (or such later date as determined by Forum) indicating such Persons' indications of interest to participate in the Tender Offer (the "Letters of Transmittal"). The closing of the Tender Offer shall be conditioned upon the effectiveness of the Mergers and the other transactions contemplated by this Agreement. If the total number of shares of Forum Common Stock tendered pursuant to the Letters of Transmittal properly submitted exceeds the Maximum Tender Amount, then:

(a) with respect to any Tenderee tendering a number of shares of Forum Common Stock less than or equal to the product of (i) the Maximum Tender Amount multiplied by (ii) the quotient obtained by dividing (x) the total number of shares of Forum Common Stock owned by such Tenderee by (y) the total number of shares of Forum Common Stock owned by all Tenderees (in each case, after giving effect to the Mergers), Forum shall accept for payment, purchase and pay for the full number of shares of Forum Common Stock tendered by such Tenderee; and

(b) with respect to each other Tenderee, Forum shall accept for payment, purchase and pay for the number of shares of Forum Common Stock equal to the product of (i) the Maximum Tender Amount (less the number of shares of Common Stock to be purchased by Forum pursuant to Section 8.1(a) above), multiplied by (ii) the quotient obtained by dividing (x) the total number of shares of Forum Common Stock owned by such Tenderee by (y) the total number of shares of Forum Common Stock owned by all Tenderees subject to this Section 8.1(b) (in each case, after giving effect to the Mergers).

Section 8.2 No Solicitation.

(a) *No Solicitation*. From the date of this Agreement to the earlier to occur of the Effective Time of the Mergers or the termination of this Agreement, each Combining Company and its Subsidiaries shall not, nor shall such Combining Company or its Subsidiaries permit any of their respective officers, directors or managers (or authorize any Affiliates of any such officers, directors or managers), Affiliates, or employees or any investment banker, attorney, accountant or other advisor or representative retained by (or otherwise working on behalf of) such Combining Company or any of its Subsidiaries (collectively, "Representatives") to directly or indirectly: (i) solicit, initiate or knowingly encourage, knowingly facilitate or knowingly induce any inquiry with respect to, the making, submission or announcement of any Acquisition Proposal with respect to such Combining Company or any of its Subsidiaries, (ii) participate or otherwise engage in any discussions or negotiations regarding, or furnish to any person any nonpublic information with respect to, or take any other action to facilitate any inquiries or the making of any proposal that constitutes or may reasonably be expected to lead to, any Acquisition Proposal with respect to such Combining Company or any of its Subsidiaries, (iii) engage in discussions with any person with respect to any Acquisition Proposal with respect to such Combining Company or any of its Subsidiaries, except as to the existence of these provisions, (iv) approve, endorse or recommend any Acquisition Proposal with respect to such Combining Company or any of its Subsidiaries (except to the extent specifically permitted pursuant to Section 8.2(d)), or (v) enter into any letter of intent or similar document or any contract contemplating or otherwise relating to any Acquisition Proposal or transaction contemplated thereby with respect to such Combining Company or any of its Subsidiaries. Each Combining Company and its Subsidiaries will immediately cease, and will cause its Representatives to immediately cease, any and all existing activities, discussions or negotiations with any third parties conducted heretofore with respect to any Acquisition Proposal.

(b) *Notification of Unsolicited Acquisition Proposals.* As promptly as practicable after receipt by a Combining Company of any Acquisition Proposal or any request for nonpublic information or inquiry which it reasonably believes would lead to an Acquisition Proposal, such Combining Company shall provide to each other Combining Company and SCF a copy of such Acquisition Proposal, request or inquiry if made in writing or a written summary of the material terms and conditions of such Acquisition Proposal, including the identity of the person or group making any such

Acquisition Proposal, to the extent not made in writing. A Combining Company shall provide to each other Combining Company and SCF as promptly as practicable notice setting forth material amendments or proposed material amendments of any such Acquisition Proposal, request or inquiry and shall promptly provide to each other Combining Company and SCF a copy of all written materials, if any, setting forth such amendments.

(c) *Superior Offers.* Notwithstanding anything to the contrary contained in Section 8.2, in the event that a Combining Company or any of its Subsidiaries receives a bona fide written Acquisition Proposal from a third party that is not solicited or otherwise procured in violation of Section 8.2(a) that the Committee of such Combining Company, or, in the case of Allied, the Board of Allied, has in good faith concluded (following the receipt of the advice of its outside legal counsel) is, or could lead to, a Superior Offer, it may then take the following actions:

(i) Furnish nonpublic information to the third party making such Acquisition Proposal; *provided*, that (A) it receives from the third party an executed confidentiality agreement; and (B) contemporaneously with furnishing any such nonpublic information to such third party, such Combining Company furnishes such nonpublic information to each of the other Combining Companies and SCF (to the extent such nonpublic information has not been previously so furnished); and

(ii) Engage in negotiations and discussions with the third party with respect to the Acquisition Proposal.

(d) *Change of Recommendation in Connection with a Superior Offer.* In response to receipt of a Superior Offer, the Board of a Combining Company (upon recommendation of such Combining Company's Committee, in the case of any Combining Company other than Allied) and/or the Committee of such Combining Company, if applicable, may change, withhold, withdraw, amend or modify its recommendation in favor of the Agreement and the Mergers or the Forum Approval, as applicable (any of the foregoing actions, whether by the Board of a Combining Company (upon recommendation of such Combining Company's Committee, if applicable) or, if applicable, such Combining Company's Committee, a "Change of Recommendation"), if all of the following conditions in clauses (i) and (ii) are met and the Board of such Combining Company (upon recommendation by such Combining Company's Committee, in the case of any Combining Company other than Allied) or such Combining Company's Committee, if applicable, has concluded in good faith, after receipt of advice of its outside legal counsel, that failing to make such Change of Recommendation could result in a violation of directors' or managers', as applicable, fiduciary duties to such Combining Company's equityholders under applicable Laws:

(i) A Superior Offer with respect to such Combining Company has been made and has not been withdrawn; and

(ii) Consents representing a sufficient number of common stock or membership units, as applicable, to satisfy the closing conditions applicable to such Combining Company set forth in 9.1(c)-(g), as applicable, have not been executed and delivered by the applicable stockholders or members.

(e) *Change of Recommendation Not in Connection with a Superior Offer.* If the Board of a Combining Company (in the case of any Combining Company other than Allied, upon recommendation by its Committee) or, if applicable, the Committee of a Combining Company, in each case not in connection with receipt of a Superior Offer or an Acquisition Proposal, has concluded in good faith, after receipt of advice of its outside legal counsel, that failing to make such Change of Recommendation could result in a violation of the directors' or managers', as applicable, fiduciary duties to such Combining Company's equityholders under applicable Laws, the Board and/or the Committee of such Combining Company, as the case may be, may make a Change of Recommendation.

(f) *Certain Definitions.* For purposes of this Agreement, the following terms shall have the following meanings:

(i) "Acquisition Proposal" shall mean any offer or proposal (whether written, oral or otherwise), relating to any transaction or series of related transactions involving: (A) any merger, consolidation, business combination or similar transaction involving a Combining Company or any of its Subsidiaries, (B) any sale, lease (other than in the ordinary course of business), exchange, transfer, license (other than in the ordinary course of business), acquisition or disposition of all or substantially all of the assets of a Combining Company (including its Subsidiaries, taken as a whole, with the assets of such Subsidiaries valued on a consolidated basis), or (C) any liquidation or dissolution of a Combining Company; and

(ii) "Superior Offer" shall mean a bona fide written offer that is not solicited or otherwise procured in violation of Section 8.2(a) that is made by a third party to acquire, directly or indirectly, pursuant to a merger, consolidation or other business combination, all or substantially all of the assets of a Combining Company or a majority of the total outstanding voting securities of a Combining Company (including its Subsidiaries, taken as a whole, with the assets of such Subsidiaries valued on a consolidated basis) and as a result of which, if adopted and approved, the stockholders or holders of membership units, as applicable, of such Combining Company immediately preceding such transaction would hold less than fifty percent (50%) of the equity interests in the surviving or resulting entity of such transaction or any direct or indirect parent or Subsidiary thereof, on terms that the Board of such Combining Company has in good faith concluded (following the receipt of advice of its outside legal counsel and (in the case of a Combining Company other than Allied) its Committee), taking into account, among other things, all legal, financial, regulatory and other aspects of the offer and the person making the offer, to be more favorable, from a financial point of view, to such Combining Company's stockholders or holders of membership units, as applicable (in their capacities as stockholders or holders of membership units, as applicable) than the terms of the Mergers and is reasonably capable of being consummated if adopted and approved.

Section 8.3 Ordinary Course of Business. Except as otherwise consented to in writing by all of the Combining Companies (other than the Combining Company requesting such consent) or as otherwise contemplated herein, between the date of this Agreement and the earlier to occur of the Effective Time or the termination of this Agreement, each Combining Company will, and will cause its Subsidiaries to, carry on its business diligently and in the ordinary and usual course and consistent with past practice, and, without limiting the generality of the foregoing, each Combining Company will, and will cause its Subsidiaries to, use commercially reasonable efforts to preserve its business organization intact, keep available the services of its present executive officers and employees and preserve its present relationships with persons having business dealings with it. At the request of any Combining Company, the Combining Companies will confer with each other concerning operational matters of a material nature and report periodically to each other concerning its business, operations and finances.

Section 8.4 Restricted Activities and Transactions. Except as otherwise contemplated herein or as set forth in the Disclosure Letter or as otherwise consented to in writing (such consent not to be unreasonably withheld or delayed) by all of the Combining Companies (other than the Combining Company requesting such consent), between the date of this Agreement and the earlier to occur of the Effective Time or the termination of this Agreement, no Combining Company will, nor will any Combining Company allow any of its Subsidiaries to:

(a) Issue or commit to issue any of its Capital Stock or other ownership or equity interests other than in connection with the exercise of options, warrants or convertible securities existing on the date hereof and listed in its respective Disclosure Letter;

(b) Grant or commit to grant any options, warrants, convertible securities or other rights to subscribe for, purchase or otherwise acquire any shares of its Capital Stock or other ownership or equity interests;

(c) Declare, set aside, or pay any dividend or distribution or make any other payment with respect to its Capital Stock or other ownership interests;

(d) Directly or indirectly redeem, purchase or otherwise acquire or commit to acquire any of its Capital Stock;

(e) Effect a split or reclassification of any of its Capital Stock or a recapitalization or other reorganization;

(f) Amend or otherwise alter its certificate of incorporation, by-laws, or other governing instruments;

(g) Enter into or make any change in any of its Benefit Plans, except as required by Law, or grant any increase in compensation (other than increases in compensation in the ordinary course of business for field and office personnel who are not managers or executives), or provide any severance arrangement involving any of its employees, officers or directors;

(h) Acquire control or ownership in any other corporation, association, joint venture, partnership, business trust or other business entity, or acquire control or ownership of all or substantially all of the assets of any of the foregoing;

(i) Except in the ordinary course of business consistent with past practice or with respect to budgeted capital expenditures, enter into or agree to enter into any agreement or transaction involving the incurrence of an obligation to pay an amount in excess of an aggregate of $1,000,000;

(j) Create, assume or permit to exist any Lien (other than Permitted Liens) on any of its assets, tangible or intangible, except (i) as permitted under its existing credit facilities and any renewals, modifications or rearrangements thereof on terms and conditions not materially less favorable to the respective borrower or (ii) in the ordinary course of business consistent with past practice;

(k) Except in the ordinary course of business consistent with past practice, (i) borrow, or agree to borrow any funds or voluntarily incur, assume or become subject to, whether directly or by way of guaranty or otherwise, any obligation or liability (absolute or contingent) in excess of $1,000,000, (ii) cancel or agree to cancel any debts or claims, (iii) lease, sublease, sell or transfer, agree to sublease, sell or transfer, or grant or agree to grant any preferential rights to lease or acquire, any of its assets, property or rights having a fair market value in excess of $1,000,000 or (iv) make or permit any amendment to, or termination of, any Material Contract, which amendment or termination is adverse to the respective Combining Company;

(l) Settle any threatened or pending litigation that is not fully covered by insurance other than for immaterial consideration or for an amount less than that reserved as of the date hereof for such litigation on its books and records;

(m) Make any change in accounting methods or practices (including changes in reserve or accrual policies), or make or change any material Tax elections, except as required by GAAP or other applicable Law as applicable;

(n) Enter into any new line of business, or terminate or close any material facility, business or operation;

(o) Enter into or agree to be bound by any agreement or permit an Affiliate to enter into or agree to be bound by any agreement with any of its directors, officers, employees or Affiliates that will continue subsequent to the Effective Time, other than as contemplated by this Agreement or in the ordinary course of business consistent with past practice; or

(p) Commit itself to do any of the foregoing.

Section 8.5 Insurance. Except as otherwise consented to in writing (such consent not to be unreasonably withheld or delayed) by all of the Combining Companies (other than the Combining Company requesting such consent), between the date of this Agreement and the earlier to occur of the Effective Time or the termination of this Agreement, each of the Combining Companies will use commercially reasonable efforts to maintain in full force and effect all policies of insurance which are currently in effect (or policies with comparable coverage and comparable amounts of coverage).

Section 8.6 Confidentiality. Each of the Combining Companies will keep strictly confidential any and all information furnished to such Combining Company or its Representatives by another or their Representatives in connection with the transactions contemplated by this Agreement, and the business and financial reviews and investigations referred to in Section 8.8, except for information, if any, that (a) is or becomes generally available to the public in a manner other than as a result of a disclosure by the party receiving the information; (b) was available to the receiving party on a non-confidential basis prior to its disclosure to the receiving party by the party providing the information; or (c) is or becomes available to the receiving party on a non-confidential basis from a source other than the informing party unless that source is bound by a confidentiality agreement with the informing party. Except as expressly provided in a separate agreement among the Combining Companies, if this Agreement is terminated pursuant to Section 10.1 hereof, each of the parties hereto will promptly deliver to the others or destroy (and certify as to such delivery or destruction) all originals and copies of documents, work papers and other written material concerning the others and obtained from the others, their agents, employees or Representatives in connection with such negotiations and such business and financial reviews and investigations.

Section 8.7 Commercially Reasonable Efforts. Upon the terms and subject to the conditions hereof, each of the parties hereto agrees to use its commercially reasonable efforts to take, or cause to be taken, all appropriate action, and to do or cause to be done, all things necessary, proper or advisable to consummate and make effective the transactions as contemplated by this Agreement and to cooperate in connection with the foregoing, including commercially reasonable efforts:

(a) to obtain any necessary waivers, consents and approvals from other parties to material notes, licenses, agreements and other instruments and obligations;

(b) to obtain any material consents, approvals, authorizations and permits required to be obtained under any federal, state, provincial or local statute;

(c) to defend all lawsuits or other legal proceedings initiated by a third party challenging this Agreement or the consummation of the transactions as contemplated hereby;

(d) to effect promptly any necessary filings and notifications and prompt submissions of any information requested by Governmental Authorities;

(e) to solicit the required consent or approval from such party’s stockholders or holders of membership units with respect to the transactions contemplated hereby;

(f) to make any necessary filings on a timely basis with respect to applicable Laws and to obtain any regulatory approvals which may be required to consummate the transactions contemplated herein; and

(g) to negotiate and execute documents and instruments as are necessary to consummate the Financing.

Section 8.8 Access to Information. From the date hereof to the Effective Time (or the termination of this Agreement), to the extent permitted by applicable Law, each of the parties hereto shall cause its respective officers, directors, employees and agents to afford the officers, employees and Representatives of the others, complete access at all reasonable times to its respective officers, employees, agents, properties, books and records, and shall furnish the others all financial, operating and other data and information as the others, through their officers, employees or Representatives, may reasonably request, subject to such confidentiality, joint defense or common interest agreements as the parties may consider necessary or advisable to maintain privilege and confidential or proprietary information.

Section 8.9 Tax Treatment. The conversion of Allied Common Stock, Global Flow Common Stock, Subsea Common Stock, and Triton Units into Forum Common Stock pursuant to the Mergers are intended to qualify (in whole or in part) for nonrecognition of gain or loss pursuant to Section 351 of the Code. The parties hereto agree to report the Mergers (and the receipt of Forum Common Stock as a result thereof) in accordance with the foregoing sentence for all U.S. federal income and any applicable state and local income or franchise tax purposes. Each party agrees to take no action which, alone or in combination with the actions of others, reasonably could prevent the Mergers (and the receipt of Forum Common Stock as a result thereof) from qualifying for nonrecognition of gain or loss under Section 351 of the Code.

Section 8.10 Agreements. Each of the Combining Companies shall terminate prior to the Effective Time the agreements listed on Schedule 8.10.

Section 8.11 Notification of Certain Matters. Each of the Combining Companies shall give prompt notice of (a) the occurrence or non-occurrence of any event, the occurrence or nonoccurrence of which would be likely to cause any representation or warranty of such Combining Company contained herein to be untrue or inaccurate in any material respect at or prior to the Effective Time, (b) any material failure of any such Combining Company to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder and (c) the occurrence of any Material Adverse Effect with respect to such Combining Company. The delivery or deemed delivery of any notice pursuant to this Section 8.11 shall not be deemed to (i) modify the representations or warranties hereunder of the party delivering such notice, (ii) modify the conditions set forth in Article IX, or (iii) limit or otherwise affect the remedies available hereunder to any party receiving such notice.

Section 8.12 Further Assurances. The parties hereto agree to execute and deliver, or cause to be executed and delivered, such further instruments or documents or take such other action as may be reasonably necessary or convenient to carry out the transactions contemplated hereby.

Section 8.13 Indemnification.

(a) Forum agrees that all rights to exculpation, indemnification and advancement or reimbursement of expenses under the certificate of incorporation, bylaws or other governing instruments of Allied, Global Flow, Subsea and Triton (collectively, the "Merging Companies") and the indemnification Contracts, if any, of the Merging Companies existing in favor of those Persons who are, or were, directors, managers, members or officers of the Merging Companies at or prior to the Closing Date (the "Indemnified Persons") shall survive the Mergers solely with respect to indemnifiable claims arising from acts or omissions prior to the Effective Time, and Forum shall cause the Surviving Companies to fulfill and honor in all respects such exculpation, indemnification and advancement or reimbursement obligations in accordance with their terms solely with respect to indemnifiable claims arising from acts or omissions prior to the Effective Time, for a period of six (6) years from the Effective Time. Subject to any limitation imposed from time to time under applicable Law, the provisions with respect to exculpation, indemnification and advancement or reimbursement of expenses set forth in the certificate of incorporation, bylaws, certificate of formation and limited liability company agreement, as applicable, of the Surviving Companies at the Effective Time shall not be amended, repealed or otherwise modified for a period of six (6) years after the Effective Time in any manner that would adversely affect the rights thereunder of any Indemnified Person.

(b) The provisions of this Section 8.13 are intended to be in addition to the rights otherwise available to the current and former officers, managers and directors of the Merging Companies and their Subsidiaries by law, charter, statute, bylaw or agreement, and shall operate for the benefit of, and shall be enforceable by, each of the Indemnified Parties, their heirs and their representatives and shall be binding on all successors and assigns of Forum and the Surviving Companies.

Section 8.14 Organizational Documents of Forum

(a) On or before the Closing Date, Forum shall take such actions as are necessary to seek the consent of the stockholders of Forum to cause the Charter Amendment to be approved (before giving effect to the Mergers) and, subject to such stockholder consent, to file the same with the Secretary of State of the State of Delaware.

(b) On or before the Closing Date, Forum shall cause the Bylaw Amendment to be authorized, approved and adopted by all necessary corporate action.

Section 8.15 Subscription Offer. As promptly as reasonably practicable after the date of this Agreement, Forum shall commence an offer to subscribe (the "Subscription Offer") for an aggregate of up to 404,516 shares of Forum Common Stock at a purchase price per share of $284.29. Each holder of Forum Common Stock as of immediately following the last Effective Time to occur (other than the parties to the Subscription Agreement) that elects to participate in the Subscription Offer shall be permitted to purchase up to such number of shares of Forum Common Stock as is equal to the product of 28% and the number of shares of Forum Common Stock held by such holder (after giving effect to the Mergers), including with respect to each

former holder of Global Flow Common Stock, the Escrow Shares allocable to such holder. The Subscription Offer shall only be available to such holders of Forum Common Stock who do not sell any shares of Forum Common Stock in the Tender Offer and shall be limited to holders of Forum Common Stock who are either Accredited Investors or Non-U.S. Persons and who may purchase shares of Forum Common Stock in a private placement under applicable securities Laws and without obligating Forum to undertake further registration with, or obtain any other approvals from, any Governmental Authorities. The right to participate in the Subscription Offer shall not be transferrable or assignable by any holder of Forum Common Stock except to an Affiliate of such holder. Under the terms of the Subscription Offer, each holder of Forum Common Stock that subscribes to purchase shares of Forum Common Stock will also receive a warrant to purchase one share of Forum Common Stock for every two shares of Forum Common Stock purchased in the Subscription Offer, which warrant will be in substantially the same form as the warrant attached as Annex B to the Subscription Agreement and which warrant will be provided with the materials provided in connection with the Subscription Offer. In connection with the execution and delivery of this Agreement, Forum, SCF-VII and certain other parties have entered into a Subscription Agreement to purchase shares of Forum Common Stock on substantially similar terms as the Subscription Offer (except the parties to the Subscription Agreement will fund and close on the Closing Date, subject to SCF-VII delaying funding of its committed amount in excess of $50 million in accordance with the terms of the Subscription Agreement). Pursuant to the terms of the Subscription Agreement, SCF-VII has agreed to purchase up to $100 million of shares of Forum Common Stock, subject to reduction on a dollar-for-dollar basis in the event, and to the extent, that the aggregate amount of shares sold pursuant to the Subscription Offer exceeds $6.2 million. The closing of the Subscription Offer shall be conditioned upon the effectiveness of the Mergers and the other transactions contemplated by this Agreement.

Section 8.16 Confidential Information Memorandum.

(a) The Combining Companies will cooperate to complete the Confidential Information Memorandum and each Combining Company agrees not to distribute the Confidential Information Memorandum to their respective stockholders or members, as applicable, until an officer of each Combining Company has approved the inclusion of the information regarding such Combining Company in the Confidential Information Memorandum.

(b) Each Combining Company covenants that none of the information to be included in the Confidential Information Memorandum concerning the business, operations, financial results or condition, assets or liabilities of such Combining Company and its Subsidiaries will, as of the date of such Confidential Information Memorandum (which date shall be at or about the date such Confidential Information Memorandum is first sent to the stockholders or members of such Combining Company), (i) contain any untrue statement of a material fact or (ii) omit to state a material fact necessary in order to make the statements to be contained therein not misleading.

ARTICLE IX
CONDITIONS

Section 9.1 Conditions to Obligations of Each Combining Company. Notwithstanding any other provision of this Agreement, the respective obligations of each of the Combining Companies to effect the Mergers and the other transactions contemplated hereby shall be subject to the fulfillment at or prior to the Closing Date of the following conditions:

(a) No order shall have been entered and remain in effect in any action or proceeding before any federal, foreign, state or provincial court or Governmental Authority that restrains or prevents or makes illegal the consummation of the Mergers;

(b) All approvals of Governmental Authorities necessary for the consummation of the Mergers or the other transactions contemplated by this Agreement shall have been obtained, including approvals and filings required under applicable securities Laws and any waiting period applicable to the Mergers or the transactions contemplated thereby under the HSR Act shall have expired or been terminated;

(c)(i) SCF-VI, (ii) Sunray Capital, LP, (iii) the stockholders of Allied holding of record a majority of Allied Common Stock (other than the Allied Common Stock owned by SCF, Sunray Capital, LP and the directors, officers and employees of Allied) and (iv) the stockholders of Allied holding of record a majority of Allied Common Stock owned by the officers and employees of Allied shall have executed the consent substantially in the form attached as Exhibit B hereto (the "Allied Consent");

(d) SCF-V (with respect to the Global Flow Common Stock and the Global Flow Series A Preferred Stock owned by SCF-V) and the stockholders of Global Flow holding of record a majority of Global Flow Common Stock (other than the Global Flow Common Stock owned by SCF-V) shall have executed the consent substantially in the form attached as Exhibit C hereto (the "Global Flow Consent");

(e) SCF-VI and the stockholders of Subsea holding of record a majority of Subsea Common Stock (other than the Subsea Common Stock owned by SCF-VI) shall have executed the consent substantially in the form attached as Exhibit D hereto (the "Subsea Consent");

(f)(i) SCF-VI and (ii) the members of Triton owning a majority of the Triton Units (other than the Triton Common Units owned by SCF-VI) shall have executed the consent substantially in the form attached as Exhibit E hereto (the "Triton Consent");

(g) SCF-V and the stockholders of Forum holding of record a majority of Forum Common Stock (other than the Forum Common Stock owned by SCF-V) shall have executed the consent substantially in the form attached as Exhibit F hereto (the "Forum Consent");

(h) Holders owning a majority of the limited partner units of each of SCF-V, SCF-VI and SCF-VII shall have approved the transactions contemplated by this Agreement;

(i) Other than with respect to filing certificates of merger to effect the Mergers, all conditions precedent to the closing of the Financing (other than conditions that by their nature are satisfied at the closing of the Financing) shall have been satisfied;

(j) Each of the Combining Companies shall have paid, caused to be paid or is in a position to pay or cause to be paid in connection with the Closing (including by using proceeds of the Financing at the Closing), all of the liabilities, obligations, and indebtedness of such Combining Company (i) outstanding under any credit agreement of such Combining Company or (ii) that would accelerate pursuant to its terms by reason of the execution and delivery by such Combining Company of this Agreement or any instrument required hereby to be executed and delivered by such Combining Company or the performance by such Combining Company of its obligations hereunder or thereunder; in connection with such repayment of indebtedness, each of the Combining Companies shall have secured terminations and releases of (i) all applicable Liens (other than Permitted Liens) on any assets of the Combining Companies securing such indebtedness and (ii) all associated guaranties of the stockholders of the Combining Companies with respect to such indebtedness;

(k) All actions shall have been taken and all conditions necessary to effect each of the Mergers shall have been satisfied other than the filings with Governmental Authorities required to effect the Mergers;

(l) Each of the Combining Companies shall have received an opinion of Vinson & Elkins L.L.P. to the effect that for U.S. federal income tax purposes, subject to the conditions and limitations and based on the assumptions set forth in such opinion, (i) no gain or loss will be recognized by the Combining Companies by reason of the Mergers, and (ii) no gain or loss for U.S. federal income tax purposes will be recognized to any stockholder or unitholder of a Combining Company upon the conversion of shares of Allied Common Stock, Global Flow Common Stock, Subsea Common Stock or Triton Common Units, respectively, into Forum Common Stock pursuant to a Merger except to the extent such stockholder or unitholder receives, in addition to such Forum Common Stock, cash or other property in connection with the Mergers or Tender Offer. Such opinion will be conditioned upon the receipt and accuracy of certain representations contained in the Consents and certain representations of the Combining Companies, SCF-V, SCF-VI and SCF-VII, as appropriate, contained in certificates of the officers of each of those entities, as appropriate; and

(m) The Subscription Agreement shall have remained in full force and effect and the parties thereto shall be prepared to fund such amounts as are required to be funded under the terms of the Subscription Agreement as of the Closing Date.

For the avoidance of doubt, for purposes of the preceding clauses (c) through (g), the Combining Companies may fix a record date to determine the stockholders and members, as applicable, entitled to execute the Consents contemplated by this Agreement.

Section 9.2 Conditions to the Obligations of the Merging Companies. Notwithstanding any other provision of this Agreement, the obligations of each of the Merging

Companies to effect the Mergers and the other transactions contemplated hereby are subject to the fulfillment (unless expressly waived in writing by such Merging Company, in its sole discretion, except as otherwise required by Law) at or prior to the Closing Date of the following conditions:

(a) The representations and warranties of each of the other Combining Companies contained in Article VII hereof shall be true and correct in all respects (determined without reference to any qualifier of any representation or warranty with respect to "materiality," "Material Adverse Effect" or other similar concepts) as of the Closing Date with the same effect as if made thereon (except for representations and warranties as of a specified date which shall remain true and correct as of such date), except for breaches or inaccuracies which, individually or in the aggregate, would not have or would not reasonably be likely to have a Material Adverse Effect on such Combining Company; *provided*, *however*, such Material Adverse Effect exception shall not apply with respect to the representations and warranties contained in Section 7.3, which shall be true and correct in all respects;

(b) The agreements and covenants of each of the other Combining Companies and each of the Merger Subs contained in this Agreement which are to be complied with or performed on or before the Closing Date shall have been performed or complied with in all material respects;

(c) No event, condition, development or circumstance shall have occurred since the date of this Agreement which, individually or in the aggregate, has had or would reasonably be likely to have a Material Adverse Effect on any of the other Combining Companies;

(d) The Board of Forum shall have approved, and Forum shall have executed and delivered the Amended and Restated Stockholders Agreement; and

(e) Forum shall have duly executed and filed the Charter Amendment with the Secretary of State of the State of Delaware in accordance with the DGCL.

Section 9.3 Conditions to the Obligations of Forum. Notwithstanding any other provision of this Agreement, the obligations of Forum to effect the Mergers and the other transactions contemplated hereby are subject to the fulfillment (unless expressly waived in writing by Forum, in its sole discretion, except as otherwise required by Law) at or prior to the Closing Date of the following conditions:

(a) The representations and warranties of each of the Merging Companies contained Article VII hereof shall be true and correct in all respects (determined without reference to any qualifier of any representation or warranty with respect to "materiality," "Material Adverse Effect" or other similar concepts) as of the Closing Date with the same effect as if made thereon (except for representations and warranties as of a specified date which shall remain true and correct as of such date), except for breaches or inaccuracies which, individually or in the aggregate, would not have or would not reasonably be likely to have a Material Adverse Effect on such Merging Company; *provided*, *however*, such Material Adverse Effect exception shall not apply with respect to the representations and warranties contained in Section 7.3, which shall be true and correct in all respects;

(b) The agreements and covenants of each of the Merging Companies contained in this Agreement which are to be complied with or performed on or before the Closing Date shall have been performed or complied with in all material respects;

(c) No event, condition, development or circumstance shall have occurred since the date of this Agreement which, individually or in the aggregate, has had or would reasonably be likely to have a Material Adverse Effect on any of the Merging Companies;

(d) Each of Allied, Global Flow and Subsea shall have delivered to Forum a properly completed and duly executed certificate stating that stock interests in such company are not "United States real property interests" for purposes of withholding under section 1445 of the Code pursuant to U.S. Treasury Regulations sections 1.897-2(h)(1) and 1.1445-2(c)(3) and shall have filed (and provided Forum reasonable proof of such filing) a properly completed and duly executed notice to the Internal Revenue Service that corresponds to such certificate pursuant to U.S. Treasury Regulations sections 1.897-2(h)(2); and

(e) Triton shall have delivered to Forum a properly completed and duly executed certificate stating that membership interests in Triton are not "United States real property interests" for purposes of withholding under section 1445 of the Code pursuant to U.S. Treasury Regulations section 1.1445-11T(d)(2)(i).

ARTICLE X
TERMINATION

Section 10.1 Termination. This Agreement may be terminated and the Mergers and the other transactions contemplated herein may be abandoned at any time prior to the first Effective Time to occur, whether prior to or after approval by the applicable stockholders or holders of membership units:

(a) By any Combining Company hereto in the event of the occurrence of (i) a Material Adverse Effect on any of the other Combining Companies which is incapable of being cured, remedied or reversed, or which is not cured, remedied or reversed within 30 days of such event or (ii) an uncurable breach of a covenant or representation or warranty that causes any condition set forth in Article IX to fail, *provided* that the party desiring to terminate is not responsible for the occurrence of such Material Adverse Effect or breach;

(b) By any party hereto if the Effective Time shall not have occurred, whether because any condition set forth in Article IX has not been satisfied or for any other reason, on or before August 31, 2010 (unless the Effective Time has not occurred as the result of a breach of the terms hereof by the party desiring to exercise the termination right);

(c) By any party hereto if a final nonappealable order to restrain, enjoin or otherwise prevent, or awarding substantial damages in connection with, consummation of this Agreement or the transactions contemplated hereby shall have been entered;

(d) By any Combining Company, if prior to obtaining the approval of its stockholders or members as contemplated by Section 9.1(c)-(g), as applicable, the Board of such Combining Company (upon recommendation of such Combining Company's Committee, if applicable) and/or the Committee of such Combining Company, if applicable, has made a Change of Recommendation in accordance with Section 8.2(d) or Section 8.2(e); *provided* that no Combining Company shall have the right to terminate this Agreement under this Section 10.1(d) if it has breached any of the covenants and agreements applicable to it in Section 8.2(a)-(b); or

(e) By mutual agreement of SCF-VII and the Board of each of the Combining Companies.

Section 10.2 Effect of Termination. In the event of any termination of this Agreement pursuant to Section 10.1, the parties hereto shall have no obligation or liability to any other party hereto except the provisions of this Section and Sections 8.6, 11.5, 11.6, 11.8, 11.9, 11.10, 11.11 and 11.12 hereof shall survive any such termination and, except as provided in this Section 10.2, all documents executed in connection with this Agreement shall be null and void.

ARTICLE XI
MISCELLANEOUS

Section 11.1 Waiver and Amendment. Any provision of this Agreement may be waived at any time by the party that is, or whose stockholders or members, as applicable, are, entitled to the benefits thereof by action of the Board, as applicable (with the approval of the applicable Committee, if any), of such party. This Agreement may not be amended or supplemented at any time, except by an instrument in writing signed on behalf of each party hereto (provided, that with respect to each party hereto that is a corporation, such approval and adoption shall be authorized by the Board of such corporation); *provided*, that after this Agreement has been approved and adopted by the respective stockholders or members of the parties, as applicable, hereto, this Agreement may be amended only as may be permitted by applicable provisions of the DGCL and DLLCA, as applicable.

Section 11.2 Nonsurvival of Representations and Warranties. No representation or warranty made in this Agreement shall survive the Effective Time, and thereafter no party hereto or any stockholder, member, director, officer, employee or affiliate of such party shall have any liability whatsoever (whether pursuant to this Agreement or otherwise) with respect to any such representation or warranty. This Section 11.2 shall not limit the term of any covenant or agreement which by its terms contemplates performance after the Effective Time.

Section 11.3 Assignment. This Agreement shall not be assignable by the parties hereto, except with the prior written consent of the other parties.

Section 11.4 Notices. Unless otherwise provided herein, any notice, request, consent, instruction or other document to be given hereunder by any party hereto to another party hereto

shall be in writing and will be deemed given (a) when received if delivered personally or by courier, or (b) on the date receipt is acknowledged if delivered by certified mail, postage prepaid, return receipt requested or (c) on the day of transmission if sent by facsimile transmission and receipt thereof is confirmed, as follows:

if to Forum:

Forum Oilfield Technologies, Inc.
8807 W. Sam Houston Parkway North, Suite 200
Houston, Texas 77040
Attention: Chief Executive Officer
Facsimile: (713) 351-7997

if to Allied:

Allied Production Services, Inc.
14800 St. Mary's Lane, Suite 130
Houston, Texas 77079
Attention: President and CEO
Facsimile: (281) 759-0410

if to Global Flow:

Global Flow Technologies, Inc.
10600 Corporate Drive
Stafford, Texas 77477
Attention: Chief Executive Officer
Facsimile: (281) 565-3171

if to Subsea:

Subsea Services International, Inc.
1621 Primewest Parkway
Katy, Texas 77449
Attention: Chief Executive Officer
Facsimile: (281) 492-8340

if to Triton:

Triton Group Holdings LLC
Concorde House
Arnhall Business Park
Westhill, Aberdeenshire AB32 6UF
Attention: Chief Executive Officer
Facsimile: +44 (0) 1224 748 341

or to such other place and with such other copies as any party hereto may designate as to itself by written notice to the others in accordance with this Section 11.4.

Section 11.5 Governing Law. This Agreement shall be governed by and construed in accordance with the provisions of the DGCL and the DLLCA, as applicable, with respect to the Mergers and, with respect to other matters, in accordance with the substantive law of the State of Texas without giving effect to the principles of conflicts of law thereof.

Section 11.6 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement; *provided* that if any such provision may be made enforceable by limitation thereof, then such provision shall be deemed to be so limited and shall be enforceable to the maximum extent permitted by applicable Law. Furthermore, in lieu of (and to the extent of) each such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

Section 11.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all such counterparts together shall constitute one instrument. Delivery of a copy of this Agreement bearing an original signature by facsimile transmission or by electronic mail shall have the same effect as physical delivery of the paper document bearing the original signature.

Section 11.8 Headings. The section headings herein are for convenience only and are not intended to be part of or to affect the meaning or interpretation of the Agreement.

Section 11.9 Enforcement of the Agreement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or otherwise breached. It is accordingly agreed that the parties hereto shall be entitled to any injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedies to which they are entitled at law or in equity. Any party seeking an injunction or injunctions to prevent breaches of this Agreement shall not be required to

provide any bond or other security in connection with any such order or injunction. In addition, each of the parties hereto consents to submit itself to the personal jurisdiction of any federal or state court sitting in the State of Texas in the event any dispute arises out of this Agreement and agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court.

Section 11.10 Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF SUCH ACTION, SUIT OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER, (ii) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (iii) EACH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (iv) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.10.

Section 11.11 Entire Agreement; Binding Effect; Third Party Beneficiaries. This Agreement, including the exhibits and schedules hereto and the documents, information supplied in writing, and instruments referred to herein, constitutes the entire agreement and supersedes all other prior agreements, and understandings, both oral and written, among the parties or any of them, with respect to the subject matter hereof, other than that certain Common Interest Agreement, by and among SCF, the Board of Allied and the Committees, dated July 7, 2010. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto, and their respective successors and permitted assigns, and except as provided in Section 8.13, nothing in this Agreement, including the exhibits and schedules hereto (with the exception of Exhibit 3.10 hereto as it applies to the GFT Representative (as defined therein)) and the documents, information supplied in writing, and instruments referred to herein, express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement.

Section 11.12 Fees and Expenses. The Combining Companies and SCF shall pay or cause to be paid all fees and expenses incident to this Agreement or incurred by any of the Combining Companies or SCF in preparing to consummate and in consummating the transactions contemplated hereby, including the fees and expenses of any broker, finder, financial advisor, investment banker, legal advisor or similar person engaged by any such party, in the same manner and on the same terms as set forth in the Expense Sharing Agreement, based on the following percentages, rather than the percentages set forth in the Expense Sharing Agreement: Allied – 7.9%; Global Flow – 10.9%; Subsea – 4.9%; Triton – 15.7%; Forum – 41.2%; and SCF-VII – 19.4%; *provided*, *however*, that if the Mergers are consummated, all such fees and expenses shall be paid by Forum.

Section 11.13 Forum Appraisal Rights. Notwithstanding anything in this Agreement to the contrary, to the fullest extent permitted by applicable Law, shares of Forum Common Stock (the "Forum Dissenting Shares") that are issued and outstanding immediately prior to the Effective Time and which are held by a stockholder who did not vote in favor of the Forum Approvals (or consent thereto in writing) shall be entitled to demand appraisal of such shares pursuant to, and so long as such stockholder complies in all respects with, the provisions of Section 262 of the DGCL (the "Forum Dissenting Stockholders"), and such Forum Dissenting Stockholder shall be entitled to payment of the fair value of such Forum Dissenting Shares in accordance with the provisions of Section 262 of the DGCL. From and after the Effective Time, no Forum Dissenting Stockholder shall be entitled to vote such stock for any purpose or to receive payment of dividends or other distributions on the Forum Dissenting Shares (except dividends or other distributions payable to stockholders of record at a date which is prior to the Effective Time); *provided*, *however*, that if no petition for an appraisal shall be filed within the time provided in subsection (e) of Section 262 of the DGCL, or, if permitted by Section 262 of the DGCL, if such stockholder shall deliver to Forum a written withdrawal of such stockholder's demand for an appraisal, either within 60 days after the Effective Time or thereafter with the written approval of Forum, then the right of such stockholder to appraisal shall cease. If any Forum Dissenting Stockholder shall have failed to perfect or shall have effectively withdrawn or lost such right with respect to any Forum Dissenting Shares, such shares shall thereafter be deemed outstanding. Forum shall give the other Combining Companies prompt notice of any written demands for appraisal for any shares of Forum Common Stock, attempted withdrawals of such demands and any other instruments served pursuant to the DGCL and received by Forum relating to stockholders' rights of appraisal. Forum covenants and agrees that it will not object to any claim made by a Forum Dissenting Stockholder pursuant to this Section 11.13 by arguing that the Delaware Court of Chancery does not have proper jurisdiction or is not a proper forum to hear such claim, but if such court determines it does not have jurisdiction, Forum will submit the appraisal proceedings to arbitration in the Delaware Court of Chancery or, if not available, to a third-party arbitrator selected by Forum and the holders of a majority of the Forum Dissenting Shares.

IN WITNESS WHEREOF, the parties to this Agreement have caused it to be duly executed as of the date first above written.

FORUM OILFIELD TECHNOLOGIES, INC.

By:	/s/ Charles E. Jones
Name:	Charles E. Jones
Title:	President & Chief Executive Officer

ALLIED PRODUCTION SERVICES, INC.

By:	/s/ Wendell Brooks
Name:	Wendell Brooks
Title:	President

ALLIED MERGER SUB, LLC

By:	/s/ James W. Harris
Name:	James W. Harris
Title:	Chief Financial Officer & Vice President

GLOBAL FLOW TECHNOLOGIES, INC.

By:	/s/ Steve Twellman
Name:	Steve Twellman
Title:	Chief Executive Officer

GLOBAL FLOW MERGER SUB, LLC

By:	/s/ James W. Harris
Name:	James W. Harris
Title:	Chief Financial Officer & Vice President

SUBSEA SERVICES INTERNATIONAL, INC.

By: /s/ Dennis Lee
Name: Dennis Lee
Title: Chief Executive Officer

SUBSEA SERVICES MERGER SUB, LLC

By: /s/ James W. Harris
Name: James W. Harris
Title: Chief Financial Officer & Vice President

TRITON GROUP HOLDINGS LLC

By: /s/ Euan Leask
Name: Euan Leask
Title: Secretary

TRITON MERGER SUB, LLC

By: /s/ James W. Harris
Name: James W. Harris
Title: Chief Financial Officer & Vice President

SCF-VII, L.P.

By: SCF-VII, G.P, Limited Partnership, its general partner

By: L.E. Simmons & Associates, Incorporated, its general partner

By: /s/ Anthony F. DeLuca
Name: Anthony F. DeLuca
Title: Managing Director

GFT REPRESENTATIVE

SCF-V, L.P.

By: SCF-V, G.P., Limited Partnership, its general partner

By: L.E. Simmons & Associates, Incorporated, its general partner

By: /s/ Anthony F. DeLuca
Name: Anthony F. DeLuca
Title: Managing Director

EXHIBIT 3.10

1. Escrow Shares.

(a) Pursuant to Article III of the Combination Agreement, on the Closing Date Forum shall issue stock certificates in the name of each Global Flow Escrow Stockholder evidencing such Global Flow Escrow Stockholder's ownership of a number of Escrow Shares equal to such Global Flow Escrow Stockholder's Pro Rata Portion of the Escrow Shares. However, possession of the stock certificates representing the Escrow Shares shall be retained by Forum until all Escrow Shares are either disbursed or retained in accordance with this Exhibit. All dividends and other distributions on the Escrow Shares shall be paid promptly to the Global Flow Escrow Stockholders based on their Pro Rata Portion of the Escrow Shares, and Forum shall adopt reasonable procedures so that the Escrow Shares may be voted by the Global Flow Escrow Stockholders prior to the Escrow Termination Date.

(b) Except as otherwise expressly set forth herein, neither Forum, nor the GFT Representative, nor any other Person shall have any right, title or interest in any of the Escrow Shares. Without limiting the generality of the foregoing, (i) neither Forum, nor the GFT Representative, nor any Global Flow Escrow Stockholder shall have the ability to pledge, convey, hypothecate or grant a security interest in any portion of the Escrow Shares (in contrast to their right to receive the Escrow Shares) unless and until such portion of the Escrow Shares has been disbursed to such Person in accordance with the provisions of this Exhibit, and (ii) until the Escrow Shares have been disbursed in accordance with the provisions of this Exhibit, Forum shall be in sole possession of the Escrow Shares and will not act or be deemed to act as custodian for any party hereto for purposes of perfecting a security interest therein. Accordingly, neither Forum, nor the GFT Representative, nor any Global Flow Escrow Stockholder or other Person shall have any right to have or to hold any of the Escrow Shares as collateral for any obligation and shall not be able to obtain a security interest in any assets (tangible or intangible) contained in or relating to the Escrow Shares.

(c) All disbursements to the Global Flow Escrow Stockholders shall be made in accordance with this Exhibit and the books and records of Forum, unless such information is changed in writing delivered by a Global Flow Escrow Stockholder to Forum and the GFT Representative (with respect to disbursements that are to be made to such Global Flow Escrow Stockholder), in which case disbursements shall be made pursuant to the changed information.

(d) All decisions made by Forum with respect to the Escrow Shares shall be made by the Board of Forum, but excluding any director who is an officer, director, manager, employee or Affiliate of SCF or otherwise has a direct or indirect interest in the Escrow Shares.

2. Release of Escrow Shares.

(a) At any time prior to the Escrow Termination Date, Forum may elect to disburse all or any portion of the Escrow Shares to the Global Flow Escrow Stockholders (consistent with their Pro Rata Portion), in which case the Global Flow Escrow Stockholders shall thereafter possess such disbursed Escrow Shares, and shall have no further obligation to Forum with respect thereto.

(b) Unless Forum has previously disbursed all of the Escrow Shares to the Global Flow Escrow Stockholders pursuant to Section 2(a) of this Exhibit, Forum may deliver to the GFT Representative, at any time prior to the date that is 120 days prior to the date that is 48 months after the Closing Date, an irrevocable written notice (the "***Release Notice***") indicating Forum's intent to engage a specified Valuation Firm to prepare the Final Valuation Report and to begin the process described below.

(i) If Forum delivers the Release Notice to the GFT Representative, Forum shall promptly thereafter engage such Valuation Firm to prepare the Final Valuation Report. Prior to the issuance and delivery of the Final Valuation Report, Forum, the GFT Representative and the Management Representative, if any, shall be permitted to meet and confer with the Valuation Firm with respect to the calculation of the Exposure Value. Forum shall request that the Final Valuation Report shall be delivered to Forum, the GFT Representative and the Management Representative, if any, within 60 days of delivery of the Release Notice. Absent fraud by Forum or the Valuation Firm, the Exposure Value set forth in the Final Valuation Report shall be binding upon Forum, the GFT Representative, the Management Representative, if any, and each Global Flow Escrow Stockholder, subject to dispute and resolution pursuant to subsections (ii), (iii) and (iv) below.

(ii) If Forum delivers the Release Notice to the GFT Representative, Forum shall prepare the Escrow Termination Materials in good faith and deliver the Escrow Termination Materials to the GFT Representative and the Management Representative, if any, not more than 60 days after delivery of the Release Notice, along with documentation reasonably necessary to allow the GFT Representative to evaluate the calculation of the amounts set forth therein. If the Indemnification Amount is greater than zero, the GFT Representative may submit to Forum, not later than 15 days after the receipt of the Escrow Termination Materials by the GFT Representative and the Management Representative, if any, a list of the components of the calculation of the Indemnification Amount with which the GFT Representative disagrees (a "***Dispute Notice***"), in which case the disagreement shall be resolved pursuant to the procedures set forth in Section 2(b)(iii) of this Exhibit. If the GFT Representative does not issue a Dispute Notice prior to such date, the Indemnification Amount, as supplied by Forum to the GFT Representative, shall be deemed to have been accepted and agreed to by the GFT Representative, and shall be final and binding on each Global Flow Escrow Stockholder.

(iii) If a Dispute Notice is timely delivered to Forum by the GFT Representative, Forum and the GFT Representative shall thereafter for a period of up to 10 days negotiate in good faith to resolve any items of dispute. Any items of dispute regarding the Indemnification Amount that are not so resolved shall be submitted to the Arbitrating Accountant. In connection with the resolution of any dispute, the Arbitrating Accountant shall have access to all documents, records, work papers, facilities and personnel necessary to perform its function as arbitrator. The Arbitrating Accountant shall render a written decision evidencing the Arbitrating Accountant's determination of the amount of the Valuation Differential, the Expense Differential, and the Indemnification Amount, as promptly as practicable but in no event later than 20 days

after submission of the matter to the Arbitrating Accountant. The written decision of the Arbitrating Accountant shall be final and binding upon Forum, the GFT Representative and each Global Flow Escrow Stockholder, and judgment may be entered on such decision in a court of competent jurisdiction. To the extent not otherwise provided herein, the commercial arbitration rules of the American Arbitration Association as in effect at the time of any arbitration shall govern such arbitration in all respects. Forum, on the one hand, and the GFT Representative, on the other hand, shall each bear its own fees and expenses with respect to any proceeding under this paragraph, and shall each bear one-half of the fees and expenses of the Arbitrating Accountant in connection with the resolution of any dispute pursuant to this paragraph.

(iv) Promptly after final determination of the Indemnification Amount pursuant to Sections 2(b)(ii) or 2(b)(iii) of this Exhibit, the GFT Representative shall deliver to each Global Flow Escrow Stockholder a copy of the final version of the Escrow Termination Materials. Each Global Flow Escrow Stockholder shall have until the date that is ten days following delivery of the Escrow Termination Materials to notify Forum and the GFT Representative in writing of such Global Flow Escrow Stockholder's election to satisfy such Global Flow Escrow Stockholder's obligation to fund such Global Flow Escrow Stockholder's Pro Rata Portion of the Indemnification Amount by either (i) allowing Forum to retain a number of Escrow Shares otherwise allocable to such Global Flow Escrow Stockholder and having an aggregate Fair Market Value equal to such Global Flow Escrow Stockholder's Pro Rata Portion of the Indemnification Amount, or (ii) paying to Forum on or before the Escrow Termination Date cash in the amount of such Global Flow Escrow Stockholder's Pro Rata Portion of the Indemnification Amount (in which case, no Escrow Shares will be retained by Forum on the Escrow Termination Date with respect to such Global Flow Escrow Stockholder's Pro Rata Portion of the Indemnification Amount). If Forum does not receive such written election from any Global Flow Escrow Stockholder, such Global Flow Escrow Stockholder shall be deemed to have elected to satisfy such Global Flow Escrow Stockholder's obligation to fund such Global Flow Escrow Stockholder's Pro Rata Portion of the Indemnification Amount by allowing Forum to retain Escrow Shares otherwise allocable to such Global Flow Escrow Stockholder.

(c) On the Escrow Termination Date, or if the Escrow Termination Date does not fall on a Business Day, then on the next Business Day thereafter, Forum shall disburse to each Global Flow Escrow Stockholder such Global Flow Escrow Stockholder's Pro Rata Portion of the Disbursed Escrow Shares, in each case in accordance with, and after making such adjustments as are necessary to give effect to, the written elections previously delivered to Forum by the Global Flow Escrow Stockholders. Thereafter, (i) the Global Flow Escrow Stockholders shall possess the Disbursed Escrow Shares (if any), and shall have no further obligation to Forum with respect thereto, and (ii) Forum shall retain all of the Retained Escrow Shares (if any), and shall have no further obligation to any Global Flow Escrow Stockholder with respect thereto.

(d) Notwithstanding anything in this Exhibit to the contrary, the liability of each Global Flow Escrow Stockholder with respect to the Indemnification Amount shall be limited to such Global Flow Escrow Stockholder's Pro Rata Portion of the Escrow Shares.

3. Appointment of GFT Representative.

(a) As a condition to receiving the applicable Pro Rata Portion of the Escrow Shares, the GFT Representative shall be the agent and attorney-in-fact of each Global Flow Escrow Stockholder for the purposes of this Exhibit, and shall be authorized to take any and all actions and to make any decisions required or permitted to be taken by the GFT Representative under this Exhibit. The GFT Representative hereby is appointed, authorized and empowered to act as the agent of the Global Flow Escrow Stockholders in connection with, and to facilitate the consummation of the matters contemplated by, this Exhibit, and in connection with the activities to be performed on behalf of the Global Flow Escrow Stockholders under this Exhibit, for the purposes and with the powers and authority hereinafter set forth in this Section 3, which shall include the full power and authority:

(i) to take such actions and to execute and deliver such documents in connection with this Exhibit as the GFT Representative, in its reasonable discretion, may deem necessary or desirable to give effect to the intentions of this Exhibit;

(ii) to enforce and protect the rights and interests of the Global Flow Escrow Stockholders arising out of or in any manner relating to this Exhibit and, in connection therewith, to (A) resolve all questions, disputes, conflicts and controversies concerning the determination of the Expense Differential, the Valuation Differential, or the Indemnification Amount, (B) employ such agents, consultants and professionals, to delegate authority to its agents, to take such actions and to execute such documents on behalf of the Global Flow Escrow Stockholders in connection with this Exhibit as the GFT Representative, in its reasonable discretion, deems to be in the best interest of the Global Flow Escrow Stockholders, (C) assume the defense of any claim, or assert any claim, relating to this Exhibit on behalf of all of the Global Flow Escrow Stockholders;

(iii) to cause the Escrow Shares to be disbursed to Global Flow Escrow Stockholders in accordance with this Exhibit; and

(iv) to make, execute, acknowledge and deliver all such other agreements, orders, receipts, endorsements, notices, requests, instructions, certificates, letters and other writings, and, in general, to do any and all things and to take any and all action that the GFT Representative, in its sole direction, may consider necessary or proper in connection with or to carry out the activities described in subparagraphs (i) through (iii) above and the matters contemplated by this Exhibit.

(b) Forum shall be entitled to rely exclusively upon the communications of the GFT Representative relating to the foregoing, and such communications of the GFT Representative shall be fully binding upon the Global Flow Escrow Stockholders. Forum shall not be held liable or accountable in any manner for any act or omission of the GFT Representative in such capacity.

(c) Notwithstanding anything to the contrary contained herein, the GFT Representative acknowledges and agrees that (i) the GFT Representative may not enter into or grant any amendments or modifications to this Exhibit, or waivers or consents relating to this

Exhibit, unless such amendments, modifications, waivers or consents shall affect each Global Flow Escrow Stockholder similarly and to the same relative extent, and (ii) any such amendment, modification, waiver or consent that does not affect any Global Flow Escrow Stockholder similarly and to the same relative extent as it affects other Global Flow Escrow Stockholders must be executed by such Global Flow Escrow Stockholder to be binding on such Global Flow Escrow Stockholder.

(d) The grant of authority provided for in this Section 3 (i) is coupled with an interest and is being granted in part as an inducement to Forum to enter into the Combination Agreement, (ii) shall be irrevocable and survive the death, incompetency, bankruptcy or liquidation of any Global Flow Escrow Stockholder and shall be binding on any heir, executor, representative or successor thereto, and (iii) shall survive any disbursement of the Escrow Shares.

(e) In all matters relating to this Exhibit, and in exercising or failing to exercise all or any of the powers conferred upon the GFT Representative hereunder, (i) the GFT Representative shall not assume any responsibility whatsoever to any Global Flow Escrow Stockholder by reason of any error in judgment or other act or omission performed or omitted hereunder or in connection with Exhibit, unless by the GFT Representative's gross negligence or willful misconduct, and (ii) the GFT Representative shall be entitled to rely on the advice of counsel, public accountants or other independent experts experienced in the matter at issue, and any error in judgment or other act or omission of the GFT Representative pursuant to such advice shall in no event subject the GFT Representative to liability to any Global Flow Escrow Stockholder unless as a result of the GFT Representative's gross negligence or willful misconduct.

(f) The GFT Representative shall not be entitled to any fee, commission or other compensation for the performance of its service hereunder.

4. Definitions. For purposes of this Exhibit, the following terms have the following meanings:

(a) "***Arbitrating Accountant***" shall mean a nationally recognized firm of public accountants selected by Forum and reasonably acceptable to the GFT Representative, who shall serve as an arbitrator hereunder with respect to the determination of the Indemnification Amount.

(b) "***Change in Control***" shall have the meaning given to such term in the LTIP as in effect as of the Closing Date.

(c) "***Disbursed Escrow Shares***" shall mean the Escrow Shares existing on the Escrow Termination Date, minus an amount of Escrow Shares and/or cash having an aggregate Fair Market Value equal to the Indemnification Amount (if any), as determined in accordance with the written elections previously delivered to Forum by the Global Flow Escrow Stockholders.

(d) "***Escrow Shares***" shall mean the shares of Forum's common stock issued in the name of the Global Flow Escrow Stockholders, but retained by Forum pursuant to Section 3.6(a) of the Combination Agreement.

(e) "***Escrow Termination Date***" shall mean the date that is the earliest to occur of (i) the date the Indemnification Amount is determined to be zero in accordance with any of the provisos in the definition thereof, (ii) the date of consummation of a transaction that results in a Change in Control of Forum, and (iii) the date 48 months after the Closing Date or, if the GFT Representative delivers a Dispute Notice, in lieu of such date, the date the Arbitrating Accountant delivers its final written decision regarding such dispute.

(f) "***Escrow Termination Materials***" shall mean (i) the Fair Market Value Determination, (ii) a written report prepared by Forum or the Arbitrating Accountant (as applicable) setting forth in reasonable detail the Expense Differential, the Valuation Differential, and the aggregate Indemnification Amount (if any), and (iii) each Global Flow Escrow Stockholder's Pro Rata Portion of the Indemnification Amount (if any).

(g) "***Expense Differential***" shall mean the amount equal to (i) 0.8 multiplied by (ii) the result of (A) the Global Flow Asbestos Litigation Expenses actually incurred by Global Flow and its Subsidiaries during the period beginning on the Closing Date and ending on the date of the Final Expense Report, minus (B) the product of (x) the number of months that have elapsed between the Closing Date and the date of the Final Expense Report, and (y) $25,000.

(h) "***Exposure Value***" shall mean the net present value of Global Flow Asbestos Litigation Expenses projected after the date of the Initial Valuation Report or the Final Valuation Report (as applicable), net of anticipated insurance proceeds.

(i) "***Fair Market Value***" shall mean the fair market value of one Escrow Share as of the date of delivery of the final version of the Escrow Termination Materials by the GFT Representative to the Global Flow Escrow Stockholders, which shall be determined as follows:

a. if traded on a securities exchange, the value shall be deemed to be the average of the closing prices over the 10-day period ending on the day prior to the date of determination;

b. if actively traded over the counter, the value shall be deemed to be the average of the closing bid prices over the 10-day period ending on the day prior to the date of determination; or

c. if there is no active public market, the value shall be $284.29 per share, subject to appropriate adjustments, if any, to give effect to any stock split, stock dividend, recapitalization, reorganization or other combination that impacts the Escrow Shares that occurs after the Closing and prior to the Escrow Termination Date.

(j) "***Fair Market Value Determination***" shall mean a written report setting forth in reasonable detail the Fair Market Value of one Escrow Share, which shall be used by the Global Flow Escrow Stockholders in making elections pursuant to Section 2(b)(iv) of this Exhibit.

(k) "***Final Expense Report***" shall mean a written report prepared by Forum setting forth in reasonable detail the Global Flow Asbestos Litigation Expenses actually incurred by Global Flow and its Subsidiaries during the period beginning on the Closing Date and ending on the date of the Final Expense Report.

(l) "***Final Valuation Report***" shall mean a report prepared by the Valuation Firm meeting the following requirements: (i) such report shall set forth the Exposure Value as of the date of the Final Valuation Report, and (ii) such report shall be prepared using the same valuation procedures and approach implemented by The Claro Group, LLC in completing the Initial Valuation Report, except to the extent that events subsequent to the Initial Valuation Report require, in the view of the Valuation Firm, a change to such procedures and approach; provided that the Valuation Firm will use the same discount rate (4.25%) as was used in the Initial Valuation Report for purposes of calculating the Exposure Value.

(m) "***GFT Representative***" shall mean SCF-V, L.P., a Delaware limited partnership.

(n) "***Global Flow Asbestos Litigation***" shall mean litigation of Global Flow and/or one or more of its Subsidiaries relating to alleged exposure of persons to asbestos contained in valves manufactured or sold by Global Flow and one or more of its Subsidiaries, or their predecessors; *provided*, *however*, that any litigation that results from activities of Global Flow or its Subsidiaries after the Closing Date (such as the acquisition of businesses or other assets by Global Flow or its Subsidiaries after the Closing Date) shall be deemed not to be Global Flow Asbestos Litigation.

(o) "***Global Flow Asbestos Litigation Expenses***" shall mean the aggregate out-of-pocket legal fees and expenses and other costs reasonably incurred by Global Flow and its Subsidiaries in defending and resolving third party claims underlying Global Flow Asbestos Litigation and the out-of-pocket costs reasonably incurred to pay settlements of and judgments of Global Flow Asbestos Litigation. For the avoidance of doubt, out-of-pocket fees, expenses and costs shall be net of amounts received from insurance companies with respect to such Global Flow Asbestos Litigation and, to the extent not taken into account by the Final Valuation Report, amounts anticipated to be received from such insurance companies.

(p) "***Global Flow Escrow Stockholders***" shall mean all stockholders of Global Flow who receive Forum Common Stock in the Global Flow Merger in respect of their stock of Global Flow.

(q) "***Indemnification Amount***" shall mean the sum of (i) the Valuation Differential, plus (ii) the Expense Differential; *provided*, *however*, that the Indemnification Amount shall in no event exceed $7.5 million; and *provided*, *further*, that if (1) a Change in Control occurs, or (2) Forum does not deliver the Release Notice to the GFT Representative at least one hundred twenty (120) days prior to the date that is forty-eight (48) months after the Closing Date, or (3) the Final Valuation Report is not delivered to the GFT Representative within sixty (60) days after Forum delivers the Release Notice to the GFT Representative, or (4) Forum does not deliver the Escrow Termination Materials to the GFT Representative within sixty (60) days after Forum delivers the Release Notice to the GFT Representative, then the Indemnification Amount shall equal zero for purposes of this Exhibit; *provided further, however*, that the Indemnification Amount shall not be deemed to equal zero in the case of clause (3) or (4) above if Forum promptly engaged the Valuation Firm in accordance with Section 2(b)(i) and at all times

following the delivery of such Release Notice, Forum has cooperated with the Valuation Firm and has used reasonable best efforts to provide such information reasonably requested by the Valuation Firm in a timely manner and to prepare the Escrow Termination Materials in a timely manner.

(r) "***Initial Valuation Report***" shall mean the report prepared by The Claro Group, LLC setting forth the Exposure Value as of June 17, 2010.

(s) "***Management Representative***" shall mean any Person who may be designated, from time to time, by the holders of a majority of the Escrow Shares other than those held by SCF-V in writing delivered to Forum and the GFT Representative.

(t) "***Pro Rata Portion***" shall mean, with respect to each Global Flow Escrow Stockholder, the number of Escrow Shares issued in the name of such Global Flow Escrow Stockholder, divided by the total number of Escrow Shares.

(u) "***Retained Escrow Shares***" shall mean the Escrow Shares existing on the Escrow Termination Date, minus the Disbursed Escrow Shares (if any).

(v) "***Valuation Differential***" shall mean the amount equal to (i) 0.8 multiplied by (ii) the result of (A) the Exposure Value, as set forth in the Final Valuation Report, minus (B) the Exposure Value, as set forth in the Initial Valuation Report, minus (C) $500,000.

(w) "***Valuation Firm***" shall mean The Claro Group, LLC; *provided*, *however*, that if The Claro Group, LLC is unable or unwilling to prepare the Final Valuation Report on terms reasonably acceptable to Forum and the GFT Representative, the Valuation Firm shall be LECG, Inc.; *provided*, *further* that, if LECG, Inc. is unable or unwilling to prepare the Final Valuation Report on terms reasonably acceptable to Forum and the GFT Representative, the Valuation Firm shall be Gnarus Advisors, LLC; *provided*, *further* that, if Gnarus Advisors, LLC is unable or unwilling to prepare the Final Valuation Report on terms reasonably acceptable to Forum and the GFT Representative, the Valuation Firm shall be a firm mutually selected by Forum and the GFT Representative.

PURCHASE AND SALE AGREEMENT

among

Davis-Lynch Holding Co., Inc.,
A Texas corporation,
as Seller

Carl A. Davis,
as Shareholder

and

Forum Energy Technologies, Inc.,
a Delaware corporation
as Buyer

Dated as of June 25, 2011

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT is entered into on the 25th day of June, 2011, among Davis-Lynch Holding Co., Inc., a Texas corporation (the "Seller"), Carl A. Davis, a resident of Harris County, Texas (the "Shareholder"), and Forum Energy Technologies, Inc., a Delaware corporation (the "Buyer").

Recitals:

The Seller owns of record and beneficially all of the issued and outstanding membership interests (the "Interests") of Davis-Lynch, LLC, a Texas limited liability company (the "Company"), having its principal office at 2005 Garden Road Pearland, Texas 77581.

The Shareholder is currently the sole shareholder of the Seller and, prior to the Reorganization described herein, was the sole shareholder of Davis-Lynch, Inc., a Texas corporation and predecessor-by-conversion to the Company ("Company Predecessor").

Subject to the terms and conditions set forth herein, Seller desires to sell, assign and transfer to Buyer, and Buyer desires to purchase and take assignment and delivery from Seller of, all of the Interests.

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements contained herein, the Parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Defined Terms. As used in this Agreement, each of the following terms shall have the meaning given to it below:

"Accounts Receivable" means all accounts and notes receivable from account, note and other debtors of Davis-Lynch outstanding as of the date of this Agreement.

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. For the purposes of this definition, "control" means, when used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise, and the terms "controlling" and "controlled" have correlative meanings.

"Agreement" means this Purchase and Sale Agreement, as the same may be amended or supplemented from time to time in accordance herewith.

"Applicable Anti-Corruption Laws" has the meaning assigned to such term in Section 4.22(a).

"Balance Sheet" has the meaning assigned to such term in Section 4.8(a).

"Balance Sheet Date" means April 30, 2011.

"Base Purchase Price" means $307,000,000.

"Base Working Capital" means $38,000,000.

"Benefit Plan" means any qualified or non-qualified employee benefit plans or arrangements, including any equity purchase, equity option, equity bonus, equity ownership, phantom equity or other stock or equity plan, pension, retirement, profit sharing, bonus, defined benefit, defined contribution, deferred compensation, incentive compensation, retention, severance or termination pay, hospitalization or other medical or dental, life or other insurance, employment or consulting agreement (excluding any unwritten agreement that is terminable unilaterally by the employer or service recipient without liability), retention agreement, welfare, vacation, supplemental unemployment benefits plan, agreement, policy or arrangement providing employment-related compensation, material fringe or other benefits and including "employee benefit plans," as defined in Section 3(3) of ERISA.

"Business" means the business, operations and activities of Davis-Lynch as conducted on or prior to the Closing Date, and includes the design, production and sale of oil field downhole cementing and related equipment.

"Business Day" means any day other than a Saturday, Sunday or legal holiday on which banks in Houston, Texas are authorized or obligated by Law to close.

"Buyer" has the meaning assigned to such term in the introductory paragraph.

"Buyer Indemnitees" means, collectively, Buyer and its Affiliates and its and their respective officers, directors, employees, agents, and representatives and their respective successors and permitted assigns.

"Cadled" means Cadled Partners, Ltd., a Texas limited partnership.

"Cadled Real Property" means the real property and improvements located at 2005 Garden Road, Pearland, Texas 77581.

"Claim" has the meaning assigned to such term in Section 2.3.

"Closing" means the closing of the Transactions pursuant to this Agreement and the other Transaction Documents.

"Closing Date" means the date provided in Section 3.1, on which the Closing occurs.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commitment Letter" has the meaning assigned to such term in Section 5.5.

"Company" has the meaning assigned to such term in the Recitals.

"Company Predecessor" has the meaning assigned to such term in the Recitals.

"Competitive Business" means any business or entity that is competitive with the Business as conducted on the Closing Date.

"Confidentiality Agreement" means that certain confidentiality agreement dated October 26, 2010, between Buyer and Seller.

"Consulting Agreement" means the Consulting Agreement to be dated the Closing Date between Buyer and the Shareholder, in the form attached as Exhibit A.

"Conversion Date" means the date when the Company Predecessor converted into the Company in connection with the Reorganization.

"Davis-Lynch" means Company Predecessor for all periods prior to the Conversion Date, and the Company for all periods on and after the Conversion Date.

"Deductible Amount" means an amount equal to $750,000.00.

"Direct Claim" means any claim by an Indemnitee on account of a Loss which does not result from a Third Party Claim.

"Disclosure Schedule" means the disclosure letter and related schedules of even date herewith signed for purposes of identification by Seller.

"Effective Time" means 11:59 PM Houston, Texas time on the Closing Date.

"Effective Time Balance Sheet" has the meaning assigned to such term in Section 2.4(c)(i).

"Employee" or "Employees" has the meaning assigned to such term in Section 4.20(a).

"Encumbrances" means liens, charges, pledges, options, mortgages, deeds of trust, security interests, claims, restrictions (whether on voting, sale, transfer, disposition, or otherwise), easements, and other encumbrances of every type and description, whether imposed by Law, agreement, understanding, or otherwise.

"Environmental Laws" means any and all Laws that are applicable to the Business and that are in effect as of the date of this Agreement pertaining to the protection of or impact on the Environment or occupational safety and occupational health, including the Clean Air Act (42 U.S.C. § 7401 et seq.), as amended, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") (42 U.S.C. § 9601 et seq.), as amended, the Clean Water Act (33 U.S.C. § 1251 et seq.), as amended, the Resource Conservation and Recovery Act of 1976 ("RCRA") (42 U.S.C. § 6901 et seq.), as amended, the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), as amended, the Toxic Substances Control Act, (15 U.S.C. § 2601 et seq.), as amended, the Hazardous Materials Transportation Act (49 U.S.C. § 5101 et seq.), as amended, and the Occupational Safety and Health Act (29 U.S.C. ch. 15 §§ 651–678), as amended, and analogous state or local Laws.

“Environmental Permits” means any Permit required under and issued pursuant to any applicable Environmental Law.

“Environment” means surface waters, groundwater, drinking water supply, land surface or subsurface strata, or ambient air.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” has the meaning assigned to such term in Section 4.15(a).

“Escrow Account” has the meaning assigned to such term in Section 2.3.

“Escrow Agent” means JPMorgan Chase Bank, N.A.

“Escrow Agreement” means the Escrow Agreement to be dated the Closing Date among Buyer, Seller and the Escrow Agent, in substantially the form attached as Exhibit B.

“Escrow Funds” has the meaning assigned to such term in Section 2.3.

“Estimated Purchase Price” means the sum of (i) the Base Purchase Price plus (ii) the Estimated Working Capital Payment.

“Estimated Working Capital” means an amount equal to Seller’s estimate of the Working Capital as of the Effective Time prepared in accordance with Section 2.4(a).

“Estimated Working Capital Payment” means, whether positive or negative, the Estimated Working Capital minus the Base Working Capital.

“Excluded Assets” has the meaning assigned to such term in Section 7.7.

“Filings” has the meaning assigned to such term in Section 7.13.

“Final Working Capital” means the actual Working Capital at the Effective Time as determined pursuant to the procedures set forth in Section 2.4.

“Final Working Capital Payment” means, whether positive or negative, the Final Working Capital minus the Estimated Working Capital.

“Financial Statements” has the meaning assigned to such term in Section 4.8(a).

“GAAP” means generally accepted accounting principles in the United States as in effect at the time the applicable financial statements were prepared.

“Governmental Approvals” means all material consents and approvals of Governmental Entities that reasonably may be deemed necessary so that the consummation of the Transactions will be in compliance with applicable Laws.

“Governmental Entity” means any court or tribunal in any jurisdiction (domestic or foreign), any federal, state, municipal or local government or other governmental body, agency,

authority, department, commission, board, bureau, instrumentality, other political subdivision, arbitrator or arbitral body (domestic or foreign) or other regulatory or certifying Persons recognized in the oilfield services industry generally.

"Hazardous Substance(s)" means any chemical, substance, material, pollutant, contaminant or waste, which by its nature or its use is now regulated, or as to which liability might arise, under any existing Environmental Law. Hazardous Substance(s) may include any chemical, substance, material, pollutant, contaminant or waste that is defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "restricted hazardous waste," "contaminant," "pollutant," "oil," "solid waste," "toxic waste," or "toxic substance" under any existing Environmental Law, and further including petroleum, petroleum products, asbestos, presumed asbestos-containing material, asbestos-containing material, lead paint, urea formaldehyde, and polychlorinated biphenyls, but specifically excludes carbon dioxide and all other greenhouse gases that are not specifically listed or designated as hazardous or toxic pursuant to Environmental Laws.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Indemnifying Party" means a Party required to provide indemnification under Section 12.1.

"Indemnitee" means a Party entitled to receive indemnification under Section 12.1.

"Independent Accountants" means accountants resident in the Houston, Texas office of an accounting firm of national recognition or standing which, as of Closing or within twelve months prior thereto, has not performed any meaningful level of accounting, tax or consulting services for any Party. The Independent Accountants shall be jointly approved in writing by Seller and Buyer, but if they are unable to reach joint agreement, then any Party may apply to a court of competent jurisdiction in Harris County, Texas to appoint Independent Accountants in accordance with the foregoing criteria.

"Intellectual Property" means: (a) all patents and patent applications; (b) all trademarks, service marks, trade dress, brand names, logos, other source or business identifiers and general intangibles of like nature, whether at common law or registered, and domain names, and all applications, registrations, and renewals in connection therewith; (c) all copyrights, and all applications, registrations and renewals in connection therewith; (d) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals); and (e) all other intellectual property or proprietary rights arising under the Laws of any jurisdiction.

"Interests" has the meaning assigned to such term in the Recitals.

"Key Personnel" means Ashok Damera, Jeff Ehlinger, Bill Kelley, Tom Kelley and Jeff Musselwhite.

"Knowledge" means:

(a) with respect to Seller or the Shareholder, the actual knowledge of:

(i) any of Carl A. Davis, Bill Kelley or Thomas Laker, with respect to any representation or warranty made by Seller or Shareholder in this Agreement that is qualified by "Knowledge";

(ii) Ashok Damera, with respect to any representation or warranty made by Seller or the Shareholder in Section 4.7, 4.12, 4.16 or 4.20 that is qualified by "Knowledge";

(iii) Jeff Ehlinger, with respect to any representation or warranty made by Seller or the Shareholder in Section 4.12 or 4.21 that is qualified by "Knowledge";

(iv) Tom Kelley, with respect to any representation or warranty made by Seller or the Shareholder in Section 4.12, 4.14, 4.22, 4.23 or 4.27 that is qualified by "Knowledge"; or

(v) Jeff Musselwhite, with respect to any representation or warranty made by Seller or the Shareholder in Section 4.12, 4.14, 4.20 or 4.27 that is qualified by "Knowledge";

in the case of each Person named in clauses (i)-(v) above, without any obligation by such Person to conduct any investigation in connection with the Transactions or otherwise to determine the existence or absence of facts in any statement qualified by the "Knowledge" of such Person.

(b) with respect to Buyer, the actual knowledge of Cris Gaut, James Harris, Chris Dorros or James McCulloch, in each case, without any obligation by such Person to conduct any investigation in connection with the Transactions or otherwise to determine the existence or absence of facts in any statement qualified by the "Knowledge" of such Person.

"Law(s) means any statute, law, rule, or regulation, or any judgment, order, ordinance, writ, injunction, or decree of, any Governmental Entity to which a specified Person or property is subject.

"Loss(es)" means any and all claims, liabilities, expenses, damages, obligations, settlement amounts, losses, causes of action, fines, penalties, litigation, lawsuits, Proceedings, administrative proceedings, administrative investigations, requests for information from any Person, costs, and expenses, including reasonable attorneys' fees, court costs, and other costs of suit.

"MacQueen" has the meaning assigned to such term in Section 4.20(b).

"Material Adverse Effect" means any change, circumstance, effect or condition that has a material adverse effect on the assets, liabilities, financial condition, results of operations, or Business of Davis-Lynch or that prevents any Person from consummating the Transactions, other

than (a) any change or changes in general economic or industry conditions (including any change in the prices of oil, natural gas, natural gas liquids, or other hydrocarbon products), (b) acts of war or terrorism that do not disproportionately affect Davis-Lynch relative to other Persons in similar lines of business as the Business in any material respect, (c) the entry into or announcement of the Transactions or the consummation of the Transactions, or (d) changes in applicable Laws or changes in GAAP or in interpretations thereof as applied to Davis-Lynch. Any determination as to whether any matter or condition has a Material Adverse Effect shall be made only after taking into account all amounts reasonably expected to be recoverable under effective insurance coverages and effective third-party indemnifications with respect to such matter or condition (net of reasonable out-of-pocket expenses incurred in obtaining such amounts recovered under insurance coverages and the amount of any retrospective or other current increase in premium that is directly attributable to the payment of such amounts).

"Material Contract" has the meaning assigned to such term in Section 4.14(d).

"Money Laundering Laws" has the meaning assigned to such term in Section 4.22(c).

"Notice" has the meaning assigned to such term in Section 13.1.

"OFAC" has the meaning assigned to such term in Section 4.23.

"Parties" means, collectively, the parties to this Agreement, the Seller, the Shareholder and Buyer, and "Party" means each of them, individually.

"Permits" means licenses, permits, franchises, consents, approvals, variances, exemptions, and other authorizations of or from Governmental Entities.

"Permitted Encumbrances" means (i) Encumbrances for Taxes, impositions, assessments, fees, rents or other governmental charges levied or assessed or imposed not yet delinquent or being contested in good faith by appropriate proceedings, (ii) statutory liens (including materialmen's, warehousemen's, mechanics', repairmen's, landlord's, and other similar liens) arising in the ordinary course of business securing payments not yet delinquent or being contested in good faith by appropriate proceedings, (iii) utility easements, restrictive covenants and defects, imperfections or irregularities of title or liens, if any, as do not materially affect the use by Davis-Lynch, directly or indirectly, of the encumbered property in the manner currently used by Davis-Lynch, (iv) Encumbrances incurred or deposits made in the ordinary course of business and on a basis consistent with past practice in connection with workers' compensation, unemployment insurance or other types of social security, and (v) Encumbrances created by Buyer, or its successors and assignees.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, enterprise, unincorporated organization, other entity, or Governmental Entity.

"Post-Closing Partial Tax Period" means, with respect to any Straddle Period, the portion of such Straddle Period beginning after the Closing Date.

“Post-Closing Tax Period” means any taxable period or portion thereof beginning after the Closing Date and any Post-Closing Partial Tax Period.

“Post-Closing Tax Proceeding” has the meaning assigned to such term in Section 11.6.

“Pre-Closing Partial Tax Period” means, with respect to any Straddle Period, the portion of such Straddle Period up to and including the Closing Date.

“Pre-Closing Tax Period” means any taxable period ending on or before the Closing Date and any Pre-Closing Partial Tax Period.

“Pre-Closing Tax Proceeding” has the meaning assigned to such term in Section 11.6.

“Proceeding(s)” means all proceedings, litigation, hearings, arbitrations, actions, audits, claims, suits, investigations, and inquiries by or before any Governmental Entity, arbitrator or mediator.

“Purchase Price” means the aggregate purchase price for the Interests, consisting of the sum of (i) the Base Purchase Price, (ii) the Estimated Working Capital Payment and (iii) the Final Working Capital Payment, subject to adjustment as herein provided.

“Purchase Price Allocation” has the meaning assigned such term in Section 7.9.

“Real Property Purchase Agreement” means the Real Property Purchase Agreement of even date with this Agreement between Cadled and the Buyer, providing for Cadled’s sale and Buyer’s purchase of the Cadled Real Property.

“Reasonable Efforts” means efforts in accordance with reasonable commercial practice.

“Release(s)” means, when used as a noun, any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing of a Hazardous Substance into the Environment, and when used as a verb, the occurrence of any Release.

“Reorganization” means the following transactions undertaken in the following order: (a) the formation by the Shareholder of the Seller and the issuance of 100% of the equity interests in the Seller to the Shareholder, (b) the contribution of 100% of the equity interests in the Company Predecessor by the Shareholder to the Seller, (c) the conversion of the Company Predecessor into the Company pursuant to the Texas Business Organizations Code, and (d) such other actions or filings with the Internal Revenue Service with the intent that (i) the actions described in the preceding clauses (a), (b) and (c) qualify as a Type F Reorganization under Section 368(a) of the Code, and (ii) that the Company will be disregarded as an entity separate from its owner pursuant to Section 301.7701-3(b)(1)(ii) of the Treasury Regulations.

“SEC” has the meaning assigned to such term in Section 7.13.

“Securities Act” has the meaning assigned to such term in Section 7.13.

"Seller Affiliate" means any Affiliate of Seller.

"Seller Indemnitees" means, collectively, the Seller and the Shareholder, together with all of their respective officers, directors, employees, agents, and representatives and their respective successors and permitted assigns.

"Specified Rate" means the prime interest rate as published in The Wall Street Journal on the Closing Date.

"Staffing Agreement" has the meaning assigned to such term in Section 4.20(b).

"Statement of Working Capital Calculation" has the meaning assigned to such term in Section 2.4(c).

"Straddle Period" means any taxable period beginning on or before the Closing Date and ending after the Closing Date.

"Supplemental Disclosure" has the meaning assigned to such term in Section 7.5.

"Tax Consideration" means the sum of the Base Purchase Price and any other consideration required to be taken into account under applicable Law, if any, paid to Seller plus the amount of any liabilities deemed to be assumed by Buyer at the Effective Time, with such sum being adjusted to take into account working capital adjustments under Section 2.4 and any other purchase price adjustments so as to accurately reflect the final purchase price for U.S. federal income tax purposes.

"Tax Return" means any return or report, declaration, claim for refund, information return, or statement relating to Taxes, including any related schedules, attachments, or other supporting information, with respect to Taxes, and including any amendment thereto.

"Taxes" means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, contract registry, occupation, premium, windfall profits, environmental, customs duties, net worth, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, ad valorem, transfer, registration, value added, alternative or add-on minimum, estimated tax or other tax or assessment of any kind whatsoever, including any interest, fines, penalty or other like assessment or addition thereto, whether disputed or not, including such item for which a liability arises by contract, by virtue of having been a member of a group or as a transferee or successor-in-interest.

"Taxing Authority" means, with respect to any Tax, the Governmental Entity that imposes such Tax, and the agency (if any) charged with the collection of such Tax for such entity or subdivision, including any governmental or quasi-governmental entity or agency that imposes, or is charged with collecting, social security or similar charges or premiums.

"Territory" means the geographic area set forth on Exhibit C.

"Third Party Claim" means any claim or the commencement of any claim, action or proceeding (including Proceedings) with respect to a Loss or potential Loss made or brought by a Third Party.

"Third Party" means any Person other than (i) Seller or any Seller Affiliates, (ii) Davis-Lynch or any of its Affiliates, (iii) Buyer or any of its Affiliates or (iv) the Shareholder or his Affiliates.

"Transactions" means, collectively, the transactions contemplated by this Agreement and the other Transaction Documents.

"Transaction Documents" means, collectively, this Agreement, the Consulting Agreement, the Escrow Agreement, the Real Property Purchase Agreement and the other agreements, contracts, instruments, certificates and documents contemplated hereby and thereby.

"Transfer Taxes" has the meaning given such term in Section 11.8.

"Treasury Regulations" means one or more treasury regulations promulgated under the Code by the Treasury Department of the United States.

"Worker" or "Workers" has the meaning assigned to such term in Section 4.20(b).

"Working Capital" means the difference between the assets of Davis-Lynch reflected as "Working Capital Assets" on the Statement of Working Capital Calculation and the liabilities of Davis-Lynch reflected as "Working Capital Liabilities" on the pro forma balance sheet included in the Statement of Working Capital Calculation as of the specified date and calculated in each case using the methodologies set forth in Schedule 2.4(a).

1.2 Interpretation and Construction. In interpreting and construing this Agreement, the following principles shall be followed:

(a) the terms "herein," "hereof," "hereby," and "hereunder," or other similar terms, refer to this Agreement as a whole and not only to the particular Article, Section or other subdivision in which any such terms may be employed;

(b) unless otherwise indicated herein, references to Articles, Sections, and other subdivisions refer to the Articles, Sections, and other subdivisions of this Agreement;

(c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP;

(d) no consideration shall be given to the captions of the articles, sections, subsections, or clauses, which are inserted for convenience in locating the provisions of this Agreement and not as an aid in its construction;

(e) the word "includes" and its syntactical variants mean "includes, but is not limited to" and corresponding syntactical variant expressions;

(f) the plural shall be deemed to include the singular, and vice versa; and

(g) each exhibit, attachment, and schedule to this Agreement is a part of this Agreement, but if there is any conflict or inconsistency between the main body of this Agreement and any exhibit, attachment, or schedule, the provisions of the main body of this Agreement shall prevail.

ARTICLE 2
THE TRANSACTION; PURCHASE PRICE

2.1 Sale and Purchase. At the Closing, and subject to the terms and conditions in this Agreement, Seller shall sell, assign, transfer, deliver, and convey to Buyer, and Buyer shall purchase and accept from Seller, the Interests.

2.2 Purchase Price. In consideration of the sale of the Interests, Buyer shall pay to Seller the Purchase Price, as follows:

(a) At the Closing, Buyer shall pay to Seller the Estimated Purchase Price, less the amount placed into escrow pursuant to Section 2.3, subject to the remaining provisions of this Article 2.

(b) Any difference between the Purchase Price, as finally determined in accordance with Section 2.4, and the Estimated Purchase Price will be paid to Seller, or refunded to Buyer, as the case may be, in accordance with the provisions of Section 2.4 below.

(c) All of the payments referenced in this Article 2 shall be made by confirmed wire transfer of immediately available funds to a bank account or accounts to be designated in writing by the Person receiving such payment.

(d) The Purchase Price is also subject to adjustment as provided in Section 6.2(m) and Section 12.1(h).

2.3 Escrow. The sum of $7,500,000 (the “Escrow Funds”) otherwise payable to the Seller as part of the Purchase Price at Closing shall be delivered by the Buyer to the Escrow Agent pursuant to the Escrow Agreement to be held by the Escrow Agent in an interest bearing account (the “Escrow Account”) pursuant to the terms of this Agreement and the Escrow Agreement. The Escrow Funds shall be available for payment of any claims made by a Buyer Indemnitee pursuant to Article 12 and in accordance with the terms of the Escrow Agreement. The Buyer Indemnitees shall first seek reimbursement for any Losses for which they are entitled to receive indemnification under this Agreement out of the funds deposited in the Escrow Account, pursuant to the terms of the Escrow Agreement and this Agreement, until such funds are exhausted or released from the Escrow Account. On the first anniversary of the Closing, the Escrow Funds held in the Escrow Account shall be released to the Seller, unless prior to that date the Buyer advises the Escrow Agent, the Seller and the Shareholder in writing that any claim for indemnification under Article 12 below (each, a “Claim”) by any Buyer Indemnitee has been asserted and is then pending. Any such notice shall specify the total amount of the pending Claim(s). If such notice is timely received by the Escrow Agent, the Escrow Agent shall release only that part of the Escrow Account that is eligible to be released pursuant to the preceding

sentence that exceeds the total amount of any Claim(s) received, with the remaining funds to be held in the Escrow Account until such Claim(s) are resolved. Any earnings on the Escrow Funds will be added to the balance of the Escrow Account. Following receipt of a Claim, any such earnings shall be paid in the same proportion as the principal Escrow Funds are disbursed.

2.4 Final Working Capital Payment.

(a) Calculation of the Working Capital. The Estimated Working Capital Payment and the Final Working Capital Payment will be determined in accordance with the methodologies in Schedule 2.4(a).

(b) Estimated Working Capital. Not later than three (3) Business Days prior to the Closing Date, Seller shall deliver to Buyer a written statement setting forth the Estimated Purchase Price (with Seller's calculation of the Estimated Working Capital Payment in reasonable detail, based on information then available to Seller).

(c) Calculation of Final Working Capital Payment. As promptly as practicable after the Closing Date, and in any event not later than ninety (90) days after the Closing Date, Buyer shall deliver to Seller a statement (the "Statement of Working Capital Calculation") which shall set forth:

(i) A pro forma balance sheet of the Company as of the Effective Time (the "Effective Time Balance Sheet"); and

(ii) in reasonable detail Buyer's calculation of the Final Working Capital and the Final Working Capital Payment.

Subject to the provisions of Section 7.1(a), Buyer agrees to give Seller and its authorized representatives access to such employees, officers, and other facilities and such books and records of the Company as are reasonably necessary to allow Seller and its authorized representatives to verify the Effective Time Balance Sheet.

(d) Dispute Procedures. The Final Working Capital Payment (as set forth in the Statement of Working Capital Calculation) shall become final and binding on all Parties on the thirtieth (30th) day following the date the Statement of Working Capital Calculation is delivered to Seller by Buyer, unless prior to such date Seller delivers notice to Buyer of its disagreement. Seller's notice shall set forth all of Seller's disputed items together with Seller's proposed changes thereto, including an explanation in reasonable detail of the basis on which Seller proposes such changes. Seller shall be deemed to have agreed with all items and amounts contained in the Statement of Working Capital Calculation that are not specifically identified in such notice of disagreement.

If Seller has delivered a timely notice of disagreement, then Buyer and Seller shall use their good faith Reasonable Efforts to reach agreement on the disputed items to determine the Final Working Capital Payment.

If Buyer and Seller have not signed an agreement resolving the disputed items by the sixtieth (60th) day following Buyer's delivery of the Statement of Working Capital Calculation,

then within five (5) Business Days thereafter, Seller's disputed items set forth in the notice of disagreement shall be submitted to the Independent Accountants for resolution. In making such determination, the Independent Accountants shall consider only those items and amounts in the Statement of Working Capital Calculation with which Seller has disagreed and are set forth in the notice of disagreement. The fees and expenses of the Independent Accountants shall be borne fifty percent (50%) by Seller and fifty percent (50%) by Buyer. In no event shall the Final Working Capital Payment as determined by the Independent Accountants be more favorable to Buyer than reflected on the Statement of Working Capital Calculation prepared by Buyer nor more favorable to Seller than shown in the proposed changes delivered by Seller pursuant to its notice of disagreement.

(e) Binding Effect. If a dispute notice is timely given pursuant to Section 2.4(d), the Final Working Capital Payment shall be deemed determined on the date that the Independent Accountants give notice to Buyer and Seller of their determination with respect to all disputes regarding the calculation thereof, or, if earlier, the date on which Seller and Buyer agree in writing on the amount thereof, in which case the Final Working Capital Payment shall be calculated in accordance with such determination or agreement, as the case may be. Any determination of the Final Working Capital Payment by the Independent Accountants shall be final and binding upon all Parties.

(f) Payments. If the Final Working Capital exceeds the Estimated Working Capital, then Buyer shall pay to Seller the amount of such excess, plus interest on the amount of such excess from (and including) the Closing Date to (but excluding) the date of payment at the Specified Rate. If the Final Working Capital is less than the Estimated Working Capital, then Seller shall pay to Buyer the amount of such deficiency, plus interest on the amount of such deficiency from (and including) the Closing Date to (but excluding) the date of payment at the Specified Rate. Any payment shall be made within five (5) Business Days of the date the Final Working Capital is deemed to be finally determined pursuant to Section 2.4(d) or Section 2.4(e), as the case may be. All of the payments referenced in this Section 2.4 shall be made by confirmed wire transfer of immediately available funds to a bank account or accounts to be designated by the Party receiving the payment.

ARTICLE 3
CLOSING

3.1 Closing. Subject to fulfillment or waiver of the conditions in this Agreement, the Closing shall take place at the offices of Thompson & Knight LLP, 333 Clay Street, Suite 3300, Houston, Texas 77002, or such other place as the Parties may agree, at 10:00 a.m., Houston, Texas time, on the later to occur of (i) July 29, 2011 or (ii) the fifth Business Day following satisfaction or waiver of the conditions to close in Articles 8 and 9 hereof, or at such other time as the Parties may agree in writing (the "Closing Date"). Unless otherwise agreed in writing, all Transactions shall be deemed to have occurred simultaneously.

3.2 Closing Deliveries by Seller. At the Closing, Seller will deliver or cause to be delivered the following to Buyer:

(a) a certificate, executed by the president or chief executive officer of the Seller, dated the Closing Date, representing and certifying that the conditions set forth in Sections 9.1 and 9.2 have been satisfied;

(b) an assignment of membership interest, in which the Seller transfers the Interests to the Buyer;

(c) an executed certification of non-foreign status in the form prescribed by Treasury Regulation Section 1.1445-2(b)(2) with respect to the Seller;

(d) an IRS Form W-9 for and duly executed by the Seller;

(e) a counterpart of the Escrow Agreement, duly executed on behalf of the Seller;

(f) a cross-receipt in which the Seller acknowledges receipt of the portion of the Estimated Purchase Price payable to Seller at the Closing under Section 2.2(a);

(g) a counterpart of the Consulting Agreement, duly executed by the Shareholder;

(h) Evidence of the Governmental Approvals set forth on Schedule 4.6, which are required for Seller to complete the Transactions;

(i) written resignations of all of the officers and managers of the Company as the Buyer shall have requested, all effective as of the Closing Date;

(j) a certificate of the secretary or assistant secretary of the Seller, certifying as to (i) the incumbency of certain officers of the Seller and (ii) the adoption of resolutions by Seller's board of directors approving the Transactions;

(k) certificates of existence, issued by the Texas Secretary of State, and certificates of good standing, issued by the Texas Comptroller of Public Accounts, with respect to each of the Seller and the Company, in each case dated no earlier than ten days prior to the Closing Date;

(l) the original minute book and other company records of the Company; and

(m) any other Transaction Documents which, in accordance with the express terms of this Agreement, contemplate delivery by the Seller or the Shareholder on the Closing Date.

3.3 Closing Deliveries by Buyer. At the Closing, Buyer will deliver or cause to be delivered the following to Seller and the Shareholder:

(a) The Estimated Purchase Price, payable to the Seller by wire transfer pursuant to Section 2.2(a);

(b) a certificate, executed by the president or any vice president of the Buyer, dated the Closing Date, representing and certifying that the conditions set forth in Sections 8.1 and 8.2 have been satisfied;

(c) a counterpart of the Escrow Agreement, duly executed on behalf of the Buyer;

(d) a counterpart of the cross-receipt described in Section 3.2(f), in which the Buyer acknowledges receipt of the assignment of the Interests described in Section 3.2(b);

(e) a counterpart of the Consulting Agreement, duly executed by the Buyer;

(f) Evidence of the Governmental Approvals required for Buyer to complete the Transactions;

(g) a certificate of the secretary or assistant secretary of the Buyer, certifying as to (i) the incumbency of certain officers of the Buyer and (ii) the adoption of resolutions by Buyer's board of directors approving the Transactions;

(h) a certificate of good standing issued by the Secretary of State of the State of Delaware with respect to the Buyer, dated no earlier than ten days prior to the Closing Date; and

(i) any other Transaction Documents which, in accordance with the express terms of this Agreement, contemplate delivery by the Buyer or the Shareholder on the Closing Date.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF SELLER AND SHAREHOLDER

The Seller and the Shareholder jointly and severally represent and warrant to Buyer as follows:

4.1 Organization; Qualification; No Subsidiaries.

(a) The Company is a limited liability company duly formed, validly existing, and in good standing under the Laws of the State of Texas. The Company has all requisite limited liability company power and authority to own, lease, and operate its properties and to carry on the Business as now being conducted.

(b) The Company is duly qualified or licensed to do business as a limited liability company, and is in good standing in the jurisdictions listed in Schedule 4.1(b), which are the only jurisdictions in which the property owned, leased, or operated by it or the conduct of its Business requires such qualification or licensing.

(c) The Seller is a corporation duly organized, validly existing, and in good standing under the Laws of the State of Texas. The Seller has all requisite limited liability company power and authority to own, lease, and operate its properties and to carry on its business as now being conducted.

(d) The Company does not have any subsidiaries nor does it own any equity interest in any Person.

4.2 Ownership of Interests. All of the Interests are owned by Seller free and clear of all Encumbrances, other than restrictions on transfer that may be imposed by federal or state securities Laws. Each of the Interests has been duly authorized, validly issued and is fully paid and non-assessable and were not issued in violation of, and is not subject to, any preemptive

rights, rights of first refusal, rights of first offer, purchases option or other similar rights of any Person. There are no outstanding (i) securities of the Company convertible into or exchangeable for any equity interests or other securities in the Company, (ii) options or other rights to acquire from the Company or Seller, or obligation of the Company or Seller (other than this Agreement) to issue or sell any interests or other securities in the Company or any equity interests or other securities convertible into or exchangeable for such equity interests or other securities in the Company, or (iii) equity equivalents or other similar rights of or with respect to the Company.

4.3 Organizational Documents. Seller has made available to Buyer accurate and complete copies of (a) the Company's certificate of formation, limited liability company agreement and other organizational documents as currently in effect, (b) the Company Predecessor's certificate of formation, by-laws and other organizational documents as in effect immediately prior to the consummation of the Reorganization and (c) the plan of conversion filed with the Secretary of State of the State of Texas pursuant to the Texas Business Organizations Code in connection with the consummation of the Reorganization.

4.4 Authority of Seller, Shareholder and Related Parties. Seller has full corporate power and authority to execute, deliver, and perform this Agreement and the other Transaction Documents to which it is a party and to carry out the Transactions and the Reorganization. The Shareholder has all requisite power and legal capacity to execute, deliver, and perform this Agreement and the other Transaction Documents to which he is a party and to carry out the Transactions and the Reorganization. Cadled has all requisite partnership power and legal capacity to execute, deliver, and perform each Transaction Document to which it is a party and to carry out the Transactions. The execution, delivery, and performance by Seller of this Agreement and such other Transaction Documents, and the consummation by it of the Transactions and the Reorganization, have been duly authorized by all necessary corporate action of Seller. The execution, delivery, and performance by Cadled of each Transaction Document to which it is a party, and the consummation by it of the Transactions, have been duly authorized by all necessary partnership action of Cadled. This Agreement has been duly executed and delivered by each of Seller and the Shareholder and constitutes, and each other Transaction Document to which Seller, the Shareholder or Cadled is a party when executed and delivered as provided herein will constitute, a valid and legally binding obligation of Seller, the Shareholder, or Cadled, as applicable, enforceable against such party in accordance with its terms, except that such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and similar Laws affecting creditors' rights generally and (ii) equitable principles which may limit the availability of certain equitable remedies (such as specific performance) in certain instances.

4.5 No Conflict. Except as described on Schedule 4.5, the execution, delivery, and performance by Seller and the Shareholder of this Agreement and the execution, delivery, and performance by Seller, the Shareholder and Cadled of the other Transaction Documents to which each of them is a party, and the consummation by Davis-Lynch, Seller, the Shareholder and Cadled of the Transactions and the Reorganization, do not and will not:

(a) violate or breach the organizational documents of the Seller, Davis-Lynch, or Cadled;

(b) violate or breach any Law binding upon Seller, Davis-Lynch, the Shareholder or Cadled; or

(c) result in any breach of, or constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, or give to others any rights of termination, acceleration or cancellation of, or result in the creation of any Encumbrance (other than a Permitted Encumbrance) on any of the assets or properties of Davis-Lynch or Cadled, any note, bond, letter of credit, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument to which Davis-Lynch is a party or is bound or affected.

4.6 Consents and Approvals. No Governmental Approval, nor any consent, approval, authorization, license, order or permit of, or declaration, filing or registration with, or notification to, any other Person, is required to be made or obtained by Davis-Lynch, Seller, the Shareholder or Cadled in connection with the execution, delivery and performance of this Agreement or the other Transaction Documents, or the consummation of the Transactions or the Reorganization, except:

(a) as set forth on Schedule 4.6;

(b) where the failure to obtain such consents, approvals, authorizations, licenses, orders or permits of, or to make such declarations, filings, or registrations or notifications, would not be reasonably expected to (i) prevent or materially delay the consummation of the Transactions or materially impair Davis-Lynch's, Seller's, the Shareholder's or Cadled's ability to perform its obligations under any Transaction Document to which it is a party or (ii) materially and adversely affect the Business;

(c) as may be necessary as a result of any facts or circumstances relating solely to Buyer or its Affiliates; and

(d) as required under the HSR Act.

4.7 Permits. Except as disclosed in Schedule 4.7, Davis-Lynch holds all material Permits necessary or required for the conduct of the Business. Except as disclosed in Schedule 4.7, no Proceeding is pending or, to the Knowledge of the Seller, threatened with respect to any alleged failure by Davis-Lynch to have any such material Permit or not to be in compliance therewith.

4.8 Financial Statements.

(a) The Company has made available to the Buyer the following financial statements, included in Schedule 4.8(a) (collectively, the "Financial Statements"): (i) the audited balance sheets of Company Predecessor as of December 31, 2009 and December 31, 2010, and the related audited statements of operations, of changes in stockholder's equity and of cash flows for the years then ended, together with the related notes and the independent auditor's report of UHY LLP dated April 8, 2011 thereon, and (ii) the unaudited balance sheet of Company Predecessor as of the Balance Sheet Date (the "Balance Sheet"), and the related unaudited income statement of Company Predecessor for the four-month period of operations then ended.

(b) Except as set forth in Schedule 4.8(b), the Financial Statements have been prepared in conformity in all material respects with GAAP and, subject to the assumptions and limitations set forth therein, fairly present, in all material respects, the financial position, results of operations and cash flows of Company Predecessor as of the dates thereof or for the periods covered thereby, subject in the case of unaudited Financial Statements to the absence of footnotes and year-end audit adjustments required by GAAP (including adjustments to all such unaudited Financial Statements associated with the fact that Davis-Lynch does not maintain a year-round inventory tracking system and that inventory and related entries have historically been adjusted by physical count on a quarterly basis).

4.9 Absence of Certain Changes. Except for the Reorganization and except as disclosed on Schedule 4.9, since December 31, 2010:

(a) there has not been any event, development or state of circumstances that has had a Material Adverse Effect;

(b) the Business has been conducted only in the ordinary course consistent with past practice;

(c) Davis-Lynch has not suffered any material loss, damage, destruction, or other casualty to any of its property, plant, equipment or inventories (whether or not covered by insurance);

(d) there has been no increase in the compensation or benefits of any Employee or Worker, of any director or officer of Davis-Lynch, or of any independent contractor performing services used in the operation of the Business of Davis-Lynch, other than immaterial increases in the ordinary course of business consistent with past practice;

(e) No assets of Davis-Lynch have been subjected to any Encumbrance (other than Permitted Encumbrances), nor has Davis-Lynch acquired any assets except for assets acquired in the ordinary course of business consistent with past practice;

(f) Davis-Lynch has not made or committed to make any capital expenditures in excess of $100,000 individually or $1,000,000 in the aggregate;

(g) Davis-Lynch has not made or rescinded any election relating to Taxes or settled or compromised any claim relating to Taxes or made any change in its accounting or tax reporting principles, methods or policies;

(h) Davis-Lynch has not instituted or settled any material legal Proceedings, other than in respect of those legal Proceedings constituting Excluded Assets;

(i) there has been no amendment or modification to the certificate of formation or limited liability company agreement of the Company except as reflected in those made available to Buyer under Section 4.3;

(j) Davis-Lynch has not declared or paid any dividends or other distributions to the Seller or any other Person;

(k) Davis-Lynch has not disposed of any material portion of its assets or properties outside the ordinary course of the Business; and

(l) there is no contract to do any of the foregoing, except as expressly permitted by this Agreement.

4.10 Tax Matters. Except as disclosed on Schedule 4.10:

(a) The Company is presently classified as, and has been since its date of organization, an entity disregarded as separate from its owner for federal income tax purposes and for purposes of any state or local tax laws that follow the federal treatment, and no election has been made to treat the Company as an association taxable as a corporation for federal income tax purposes;

(b) Each of Seller and Davis-Lynch has filed, or has had filed on its behalf, in a timely manner (within any applicable extension periods) with the appropriate Taxing Authority, all Tax Returns required to be filed with respect to Taxes of Davis-Lynch;

(c) All Taxes due and payable by or with respect to Davis-Lynch have been timely paid in full;

(d) All Tax withholding and deposit requirements imposed on Davis-Lynch have been satisfied in full in all respects;

(e) There are no Encumbrances (other than Permitted Encumbrances) on any of the assets of Davis-Lynch or on the Interests that arose in connection with any failure (or alleged failure) to pay any Tax;

(f) There are no outstanding agreements or waivers extending the statutory period of limitations applicable to the assessment or collection of any Tax due from Davis-Lynch or any federal, state, local or foreign income or other Tax Returns required to be filed by or with respect to Davis-Lynch;

(g) None of the Tax Returns of or with respect to Davis-Lynch are currently being audited or examined by any Taxing Authority;

(h) Davis-Lynch does not have, and has not had, a taxable presence in any jurisdiction other than those jurisdictions where it has filed Tax Returns;

(i) True, correct and complete copies of all material Tax Returns filed by Davis-Lynch during the past three years, and all material correspondence between Davis-Lynch and any Taxing Authority relating to such Tax Returns or Taxes due from Davis-Lynch during the past three years, have been made available to the Buyer;

(j) No material assessment, deficiency or adjustment for any Taxes has been assessed, proposed or threatened in writing with respect to Davis-Lynch that has not been abated, paid in full or adequately provided for on the Balance Sheet and no claim has been made or threatened in writing by any Governmental Entity in any jurisdiction that Davis-Lynch is liable for unpaid taxes in that jurisdiction;

(k) Davis-Lynch is not a party to any Tax allocation or Tax-sharing agreement with any Person that will survive Closing;

(l) Davis-Lynch does not have in force any power of attorney relating to Tax matters;

(m) Davis-Lynch is not a party to a joint venture, partnership or other arrangement that could be treated as a partnership for Tax purposes;

(n) No asset of Davis-Lynch (i) is "tax-exempt use property" within the meaning of Section 168(h) of the Code, or (ii) directly or indirectly secures any debt the interest of which is tax exempt under Section 103(a) of the Code;

(o) Davis-Lynch has never been a member of any affiliated, consolidated, combined or unitary group for U.S. federal or state income or franchise Tax purposes or any similar group under foreign law;

(p) Davis-Lynch is not and will not be liable for the Taxes of any other Person (i) under U.S. Treasury Regulation Section 1.1502-6 (or any similar provisions of state, local, or foreign law), (ii) as a transferee, (iii) by contract, or (iv) otherwise;

(q) Seller is a U.S. person within the meaning of the Code;

(r) Davis-Lynch will not be required to include an amount in taxable income for any taxable period beginning after December 31, 2010 with respect to which a corresponding amount has not been accrued or been taken into account in a period ending on or prior to the Closing Date (including for purposes of the Financial Statements or the Final Working Capital) as a result of (i) a change in accounting method, (ii) an agreement with any Taxing Authority, or (iii) Davis-Lynch's method of accounting for Tax purposes (including the use or application of the installment method of accounting, the completed contract method of accounting, the long-term contract method of accounting or the cash method of accounting);

(s) Davis-Lynch has not entered into any agreement or arrangement with any Taxing Authority that requires it to take any action or to refrain from taking any action in order to secure Tax benefits not otherwise available;

(t) Davis-Lynch has not participated (within the meaning of Treasury Regulation Section 1.6011-4(c)(3)) in any "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4(b) (and all predecessor regulations) or a "confidential corporate tax shelter" within the meaning of Section 6111 of the Code and the Treasury Regulations promulgated thereunder;

(u) Davis-Lynch does not have any material property or obligation, including uncashed checks to vendors, customers, or employees, non-refunded overpayments, or unclaimed subscription balances, that is escheatable or reportable as unclaimed property to any state or municipality under any applicable escheatment or unclaimed property laws;

(v) All of the material assets of Davis-Lynch have been properly listed and described on the property tax rolls for the taxing units in which the assets are located, and no portion of the material assets constitutes omitted property for property tax purposes; and

(w) Davis-Lynch is not a party to an agreement, contract, arrangement, or plan that has resulted or would result, separately or in the aggregate, in the payment of any "excess parachute payment" within the meaning of Section 280G of the Code, whether or not some other subsequent action or event would be required to cause any such payment to be triggered.

4.11 Compliance With Applicable Laws. Except as disclosed on Schedule 4.11, Davis-Lynch is in compliance in all material respects with all applicable Laws.

4.12 Legal Proceedings. Except as disclosed on Schedule 4.12, there are no Proceedings pending or, to the Knowledge of Seller, threatened against Davis-Lynch or any properties of Davis-Lynch (including the real property subject to the Real Property Purchase Agreement). Davis-Lynch is not subject to any judgment, order, writ, injunction, or decree of any Governmental Entity.

4.13 Title. Except (i) as disclosed on Schedule 4.13, and (ii) for Permitted Encumbrances, the Company has valid, good and indefeasible title to, or in the case of leased property has valid leasehold interests in, those personal and real properties reflected in its books and records and in the Balance Sheet, other than those personal properties disposed of after the Balance Sheet Date in the ordinary course of business consistent with past practice and the absence of which would not result in the inability to carry on the Business as conducted by the Company on the date hereof.

4.14 Certain Obligations of Davis-Lynch.

(a) Schedule 4.14(a) sets forth a list of all (i) indebtedness for borrowed monies that involve payments by Davis-Lynch or guarantees of the obligations of other Persons by Davis-Lynch and (ii) reimbursement obligations of Davis-Lynch in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for the account of Davis-Lynch.

(b) There are no joint venture agreements to which the Company is, or by which Davis-Lynch has been, a party.

(c) Except as set forth on Schedule 4.14(c), there are no contracts containing covenants limiting the freedom of Davis-Lynch to engage in any line of business or compete with any Person or operate at any location.

(d) Except for contracts of the nature described in Sections 4.14(a) and the Benefit Plans, Schedule 4.14(d) sets forth a list of all (i) contracts or agreements which require or entitle Davis-Lynch to make or receive payments of at least $100,000.00 annually or $1,000,000.00 in the aggregate, provided that the calculation of the aggregate payments for any such agreement or contract shall not include payments attributable to any renewal periods or extensions for which Davis-Lynch may exercise an option in its sole discretion to approve or disapprove; (ii) all contacts and commitments involving the sharing of profits of Davis-Lynch; (iii) any contract

granting to any Person a right of first refusal, first offer or other right to purchase any of the material assets of Davis-Lynch and (iv) any contract that grants any Person the exclusive right to sell products or provide services within any geographical region other than a contract that (A) is terminable by each party thereto giving notice of termination to the other party thereto not more than 30 days in advance of the proposed termination date and (B) even if so terminable, contains no material post-termination obligations, termination penalties, buy-back obligations or similar obligations (each of the documents required to be set forth on Schedules 4.14(a) and (d) being a "Material Contract").

(e) Except as set forth in Schedule 4.14(e), each Material Contract is valid and enforceable in accordance with its terms by and against Davis-Lynch, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights and remedies generally and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a Proceeding at law or in equity). Davis-Lynch is not in breach of the terms of any such Material Contract in any material respect and, to the Knowledge of Seller, no other party to any Material Contract is in breach of the material terms thereof.

4.15 Benefit Plans.

(a) Schedule 4.15(a) lists all Benefit Plans sponsored by Davis-Lynch and its ERISA Affiliates. Such Benefit Plans have been maintained in compliance in all material respects with their terms and applicable Law. Seller has provided to Buyer, to the extent applicable to each such Benefit Plan, a true and complete copy of the following: the plan document for each such Benefit Plan; the related trust agreement, insurance contract or other funding arrangement; the most recent report on Form 5500; and the most recent summary plan description. There are no Proceedings pending (other than routine claims for benefits) or, to the Knowledge of Seller, threatened against, or with respect to, any of such Benefit Plans or their assets. All contributions required to be made to such Benefit Plans pursuant to their terms and the provisions of applicable Law have been timely made or accrued on the books of Davis-Lynch in a manner consistent with past practice. There is no matter pending with respect to any of such Benefit Plans before any Governmental Entity. For purposes of this Agreement, an "ERISA Affiliate" means each trade or business (whether or not incorporated) that together with Davis-Lynch would be deemed to be a "single employer" within the meaning of Section 4001 of ERISA or Section 414 of the Code. Schedule 4.15(a) also lists all Benefit Plans sponsored by MacQueen in which Workers are eligible to participate.

(b) Neither Davis-Lynch nor any ERISA Affiliate of Davis-Lynch sponsors, maintains, or directly contributes to, or has, within the past six (6) years, sponsored, maintained or directly contributed to, a "multiemployer plan" (within the meaning of Section 3(37) of ERISA), a plan subject to Title IV of ERISA or Section 412 of the Code, a plan intended to be qualified under Section 401(a) of the Code, or a plan funded pursuant to a trust that is intended to be exempt from federal income taxation pursuant to Section 501(c)(9) of the Code.

(c) Davis-Lynch and its ERISA Affiliates have paid and discharged promptly all obligations and liabilities arising under ERISA or the Code of a character which, if unpaid or unperformed, might result in a claim against Buyer or Davis-Lynch or the imposition of a lien

against Davis-Lynch or its assets. The execution and delivery of this Agreement and the consummation of the Transactions or the Reorganization will not (i) require Davis-Lynch to make a larger contribution to, or pay greater benefits or provide other rights under, any Benefit Plan than it otherwise would, whether or not some other subsequent action or event would be required to cause such payment or provision to be triggered, or (ii) create or give rise to any additional vested rights or service credits under any Benefit Plan.

4.16 Environmental. Except as disclosed in Schedule 4.16:

(a) To the Knowledge of Seller, Davis-Lynch or Cadled (as applicable) (i) holds all material Environmental Permits required under all applicable Environmental Laws to conduct the Business, as conducted on the date hereof, (ii) is in compliance in all material respects with the terms and conditions of all such Environmental Permits, and (iii) has not received any notice of any Proceeding relating to the revocation or modification of any such Environmental Permit.

(b) To the Knowledge of Seller, each of Davis-Lynch and Cadled is, and at all times during the two-year period prior to the date of this Agreement has been in compliance in all material respects with all Environmental Laws that apply to the conduct of its Business.

(c) No Proceeding or Third Party Claim is pending or, to the Knowledge of Seller, threatened against Davis-Lynch or Cadled, and neither Davis-Lynch nor Cadled is a party to, or subject to the provisions of any order, in each case relating to (i) compliance with or liability under any applicable Environmental Laws or (ii) exposure of any person or property to Hazardous Substances as a result of Davis-Lynch's or Cadled's products or operations.

(d) To the Knowledge of Seller, no condition currently exists with respect to the operation of the Business or the Cadled Real Property, including any Release of any Hazardous Substance on or at the Cadled Real Property, that would reasonably be expected to give rise to any material liability or the imposition of any Lien, in each case under any applicable Environmental Law or Environmental Permit of Davis-Lynch.

(e) Seller has made certain environmental documents and occupational safety and occupational health documents available in the data room for Buyer's review and will make any other environmental documents that are in its possession or control available to Buyer upon request.

(f) The representations and warranties made pursuant to this Section 4.16 are the sole and exclusive representations and warranties of Seller and Shareholder under this Agreement that address or relate in any way to any Environmental Laws, any Environmental Permits or any other matters that pertain to the Environment or occupational safety and occupational health.

4.17 Insurance. Schedule 4.17 sets forth a true and complete list and description of all policies of fire, liability, workers' compensation, and other forms of insurance owned by or held by Davis-Lynch or otherwise related to the Business. All insurance policies maintained with respect to the Business are in full force and effect and all premiums due and payable on such policies have been paid (other than retroactive or retrospective premium adjustments that are not yet, but may be, required to be paid with respect to any period ending prior to the Closing Date). No notice of cancellation of, or indication of an intention not to renew, any such insurance policy has been received by Seller or Davis-Lynch. Seller and Davis-Lynch have complied in all material respects with the terms and conditions of the policies.

4.18 Brokerage Fees. Except as set forth on Schedule 4.18, neither Seller nor any of its Affiliates has any obligation to pay any fees or commissions to any financial advisor, broker, agent, or finder on account of this Agreement or the Transactions for which Buyer or its Affiliates (including the Company after the Closing) could become liable or obligated.

4.19 Books and Records. The company records and minute books of Davis-Lynch have been maintained in accordance with all applicable statutory requirements and are complete and up-to-date in all material respects.

4.20 Employment Matters.

(a) Schedule 4.20(a) sets forth as of the date of this Agreement a complete and accurate list of all individuals directly employed by Davis-Lynch (including employees who are receiving disability benefits or are on family and medical, administrative or other type of leave) by name, job title, employing entity, date of hire and seniority or service credit if different, 2010 total compensation (including bonuses), current compensation, status (i.e., whether active or on leave of absence, and if on leave, the type of leave, such as disability, family, medical or military leave and expected duration), accrued vacation or paid time off and anticipated 2011 bonus, details of any applicable visa and details of any consulting agreement (each, an "Employee" and collectively, the "Employees"). Davis-Lynch is not subject to any obligation, agreement or understanding with any labor union, none of the Employees are covered by a collective bargaining agreement and, to the Seller's Knowledge, there are no union organizational efforts pending or threatened respecting any such individuals.

(b) Davis-Lynch has entered into that certain Personnel Staffing Services Agreement with MacQueen Staffing, LLC ("MacQueen") dated January 1, 2011, as amended by that certain Amendment to Personnel Staffing Services Agreement, dated on or about the date of this Agreement (as amended, the "Staffing Agreement"), pursuant to which MacQueen provides certain personnel services to Davis-Lynch. Other than as set forth in the Staffing Agreement, Davis-Lynch has no currently effective contract or agreement with any employee staffing agency or other entity that provides or has provided personnel or staffing services to Davis-Lynch. Schedule 4.20(b) sets forth as of May 31, 2011 a complete and accurate list of all workers employed or engaged by MacQueen that perform services for Davis-Lynch (each, a "Worker" and collectively, the "Workers") pursuant to the Staffing Agreement (including Workers who are receiving disability benefits or are on family and medical, administrative or other type of leave and expected duration) by name, job title, date of hire and seniority or service credit if different, year-to-date 2011 total compensation and rate of current compensation, 2010 bonuses, status (i.e., whether active or on leave of absence, and if on leave, the type of leave, such as disability, family, medical or military leave), accrued vacation or paid time off and details of any applicable visa. Davis-Lynch is in material compliance with the terms and conditions of the Staffing Agreement.

(c) To the Knowledge of Seller, there are no unfair labor practice charges, complaints, or representation petitions or other Proceedings pending or threatened by or before any Governmental Entity having jurisdiction thereof, that involve any of the Employees or Workers.

(d) Davis-Lynch has complied with all Laws relating to employment and labor, including all Laws regarding equal employment opportunity, nondiscrimination, employee classification, employee leave, recordkeeping, immigration, wages, hours, overtime pay, benefits, collective bargaining, the payment of social security and other taxes, occupational safety and occupational health, and plant closing. As of the Closing Date, all Employees and Workers have been, or will have been, provided all wages and other compensation owed to them as of that date.

(e) Seller has no Knowledge of any strikes, work stoppages, work slowdowns or lockouts or of any threats thereof, by or with respect to any of the Employees or Workers.

4.21 Intellectual Property.

(a) Schedule 4.21(a) identifies all of the following items of Intellectual Property owned by Davis-Lynch: patents, patent applications, registered trade-marks, trademark applications, industrial design registrations, industrial design applications, registered copyrights, copyright applications and domain names. With respect to each of the foregoing items: (i) Davis-Lynch owns exclusive title and interest in and to the item, free and clear of any Encumbrance, except for Permitted Encumbrances, (ii) to the Knowledge of Seller, such items are valid, subsisting, and enforceable, and (iii) no Proceeding is pending or, to the Knowledge of Seller, threatened, that challenges the validity, enforceability, use or ownership of any of such items. Davis-Lynch owns or possesses the right to use all Intellectual Property required for the operation of the Business as currently conducted, free and clear of any Encumbrances, other than Permitted Encumbrances. Except as would not be material to the conduct of the Business, each item of Intellectual Property owned or used by the Company immediately prior to the Closing Date will be owned or available for use by the Company on substantially similar terms and conditions immediately subsequent to the Closing Date, except as noted on Schedule 4.5. Davis-Lynch has taken Reasonable Efforts to protect and maintain the confidentiality of all material trade secrets or confidential information owned by or licensed to the Company. The operation of the Business as presently conducted does not infringe or misappropriate the Intellectual Property of a third party, which infringement or misappropriation would have a Material Adverse Effect, and Davis-Lynch has not received any written notice within the 24 months prior to the date hereof from any Person claiming that Davis-Lynch is infringing upon or misappropriating the Intellectual Property of any Person, except for such instances where the claim has been settled without continuing liability or material payments by Davis-Lynch. To the Knowledge of Seller, no Person is infringing the Intellectual Property of Davis-Lynch.

(b) Schedule 4.21(b) sets forth a list of all license agreements in which Davis-Lynch licenses to a third party, or is licensed to use, any Intellectual Property, other than (i) commercially available off-the-shelf software or (ii) other software in which the total license fees due, individually or in the aggregate, are not material to Davis-Lynch. The representations set forth in Section 4.14(e) as to Material Contracts apply to each of the agreements listed on Schedule 4.21(b). The Seller has made available to Buyer true and complete copies of all license agreements listed on Schedule 4.21(b), including all amendments, terminations and modifications thereof.

4.22 Corruption and Proceeds of Crime.

(a) To the Knowledge of Seller, none of (i) Davis-Lynch, (ii) any of its Affiliates, shareholders (or other equity holders), principals, officers, directors, employees or (iii) any of the contractors, subcontractors, agents or representatives under contract with, or appointed by, Davis-Lynch relating to products sold or services performed by Davis-Lynch, is aware of or has taken any action with respect to a Davis-Lynch product or service, directly or indirectly, during the two-year period prior to the date of this Agreement, that would result in a violation by such Persons of (i) the U.S. Foreign Corrupt Practices Act of 1977, as amended, (ii) the U.K. Bribery Act of 2010, (iii) the U.K. Anti-Terrorism, Crime and Security Act of 2001, or (iv) any other anti-corruption and/or anti-bribery laws, regulations or requirements of any jurisdiction applicable to such Persons ((i), (ii), (iii) and (iv) collectively "Applicable Anti-Corruption Laws").

(b) Davis-Lynch and its Affiliates have conducted the Business in compliance with Applicable Anti-Corruption Laws and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith. No Proceeding by or before any Governmental Entity involving Davis-Lynch or any of its Affiliates with respect to any Applicable Anti-Corruption Law is pending or, to the Knowledge of Seller, threatened.

(c) The operations of Davis-Lynch and its Affiliates are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions in which they operate, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administrated or enforced by any Governmental Authority (collectively, the "Money Laundering Laws"). No Proceeding by or before any court or governmental agency, authority or body or any arbitrator involving Davis-Lynch or any of its Affiliates under any Money Laundering Laws is pending or, to the Knowledge of Seller, threatened.

4.23 Trade Controls and U.S. Sanctions. To the Knowledge of Seller, neither Davis-Lynch nor any of its Affiliates has taken any action, directly or indirectly, during the two-year period prior to the date of this Agreement, that has resulted or would result in a violation by such Persons of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC") or for violation of any U.S. trade controls, including those administered by the Bureau of Industry and Security of the U.S. Commerce Department. Neither Davis-Lynch nor any Affiliate (i) is a Person described or designated in the Specially Designated Nationals and Blocked Persons List of OFAC or (ii) engages in any dealings or transactions with any such Person. No Proceeding by or before any Governmental Entity involving Davis-Lynch or any of its Affiliates relating to compliance with such U.S. trade controls or U.S. sanctions is pending or, to the Knowledge of Seller, threatened. Seller will not use the proceeds resulting from this Agreement in any manner which would violate any of such U.S. sanctions.

4.24 Condition and Sufficiency of Assets. The buildings, manufacturing facilities, structures, and equipment of Davis-Lynch are, collectively, structurally sound, in reasonable operating condition and repair, ordinary wear and tear excepted, and a reasonable Person engaged in the oilfield services business would determine that they are adequate for the uses to which they are being put, and none of such buildings, manufacturing facilities, structures, and equipment is in need of maintenance or repairs except for ordinary, routine maintenance and repairs not material in cost or nature.

4.25 No Undisclosed Material Liabilities. Except: (a) as disclosed or reflected in the Financial Statements and (b) for liabilities and obligations incurred in the ordinary and normal course of business since the Balance Sheet Date (none of which results from, arises out of, relates to, is in the nature of, or was caused by any breach of contract, breach of warranty, tort, infringement, or violation of applicable Laws), Davis-Lynch is not subject to and has not incurred any liabilities which, in accordance with GAAP, are required to be reflected, reserved against or otherwise described in a balance sheet.

4.26 Affiliate Transactions. Except as set forth in Schedule 4.26 or as expressly contemplated in this Agreement, no Affiliate, stockholder, director or officer of Davis-Lynch (a) is a party to, or receives payments under (directly or indirectly), any contract or other intercompany financial arrangement with Davis-Lynch or (b) owns any property or right which is used by Davis-Lynch. Except as set forth in Schedule 4.26 and other than routine advances by Davis-Lynch to employees for travel and other business expenses made in the ordinary course of business of Davis-Lynch, there are no outstanding notes payable to, accounts receivable from or advances by Davis-Lynch to, and Davis-Lynch is not otherwise a creditor of, any Affiliate, stockholder, director or officer of Davis-Lynch, except for any of which is immaterial to the Business.

4.27 Accounts Receivable. Except as disclosed on Schedule 4.27, each of the Accounts Receivable arose in the ordinary course of business of Davis-Lynch and represents the genuine, valid and legally enforceable indebtedness of the account debtor and no valid contra account, counterclaim or adjustment (other than discounts for prompt payment shown on the invoice) has been asserted in writing or, to the Knowledge of Seller, is threatened by any of the account debtors of such Accounts Receivable. To the Knowledge of Seller, none of the account debtors of the Accounts Receivable is involved in a bankruptcy or insolvency proceeding or is generally unable to pay its debts as they become due except as disclosed on Schedule 4.27. The Company has good and valid title to the Accounts Receivable free and clear of all Encumbrances except Permitted Encumbrances. Except as set forth on Schedule 4.27, since the Balance Sheet Date, Davis-Lynch has not written off any Accounts Receivable as uncollectible.

4.28 Materials; WIP; Inventory. The Company owns its raw materials, work-in process and inventory free and clear of all Encumbrances except Permitted Encumbrances. Except as disclosed on Schedule 4.28, the work-in-process and inventory reflected on the Balance Sheet was acquired for sale in the ordinary course of business and is in good and saleable condition and is not obsolete, slow moving or damaged, except to the extent reflected in reserves set forth in the Balance Sheet. Such raw materials, work-in-process and inventory are located at the Company's facilities or the consignment facilities set forth on Schedule 4.28 and, except as set forth on Schedule 4.28, none of such raw materials, work-in-process and inventory is subject to any consignment, bailment, warehousing or similar arrangement.

4.29 No Other Representations. EXCEPT AS AND TO THE EXTENT SET FORTH IN THIS AGREEMENT, SELLER MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER TO BUYER INCLUDING ANY IMPLIED REPRESENTATION OR WARRANTY AS TO THE CONDITION, MERCHANTABILITY, USAGE, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THE COMPANY, ITS ASSETS, OR ANY PART THEREOF, OR THE BUSINESS. SELLER HEREBY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT, OR INFORMATION MADE, COMMUNICATED, OR FURNISHED (ORALLY OR IN WRITING) TO BUYER OR ITS REPRESENTATIVES (INCLUDING ANY OPINION, INFORMATION, PROJECTION, OR ADVICE THAT MAY HAVE BEEN OR MAY BE PROVIDED TO BUYER BY ANY DIRECTOR, OFFICER, EMPLOYEE, AGENT, CONSULTANT, OR REPRESENTATIVE OF SELLER OR ANY AFFILIATE THEREOF, WHETHER IN ANY MANAGEMENT PRESENTATIONS, "BREAK-OUT" DISCUSSIONS, RESPONSES TO QUESTIONS SUBMITTED ON BEHALF OF THE BUYER, OR IN ANY OTHER FORM IN EXPECTATION OR FURTHERANCE OF THE TRANSACTIONS), EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY CONTAINED HEREIN. BUYER IS ACQUIRING THE COMPANY IN ITS ACQUISITION OF THE INTERESTS ON AN "AS IS" AND "WHERE IS" BASIS, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY CONTAINED HEREIN.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller and the Shareholder as follows:

5.1 Organization. Buyer is a corporation duly organized, validly existing, and in good standing under the Laws of the jurisdiction of the State of Delaware.

5.2 Buyer's Authority. Buyer has full corporate power and corporate authority to execute, deliver, and perform this Agreement. The execution, delivery, and performance by Buyer of this Agreement and the other Transaction Documents to which it is a party and the consummation by it of the Transactions, have been duly authorized by all necessary corporate action of Buyer. This Agreement has been duly executed and delivered by Buyer and constitutes, and each such other Transaction Document when executed and delivered will constitute, a valid and legally binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except that such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and similar Laws affecting creditors' rights generally and (ii) equitable principles which may limit the availability of certain equitable remedies (such as specific performance) in certain instances.

5.3 No Conflict. The execution, delivery and performance by Buyer of this Agreement or the other Transaction Documents to which it is a party do not and will not:

(a) violate or breach the certificate of incorporation or bylaws of Buyer;

(b) violate or breach any Law binding upon Buyer; or

(c) result in any breach of, or constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of any Encumbrance (other than a Permitted Encumbrance) on any of the assets or properties of Buyer any note, bond, letter of credit, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument to which Buyer is a party.

5.4 Consents and Approvals. No Governmental Approval, nor any consent, approval, authorization, license, order or permit of, or declaration, filing or registration with, or notification to, any other Person, is required to be made or obtained by the Buyer in connection with the execution, delivery and performance of this Agreement or the other Transaction Documents, or the consummation of the Transactions, except (a) applicable requirements of the HSR Act and (b) where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not reasonably be expected to prevent or materially delay the consummation of the Transactions or to materially impair the Buyer's ability to perform its obligations under any Transaction Document to which it is a party.

5.5 Financing. Buyer has delivered to Seller true, correct and complete copies of an executed debt commitment letter dated as of June 17, 2011 (the "Commitment Letter") and the Credit Agreement, as defined in the Commitment Letter. The financing contemplated by the Commitment Letter, together with available lines of credit of Buyer or other sources of immediately available funds, constitute all of the financing required to be provided to Buyer for the consummation of the Transactions. Buyer has fully paid any and all commitment fees incurred in connection with the Commitment Letter that are due and owing as of the date hereof, has executed and delivered the Fee Letter, as defined in the Commitment Letter, and has otherwise complied and is in compliance with the Commitment Letter. As of the date of this Agreement, (i) the conditions specified in Section 3.2 of such Credit Agreement (other than delivery of a Notice of Borrowing, as defined therein) are satisfied, and (ii) the conditions specified in subclauses (A), (B) and (C) of clause (iii) of Section 2.15(b) of such Credit Agreement are satisfied, and Buyer reasonably believes that all other conditions described in said Section 2.15(b) will be satisfied by the Closing Date. At the Closing, Buyer will have sufficient sources of immediately available funds to enable it to pay the Estimated Purchase Price to Seller when required hereunder and the purchase price to Cadled under the Real Property Purchase Agreement when required thereunder, and to consummate the Transactions, it being understood that in no event shall Buyer's inability to obtain financing for any reason constitute a condition to Buyer's obligation to consummate the Transactions.

5.6 Legal Proceedings. There are no Proceedings pending or, to the Knowledge of Buyer, threatened seeking to restrain, prohibit, or obtain damages or other relief in connection with this Agreement or the Transactions. There are no Proceedings pending or, to the Knowledge of Buyer, that would have an effect on the ability of Buyer to complete the Transactions.

5.7 Brokerage Fees. No financial advisor, broker, agent, or finder retained by Buyer is entitled to any portion of the Purchase Price or has any valid claim against the Seller or the Shareholder as a result of this Agreement or consummation of the Transactions.

5.8 Nature of Investment. Buyer is acquiring the Interests for investment purposes only and not with a view toward resale or distribution thereof in violation of applicable securities Laws. The Buyer has such knowledge and experience in financial, business and Tax matters that it is capable of evaluating the merits and risks of an investment in the Company. The Buyer has conducted a review and analysis of the Business, operations, assets, liabilities, results of operations and financial condition of the Company and has evaluated the Tax consequences of the Transactions and of the operation of the Company. The Buyer acknowledges that the Buyer has been or will have been provided adequate access to the personnel, properties, premises and records of the Company for such purpose. The Buyer acknowledges that all such information related to Davis-Lynch has been provided subject to the disclaimer set forth in Section 4.29.

5.9 Ability of the Buyer to Bear Risk of Investment. The Buyer understands that, except to the extent expressly set forth in the representations and warranties made by the Seller or the Shareholder in this Agreement, there is no assurance as to the viability or future performance of the Company. The Buyer recognizes that an investment in the Interests is speculative and involves a high degree of risk including, but not limited to, the risk of economic losses from operations of the Company and the potential loss of investment. The Buyer understands that no market for the Interests exists and none may develop in the future. The Buyer is able to bear the economic risk of an investment in the Interests to be acquired by it hereunder for an indefinite period of time, and, at the present time, is able to afford a complete loss of such investment. The commitment of the Buyer to investments which are not readily marketable or transferable is not disproportionate to the net worth of the Buyer, and investment in the Interests will not cause such commitment to become excessive. The Buyer has, and at the Closing will have, no need for liquidity with respect to the Interests.

ARTICLE 6
CONDUCT OF BUSINESS PENDING CLOSING

6.1 Conduct of Business. Except as specifically provided in this Agreement (including Schedule 6.2), during the period from the date hereof to the Closing, Seller shall cause Davis-Lynch to conduct its operations according to its ordinary course of business consistent with past practice and shall use Reasonable Efforts to preserve, maintain, and protect its assets, rights, relationships, and properties; provided, however, Seller and Davis-Lynch shall not be required to make any payments or enter into or amend any contracts, agreements, arrangements, or understandings to satisfy the foregoing obligation other than in the ordinary course of business consistent with past practice. During such period, Seller may terminate any intercompany financial arrangement between Davis-Lynch, on the one hand, and Seller or its Affiliates on the other hand.

6.2 Pre-Closing Restrictions. Without limiting the generality of Section 6.1 and except as contemplated by Section 7.7 or as otherwise expressly provided in Schedule 6.2, prior to the Closing, the Shareholder and Seller shall not, without the prior written consent of Buyer, which consent shall not be unreasonably withheld or delayed, to:

(a) permit the Company to amend its certificate of formation or limited liability company agreement;

(b) permit the Company to (i) issue, sell, or deliver any membership interests or other securities or equity equivalents; or (ii) amend in any material respect any of the terms of any such interests outstanding as of the date hereof;

(c) permit the Company to (i) split, combine, or reclassify any of its outstanding equity; (ii) declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of its outstanding equity, except to pay and distribute to Seller the Excluded Assets; (iii) repurchase, redeem or otherwise acquire any of its Interests or other securities or equity equivalents; or (iv) adopt a plan of complete or partial liquidation or resolutions providing for or authorizing a liquidation, dissolution, merger, consolidation, restructuring, recapitalization, or other reorganization;

(d) permit the Company to (i) create, incur, guarantee, or assume any indebtedness for borrowed money or otherwise become liable or responsible for the obligations of any other Person; (ii) make any loans, advances, or capital contributions to, or investments in, any other Person; or (iii) mortgage or pledge any of its material assets, tangible or intangible, or create any Encumbrance thereupon other than Permitted Encumbrances;

(e) permit the Company to acquire, sell, lease, transfer, or otherwise dispose of, directly or indirectly, any assets outside the ordinary course of business consistent with past practice;

(f) permit the Company to acquire (by merger, consolidation, or acquisition of stock or assets or otherwise) any corporation, partnership, or other business organization or division thereof;

(g) permit the Company to terminate, amend, or grant any waiver of any material term under, or give any material consent with respect to, any Material Contract or enter into any contract or agreement that would be a Material Contract;

(h) permit the Company to change any of the accounting principles or practices used by Davis-Lynch, except for any change required by reason of a concurrent change in GAAP;

(i) permit the Company to establish or amend any Benefit Plan other than as required by the terms of any such Benefit Plan or to comply with applicable Law, or establish any plan, agreement, program, policy, trust, fund or other arrangement that would be a Benefit Plan if it were in existence as of the date of this Agreement;

(j) permit the Company to settle any claim or Proceeding (other than those legal Proceedings constituting Excluded Assets), other than settlements in the ordinary course of business consistent with past practice, in each case (i) for no more than $250,000 (individually or in the aggregate with other settlements since the date of this Agreement) and (ii) in a manner that does not involve non-monetary relief that would reasonably be expected to adversely effect the ability of Davis-Lynch to operate its business as currently conducted consistent with past practice;

(k) permit the Company to make or change any material election in respect of Taxes, adopt or change any accounting method in respect of Taxes, file any amendment to a federal,

state or foreign income Tax Return or any other material Tax Return, enter into any Tax sharing or similar agreement or closing agreement, settle any claim or assessment in respect of Taxes, consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes, or enter into intercompany transactions giving rise to deferred gain or loss of any kind;

(l) permit the Company to purchase any equity interests or other securities of any Person, except for short-term investments made in the ordinary course of business consistent with past practice;

(m) grant, or permit the Company to grant, to any Employee or Worker (or agree with MacQueen to grant) an increase in compensation or take any action with respect to the amendment or grant of any severance or termination or compensation pay policies or arrangements for any Employee other than in the ordinary course of business consistent with past practices or as required by or to comply with the terms of a Benefit Plan or applicable Law, provided, however, that the Company, in its discretion, may (i) grant Employees and Workers base pay increases in the manner and to the extent described on Schedule 6.2, and (ii) pay bonuses and other amounts to Key Personnel, other Employees, Workers, former employees and others in connection with the Closing in an aggregate amount that is not in excess of the limit set forth on Schedule 6.2 (provided that (x) the amount of such bonuses, including any withholdings and associated payroll tax liability, will be deducted from the Company's cash balances prior to the Company's distribution as part of the Excluded Assets to Seller as described in Section 7.7 and the Purchase Price shall be reduced dollar-for-dollar to the extent the amount of such bonuses exceeds the Company's cash balances prior to such distribution of such cash balances as part of the Excluded Assets as described in Section 7.7, and (y) the Seller will advise Buyer of the identities of the recipients of such bonuses and the amount for each recipient at least two Business Days prior to Closing);

(n) permit the Company to cancel or terminate any of the insurance coverage or allow any insurance coverage to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing provide coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(o) directly or indirectly (i) discuss or continue to discuss, negotiate or continue to negotiate, initiate, authorize, propose or enter into any transaction involving a business combination, the sale of a material amount of the assets of the Company or the Seller, the sale of the Interests or that would otherwise be inconsistent with the transactions contemplated by this Agreement or (ii) furnish information to or otherwise cooperate with any Person to engage in or seek to engage in any such transaction; or

(p) agree or commit to do any of the foregoing.

ARTICLE 7
ADDITIONAL AGREEMENTS

7.1 Access to Information and Confidentiality.

(a) Access. Between the date hereof and the Closing, Seller:

(i) shall give Buyer and its authorized representatives reasonable access, during regular business hours and upon reasonable advance notice, to such offices, plants, and other facilities, and such books and records, of Davis-Lynch, as are reasonably necessary to allow Buyer and its authorized representatives to make such inspections as they may reasonably require to verify the accuracy of any representation or warranty contained in Article 4; and

(ii) shall cause officers of Davis-Lynch to furnish Buyer and its authorized representatives with such financial and operating data and other information with respect to Davis-Lynch as Buyer may from time to time reasonably request.

Seller shall have the right to have a representative present at all times during any such inspections, interviews, and examinations conducted at or on the offices, plants, or other facilities or properties of Seller or Davis-Lynch. Additionally, Buyer shall hold in confidence all such information on the terms and subject to the conditions contained in the Confidentiality Agreement. Buyer shall have no right of access to, and Seller shall have no obligation to provide to Buyer, the following information:

(1) bids received by Davis-Lynch from other Persons in connection with the Transactions and information and analysis (including financial analysis) relating to such bids; and

(2) any information the disclosure of which would, in the opinion of outside counsel to Davis-Lynch, jeopardize any privilege available to Davis-Lynch, Seller or any Seller Affiliate relating to such information or would cause Seller, any Seller Affiliate or Davis-Lynch to breach a confidentiality obligation existing as of the date of this Agreement.

(b) Retention by Seller. Seller and any Seller Affiliate may retain a copy of all data room materials and all books and records prepared in connection with the Transactions, including (i) copies of any books and records which may be relevant in connection with the defense of Claims or other disputes arising hereunder and (ii) copies of all financial information and all other accounting books and records prepared or used in connection with the preparation of financial statements of Davis-Lynch.

(c) Record Preservation by Buyer. Buyer shall preserve and keep all books and records (other than Tax records which are addressed in Section 11.7) relating to the Business or operations of Davis-Lynch on or before the Closing Date in Buyer's possession for a period of at least five (5) years from the Closing Date and afford Seller and the Shareholder, at its or his cost or expense, to make copies thereof. After such five (5) year period, before Buyer shall dispose of any of such books and records, Buyer shall give Seller at least ninety (90) calendar days' prior

notice to such effect, and Seller shall be given an opportunity, at its cost and expense, to remove and retain all or any part of such books and records as Seller or the Shareholder may select. Notwithstanding the foregoing, Buyer agrees that it shall preserve and keep all books and records of Davis-Lynch relating to any investigation instituted by a Governmental Entity or any litigation (whether or not existing on the Closing Date) if any possibility exists that such investigation or litigation may relate to matters occurring prior to the Closing, without regard to the five (5) year period set forth in this Section 7.1(c); provided that Buyer shall have no obligation to preserve or keep books and records relating to the Excluded Assets.

(d) Record Preservation by Seller and the Shareholder. If following Closing the Seller or the Shareholder discovers in his or its possession or control any books and records relating to the business or operations of Davis-Lynch on or before the Closing Date (other than those received under clause (c) above or related to the Excluded Assets), then the Seller or the Shareholder shall promptly inform Buyer and provide Buyer with the originals of such books and records, subject to the right of Seller and the Shareholder to retain copies thereof. The Seller and Shareholder shall upon Buyer's request use their Reasonable Efforts, at no cost to them, in identifying any such books and records in the possession or control of third parties (such as counsel and accountants) to enable Buyer to obtain the originals or copies thereof as Buyer may reasonably desire. In addition, the Seller shall preserve and keep all books and records relating to the Excluded Assets in the possession of Seller or its Affiliate which receives the Excluded Assets under Section 7.7 for a period of at least five (5) years from the Closing Date and afford Buyer, at its cost or expense, to make copies thereof, provided Buyer agrees to preserve the confidentiality thereof as reasonably required by the Seller or the Shareholder.

7.2 Regulatory and Other Authorizations and Consents.

(a) Filings; Additional Actions. Each Party shall use all Reasonable Efforts to obtain all material authorizations, consents, orders, and approvals of, and to give all notices to and make all filings with, all Governmental Entities (including those pertaining to the Governmental Approvals) and other Third Parties that may be or become necessary for its execution and delivery of, and the performance of its obligations under this Agreement and will cooperate fully with the other Party in promptly seeking to obtain all such material authorizations, consents, orders, and approvals, giving such notices, and making such filings. To the extent required by the HSR Act, each Party shall:

(i) file or cause to be filed, as promptly as practicable but in no event later than the fifth Business Day after the execution and delivery of this Agreement, with the Federal Trade Commission and the United States Department of Justice, all reports and other documents required to be filed by such Party under the HSR Act concerning the Transactions; and

(ii) promptly comply with, or cause to be complied with, any requests by the Federal Trade Commission or the United States Department of Justice for additional information concerning such transactions, in each case so that the waiting period applicable to this Agreement and the Transactions under the HSR Act shall expire as soon as practicable after the execution and delivery of this Agreement.

(b) Response to Regulatory Action. Buyer shall use its Reasonable Efforts and take all steps reasonably necessary to avoid action being taken by the Federal Trade Commission or United States Department of Justice to block the Transactions, including entering into a consent order or agreeing to divest assets provided such consent order or divestiture would not have a material Adverse Effect on the business of the Buyer.

Each Party shall request, and cooperate with the other Party in requesting, early termination of any applicable waiting period under the HSR Act. Buyer shall pay the filing fees payable in connection with the filings by the Parties required by the HSR Act. Each Party shall provide prompt notification to each other Party when it becomes aware that any consent or approval referred to in this Section 7.2 is obtained, taken, made, given or denied, as applicable.

(c) Third Party Consents. Buyer will use its Reasonable Efforts to assist Seller in obtaining any consents of Third Parties necessary or advisable in connection with the Transactions, including providing to such Third Parties such financial information with respect to Buyer as such Third Parties may reasonably request.

7.3 Employee Matters.

(a) Level of Employee Benefits Provided by Buyer. Subject to Section 7.3(d) below, Buyer shall provide or shall cause to be provided to each Employee and Worker, during the one (1) year period following the Closing Date (or, if shorter, for so long as the Employee or Worker is employed by Davis-Lynch, Buyer, MacQueen, or any Affiliate of Buyer, as applicable), the same or greater aggregate base salary (or rate of pay) and bonus opportunity shown on Schedules 4.20(a) and 4.20(b), and other compensation and employee benefits that, with respect to such Employee or Worker, are substantially equivalent in the aggregate to the compensation and benefits provided by Davis-Lynch to such Employees and by MacQueen to the Workers (determined based upon the benefits set forth in Schedule 4.15(a)) immediately before the Closing Date. For the avoidance of doubt, nothing in this Section 7.3(a) shall require Buyer to provide or cause to be provided any particular bonus to any Employee or Worker for calendar year 2012. Nothing in this Agreement shall affect Buyer's right to terminate the employment of any Employee or MacQueen to terminate the employment of any Worker; provided, however, that if an Employee is terminated by Buyer or any of its Affiliates without "Cause" (as defined in Schedule 7.3(a)) or if a Worker is terminated by MacQueen at the direction of Buyer without "Cause," (as defined in Schedule 7.3(a)) in either case within one year following the Closing Date, Buyer shall provide or cause to be provided to such Employee or Worker the benefits described in Schedule 7.3(a); provided, further, that the benefit described in item 1 of Schedule 7.3(a) shall be provided only if such Employee or Worker executes (and does not revoke in the time provided to do so) a release of all claims in a form reasonably acceptable to Buyer, which such release shall release all claims against Buyer, Davis-Lynch, and their respective agents, representatives and Affiliates and which shall be executed by such Employee or Worker, and shall no longer be revocable, within 55 days after the date of such termination of employment. Notwithstanding the foregoing, for purposes of this Section 7.3(a), a termination of the Staffing Agreement will not be treated as a termination of employment of a Worker if the Worker continues to provide services to Davis-Lynch, Buyer or an Affiliate of Buyer, whether by direct employment or otherwise, after such termination.

(b) Vacation. Subject to Section 7.3(d) below and Buyer's vacation scheduling policy, between the Closing Date and the end of the year in which the Closing occurs, Buyer shall permit all Employees and Workers to schedule and take the same number of days of vacation as they had scheduled and would have been eligible to take under Davis-Lynch's or MacQueen's vacation policy based upon the recognized credited service amounts of such Employees and Workers with Davis-Lynch or MacQueen, as applicable.

(c) Service Credit and Welfare Benefits. No later than the Closing Date, Seller will provide to Buyer information regarding each Employee's or Worker's service credit recognized as of the Closing Date by Davis-Lynch or its Affiliates or MacQueen, and their respective predecessors, for purposes of eligibility, vesting, determination of the level of benefits, and benefit accruals, under each benefit plan in which such Employee or Worker participated immediately prior to the Closing Date. Following the Closing Date (or, if later, the date of termination of the Staffing Agreement with respect to the Workers), Buyer shall count and credit such recognized service credit with respect to each Employee and Worker for purposes of eligibility, vesting, and benefit accruals but excluding benefit accruals under a defined benefit pension plan under all benefit plans of Buyer which are made available by Buyer or an Affiliate of Buyer to the Employees or Workers, subject to applicable nondiscrimination requirements under the Code and the guidance issued thereunder. Following the Closing Date, Buyer shall cause Davis-Lynch or any Affiliate of Buyer that may employ the Employees or Workers to (A) waive any preexisting condition limitations otherwise applicable to the Employees or the Workers and their eligible dependents under any plan of Buyer or any Affiliate of Buyer that provides health benefits in which the Employees or Workers may be eligible to participate following the Closing to the extent such preexisting condition limitations did not apply under the corresponding plan of Davis-Lynch or its Affiliates or MacQueen and (B) honor any deductible, co-payment and out-of-pocket maximums incurred by the Employees or Workers and their eligible dependents under the health plans in which they participated immediately prior to the Closing Date (or, if later, the date of termination of the Staffing Agreement with respect to the Workers) during the portion of the calendar year prior to the Closing Date (or, if later, the date of termination of the Staffing Agreement with respect to the Workers) in satisfying any deductibles, co-payments or out-of-pocket maximums under health plans of Davis-Lynch, Buyer or any Affiliate of Buyer in which they are eligible to participate on and after the Closing Date (or, if later, the date of termination of the Staffing Agreement with respect to the Workers) in the same plan year in which such deductibles, co-payments or out-of-pocket maximums were incurred. No later than thirty (30) days after the Closing Date, Seller shall provide Buyer with all information reasonably necessary to satisfy the requirements of the preceding sentence and of Section 7.3(b) and, to the extent such information is not so provided, Buyer shall have no obligation to take any action that would otherwise be required of it in connection with such requirements.

(d) Key Personnel; Workers. Notwithstanding the preceding provisions of this Section 7.3:

(i) the only provision of Section 7.3(a) that shall apply to the Key Personnel who enter into written employment contracts with Buyer or one of its Affiliates (including the Company following the Closing) in accordance with Section 7.12 shall be that provision relating to the level of benefits

that Buyer shall provide or cause to be provided during the one year following the Closing Date. For the avoidance of doubt, those provisions of Section 7.3(a) relating to base salary or rate of pay or severance pay and benefits referenced on Schedule 7.3(a) shall not apply to Key Personnel who enter employment contracts as contemplated by Section 7.12.

(ii) Buyer's obligations under this Section 7.3 with respect to a Worker shall, during the period such Worker is employed by MacQueen, be limited to using Reasonable Efforts to cause MacQueen (at the cost and expense of Buyer) to fulfill such obligations.

7.4 Public Announcements. Prior to the Closing, the Parties shall consult with each other and obtain the other's written approval before they or any of their Affiliates issue any press release or otherwise make any public statement with respect to this Agreement or the Transactions. Buyer and Seller and their Affiliates shall not issue any such press release or make any such public statement prior to such consultation and approval, except as may be required by Law; but such approval shall not be unreasonably withheld.

7.5 Supplemental Disclosure. Seller shall have the continuing obligation until the Closing to notify Buyer with respect to any matter hereafter arising or discovered which, if existing or known at the date of this Agreement, would have been required to be set forth or described in the Disclosure Schedule. Seller shall promptly deliver a copy of the amendment or supplement (in either case, the "Supplemental Disclosure") to Buyer. For all purposes of this Agreement, including the indemnification provisions, conditions to Closing (including in determining whether the condition set forth in Section 9.1 has been fulfilled) and representations and warranties contained herein, the Schedules hereto shall be deemed to include only that information contained therein on the date of this Agreement and shall be deemed to exclude all information contained in any Supplemental Disclosure; provided, however, that if the Closing shall occur, then all matters disclosed pursuant to any Supplemental Disclosure at or prior to the Closing that relate to facts in existence after the date of this Agreement which give rise to a breach of a representation or warranty contained in Article 4 or 5 hereof shall be waived, and no Buyer Indemnitee or other Party shall be entitled to make any Claim in respect thereof. For the avoidance of doubt, any such Supplemental Disclosure based upon facts in existence prior to the date of this Agreement which give rise to a breach of a representation or warranty contained in Article 4 or 5 hereof shall be disregarded for all purposes under this Agreement (including the indemnification provisions, conditions to Closing (including in determining whether the condition set forth in Section 9.1 has been fulfilled) and representations and warranties contained herein) other than in connection with any claim of fraud.

7.6 Expenses. Except as otherwise expressly provided in this Agreement, all fees and expenses incurred in connection with this Agreement and the Transactions shall be paid by the Party incurring such fee or expense, whether or not the Closing shall have occurred.

7.7 Excluded Assets.

(a) The Transactions exclude, and prior to the Closing Date, Seller may cause Davis-Lynch to transfer to Seller or any of its Affiliates the following (the "Excluded Assets"):

(i) the information described in subsections (1) and (2) of the last paragraph of Section 7.1(a);

(ii) all cash and cash equivalents owned, held or controlled by the Company as of the time of such transfer (which must occur prior to the Closing Date), including amounts held in demand and deposit accounts, certificates of deposit, securities, negotiable instruments, life insurance policies on the life of the Shareholder, annuities, and items of similar nature; and

(iii) all rights and interests of whatever nature under the lawsuits, claims, litigation and causes of action, and all related rights, properties and interests (including property obtained in realization of the foregoing), all described in Schedule 7.7(a).

Buyer acknowledges that Seller intends to sweep the Company's accounts no later than the date prior to the Closing Date and that it will be incumbent upon Buyer to furnish its own cash working capital for operation of the Business from and after Closing. Notwithstanding anything to the contrary provided elsewhere in this Agreement, Seller's representations and warranties in Article 4 shall not apply to any of the items described in clauses (i) through (iii) of the immediately preceding sentence.

(b) Buyer acknowledges that Seller, between the time of execution of this Agreement and the Closing Date, will be taking various actions required to transfer and assign the Excluded Assets from the Company to Seller or a Seller Affiliate. If the transfer of any of the Excluded Assets requires the consent of any Third Party and such consent is not received prior to Closing, Seller and Buyer shall cooperate and each shall use Reasonable Efforts to obtain such consents to the extent required of such Third Party. If and when any such consents are obtained, Buyer will cause the applicable asset to be transferred to Seller or its designated Affiliate. If any such consent cannot be obtained, Buyer shall cooperate in any reasonable arrangement designed to obtain for Seller all benefits, obligations and privileges of the applicable Excluded Asset, including possession, use, risk of loss, potential for gain and dominion, control and demand.

(c) Except to the extent expressly set forth in this Agreement and any Transaction Document executed pursuant to Section 7.7(b), after the Closing, neither Buyer, Davis-Lynch nor any other Buyer Indemnitee shall have any obligation with respect to any Excluded Asset, and Seller and the Shareholder hereby release and discharge the Buyer Indemnitees from any and all obligations, claims and Losses that have or may accrue and that relate to, arise out of or result from the Excluded Assets.

7.8 Non-Competition and Non-Solicitation.

(a) For a period of two years beginning on the Closing Date, the Seller and the Shareholder shall not act for, be employed by, engage in, carry on, provide consulting services to (except as provided under the Consulting Agreement), license, permit or assign the right to use Shareholder's personal name (including solely the name "Davis"), directly or indirectly, to, or have a financial interest in (directly or indirectly, individually, as a member of a partnership or limited liability company, equity owner, stockholder, investor, owner, officer, director, trustee, manager, employee, agent, representative, associate or consultant), any Competitive Business anywhere within the Territory.

(b) For a period of two years beginning on the Closing Date, the Seller and the Shareholder shall not, whether as a principal, agent, officer, director, employee, consultant, independent contractor or otherwise, alone, in association with or on behalf of any other Person, firm, corporation or other business organization, directly or indirectly (i) solicit, sell, call upon, advise, do or attempt to do business with or otherwise contact for a business purpose any customer of the Business (as conducted on and after the Closing Date) for any Competitive Business anywhere within the Territory, or solicit, encourage or induce any such customer to terminate, suspend, or otherwise modify its business relationship with the Company, or (ii) hire or attempt to hire any officer, employee or consultant of the Company or its successors or solicit or encourage any such Person to terminate his or her employment or engagement with the Company or its successors.

(c) The Seller and the Shareholder acknowledge and agree that the covenants and undertakings set forth in this Section 7.8 are incident to the sale of a business and the transfer of the goodwill that the Seller and the Shareholder are conveying and causing to be conveyed are reasonable and necessary for the protection of the legitimate business interests of the Buyer and the Company. In this regard, the Seller and the Shareholder specifically agree that the limitations as to period of time and geographic area, as well as all other restrictions on their activities specified herein, are reasonable and necessary for the protection of the Buyer and the Company and the value of the Interests purchased by the Buyer under this Agreement and the goodwill associated therewith. The Parties agree that, if any court of competent jurisdiction determines that a specified time period, a specified geographical area, a specified business limitation or any other relevant feature of this Section 7.8 is unreasonable, arbitrary or against public policy, then a lesser period of time, geographical area, business limitation or other relevant feature which is determined to be reasonable, not arbitrary and not against public policy shall be enforced against the applicable Party. The Parties acknowledge and agree that, in the event of a breach or threatened breach of any of the provisions of this Section 7.8, Buyer and the Company shall be entitled to immediate injunctive relief, as any such breach would cause Buyer and the Company irreparable injury for which there would be no adequate remedy at law. Nothing herein shall be construed so as to prohibit the Buyer or the Company from pursuing any other remedies available at law or in equity for any such breach or threatened breach.

7.9 Purchase Price Allocation. Buyer and Seller shall use Reasonable Efforts to agree on the amount and appropriate allocation of the Tax Consideration among the Davis-Lynch assets prior to the Closing Date, it being understood and agreed that inventory will be valued at cost, accounts receivable will be valued at book basis less existing allowances for doubtful accounts, and fixed assets will be valued no higher than original cost, unless otherwise required by Section 1060 of the Code and the Treasury Regulations promulgated thereunder. Buyer and Seller agree to cooperate in good faith to mutually agree to such allocation and shall reduce such agreement to writing (as agreed upon, the “Purchase Price Allocation”). Buyer and Seller covenant that they will each file any forms and statements required under U.S. federal or state income Tax laws (including IRS Form 8594) with their respective 2011 income Tax Returns to report the Purchase Price Allocation in accordance with the instructions on the forms. The Purchase Price Allocation shall be revised to take into account subsequent adjustments to the Tax

Consideration in the manner provided by Section 1060 of the Code and the Treasury Regulations thereunder. Buyer and Seller shall not file any Tax Return or otherwise take any position with respect to Taxes which is inconsistent with such Purchase Price Allocation, except as required pursuant to a "determination" within the meaning of Section 1313(a) of the Code.

7.10 Insurance, Etc. From and after the Closing, the Buyer shall not, and it shall not cause the Company or its successors to, take any action that would void, terminate or otherwise cancel any insurance coverages in effect at the time of the Closing, to the extent that the same would render unavailable to any Persons acting as officers, directors or similar capacities of Davis-Lynch any insurance coverage that would otherwise have been available to them with respect to occurrences prior to and including the Closing. To the extent that any such Person thereof is a named insured party under any such insurance coverages with respect to occurrences prior to and including the Closing, the Buyer shall not (and shall not cause the Company or its successors to) take any action to remove them from named insured status. In addition, any indemnification, contribution, exculpation and reimbursement rights of any such Persons accrued through the Closing Date, whether under Davis-Lynch's constituent documents, or under any contract listed on the Disclosure Schedule shall not be terminated and no rights thereunder impaired as a result of the Transactions, but those rights shall survive the Closing and continue in effect thereafter with respect to events and conditions in existence at or prior to the Closing Date. The provisions of this Section 7.10 are intended for the benefit of, and will be enforceable by, any current or former officer or director (or person exercising equivalent functions) of Davis-Lynch and his or her heirs or representatives, and are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such Person may have had by contract or otherwise. For the avoidance of doubt, this Section 7.10 shall not prohibit Buyer or the Company, after the Closing, from amending, canceling, replacing or otherwise altering any insurance policy or the coverage thereunder with respect to occurrences after the Closing.

7.11 Use of Name. Each of the Shareholder and Seller agrees that from and after the Closing Date, neither the Shareholder nor Seller will directly or indirectly use, in connection with any business activities, any service marks, trademarks, trade names, trade dress, Internet domain names, identifying symbols, logos, emblems, signs or insignia related thereto or containing or comprising the foregoing, including any word or logo confusingly similar thereto, used by Davis-Lynch on or before the Closing Date. This Section 7.11 in no event restricts the Shareholder's use of his own personal name except to the extent and for the period set forth in Section 7.8.

7.12 Key Personnel Contracts. Subject to and conditioned upon the occurrence of the Closing, Buyer shall, or shall cause one of its Affiliates (including the Company, following the Closing) to enter into written employment contracts, each of which contracts shall be in the form attached hereto as Exhibit D, with each of the Key Personnel who execute and deliver such contracts (in such form) to Buyer within thirty days of the Closing. If Buyer fails or refuses to timely enter into any such contract with any such Key Personnel who is ready, willing and able to execute a counterpart thereof, the Seller is authorized to enforce the foregoing obligation of the Buyer and seek liquidated damages against the Buyer arising from such failure or refusal in an amount equal to one year's base salary plus the anticipated 2011 bonus of the affected Key Personnel, which liquidated damages are agreed to be the Parties' reasonable estimate of the financial injury resulting therefrom and is not intended as a penalty.

7.13 2008 Audit. Promptly following execution of this Agreement, Seller agrees to engage its regular outside accounting firm to conduct an audit of the financial statements of Company Predecessor at December 31, 2008 and for the fiscal year then ended in accordance with audit standards consistent with those employed in the audit of the Financial Statements described in Section 4.8(a)(i). All fees and expenses associated with the foregoing are intended to be for the account of Buyer. Buyer shall immediately upon written demand reimburse the Seller or the Company (as applicable) for all such fees and expenses incurred and paid by it prior to Closing, or if Closing for any reason (regardless of fault) does not occur. If Closing does occur, in no event shall any such fees and expenses be included as liabilities in any calculation of Working Capital. In no event shall the progress or completion of such audit constitute a condition to Closing hereunder.

7.14 Letters of Credit. The Parties acknowledge that consummation of the Transactions will constitute an event of default under the Continuing Agreement for Commercial and Standby Letters of Credit described on Schedule 4.14(a), and they agree that it is not a condition to consummation of the Transactions that any consents or waivers be obtained under such Agreement. It shall therefore be the Buyer's responsibility, at or prior to the Closing, at Buyer's discretion, to (i) obtain a satisfactory consent or waiver under such Agreement, (ii) cause all letters of credit issued thereunder and in force as of the Closing to be released at or prior to Closing, and to substitute such letters of credit with replacement letters of credit or other security to the reasonable satisfaction of the beneficiaries thereof, or (iii) enter into a financial accommodation with the issuer of such letters of credit to permit the same to remain outstanding following consummation of the Transactions and such event of default. Buyer shall keep Seller reasonably informed regarding the foregoing, and Buyer shall take such action without cost or liability to Seller or the Shareholder and in such a way so as not to prevent or interfere with the distribution of cash and cash equivalents contemplated by Section 7.7(a) and the other rights and interests of Seller and the Shareholder under the Transaction Documents. Seller and Shareholder shall use their Reasonable Efforts to cause the Company to cooperate with Buyer in connection with Buyer's satisfaction of its obligations under this Section 7.14; provided that Buyer will reimburse Seller or Shareholder, as applicable, within ten Business Days after demand in writing therefor, for any reasonable, out-of-pocket costs incurred by Seller or Shareholder, as applicable, in complying with the obligations of Seller and Shareholder set forth in this sentence.

ARTICLE 8
CONDITIONS TO OBLIGATIONS OF SELLER AND SHAREHOLDER

The obligations of Seller and the Shareholder to consummate the Transactions shall be subject to the fulfillment as of the Closing Date of each of the following conditions:

8.1 Accuracy of Representations and Warranties. All representations and warranties of Buyer contained in this Agreement (considered collectively), and each of such representations and warranties (considered individually), must be true and correct in all material respects (or if any such representation is expressly qualified by "materiality" or words of similar import, then in all respects) as of the date hereof and as of Closing, as though made anew at and as of the Closing, except as if expressly made as of a specific date, then, only as of such date.

8.2 Performance of Covenants and Agreements. Buyer shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by it on or prior to the Closing Date, and all deliveries contemplated by Section 3.3 shall have been made.

8.3 HSR Act and Consents.

(a) All waiting periods (and any extensions thereof) applicable to this Agreement and the Transactions under the HSR Act shall have expired or been terminated.

(b) There shall have been obtained any and all other Governmental Approvals and Third Party consents required for Buyer to enter into this Agreement and perform its obligations hereunder.

8.4 Legal Proceedings. No preliminary or permanent injunction or other order, decree, or ruling issued by a Governmental Entity, and no statute, rule, regulation, or executive order promulgated or enacted by a Governmental Entity, which restrains, enjoins, prohibits, or otherwise makes illegal the consummation of the Transactions shall be in effect.

8.5 Related Transactions. The Buyer shall have executed and delivered to Seller and the Shareholder counterparts of the Escrow Agreement, the Consulting Agreement, and the other Transaction Documents required by this Agreement to be executed and delivered by the Buyer. The transactions under the Real Property Purchase Agreement shall have been consummated on the Closing Date and substantially contemporaneously with the Closing hereunder, including without limitation the payment of the cash consideration to Cadled thereunder.

ARTICLE 9
CONDITIONS TO OBLIGATIONS OF BUYER

The obligations of Buyer to consummate the Transactions shall be subject to the fulfillment as of the Closing Date of each of the following conditions:

9.1 Accuracy of Representations and Warranties. All representations and warranties (other than the representations and warranties referred to in the immediately following sentence) of Seller and the Shareholder contained in this Agreement (considered collectively), and each of such representations and warranties (considered individually), must be true and correct in all material respects (or if any such representation or warranty is expressly qualified by “materiality,” “Material Adverse Effect,” or words of similar import, then in all respects) as of the date hereof and as of Closing, as though made anew at and as of the Closing, except as if expressly made as of a specific date, then, only as of such date, without giving effect to any Supplemental Disclosure, except where the failure of such representations and warranties to be so true and correct has not had and would not be reasonably likely to have, individually or in the aggregate, a Material Adverse Effect. The representations and warranties made by Seller and the Shareholder in Sections 4.1(a), 4.1(c), 4.1(d), 4.2, 4.4 and 4.18 must be true and correct in all respects as of the date hereof and as of the Closing Date, as though made anew at and as of the Closing Date, except as if expressly made as of a specific date, then, only as of such date.

9.2 Performance of Covenants and Agreements. Seller and the Shareholder shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by them on or prior to the Closing Date, and all deliveries contemplated by Section 3.2 shall have been made.

9.3 HSR Act and Consents.

(a) All waiting periods (and any extensions thereof) applicable to this Agreement and the Transactions under the HSR Act shall have expired or been terminated.

(b) There shall have been obtained any and all other Governmental Approvals and Third Party consents specified on Schedule 4.6.

9.4 Legal Proceedings. No preliminary or permanent injunction or other order, decree or ruling issued by a Governmental Entity, and no statute, rule, regulation or executive order promulgated or enacted by a Governmental Entity, which restrains, enjoins, prohibits, or otherwise makes illegal the consummation of the Transactions shall be in effect.

9.5 Related Transactions. Seller and the Shareholder shall have executed and delivered to the Buyer a counterpart of the Escrow Agreement, the Shareholder shall have executed and delivered a counterpart of the Consulting Agreement, and the Seller and the Shareholder shall have executed and delivered the other Transaction Documents required by this Agreement to be executed and delivered by them. In addition, the transactions under the Real Property Purchase Agreement shall have been consummated on the Closing Date and substantially contemporaneously with the Closing hereunder, including without limitation Cadled's execution of its deed and other transfer documents as contemplated thereunder.

ARTICLE 10
TERMINATION, AMENDMENT, AND WAIVER

10.1 Termination. Subject to the remaining provisions of this Article 10, this Agreement may be terminated at any time prior to the Closing in the following manner:

(a) by mutual written consent of Seller, the Shareholder and Buyer;

(b) by any of Seller, the Shareholder or Buyer, by written notice to the other Parties, if any Governmental Entity with jurisdiction over such matters shall have issued an order or injunction restraining, enjoining, or otherwise prohibiting the sale of the Interests hereunder and such order, decree, ruling, or other action shall have become final and non-appealable provided that such Party has satisfied its obligations under Section 7.2(a) in response to the actions or requests of such Governmental Entity;

(c) by Seller or the Shareholder, by written notice to Buyer, if (i) there shall have been a material breach or inaccuracy of Buyer's representations or warranties in this Agreement, which breach would give rise to a failure of a condition set forth in Section 8.1 or 8.2 and such breach or inaccuracy has not been cured (if capable of cure) within ten (10) calendar days following delivery of written notification thereof from Seller or the Shareholder; or (ii) Buyer fails to comply in any material respect with any of its covenants or agreements in this

Agreement, provided that the Seller or the Shareholder must give Buyer at least ten (10) calendar days' prior notice of such failure and the failure is not, or cannot be, cured before expiration of such period;

(d) by Buyer, by written notice to Seller and the Shareholder, if (i) there shall have been a material breach or inaccuracy of Seller's or the Shareholder's representations or warranties in this Agreement, which breach would give rise to a failure of a condition set forth in Section 9.1 or 9.2 and such breach or inaccuracy has not been cured (if capable of cure) within ten (10) calendar days following delivery of written notification thereof from Buyer; or (ii) Seller or the Shareholder fails to comply in any material respect with any of its or his covenants or agreements in this Agreement; provided that Buyer must give Seller and the Shareholder at least ten (10) calendar days' prior notice of such failure and the failure is not, or cannot be, cured before expiration of such period; or

(e) by either Seller or Buyer, by written notice to the other if the Closing shall not have occurred on or before the earlier to occur of (i) the later of (A) the 30th day after the execution of this Agreement and (b) the tenth Business Day following satisfaction or waiver of the conditions to close in Articles 8 and 9 as specified in Section 3.1 or (ii) the ninetieth (90th) calendar day following the date hereof; provided, however, that (I) if the sole reason Closing has not occurred within ninety (90) days following the date of this Agreement is the failure of the conditions specified in Section 8.3(a) and/or 9.3(a) to be satisfied, then such outside Closing Date may be extended by any Party by written notice to the other Parties to not more than 60 additional days until such conditions are satisfied, and (II) the right to terminate this Agreement under this Section 10.1(e) shall not be available to a Party whose breach of or failure to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur prior to such date.

10.2 Effect of Termination. If this Agreement is validly terminated pursuant to Section 10.1, all obligations and liabilities of the Parties under this Agreement shall terminate and become void, provided that this Article 10 and the confidentiality provisions of Section 7.1(a) shall survive the termination hereof; provided, however, that if this Agreement is validly terminated pursuant to Section 10.1(c), Section 10.1(d) or Section 10.1(e), then nothing in this Agreement shall relieve any Party from any liability for any breach of this Agreement or for actual (as distinguished from constructive or equitable) fraud, and any and all rights and remedies of non-breaching Parties under this Agreement in the case of any such breach or actual (as distinguished from constructive or equitable) fraud, at law and in equity, shall be preserved. No termination of this Agreement shall affect the obligations of the Parties pursuant to the Confidentiality Agreement, except to the extent specified therein. The Seller and the Shareholder may assert on behalf and in the name of the Company any damages incurred by or other relief available to the Company arising from any such breach by Buyer.

10.3 Amendment. This Agreement may not be amended except by an instrument in writing signed by or on behalf of each of the Parties.

10.4 Waiver. Seller or Shareholder may (i) waive any inaccuracies in the representations and warranties of Buyer contained herein or in any document, certificate, or writing delivered pursuant hereto or (ii) waive compliance by Buyer with any of Buyer's

agreements or fulfillment of any conditions to its own obligations contained herein. Buyer may (i) waive any inaccuracies in the representations and warranties of Seller or the Shareholder contained herein or in any document, certificate, or writing delivered pursuant hereto or (ii) waive compliance by Seller or the Shareholder with any of Seller's or the Shareholder's agreements or fulfillment of any conditions to its own obligations contained herein. Any agreement on the part of a Party to any such waiver shall be valid only if set forth in an instrument in writing signed by or on behalf of such Party. No failure or delay by a Party in exercising any right, power, or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or affect such Party's ability not to grant any waiver on any future occasion or the exercise of any other right, power, or privilege.

ARTICLE 11
TAX MATTERS

11.1 Federal Income Tax Returns. Because the Company is classified as a disregarded entity for federal income tax purposes, it will not be required to file federal income Tax Returns for any Pre-Closing Tax Period or Straddle Period. In this connection, the Parties acknowledge and agree that for federal income tax reporting purposes with respect to the 2011 Straddle Period:

(a) Seller shall report all items of Company income, gain, loss, deduction or credit that relate to the Pre-Closing Partial Tax Period on Seller's federal income tax return and Seller shall pay, or cause to be paid, any and all Taxes related thereto; and

(b) Buyer shall report all items of Company income, gain, loss, deduction or credit that relate to the Post-Closing Partial Tax Period on Buyer's federal income tax return and Buyer shall pay, or cause to be paid, any and all Taxes related thereto.

11.2 Texas Franchise Tax Reports. With respect to Texas franchise taxes, the Parties acknowledge and agree that:

(a) Seller will file the Texas Franchise Tax Report for the Company Predecessor for any Pre-Closing Tax Period that ends on or before the Conversion Date and will pay, or cause to be paid, any and all Taxes related thereto;

(b) Seller will include all of the Company's gross receipts and permitted deductions that relate to the Pre-Closing Tax Period beginning after the Conversion Date and ending on and including the Closing Date in Seller's combined-group Texas Franchise Tax Report and will pay, or cause to be paid, any and all Taxes related thereto; and

(c) Buyer will be responsible for reporting all of the Company's gross receipts that relate to the Post-Closing Tax Period for Texas franchise tax purposes (whether as part of a combined-group report or otherwise) and will pay, or cause to be paid, any and all Taxes related thereto.

11.3 Federal Payroll Tax Filings. With respect to federal payroll tax filings, the Parties acknowledge and agree that, where required by law:

(a) Seller shall make all federal payroll tax deposits for all Employees on a timely basis as required through the Conversion Date under the federal employer identification number of the Company Predecessor;

(b) Seller shall make all federal payroll tax deposits for all Employees on a timely basis as required for the period beginning on Conversion Date and ending on and including the Closing Date under the federal employer identification number of the Company;

(c) Seller shall make payments to MacQueen as required under the Staffing Agreement sufficient to permit MacQueen to make all Federal payroll tax deposits for all workers as required through the Closing Date under the Federal employer identification number of MacQueen;

(d) Buyer shall make all federal payroll tax deposits for all Employees on a timely basis as required for the Post-Closing Tax Period;

(e) Seller shall be responsible for filing all payroll tax returns (IRS Forms 941, etc.) that relate to the Company Predecessor, and payroll tax returns that relate to the Company if due on or before the Closing Date; and

(f) Buyer shall be responsible for filing all payroll tax returns (IRS Forms 941, etc.) that relate to the Company that are due after the Closing Date.

11.4 Other Tax Returns. The Parties acknowledge and agree that except as set forth in Sections 11.1, 11.2, and 11.3:

(a) Seller shall prepare or cause to be prepared, and shall file or cause to be filed, all Tax Returns of Davis-Lynch for any Tax related to any Pre-Closing Tax Period (other than those returns to be filed by Buyer pursuant to Section 11.4(b)) that are required to be filed on, before, or after the Closing Date. Seller shall pay, or cause to be paid, all Taxes with respect to such Tax Returns.

(b) Buyer shall prepare or cause to be prepared and shall file or cause to be filed all Tax Returns of Davis-Lynch for Straddle Periods. Except to the extent otherwise required by Law, such Tax Returns shall be prepared on a basis consistent with the past practices. Seller shall pay, or cause to be paid, all Taxes that are allocable (pursuant to Section 11.5) to the Pre-Closing Partial Tax Period. Seller shall pay Buyer any amount due under this Section 11.4(b) within ten (10) days following written notice by Buyer that payment of such amounts are due or have been paid, provided that the Seller shall not be required to make any payments earlier than five (5) days before such payments are due.

11.5 Straddle Periods. For purposes of this Agreement, in the case of any Taxes that are payable for a Straddle Period, the portion of such Taxes that are allocable to the Pre-Closing Partial Tax Period is (i) in the case of any property or *ad valorem* Taxes or other Taxes determined without regard to income, receipts or transactions occurring on a specific date, deemed to be the amount of such Tax for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of days in the Pre-Closing Partial Tax Period and the denominator of which is the number of days in the entire Straddle Period, and (ii) in the case of

all other Taxes, deemed equal to the amount which would be payable as computed on a "closing-of-the-books" basis if the relevant Straddle Period ended on and included the Closing Date; provided, however, that exemptions, allowances or deductions that are calculated on an annual basis (including depreciation and amortization deductions) shall be allocated between the Pre-Closing Partial Tax Period and the Post-Closing Partial Tax Period in proportion to the number of days in each period. Notwithstanding the foregoing, any franchise Tax or other Tax providing the right to do business for a specified period shall be allocated to the taxable period during which the income, operations, assets or capital comprising the base of such Tax is measured, regardless of whether the right to do business for another period is obtained by the payment of such Tax.

11.6 Tax Contests. The Parties agree to give prompt notice to each other of any audit, examination, proposed adjustment, notice of deficiency, or notice regarding the assessment or proposed collection of Taxes of the Company with respect to any Pre-Closing Tax Period, Straddle Period or any matter that gives rise to a claim under Article 12. Buyer agrees to give or to cause Davis-Lynch to give prompt notice to Seller of any audit, examination, proposed adjustment, notice of deficiency, or other notice regarding the assessment or proposed collection of Taxes of the Company Predecessor. Seller shall have the right to control the conduct of any audit or proceeding with respect to the Taxes of Seller, the Company Predecessor or a Pre-Closing Tax Period for which any Buyer Indemnitees are entitled to indemnification (a "Pre-Closing Tax Proceeding"); provided that: (i) Seller shall keep Buyer informed regarding the progress and substantive aspects of such Pre-Closing Tax Proceeding, (ii) Buyer shall be entitled to participate in such Pre-Closing Tax Proceeding, including having an opportunity to comment on any written materials prepared in connection with such Pre-Closing Tax Proceeding and to attend any conferences relating thereto and (iii) if the results of such Pre-Closing Tax Proceeding (other than a proceeding relating to the Taxes of Seller) could reasonably be expected to have an adverse effect on Buyer, the Company or any of their Affiliates for any Post-Closing Tax Period or for which Seller is not liable to indemnify hereunder, Seller shall not compromise or settle any such Pre-Closing Tax Proceeding without obtaining Buyer's prior written consent, which consent shall not be unreasonably withheld or delayed. In the event that Seller does not provide Buyer with a written election to control such a Pre-Closing Tax Proceeding within thirty (30) days after receiving notice thereof, Buyer shall control such proceeding. Buyer shall have the right to control any proposed adjustment to Taxes of the Company with respect to any Straddle Period or any other matter that could give rise to a claim relating to a Post-Closing Tax Period under Sections 11.1, 11.2, 11.3, or 11.4 (a "Post-Closing Tax Proceeding"), provided that if a Buyer Indemnitee is entitled to indemnification with respect to such Post-Closing Tax Proceeding, then (i) Buyer shall keep Seller informed regarding the progress and substantive aspects of such Post-Closing Tax Proceeding, (ii) Seller shall be entitled to participate in such Post-Closing Tax Proceeding, including having an opportunity to comment on any written materials prepared in connection with such Post-Closing Tax Proceeding and to attend any conferences relating thereto and (iii) Buyer shall not compromise or settle any such Pre-Closing Tax Proceeding without obtaining Seller's prior written consent, which consent shall not be unreasonably withheld or delayed. To the extent there is a conflict between the provision of this Section 11.6 and Section 12.2, the provisions of this Section 11.6 shall control.

11.7 Tax Matters Cooperation; Other Tax Matters.

(a) Buyer and Seller shall, and Buyer shall cause the Company to, cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the filing of any Tax Returns for Davis-Lynch, the filing and prosecution of any Tax claims and any audit, litigation or other proceeding with respect to Davis-Lynch. Such cooperation shall include the retention (until the expiration of the relevant statute of limitations) and (upon the other Party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding, completion of exemption certificates if applicable, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

(b) For purposes of this Article 11, references to any of Buyer, Seller, or Davis-Lynch shall include successors.

(c) Except as otherwise provided herein, in the event of any conflict between Article 12 and this Article 11, this Article 11 shall control.

11.8 Transfer Taxes. Seller shall be responsible for the timely payment of all sales (including bulk sales), use, value added, documentary, stamp, gross receipts, registration, transfer, conveyance, excise, recording, license, stock transfer stamps, and other similar Taxes and fees ("Transfer Taxes") arising out of or in connection with or attributable to the Transactions (including, for the avoidance of doubt, any Transfer Taxes arising from the Reorganization). Seller and Buyer shall use their respective Reasonable Efforts to minimize the incurrence of Transfer Taxes.

11.9 Withholding Taxes. All withholding and other Taxes that may be required to be withheld from any payment due from Buyer to Seller hereunder shall be for the account of Seller. If required by applicable law, Buyer shall deduct from the payment the full amount of such withholding taxes or other Taxes and remit such Taxes to the appropriate Governmental Entity. The balance of the payment after deduction of such Taxes shall be paid to the Seller.

ARTICLE 12
INDEMNIFICATION

12.1 Indemnification.

(a) Indemnity by Seller and the Shareholder. From and after the Closing, subject to the other terms and limitations in this Article 12, Seller and the Shareholder, jointly and severally, shall indemnify, defend and hold harmless the Buyer Indemnitees from and against any and all Losses incurred by any of the Buyer Indemnitees (i) that arise out of any breach of Seller's or the Shareholder's representations or warranties made in this Agreement or in any Transaction Document delivered in connection with this Agreement, (ii) that arise out of any breach of the covenants or obligations of Seller or the Shareholder under this Agreement or (iii) that arise out of, relate to or result from the Excluded Assets.

(b) Buyer's Indemnity. From and after the Closing, subject to the other terms and limitations in this Article 12, Buyer shall indemnify, defend and hold harmless the Seller

Indemnitees from and against any and all Losses incurred by any of the Seller Indemnitees (i) that arise out of any breach of Buyer's representations or warranties made in this Agreement or in any Transaction Document delivered in connection with this Agreement, or (ii) that arise out of any breach of the covenants or obligations of Buyer under this Agreement.

(c) Limitations on Indemnity.

(i) None of the Buyer Indemnitees shall be entitled to assert any right to indemnification under Section 12.1(a) until the aggregate amount of all the Losses actually suffered by the Buyer Indemnitees exceeds the Deductible Amount and then shall be entitled to recover all such amounts from the first dollar (including the Deductible Amount). Subject to Section 12.1(c)(iv), in no event shall Seller ever be required to indemnify the Buyer Indemnitees for Losses under Section 12.1(a) or to pay any other amount in connection with or with respect to the Transactions in any amount exceeding, in the aggregate, fifteen percent (15%) of the Base Purchase Price.

(ii) The Deductible set forth in Section 12.1(c)(i) shall not apply to any claim arising from a breach of Seller's representations or warranties set forth in Sections 4.1, 4.2, 4.4, 4.10 or 4.18.

(iii) The amount of any Loss for which a Buyer Indemnitee claims indemnification shall be reduced by: (A) any available insurance proceeds with respect to a Loss; (B) the amount by which the actual amount of any liability shown on the Effective Time Balance Sheet is less than the amount at which such liability or the reserve therefor is recorded thereon; and (C) the value of any Tax benefit (net of Taxes, the reasonable out-of-pocket expenses incurred in obtaining such benefit and any Tax detriment) realized (by reason of a Tax deduction, basis reduction, shifting of income, credits and/or deductions or otherwise) by Buyer in connection with the Loss. The amount of any Loss for which a Seller Indemnitee claims indemnification shall be reduced by the value of any Tax benefit (net of Taxes, the reasonable out-of-pocket expenses incurred in obtaining such benefit and any Tax detriment) realized (by reason of a Tax deduction, basis reduction, shifting of income, credits and/or deductions or otherwise) realized by Seller in connection with the Loss.

(iv) Notwithstanding anything contained herein to the contrary, the foregoing limitations shall not apply in the case of actual (as distinguished from constructive or equitable) fraud of the Shareholder as determined by a final and non-appealable order of judgment or a court of competent jurisdiction.

(d) WAIVER OF PUNITIVE OR CONSEQUENTIAL DAMAGES.

(i) NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, BUYER SHALL NOT BE LIABLE TO THE SELLER INDEMNITEES FOR ANY EXEMPLARY, PUNITIVE, SPECIAL, INDIRECT, CONSEQUENTIAL, OR SPECULATIVE DAMAGES, EXCEPT TO THE EXTENT ANY SUCH DAMAGES ARE INCLUDED IN ANY ACTION BY A THIRD PARTY AGAINST A SELLER INDEMNITEE FOR WHICH SUCH SELLER INDEMNITEE IS ENTITLED TO INDEMNIFICATION UNDER THIS AGREEMENT.

(ii) NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, NEITHER SELLER NOR THE SHAREHOLDER SHALL BE LIABLE TO ANY BUYER INDEMNITEES FOR ANY EXEMPLARY, PUNITIVE, SPECIAL, INDIRECT, CONSEQUENTIAL, OR SPECULATIVE DAMAGES, EXCEPT TO THE EXTENT ANY SUCH DAMAGES ARE INCLUDED IN ANY ACTION BY A THIRD PARTY AGAINST A BUYER INDEMNITEE FOR WHICH SUCH BUYER INDEMNITEE IS ENTITLED TO INDEMNIFICATION UNDER THIS AGREEMENT. THE FOREGOING LIMITATION SHALL NOT AFFECT THE AVAILABILITY TO ANY INDEMNITEE OF RECOVERY FOR DAMAGES ARISING FROM DIMINUTION IN VALUE WHICH THE PARTIES AGREE SHALL CONSTITUTE DIRECT DAMAGES FOR PURPOSES OF THIS AGREEMENT.

(e) Survival. All of the representations and warranties of the Parties set forth in this Agreement, and the obligations set forth in this Article 12, shall survive the Closing. Notwithstanding the foregoing sentence, after Closing, any assertion by any Person that Seller, the Shareholder or Buyer is liable for indemnification under the terms of Section 12 of this Agreement, must be made in writing and must be delivered to the indemnifying Party on or prior to the date that is eighteen months following the Closing Date, except that (i) any claim arising from a breach of the representations or warranties of Seller and the Shareholder set forth in Sections 4.1(a), 4.1(c), 4.1(d), 4.2, 4.4, or 4.18 must be delivered to Seller on or before expiration of the applicable statute of limitations, (ii) any claim arising from a breach of the representations or warranties of Seller and the Shareholder set forth in Sections 4.15, 4.16 or 4.20 shall survive the Closing for a period of two years and (iii) any claim arising from a breach of the representations or warranties of Seller and the Shareholder set forth in Section 4.10 or Article 11 shall survive the Closing Date for a period ending 90 days after the lapse of the period for assessment, imposition, or refund for any Tax or Tax Return position. Any written claim for indemnification that is timely delivered in accordance with this Agreement prior to the expiration of the applicable survival period set forth in this Section 12.1(e) shall survive the expiration of such survival period, provided it describes, to the extent then reasonably known, the nature of the claim, the theory of liability or the nature of the relief sought and the material factual assertions upon which the claim is based.

(f) Exclusive Remedy. The Parties have voluntarily agreed to define their rights, liabilities and obligations respecting the Transactions exclusively in contract pursuant to the express terms and provisions of this Agreement and the other Transaction Documents, and they expressly disclaim that they are owed any duties, that they are relying on any representations, warranties or assurances, or that they are entitled to any remedies, in each case other than those expressly set forth in this Agreement and the other Transaction Documents. Furthermore, the Parties acknowledge that this Agreement and the other Transaction Documents reflect the justifiable expectations of sophisticated parties derived from arm's-length negotiations. The Parties acknowledge that no Party or its Affiliates has any special relationship with another Party or Person that would justify any expectation beyond that of an ordinary buyer and an ordinary seller in an arm's-length transaction. THEREFORE, IN NO EVENT AND UNDER NO CIRCUMSTANCE SHALL SELLER OR THE SHAREHOLDER HAVE ANY LIABILITY OR

OBLIGATION WHATSOEVER UNDER, NOR SHALL ANY CLAIM OR CAUSE OF ACTION OTHERWISE ARISE OUT OF, THIS AGREEMENT OR IN CONNECTION WITH THE TRANSACTIONS, WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY, OTHER APPLICABLE LAWS OR OTHERWISE, EXCEPT AS EXPRESSLY SET FORTH HEREIN (INCLUDING IN SECTION 12.4(c)(iv), SECTION 13.6 OR IN THE OTHER TRANSACTION DOCUMENTS). ALL OTHER LIABILITIES, OBLIGATIONS, CLAIMS AND CAUSES OF ACTIONS ARE HEREBY EXPRESSLY DISCLAIMED. Except for claims arising out of actual (as distinguished from constructive or equitable) fraud, the indemnification provisions in Article 11 and this Article 12 and the specific performance remedies available under Section 13.6, as applicable, shall represent the exclusive remedy of the Parties under this Agreement from and after the Closing Date, specifically including for any and all Losses incurred regarding, or Claims, Third Party Claims or Proceedings relating to or arising from or under, Environmental Law (e.g., CERCLA, RCRA and OSHA and their state analogs) or Environmental Permits or otherwise pertaining in any way to the Environment (such as a Release of one or more Hazardous Substances into the Environment) or occupational safety and occupational health. Without limiting the generality of the foregoing, each Party hereby waives any right or remedy of rescission in connection with the Transactions.

(g) No Double Recovery. Notwithstanding the fact that any Indemnitee may have the right to assert claims for indemnification under or in respect of more than one provision of this Agreement in respect to any fact, event, condition or circumstance, no Person shall be entitled to recover the amount of any Losses suffered by such Person more than once under both this Agreement and the other Transaction Documents in respect of such fact, event, condition or circumstance. Without limiting the generality of the foregoing, no indemnification is available with respect to any Losses to the extent such Losses are based upon any component of Working Capital reflected in the Final Working Capital as adjusted in accordance with Section 2.4. Notwithstanding the foregoing, Indemnitee shall be entitled to seek recovery under such provisions of this Agreement that maximize its recovery (e.g., if particular Losses would be subject to the Deductible Amount if a claim were made in respect of a breach of a representation or warranty but would not be subject to the Deductible Amount if made in respect of a breach of another representation or warranty or in respect of another right to indemnification, or if Losses would be time barred under Section 12.1(e) if a claim were made in respect of a breach of a representation or warranty but would not be time barred if made in respect of a breach of another representation or warranty or in respect of another right to indemnification, then the Indemnitee may seek recovery under the right to indemnification that is not subject to the deductible or is not time barred).

(h) Indemnity as Adjustment to Purchase Price. The Parties agree to treat any indemnity payment made pursuant to this Article 12 as an adjustment to the Tax Consideration for all Tax purposes, unless otherwise required pursuant to a “determination” within the meaning of Section 1313(a) of the Code.

12.2 Defense of Claims.

(a) Notice. If an Indemnitee receives notice of the assertion of any claim or of the commencement of any Third Party Claim with respect to which indemnification is to be sought from the Indemnifying Party, the Indemnitee will give such Indemnifying Party reasonable

prompt notice thereof. In no event shall such notice be given later than ten (10) days after the Indemnitee's receipt of notice of such Third Party Claim. However, the failure to give timely notice will not affect the rights or obligations of the Indemnifying Party except and only to the extent that, as a result of such failure, the Indemnifying Party was prejudiced. Such notice shall describe the nature of the Third Party Claim in reasonable detail and will indicate the estimated amount, if practicable, of the Loss that has been or may be sustained by the Indemnitee. The Indemnifying Party will have the right to participate in or, by giving notice to the Indemnitee, to elect to assume the defense of, any Third Party Claim at such Indemnifying Party's own expense and by such Indemnifying Party's own counsel, and the Indemnitee will cooperate in good faith in such defense at such Indemnitee's own expense.

(b) Opportunity to Defend. If within ten (10) days after an Indemnitee provides notice to the Indemnifying Party of any Third Party Claim, the Indemnitee receives notice from the Indemnifying Party that such Indemnifying Party has elected to assume the defense of such Third Party Claim, the Indemnifying Party will not be liable for any legal expenses subsequently incurred by the Indemnitee in connection with the defense thereof. Without the prior written consent of the Indemnitee, which shall not be unreasonably withheld or delayed, the Indemnifying Party will not enter into any settlement of any Third Party Claim which (a) would lead to liability or create any financial or other obligation on the part of the Indemnitee for which the Indemnitee is not entitled to indemnification hereunder (including after giving effect to any time limitations or maximum liability exposure of such Indemnifying Party pursuant to this Agreement) or (b) contains any sanction or restriction upon the conduct of any business of any Indemnitee. If a firm offer is made to settle a Third Party Claim (a) without leading to liability or the creation of a financial or other obligation on the part of the Indemnitee for which the Indemnitee is not entitled to indemnification hereunder and (b) which does not contain any sanction or restriction upon the conduct of any business of any Indemnitee, and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party will give notice to the Indemnitee to that effect. If the Indemnitee fails to consent to such firm offer within ten days after its receipt of such notice, the Indemnitee may continue to contest or defend such Third Party Claim and, in such event, the maximum liability of the Indemnifying Party regarding such Third Party Claim will be the amount of such settlement offer, plus reasonable costs and expenses paid or incurred by the Indemnitee up to the date of such notice.

(c) Direct Claim. Any Direct Claim will be asserted by giving the Indemnifying Party reasonably prompt written notice thereof, stating the nature of such claim in reasonable detail and indicating the estimated amount, if practicable, but in any event not later than thirty (30) days after the Indemnitee becomes aware of such Direct Claim. The Indemnifying Party will have a period of ninety (90) days within which to respond to such Direct Claim. If the Indemnifying Party does not respond within such ninety (90) day period, the Indemnifying Party will be deemed to have accepted such Direct Claim. If the Indemnifying Party rejects such Direct Claim, the Indemnitee will be free to seek enforcement of its rights to indemnification under this Agreement.

ARTICLE 13
MISCELLANEOUS

13.1 Notices. All notices, requests, demands, and other communications required or permitted to be given or made hereunder by either Party (each a "Notice") shall be in writing and shall be deemed to have been duly given or made if (i) delivered personally, (ii) transmitted by first class registered or certified mail, postage prepaid, return receipt requested, (iii) delivered by prepaid overnight courier service, or (iv) delivered by confirmed facsimile transmission to the Parties at the following addresses (or at such other addresses as shall be specified by the Parties by similar notice):

If to Buyer:

Forum Energy Technologies, Inc.
920 Memorial City Way, Suite 800
Houston, Texas 77024
Attention: James McCulloch
Fax: 281-949-2555

with a copy to:

Vinson & Elkins L.L.P.
1001 Fannin Street, Suite 2500
Houston, Texas 77002
Attention: W. Matthew Strock
Fax: 713-615-5650

If to Seller or the Shareholder:

Davis-Lynch Holding Co., Inc.
Attn: Carl A. Davis
2700 Post Oak Boulevard, Suite 1050
Houston, Texas 77056
Fax: 713-572-0888

with copy to:

Thompson & Knight LLP
333 Clay Street, Suite 3300
Houston, Texas 77002
Facsimile.: (713) 654-1871
Attn: W. Christopher Schaeper

Notices shall be effective (i) if delivered personally or sent by courier service, upon actual receipt by the intended recipient, (ii) if mailed, upon the earlier of five days after deposit in the mail or the date of delivery as shown by the return receipt therefor, or (iii) if sent by facsimile transmission, when the answer back is received.

13.2 Entire Agreement. This Agreement, together with the Schedules, the Exhibits, and the Confidentiality Agreement, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof. There are no restrictions, promises, representations, warranties, covenants or undertakings between the Parties, other than those expressly set forth or referred to herein or therein.

13.3 Binding Effect; Assignment; No Third Party Benefit. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and assigns provided neither this Agreement nor any of the rights, interests, or obligations hereunder may be assigned by any Party without the prior written consent of the other Party. Except as expressly provided herein (a) with respect to the Buyer Indemnitees and the Seller Indemnitees (solely with respect to such Persons' rights to indemnification pursuant to Article XII) and (b) with respect to the current and former officers and directors (and persons exercising equivalent functions) of Davis-Lynch, and their heirs and representatives entitled to the benefits set forth in Section 7.10 (solely with respect to such Persons' rights under Section 7.10), nothing in this Agreement is intended to or shall confer upon any Person other than the Parties, and their successors and permitted assigns, any rights, benefits, or remedies of any nature whatsoever under or by reason of this Agreement. For the avoidance of doubt, Employees and Workers are not third party beneficiaries of Section 7.3.

13.4 Severability. If any provision of this Agreement is held to be unenforceable, this Agreement shall be considered divisible and such provision shall be deemed inoperative to the extent it is deemed unenforceable, and in all other respects this Agreement shall remain in full force and effect.

13.5 Governing Law; Consent To Jurisdiction.

(a) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES OR PRINCIPLES.

(b) THE PARTIES HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF TEXAS LOCATED IN HARRIS COUNTY, TEXAS OVER ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, AND EACH PARTY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH DISPUTE OR PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH COURTS. THE PARTIES HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH THEY MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY BROUGHT IN SUCH COURT OR ANY DEFENSE OF INCONVENIENT FORUM FOR THE MAINTENANCE OF SUCH DISPUTE. EACH PARTY AGREES THAT A JUDGMENT IN ANY SUCH DISPUTE MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

(c) EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

13.6 Specific Performance. Each of the Parties acknowledges and agrees that the other Parties would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each of the Parties agrees that the other Parties shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions of this Agreement in any action instituted in any court provided for in Section 13.5(b), in addition to any other remedy to which they may be entitled, at law or in equity, subject to the limitations set forth in Section 12.1(f).

13.7 Further Assurances. From time to time following the Closing, at the request of any Party and without further consideration, the other Party or Parties shall execute and deliver to such requesting Party such instruments and documents and take such other action (but without incurring any material financial obligation) as such requesting Party may reasonably request to consummate more fully and effectively the Transactions.

13.8 Disclosure Schedule. The Disclosure Schedule, and any supplements or amendments, must relate only to the representations and warranties in the Section of the Agreement to which they expressly relate and not to any other representation or warranty in this Agreement, except to the extent its relevance to another Section is reasonably apparent on its face. Certain information set forth in the Schedules is included solely for informational purposes, is not an admission of liability with respect to the matters covered by the information, and may not be required to be disclosed pursuant to this Agreement. The specification of any dollar amount in the representations and warranties contained in this Agreement or the inclusion of any specific item in the Schedules is not intended to imply that such amounts (or higher or lower amounts) are or are not material, and no Party shall use the fact of the setting of such amounts or the fact of the inclusion of any such item in the Schedules in any dispute or controversy between the Parties as to whether any obligation, item, or matter not described herein or included in a Schedule is or is not material for purposes of this Agreement.

13.9 Counterparts. This Agreement may be executed by the Parties in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.

13.10 Time is of the Essence. Time is of the essence in this Agreement.

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IN WITNESS WHEREOF, the Parties have executed this Agreement, or caused this Agreement to be executed by their duly authorized representatives, all as of the day and year first above written.

"SELLER"

DAVIS-LYNCH HOLDING CO., INC.

By: /s/ Carl A. Davis
CARL A. DAVIS, President

"SHAREHOLDER"

By: /s/ Carl A. Davis
CARL A. DAVIS

"BUYER"

FORUM ENERGY TECHNOLOGIES, INC.

By: /s/ C. Christopher Gaut
Name: C. Christopher Gaut
Title: Chairman and CEO

Exhibit 3.1

SECOND AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
FORUM OILFIELD TECHNOLOGIES, INC.

The original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on May 10, 2005, under the name "NuWave Energy Technologies, Inc." Pursuant to a Certificate of Amendment to the Certificate of Incorporation filed with the Secretary of State of the State of Delaware on July 20, 2005, the name of the Corporation was changed to "Cornerstone Oilfield Services, Inc." Pursuant to a second Certificate of Amendment to the Certificate of Incorporation filed with the Secretary of State of the State of Delaware on October 19, 2005, the name of the Corporation was changed to "Forum Oilfield Technologies, Inc." (the "Corporation"). Pursuant to an Amended and Restated Certificate of Incorporation (the "First Amended and Restated Certificate of Incorporation") filed with the Secretary of State of the State of Delaware on April 27, 2007, the Certificate of Incorporation was amended and restated in its entirety.

This Second Amended and Restated Certificate of Incorporation (this "Second Amended and Restated Certificate of Incorporation") has been declared advisable by the board of directors of the Corporation (the "Board"), duly adopted by the stockholders of the Corporation and duly executed and acknowledged by the officers of the Corporation in accordance with Sections 103, 228, 242 and 245 of the General Corporation Law of the State of Delaware.

The text of the First Amended and Restated Certificate of Incorporation of the Corporation is hereby amended and restated to read in its entirety as follows:

FIRST: The name of the Corporation is Forum Energy Technologies, Inc.

SECOND: The address of its registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is 8,100,000, consisting of (i) 8,000,000 shares of common stock of the par value of one cent ($0.01) per share (the "Common Stock") and (ii) 100,000 shares of preferred stock of the par value of one cent ($0.01) per share (the "Preferred Stock").

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

I. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock as may be designated by resolution of the Board with respect to any series of Preferred Stock as authorized herein.

2. Voting. Each share of Common Stock is entitled to one vote. There shall be no cumulative voting. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of shares of stock of the Corporation representing a majority of the votes represented by all outstanding shares of stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the DGCL.

II. PREFERRED STOCK

1. Issuance and Reissuance. Preferred Stock may be issued from time to time in one or more series, each of such series to consist of such number of shares and to have such terms, rights, powers and preferences, and the qualifications and limitations with respect thereto, as stated or expressed herein and in the resolution or resolutions providing for the issue of such series adopted by the Board as hereinafter provided.

2. Blank Check Preferred. Subject to any vote expressly required by this Second Amended and Restated Certificate of Incorporation, authority is hereby expressly granted to the Board from time to time to issue the Preferred Stock in one or more series, and in connection with the creation of any such series, by resolution or resolutions providing for the issue of the shares thereof, to determine and fix such voting powers, full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including, without limitation thereof, dividend rights, special voting rights, conversion rights, redemption privileges and liquidation preferences, as shall be stated and expressed in such resolutions, all to the full extent now or hereafter permitted by the DGCL. Without limiting the generality of the foregoing, and subject to the rights of any series of Preferred Stock then outstanding, the resolutions providing for issuance of any series of Preferred Stock may provide that such series shall be superior or rank equally or be junior to the Preferred Stock of any other series to the extent permitted by law.

FIFTH: To the extent not provided for in this Second Amended and Restated Certificate of Incorporation, the nominations, qualifications, tenure and vacancies of the directors shall be as set forth in the bylaws of the Corporation. Election of directors need not be by written ballot. The number of directors which shall constitute the entire Board shall be fixed from time to time by a majority of the directors then in office. Each director shall hold office until his or her successor shall have been duly elected and qualified or until his or her earlier death, resignation or removal.

SIXTH: In furtherance of, and not in limitation of, the powers conferred by statute, the bylaws of the Corporation may be altered, amended or repealed and new bylaws may be adopted by the Board, unless the bylaws of the Corporation limit or eliminate the Board’s power to amend, alter or repeal the bylaws or to adopt new bylaws.

SEVENTH: Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this corporation under § 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under § 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this corporation, as the case may be, and also on this corporation.

EIGHTH: (a) No director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit.

(b) Indemnification and Insurance.

(i) Right to Indemnification. (A) Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she or a person of whom he or she is the legal representative, is or was or has agreed to become a director or officer of the Corporation or is or was serving or has agreed to serve, at the request of the Corporation, in any capacity, with any corporation, partnership or other entity in which the Corporation has a partnership or other interest, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving or having agreed to serve as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably

incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to serve in the capacity which initially entitled such person to indemnity hereunder and shall inure to the benefit of his or her heirs, executors and administrators, and (B) the Corporation shall indemnify and hold harmless in such manner any person designated by the Board, or any committee thereof, as a person subject to this indemnification provision, and who was or is made a party or is threatened to be made a party to a proceeding by reason of the fact that he, she or a person of whom he or she is the legal representative, is or was serving at the request of the Board as a director, officer, employee or agent of another corporation or a partnership, joint venture, trust or other enterprise whether such request is made before or after the acts taken or allegedly taken or events occurring or allegedly occurring which give rise to such proceeding; *provided*, *however*, that except as provided in subsection (b)(ii) of this Article EIGHTH, the Corporation shall indemnify any such person seeking indemnification pursuant to this subsection in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board. The right to indemnification conferred herein shall be a contract right based upon an offer from the Corporation which shall be deemed to have been made to a person subject to subsection (b)(i)(A) on the date this Second Amended and Restated Certificate of Incorporation is effective and to a person subject to subsection (b)(i)(B) on the date designated by the Board, shall be deemed to be accepted by such person's service or continued service as a director or officer of the Corporation for any period after the offer is made and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; *provided further*, *however*, that if the DGCL requires, the payment of such expenses incurred by a current, former or proposed director or officer in his or her capacity as a director or officer or proposed director or officer (and not in any other capacity in which service was or is or has been agreed to be rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such indemnified person, to repay all amounts so advanced if it shall ultimately be determined that such indemnified person is not entitled to be indemnified under this Article EIGHTH or otherwise. The Corporation may, by action of the Board, provide indemnification or advancement to employees or agents of the Corporation with the same scope and effect as the foregoing indemnification of directors and officers.

(ii) Right of Claimant to Bring Suit. If a claim under Section (b)(i) of this Article EIGHTH is not paid in full by the Corporation within thirty days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim to the fullest extent permitted by law. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the DGCL for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving

such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(iii) Nonexclusivity of Rights. The right to indemnification and the advancement and payment of expenses conferred in this Article EIGHTH shall not be exclusive of any other right which any person may have or hereafter acquire under any law (common or statutory), provision of this Second Amended and Restated Certificate of Incorporation, bylaw, agreement (including any indemnification agreement or employment agreement with the Corporation), vote of stockholders or disinterested directors or otherwise.

(iv) Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any person who is or was serving as a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

(v) Savings Clause. If this Article EIGHTH or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and hold harmless each director and officer of the Corporation, as to costs, charges and expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative to the full extent permitted by any applicable portion of this Article EIGHTH that shall not have been invalidated and to the fullest extent permitted by applicable law.

(vi) Nature of Rights. The rights conferred upon indemnitees in this Article EIGHTH shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators. Any amendment, alteration or repeal of this Article EIGHTH that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit, eliminate, or impair any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

NINTH: The Corporation shall have the right, subject to any express provisions or restrictions contained in this Second Amended and Restated Certificate of Incorporation or bylaws of the Corporation, from time to time, to amend this Second Amended and Restated Certificate of Incorporation or any provision thereof in any manner now or hereafter provided by

law, and all rights and powers of any kind conferred upon a director or stockholder of the Corporation by this Second Amended and Restated Certificate of Incorporation or any amendment thereof are subject to such right of the Corporation.

TENTH:

1. Renouncement of Business Opportunities. The Corporation hereby renounces any interest or expectancy in any business opportunity, transaction or other matter in which any member of the SCF Group participates or desires or seeks to participate in and that involves any aspect of the energy equipment or services business or industry (each, a "Business Opportunity") other than a Business Opportunity that (i) is presented to an SCF Nominee solely in such Person's capacity as a director or officer of the Corporation or its Subsidiaries and with respect to which no other member of the SCF Group (other than an SCF Nominee) independently receives notice or otherwise identifies such Business Opportunity, or (ii) is identified by any member of the SCF Group solely through the disclosure of information by or on behalf of the Corporation (each Business Opportunity other than those referred to in clauses (i) or (ii) are referred to as a "Renounced Business Opportunity"). No member of the SCF Group, including any SCF Nominee, shall have any obligation to communicate or offer any Renounced Business Opportunity to the Corporation, and any member of the SCF Group may pursue a Renounced Business Opportunity. Notwithstanding anything to the contrary in this Article TENTH, the Corporation shall not be prohibited from pursuing any Business Opportunity with respect to which it has renounced any interest or expectancy as a result of this Article TENTH.

2. Consent. Any Person purchasing or otherwise acquiring any interest in shares of the capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article TENTH.

3. Interpretation. As used in this Article TENTH, the following definitions shall apply:

(a) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under the Securities Exchange Act of 1934, as amended.

(b) "Person" means an individual or a corporation, partnership, limited liability company, trust, joint venture, unincorporated organization or other legal or business entity.

(c) "SCF Group" means SCF-V, L.P., SCF-VI, L.P. and SCF-VII, L.P., any of their respective Affiliates (other than the Corporation and its Subsidiaries), any SCF Nominee and any portfolio company in which any of SCF-V, L.P., SCF-VI, L.P. or SCF-VII, L.P. has an equity investment of at least 5% of the voting securities (other than the Corporation and its Subsidiaries).

(d) "SCF Nominee" means any equity investor, officer, director, employee or agent of SCF-V, L.P., SCF-VI, L.P. or SCF-VII, L.P. or any of their respective Affiliates (other than the Corporation or its Subsidiaries) who serves as a director (including Chairman of the Board) or officer of the Corporation or its Subsidiaries.

(e) "Subsidiary" means, with respect to any Person, any other Person the majority of the voting securities of which are owned, directly or indirectly, by such first Person.

4. Amendment. Prior to the termination of this Article TENTH in accordance with subsection 5 below, any proposed amendment, alteration or repeal of this Article TENTH, or the adoption of any provision inconsistent with this Article TENTH, shall require the approval of at least 80% of the voting power of the outstanding stock of the Corporation entitled to vote thereon.

5. Term. The provisions of this Article TENTH shall terminate and be of no further force and effect at the first time following the effective date of this Second Amended and Restated Certificate of Incorporation as no SCF Nominee served as a director (including Chairman of the Board) or officer of the Corporation or its Subsidiaries for a continuous period of one year.

6. Severability. If any provision of this Article TENTH or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Article TENTH and the application of such provision to other Persons and circumstances shall not be affected thereby and such provision shall be enforced to the greatest extent permitted by law.

ELEVENTH:

1. As used in this Article ELEVENTH of this Second Amended and Restated Certificate of Incorporation, the following definitions shall apply:

(a) "Restricted Shares" means each share of Common Stock of the Corporation issued, or transferred from the treasury shares of the Corporation, on or after August 2, 2010 (including by merger, consolidation or otherwise or upon exercise of any warrant or option);

(b) "Stockholders Agreement" means that certain Amended and Restated Stockholders Agreement dated as of August 2, 2010 by and among the Corporation and the stockholders party thereto, as amended from time to time in accordance with the terms thereof.

2. To the fullest extent permitted by law, each holder of one or more Restricted Shares shall be subject to the provisions (including all transfer restrictions) set forth in Article 2 of the Stockholders Agreement ("Article 2") as amended from time to time in accordance with the terms of the Stockholders Agreement. For purposes of applying this paragraph:

(a) the provisions of Article 2, and each of the defined terms in the Stockholders Agreement, in each case as amended from time to time in accordance with the Stockholders Agreement, are incorporated herein by reference for purposes of applying this Article ELEVENTH;

(b) in addition to each person or entity defined as a "Stockholder" in accordance with the terms of the Stockholders Agreement, each holder of Restricted Shares shall also be deemed a "Stockholder" as that term is used in the Stockholders Agreement;

(c) references in Article 2 of the Stockholders Agreement to "Capital Stock" and "Common Stock" held or owned by a Stockholder shall, for purposes of this paragraph, be deemed to include (i) Restricted Shares and (ii) if such Stockholder is a party to or is otherwise bound by the provisions of the Stockholders Agreement (in accordance with its terms and absent the provisions of this Article ELEVENTH), any other shares of capital stock of the Corporation held or owned by such Stockholder;

(d) references in Article 2 to "this Agreement," "herein," "hereto" and words of similar effect shall, for purposes of applying this Article ELEVENTH, instead refer to this Article ELEVENTH and the provisions of the Stockholders Agreement binding on holders of Restricted Shares by reason of this Article ELEVENTH; and

(e) except as otherwise provided in the preceding clauses (b), (c) and (d), all defined terms referenced in Article 2 of the Stockholders Agreement shall have the meaning set forth in such Article 2 or in the other provisions of the Stockholders Agreement.

For the avoidance of doubt, if a holder of Restricted Shares is bound to the provisions of the Stockholders Agreement absent the provisions of this Article ELEVENTH, such holder shall be bound to the terms of such Stockholders Agreement, in addition to being bound by the provisions of this Article ELEVENTH.

3. Each certificate representing one or more Restricted Shares shall include a legend referencing the restrictions set forth herein.

4. The provisions of this Article ELEVENTH shall terminate upon (i) the termination of Article 2 in accordance with the terms of the Stockholders Agreement or (ii) the execution of a certification by the Secretary of the Corporation that each holder of Restricted Shares is a party to the Stockholders Agreement.

5. In case of an ambiguity in the application of any provision set forth in this Article ELEVENTH or in the meaning of any term or definition set forth in, or incorporated by reference in, this Article ELEVENTH, the Board, or a committee of the Board, shall have the power to determine the application of any such provision or any such term or definition with respect to any situation based on the facts reasonably believed in good faith by it. A determination of the Board (or a committee thereof, as applicable) in accordance with the

preceding sentence shall be conclusive and binding on the stockholders of the Corporation. Such determination shall be evidenced in a writing adopted by the Board (or a committee thereof, as applicable), and such writing shall be made available for inspection by any holder of capital stock of the Corporation at the principal executive offices of the Corporation.

6. If any provision of this Article ELEVENTH or the application thereof to any person or entity or circumstance is held invalid or unenforceable to any extent, the remainder of this Article ELEVENTH and the application of such provision to other persons, entities and circumstances shall not be affected thereby and such provision shall be enforced to the greatest extent permitted by law.

7. The Secretary of the Corporation shall retain a copy of the Stockholders Agreement on file at the principal executive office of the Corporation, and a copy of the Stockholders Agreement shall be provided, without charge, to any stockholder who makes a request therefor.

8. Any proposed amendment, alteration or repeal of this Article ELEVENTH, or the adoption of any provision inconsistent with this Article ELEVENTH, shall require the approval of at least 80% of the voting power of the outstanding stock of the Corporation entitled to vote thereon.

IN WITNESS WHEREOF, Forum Oilfield Technologies, Inc. has caused this Second Amended and Restated Certificate of Incorporation to be signed by its President and Chief Executive Officer this 2nd day of August, 2010.

FORUM OILFIELD TECHNOLOGIES, INC.

By: /s/ James Harris
James Harris
Senior Vice President and Chief Financial Officer

Exhibit 3.2

AMENDED AND RESTATED BYLAWS

OF

FORUM ENERGY TECHNOLOGIES, INC.

A Delaware Corporation

Date of Adoption:

August 2, 2010

FORUM ENERGY TECHNOLOGIES, INC.

BYLAWS

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BYLAWS

OF

FORUM ENERGY TECHNOLOGIES, INC.

ARTICLE I
OFFICES

Section 1.01 Registered Office. The registered office of the Corporation required by the General Corporation Law of the State of Delaware to be maintained in the State of Delaware, shall be the registered office named in the original Certificate of Incorporation of the Corporation, or such other office as may be designated from time to time by the Board of Directors in the manner provided by law. Should the Corporation maintain a principal office within the State of Delaware such registered office need not be identical to such principal office of the Corporation.

Section 1.02 Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II
STOCKHOLDERS

Section 2.01 Place of Meetings. All meetings of the stockholders shall be held at the principal office of the Corporation, or at such other place within or without the State of Delaware as shall be specified or fixed in the notices or waivers of notice thereof.

Section 2.02 Quorum; Adjournment of Meetings. Unless otherwise required by law or provided in the Certificate of Incorporation or these bylaws, the holders of a majority of the voting power of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at any meeting of stockholders for the transaction of business and the affirmative vote of a majority of the voting power of the stock present in person or represented by proxy at any meeting of stockholders at which a quorum is present shall constitute the act of the stockholders at such meeting. The stockholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Notwithstanding the other provisions of the Certificate of Incorporation or these bylaws, the chairman of the meeting or the holders of a majority of the issued and outstanding stock, present in person or represented by proxy, at any meeting of stockholders, whether or not a quorum is present, shall have the power to adjourn such meeting from time to time, without any notice other than announcement at the meeting of the time and place of the holding of the adjourned meeting. Except as otherwise permitted or required by law, if the adjournment is for

more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at such meeting. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally called.

Section 2.03 Annual Meetings. An annual meeting of the stockholders, for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, within or without the State of Delaware, on such date, and at such time as the Board of Directors shall fix and set forth in the notice of the meeting.

Section 2.04 Special Meetings. Unless otherwise provided in the Certificate of Incorporation, special meetings of the stockholders for any purpose or purposes may be called at any time by the Chairman of the Board (if any), by the President or by a majority of the Board of Directors.

Section 2.05 Record Date. In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty (60) days nor less than ten (10) days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this Section 2.05 at the adjourned meeting.

Section 2.06 Notice of Meetings. Written notice of the place, date and hour of all meetings, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given by or at the direction of the Chairman of the Board (if any) or the President, the Secretary or the other person(s) calling the meeting to each stockholder entitled to vote thereat not less than ten (10) nor more than sixty (60) days before the date of the meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the Corporation.

Section 2.07 Stock List. At least ten (10) days before each meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, with the address of and the number of voting shares registered in the name of each, will be prepared by the officer or agent having charge of the stock ledger of the Corporation. Notwithstanding the preceding sentence, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth (10^{th}) day before the meeting date in lieu of reflecting the stockholders entitled to vote at such meeting. Such list will be open to the examination of any stockholder, for any purpose germane to the meeting, as required by applicable law. If the meeting is to be held at a place, a stock list will also be produced and kept open at the time and place of the meeting during the whole time thereof, and will be subject to the inspection of any stockholder who may be present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

Section 2.08 Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to a corporate action in writing without a meeting may authorize another person or persons to act for him by proxy. Proxies for use at any meeting of stockholders shall be filed with the Secretary, or such other officer as the Board of Directors may from time to time determine by resolution, before or at the time of the meeting. All proxies shall be received and taken charge of and all ballots shall be received and canvassed by the secretary of the meeting who shall decide all questions touching upon the qualification of voters, the validity of the proxies, and the acceptance or rejection of votes, unless an inspector or inspectors shall have been appointed by the chairman of the meeting, in which event such inspector or inspectors shall decide all such questions.

No proxy shall be valid after three (3) years from its date, unless the proxy provides for a longer period. Each proxy shall be revocable unless expressly provided therein to be irrevocable and coupled with an interest sufficient in law to support an irrevocable power.

Section 2.09 Voting; Elections; Inspectors. Unless otherwise required by law or provided in the Certificate of Incorporation, each stockholder shall have one vote for each share of stock entitled to vote which is registered in his name on the record date for stockholders entitled to vote at the meeting. Shares registered in the name of another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the bylaw (or comparable instrument) of such corporation may prescribe, or in the absence of such provision, as the Board of Directors (or comparable body) of such corporation may determine. Shares registered in the name of a deceased person may be voted by his executor or administrator, either in person or by proxy.

All voting, except as required by the Certificate of Incorporation or where otherwise required by law, may be by a voice vote; provided, however, that upon demand therefor by stockholders holding a majority of the issued and outstanding stock present in person or by proxy at any meeting a stock vote shall be taken.

At any meeting at which a vote is taken by ballots, the chairman of the meeting may appoint one or more inspectors, each of whom shall subscribe an oath or affirmation to execute faithfully the duties of inspector at such meeting with strict impartiality and according to the best of his ability. Such inspector shall receive the ballots, count the votes and make and sign a certificate of the result thereof. The chairman of the meeting may appoint any person to serve as inspector, except no candidate for the office of director shall be appointed as an inspector.

Unless otherwise provided in the Certificate of Incorporation, cumulative voting for the election of directors shall be prohibited.

Section 2.10 Order of Business. At each meeting of the stockholders, one of the following persons, in the order in which they are listed (and in the absence of the first, the next, and so on), shall serve as chairman of the meeting: Chairman of the Board, President, Vice Presidents (in the order of their seniority if more than one), and Secretary. The order of business at each such meeting shall be as determined by the chairman of the meeting. The chairman of the meeting shall have the right and authority to prescribe such rules, regulations, and procedures and to do all such acts and things as are necessary or desirable for the proper conduct of the meeting, including, without limitation, the establishment of procedures for the maintenance of order and safety, limitations on the time allotted to questions or comments on the affairs of the Corporation, restrictions on entry to such meeting after the time prescribed for the commencement thereof, the opening and closing of the voting polls, and the adjournment of the meeting, whether or not a quorum is present.

Section 2.11 Treasury Stock. The Corporation shall not vote, directly or indirectly, shares of its own stock owned by it and such shares shall not be counted for quorum purposes.

Section 2.12 Action Without Meeting. Unless otherwise provided in the Certificate of Incorporation, any action permitted or required by law, the Certificate of Incorporation or these bylaws to be taken at a meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than a unanimous written consent shall be given by the Secretary to those stockholders entitled thereto pursuant to Section 228 of the DGCL.

ARTICLE III
BOARD OF DIRECTORS

Section 3.01 Power; Number; Term of Office. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, and subject to the restrictions imposed by law or the Certificate of Incorporation, they may exercise all the powers of the Corporation.

The number of directors which shall constitute the whole Board of Directors, shall be determined from time to time by resolution of the Board of Directors (provided that no decrease in the number of directors which would have the effect of shortening the term of an incumbent director may be made by the Board of Directors). Each director shall hold office for the term for which he is elected, and until his successor shall have been elected and qualified or until his earlier death, resignation or removal.

Unless otherwise provided in the Certificate of Incorporation, directors need not be stockholders nor residents of the State of Delaware.

Section 3.02 Quorum. Unless otherwise provided in the Certificate of Incorporation, a majority of the total number of directors shall constitute a quorum for the transaction of business of the Board of Directors and the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 3.03 Place of Meetings; Order of Business. The directors may hold their meetings and may have an office and keep the books of the Corporation, except as otherwise provided by law, in such place or places, within or without the State of Delaware, as the Board of Directors may from time to time determine by resolution. At all meetings of the Board of Directors business shall be transacted in such order as shall from time to time be determined by the Chairman of the Board (if any), or in his absence by the President, or by resolution of the Board of Directors.

Section 3.04 First Meeting. Each newly elected Board of Directors may hold its first meeting for the purpose of organization and the transaction of business, if a quorum is present, immediately after and at the same place, if any, as the annual meeting of the stockholders. Notice of such meeting shall not be required. At the first meeting of the Board of Directors in each year at which a quorum shall be present, held next after the annual meeting of stockholders, the Board of Directors shall proceed to the election of the officers of the Corporation.

Section 3.05 Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places as shall be designated from time to time by resolution of the Board of Directors. At least twenty-four (24) hours notice to each director shall be required.

Section 3.06 Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board (if any), the President or, on the written request of any two directors, by the Secretary, in each case on at least twenty-four (24) hours notice to each director. Such notice, or any waiver thereof pursuant to Article VII, Section 7.02 hereof, need not state the purpose or purposes of such meeting, except as may otherwise be required by law or provided for in the Certificate of Incorporation or these bylaws.

Section 3.07 Removal. Any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of the shares entitled to vote thereon; provided that, unless the Certificate of Incorporation otherwise provides, if the Board of Directors is classified, then the stockholders may effect such removal only for cause; and provided further that, if the Certificate of Incorporation expressly grants to stockholders the right to cumulate votes for the election of directors and if less than the entire Board of Directors is to be removed, no director may be removed without cause if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire Board of Directors, or, if there be classes of directors, at an election of the class of directors of which such director is a part.

Section 3.08 Vacancies; Increases in the Number of Directors. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, although less than a quorum, or a sole remaining director; and any director so chosen shall hold office until the next annual election and until his successor shall be duly elected and shall qualify, unless sooner displaced.

If the directors of the Corporation are divided into classes, any directors elected to fill vacancies or newly created directorships shall hold office until the next election of the class for which such directors shall have been chosen, and until their successors shall be duly elected and shall qualify.

Section 3.09 Compensation. The Board of Directors shall have the authority to fix the compensation of directors.

Section 3.10 Action Without a Meeting; Telephone Conference Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors, or any committee designated by the Board of Directors, may be taken without a meeting if all members of the Board of Directors or committee, as the case may be consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such consent shall have the same force and effect as a unanimous vote at a meeting, and may be stated as such in any document or instrument filed with the Secretary of State of Delaware.

Subject to the requirement for notice of meetings, members of the Board of Directors, or members of any committee designated by the Board of Directors, may participate in a meeting of such Board of Directors or committee, as the case may be, by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 3.11 Approval or Ratification of Acts or Contracts by Stockholders. The Board of Directors in its discretion may submit any act or contract for approval or ratification at any annual meeting of the stockholders, or at any special meeting of the stockholders called for the purpose of considering any such act or contract, and any act or contract that shall be approved or be ratified by the vote of the stockholders holding a majority of the issued and outstanding shares of stock of the Corporation entitled to vote and present in person or by proxy at such meeting (provided that a quorum is present), shall be as valid and as binding upon the Corporation and upon all the stockholders as if it had been approved or ratified by every stockholder of the Corporation. In addition, any such act or contract may be approved or ratified by the written consent of stockholders holding a majority of the issued and outstanding shares of capital stock of the Corporation entitled to vote and such consent shall be as valid and as binding upon the Corporation and upon all the stockholders as if it had been approved or ratified by every stockholder of the Corporation.

ARTICLE IV
COMMITTEES

Section 4.01 Designation; Powers. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more committees, including, if they shall so determine, an executive committee, each such committee to consist of one or more of the directors of the Corporation. Any such designated committee shall have and may exercise such of the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation as may be provided in such resolution, except that no such committee shall have the power or authority of the Board of Directors in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution of the Corporation, or amending, altering or repealing the bylaws or adopting new bylaws for the Corporation and, unless such resolution or the Certificate of Incorporation expressly so provides, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Any such designated committee may authorize the seal of the Corporation to be affixed to all papers which may require it. In addition to the above such committee or committees shall have such other powers and limitations of authority as may be determined from time to time by resolution adopted by the Board of Directors.

Section 4.02 Procedure; Meetings; Quorum. Any committee designated pursuant to Section 4.01 of this Article IV shall choose its own chairman unless previously appointed by the Board of Directors, shall keep regular minutes of its proceedings and report the same to the Board of Directors when requested, shall fix its own rules or procedures, and shall meet at such times and at such place or places as may be provided by such rules, or by resolution of such committee or resolution of the Board of Directors. At every meeting of any such committee, the presence of a majority of all the members thereof shall constitute a quorum and the affirmative vote of a majority of the members present shall be necessary for the adoption by it of any resolution.

Section 4.03 Substitution of Members. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member.

ARTICLE V
OFFICERS

Section 5.01 Number, Titles and Term of Office. The officers of the Corporation shall be a Chief Executive Officer, a President, one or more Vice Presidents (any one or more of whom may be designated Executive Vice President or Senior Vice President), a Treasurer, a Secretary and, if the Board of Directors so elects, a Chairman of the Board and such other

officers as the Board of Directors may from time to time elect or appoint. Each officer shall hold office until his successor shall be duly elected and shall qualify or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. Any number of offices may be held by the same person, unless the Certificate of Incorporation provides otherwise. Except for the Chairman of the Board, if any, no officer need be a director.

Section 5.02 Salaries. The salaries or other compensation of the officers and agents of the Corporation shall be fixed from time to time by the Board of Directors or, if such power is expressly delegated to any officers of the Corporation, by such officers.

Section 5.03 Removal. Any officer or agent elected or appointed by the Board of Directors may be removed, either with or without cause, by the vote of a majority of the Board of Directors at a special meeting called for the purpose, or at any regular meeting of the Board of Directors, provided the notice for such meeting shall specify that the matter of any such proposed removal will be considered at the meeting but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 5.04 Vacancies. Any vacancy occurring in any office of the Corporation may be filled by the Board of Directors.

Section 5.05 Powers and Duties of the Chief Executive Officer. The President shall be the chief executive officer of the Corporation unless the Board of Directors designates the Chairman of the Board as chief executive officer. Subject to the control of the Board of Directors and the executive committee (if any), the chief executive officer shall have general executive charge, management and control of the properties, business and operations of the Corporation with all such powers as may be reasonably incident to such responsibilities; he may agree upon and execute all leases, contracts, evidences of indebtedness and other obligations in the name of the Corporation; and shall have such other powers and duties as designated in accordance with these bylaws and as from time to time may be assigned to him by the Board of Directors.

Section 5.06 Powers and Duties of the Chairman of the Board. If elected, the Chairman of the Board shall preside at all meetings of the stockholders and of the Board of Directors; and he shall have such other powers and duties as designated in these bylaws and as from time to time may be assigned to him by the Board of Directors.

Section 5.07 Powers and Duties of the President. Unless the Board of Directors otherwise determines, the President shall have the authority to agree upon and execute all leases, contracts, evidences of indebtedness and other obligations in the name of the Corporation and may sign all certificates for shares of capital stock of the Corporation; and, unless the Board of Directors otherwise determines, he shall, in the absence of the Chairman of the Board or if there be no Chairman of the Board, preside at all meetings of the stockholders and (should he be a director) of the Board of Directors; and he shall have such other powers and duties as designated in accordance with these bylaws and as from time to time may be assigned to him by the Board of Directors.

Section 5.08 Vice Presidents. In the absence of the President, or in the event of his inability or refusal to act, a Vice President designated by the Board of Directors shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. In the absence of a designation by the Board of Directors of a Vice President to perform the duties of the President, or in the event of his absence or inability or refusal to act, the Vice President who is present and who is senior in terms of time as a Vice President of the Corporation shall so act. The Vice Presidents shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 5.09 Treasurer. The Treasurer shall have responsibility for the custody and control of all the funds and securities of the Corporation, and he shall have such other powers and duties as designated in these bylaws and as from time to time may be assigned to him by the Board of Directors. He shall perform all acts incident to the position of Treasurer, subject to the control of the chief executive officer and the Board of Directors; and he shall, if required by the Board of Directors, give such bond for the faithful discharge of his duties in such form as the Board of Directors may require.

Section 5.10 Assistant Treasurers. Each Assistant Treasurer shall have the usual powers and duties pertaining to his office, together with such other powers and duties as designated in these bylaws and as from time to time may be assigned to him by the chief executive officer or the Board of Directors. The Assistant Treasurers shall exercise the powers of the Treasurer during that officer's absence or inability or refusal to act.

Section 5.11 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors, committees of directors and the stockholders, in books provided for that purpose; he shall attend to the giving and serving of all notices; he may in the name of the Corporation affix the seal of the Corporation to all contracts of the Corporation and attest the affixation of the seal of the Corporation thereto; he may sign with the other appointed officers all certificates for shares of capital stock of the Corporation; he shall have charge of the certificate books, transfer books and stock ledgers, and such other books and papers as the Board of Directors may direct, all of which shall at all reasonable times be open to inspection of any director upon application at the office of the Corporation during business hours; he shall have such other powers and duties as designated in these bylaws and as from time to time may be assigned to him by the Board of Directors; and he shall in general perform all acts incident to the office of Secretary, subject to the control of the chief executive officer and the Board of Directors.

Section 5.12 Assistant Secretaries. Each Assistant Secretary shall have the usual powers and duties pertaining to his office, together with such other powers and duties as designated in these bylaws and as from time to time may be assigned to him by the chief executive officer or the Board of Directors. The Assistant Secretaries shall exercise the powers of the Secretary during that officer's absence or inability or refusal to act.

Section 5.13 Action with Respect to Securities of Other Corporations. Unless otherwise directed by the Board of Directors, the chief executive officer, or an officer or agent delegated by the chief executive officer, shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of security holders of or with respect to

any action of security holders of any other corporation in which this Corporation may hold securities and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other corporation.

ARTICLE VI
CAPITAL STOCK

Section 6.01 Certificates of Stock. The certificates for shares of the capital stock of the Corporation shall be in such form, not inconsistent with that required by law and the Certificate of Incorporation, as shall be approved by the Board of Directors; provided that the Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock may be uncertificated or electronic shares. The Chairman of the Board (if any), President or a Vice President shall cause to be issued to each holder of certificated stock one or more certificates, under the seal of the Corporation or a facsimile thereof if the Board of Directors shall have provided for such seal, and signed by the Chairman of the Board (if any), President or a Vice President and the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer certifying the number of shares (and, if the stock of the Corporation shall be divided into classes or series, the class and series of such shares) owned by such stockholder in the Corporation; provided, however, that any of or all the signatures on the certificate may be facsimile or by other means of electronic reproduction. The stock record books and the blank stock certificate books shall be kept by the Secretary, or at the office of such transfer agent or transfer agents as the Board of Directors may from time to time by resolution determine. In case any officer, transfer agent or registrar who shall have signed or whose facsimile signature or signatures shall have been placed upon any such certificate or certificates shall have ceased to be such officer, transfer agent or registrar before such certificate is issued by the Corporation, such certificate may nevertheless be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The stock certificates shall be entered in the books of the Corporation as they are issued and shall exhibit the holder's name and number of shares represented by such certificate.

Section 6.02 Transfer of Shares. Subject to the provisions of the Certificate of Incorporation, these bylaws and any other applicable agreements regarding the transfer of stock, the shares of stock of the Corporation shall be transferable only on the books of the Corporation by the holders thereof in person or by their duly authorized attorneys or legal representatives upon surrender and cancellation of certificates for a like number of shares. Subject to the provisions of the Certificate of Incorporation, these bylaws and any other applicable agreements regarding the transfer of stock, upon surrender to the Corporation or a transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 6.03 Restrictions on Transfer.

1. As used in this Section 6.03, the following definitions shall apply:

(a) "Restricted Shares" means each share of Common Stock of the Corporation issued, or transferred from the treasury shares of the Corporation, on or after August __, 2010 (including by merger, consolidation or otherwise or upon exercise of any warrant or option).

(b) "Stockholders Agreement" means that certain Amended and Restated Stockholders Agreement dated as of August __, 2010 by and among the Corporation and the stockholders party thereto, as amended from time to time in accordance with the terms thereof.

2. To the fullest extent permitted by law, each holder of one or more Restricted Shares shall be subject to the provisions (including all transfer restrictions) set forth in Article 2 of the Stockholders Agreement ("Article 2") as amended from time to time in accordance with the terms thereof, and a copy of which is attached hereto as Annex A of these bylaws. For purposes of applying this paragraph:

(a) the provisions of Article 2, and each of the defined terms in the Stockholders Agreement, in each case as amended from time to time in accordance with the Stockholders Agreement, are incorporated herein by reference for purposes of applying this Section 6.03;

(b) in addition to each person or entity defined as a "Stockholder" in accordance with the terms of the Stockholders Agreement, each holder of Restricted Shares shall also be deemed a "Stockholder" as that term is used in the Stockholders Agreement;

(c) references in Article 2 of the Stockholders Agreement to "Capital Stock" and "Common Stock" held or owned by a Stockholder shall, for purposes of this paragraph, be deemed to include (i) Restricted Shares and (ii) if such Stockholder is a party to or is otherwise bound by the provisions of the Stockholders Agreement (in accordance with its terms and absent the provisions of this Section 6.03), any other shares of capital stock of the Corporation held or owned by such Stockholder;

(d) references in Article 2 to "this Agreement," "herein," "hereto" and words of similar effect shall, for purposes of this Section 6.03, instead refer to this Section 6.03 and the provisions of the Stockholders Agreement binding on holders of Restricted Shares by reason of this Section 6.03; and

(e) except as otherwise provided in the preceding clauses (b), (c) and (d), all defined terms referenced in Article 2 of the Stockholders Agreement shall have the meaning set forth in such Article 2 or in the other provisions of the Stockholders Agreement.

For the avoidance of doubt, if a holder of Restricted Shares is bound to the provisions of the Stockholders Agreement absent the provisions of this Section 6.03, such holder shall be bound to the terms of such Stockholders Agreement, in addition to being bound by the provisions of this Section 6.03.

3. Each certificate representing one or more Restricted Shares shall include a legend referencing the restrictions set forth herein.

4. The provisions of this Section 6.03 shall terminate upon (i) the termination of Article 2 in accordance with the terms of the Stockholders Agreement or (ii) the execution of a certification by the Secretary of the Corporation that each holder of Restricted Shares is a party to the Stockholders Agreement.

5. In case of an ambiguity in the application of any provision set forth in this Section 6.03 or in the meaning of any term or definition set forth in, or incorporated by reference in, this Section 6.03, the Board of Directors, or a committee of the Board of Directors, shall have the power to determine the application of any such provision or any such term or definition with respect to any situation based on the facts reasonably believed in good faith by it. A determination of the Board of Directors (or a committee thereof, as applicable) in accordance with the preceding sentence shall be conclusive and binding on the stockholders of the Corporation. Such determination shall be evidenced in a writing adopted by the Board of Directors (or a committee thereof, as applicable), and such writing shall be made available for inspection by any holder of capital stock of the Corporation at the principal executive offices of the Corporation.

6. If any provision of this Section 6.03 or the application thereof to any person or entity or circumstance is held invalid or unenforceable to any extent, the remainder of this Section 6.03 and the application of such provision to other persons, entities and circumstances shall not be affected thereby and such provision shall be enforced to the greatest extent permitted by law.

7. The Secretary of the Corporation shall retain a copy of the Stockholders Agreement on file at the principal executive office of the Corporation, and a copy of the Stockholders Agreement shall be provided, without charge, to any stockholder who makes a request therefor.

Section 6.04 Ownership of Shares. The Corporation shall be entitled to treat the holder of record of any share or shares of capital stock of the Corporation as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Delaware.

Section 6.05 Regulations Regarding Certificates. The Board of Directors shall have the power and authority to make all such rules and regulations as it may deem expedient concerning the issue, transfer and registration or the replacement of certificates for shares of capital stock of the Corporation.

Section 6.06 Lost or Destroyed Certificates. The Board of Directors may determine the conditions upon which a new certificate of stock may be issued in place of a certificate which is alleged to have been lost, stolen or destroyed; and may, in its discretion, require the owner of such certificate or his legal representative to give bond, with sufficient surety, to indemnify the Corporation and each transfer agent and registrar against any and all losses or claims which may arise by reason of the issue of a new certificate in the place of the one so lost, stolen or destroyed.

ARTICLE VII
MISCELLANEOUS PROVISIONS

Section 7.01 Fiscal Year. The fiscal year of the Corporation shall be such as established from time to time by the Board of Directors.

Section 7.02 Notice and Waiver of Notice. Whenever any notice is required to be given by law, the Certificate of Incorporation or under the provisions of these bylaws, said notice shall be deemed to be sufficient if given (i) by wireless or electronic transmission or (ii) by deposit of the same in a post office box in a sealed prepaid wrapper addressed to the person entitled thereto at his post office address, as it appears on the records of the Corporation, and such notice shall be deemed to have been given as of the time of such transmission or the fourth (4^{th}) day following such mailing (except as otherwise provided in Section 2.06 of these bylaws), as the case may be.

Whenever notice is required to be given by law, the Certificate of Incorporation or under any of the provisions of these bylaws, a written waiver thereof, signed by the person entitled to notice or waiver by electronic transmission by such person, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice unless so required by the Certificate of Incorporation or the bylaws.

Section 7.03 Resignations. Any director, member of a committee or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time, or upon the happening of an event, specified therein, or if no such time or event be specified, at the time of its receipt by the chief executive officer or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 7.04 Facsimile or Electronic Signatures. In addition to the provisions for the use of facsimile or electronic signatures elsewhere specifically authorized in these bylaws, facsimile or electronic signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors.

Section 7.05 Reliance upon Books, Reports and Records. Each director and each member of any committee designated by the Board of Directors shall, in the performance of his duties, be fully protected in relying in good faith upon the books of account or reports made to the Corporation by any of its officers, or by an independent certified public accountant, or by an appraiser selected with reasonable care by the Board of Directors or by any such committee, or in relying in good faith upon other records of the Corporation.

ARTICLE VIII
AMENDMENTS

These bylaws may be altered, amended or repealed and new bylaws may be adopted (a) at any annual or special meeting of stockholders by the affirmative vote of the holders of a majority of the voting power of the stock issued and outstanding and entitled to vote thereon; or (b) by the affirmative vote of a majority of the whole Board of Directors; provided, however, that neither the Board of Directors nor the stockholders shall adopt any proposed amendment, alteration or repeal of Section 6.03 of these bylaws, or adopt any provision inconsistent with Section 6.03 of these bylaws, without the approval of at least 80% of the voting power of the outstanding stock of the Corporation entitled to vote thereon.

2.1 ***General Rule***. No Stockholder may Transfer all or any shares of its Capital Stock unless expressly permitted by Section 2.2. Any attempted Transfer of all or any shares of Capital Stock, other than in accordance with the terms of this Agreement shall be, and is hereby declared, null and void *ab initio*. The Stockholders agree that breach of the provisions of this Agreement may cause irreparable injury to the Company and the Stockholders for which monetary damages (or other remedy at law) are inadequate in view of (a) the complexities and uncertainties in measuring the actual damages that would be sustained by reason of the failure of a Person to comply with such provisions and (b) the uniqueness of the Company's business and the relationship among the Stockholders. Accordingly, the Stockholders agree that the provisions of this Agreement may be enforced by specific performance or otherwise in a court of equity.

2.2 ***Exceptions***. Notwithstanding Section 2.1 hereof, (a) subject to compliance with the provisions of Section 2.7, a Non-SCF Holder may Transfer Capital Stock (other than Restricted Stock) at any time to an immediate family member or any partnership or trust established for the benefit of such Non-SCF Holder or one or more immediate family members; *provided*, *however*, that such transferee must be an Accredited Investor, (b) subject to compliance with the provisions of Section 2.7, a Non-SCF Holder may Transfer Capital Stock in accordance with the provisions of Section 2.3, (c) subject to compliance with the provisions of Sections 2.4 (if then applicable) and 2.7, SCF may Transfer Capital Stock at any time to any Person, (d) subject to compliance with the provisions of Section 2.7, SCF may Transfer Capital Stock at any time to its Affiliates, (e) SCF and a Non-SCF Holder may Transfer Capital Stock in accordance with Section 2.5, (f) subject to compliance with the provisions of Section 2.7 and Section 2.3(f), if applicable, a Stockholder may make an Involuntary Transfer of Capital Stock and (g) SCF and a Non-SCF Holder may Transfer Common Stock in an underwritten public offering that constitutes a Qualified Public Offering. Each transferee described in subparagraphs (a) through (f) above shall be referred to as a "**Permitted Transferee**." Notwithstanding the foregoing, a Stockholder may not Transfer Capital Stock to any Person if such Transfer has as a purpose the avoidance of (or is otherwise undertaken in contemplation of avoiding) the restrictions on Transfer in this Agreement.

2.3 ***Rights of First Refusal.***

(a) Subject to Section 2.6, should any Stockholder desire to effect a Transfer of any shares of its Capital Stock (the "**ROFR Shares**") pursuant to a bona fide offer for cash or Acceptable Securities from another Person (an "**Acquisition Proposal**"), such Stockholder (the **"ROFR Transferor**") shall promptly give notice (the "**ROFR Notice**") thereof to the Company and SCF. The ROFR Notice shall set forth the following information in respect of the proposed Transfer: (i) the name and address of the prospective acquiror, (ii) each Person that Controls the prospective acquiror, (iii) the number and type of ROFR Shares and (iv) the purchase price. The consideration for any Transfer under this Section 2.3 must be cash and/or Acceptable Securities only.

(b) (i) The Company shall have an optional preferential right, for a period of 20 days after the receipt by the Company of the ROFR Notice (the "**Company ROFR Acceptance Deadline**"), to acquire from the ROFR Transferor, for the per share purchase price set forth in the ROFR Notice, all (but not less than all) of the ROFR Shares, on the terms set forth in this Section 2.3. Any consideration consisting of Acceptable Securities provided in the Acquisition Proposal shall be valued at its Fair Market Value as of the date of the ROFR Notice, and the Company shall pay the Fair Market Value of such Acceptable Securities in cash as part of the purchase price for the ROFR Shares in the event it exercises its purchase right hereunder. The Company shall promptly determine the Company ROFR Acceptance Deadline upon its receipt of the ROFR Notice and shall promptly (within two Business Days of its receipt of the ROFR Notice) give notice thereof and a copy of the ROFR Notice to the ROFR Transferor and SCF. The Company may exercise its right hereunder by giving written notice (the "**Company ROFR Acceptance Notice**") to the ROFR Transferor and SCF, on or before the Company ROFR Acceptance Deadline, of the Company's election to acquire all (but not less than all) of the ROFR Shares.

(ii) if the Company provides written notice that it will not exercise its right to purchase the ROFR Shares pursuant to Section 2.3(b)(i), or if the 20 day period provided in Section 2.3(b)(i) for the Company's election thereof expires without any such election (such decline or expiration, the "**Company Non-Exercise Event**"), then SCF shall have an optional preferential right, for a period of five days after the occurrence of the Company Non-Exercise Event (the "**SCF ROFR Acceptance Deadline**"), to acquire from the ROFR Transferor, for the per share purchase price set forth in the ROFR Notice, all (but not less than all) of the ROFR Shares, on the terms set forth in this Section 2.3. Any consideration consisting of Acceptable Securities provided in the Acquisition Proposal shall be valued at its Fair Market Value as of the date of the ROFR Notice, and SCF shall have the right to pay the Fair Market Value of such Acceptable Securities in cash as part of the purchase price for the ROFR Shares in the event it exercises its purchase right hereunder. SCF may exercise its right hereunder by giving written notice (the "**SCF ROFR Acceptance Notice**") to the ROFR Transferor and to the Company, on or before the SCF ROFR Acceptance Deadline, of SCF's election to acquire all (but not less than all) of the ROFR Shares.

(c) The closing of the sale of the ROFR Shares to the Company pursuant to Section 2.3(b)(i) or to SCF pursuant to Section 2.3(b)(ii) shall be at 9:00 a.m. on the 15th Business Day following the Company ROFR Acceptance Deadline or the SCF ROFR Acceptance Deadline, as applicable, at the Company's principal office, subject to any delay in the closing provided for below, unless the ROFR Transferor and the Company or SCF, whichever is the purchaser, otherwise agree. The Company, the ROFR Transferor and SCF shall cooperate in good faith in obtaining all necessary governmental and other third Person approvals, waivers and consents required for the closing. Any such closing shall be delayed, to the extent required, until the next succeeding Business Day following the expiration of any required waiting periods under the HSR Act and the obtaining of all necessary governmental approvals. At the closing of any purchase of the ROFR Shares by the Company or SCF, (i) the consideration to be paid in accordance with Section 2.3(b)(i) or Section 2.3(b)(ii), as applicable, of this Agreement shall be delivered by the Company or SCF, as applicable, to the ROFR Transferor, (ii) if the Company purchases the ROFR Shares pursuant to Section 2.3(b)(i), the ROFR Transferor shall deliver to the Company certificates representing the ROFR Shares so purchased, accompanied by duly executed stock transfer powers transferring such ROFR Shares to the Company, free and clear of all liens, encumbrances and adverse claims with respect

thereto except for any encumbrances established herein, and (iii) if SCF purchases the ROFR Shares pursuant to Section 2.3(b)(ii), the ROFR Transferor shall deliver to SCF certificates representing the ROFR Shares so purchased, accompanied by duly executed stock transfer powers transferring such ROFR Shares to SCF, free and clear of all liens, encumbrances and adverse claims with respect thereto except for any encumbrances established herein. The ROFR Transferor shall not be required to make any representations or warranties in connection with any Transfer of ROFR Shares to the Company or SCF, as applicable, pursuant to this Section 2.3 other than representations and warranties as to (and the ROFR Transferor shall execute an agreement for the benefit of the Company or SCF, as applicable, providing for representations and warranties as to) (A) such ROFR Transferor's ownership of the ROFR Shares to be Transferred free and clear of all liens, claims and other encumbrances other than those arising under this Agreement, (B) such ROFR Transferor's power and authority to effect such Transfer and (C) such matters pertaining to compliance with applicable Law (including securities Laws) as the Company (and SCF, if SCF is the purchaser pursuant to Section 2.3(b)(ii)) may reasonably require. The ROFR Transferor will promptly perform, whether before or after any such closing, such additional acts (including executing and delivering additional documents) as are reasonably required by the Company or SCF, as applicable, to effect more fully the transactions contemplated by this Section 2.3.

(d) If, in connection with any Transfer under this Section 2.3, any record date for a distribution on the Capital Stock subject to the ROFR Notice occurs on or after the date the ROFR Transferor gives the ROFR Notice but prior to the closing of the purchase of any shares of Capital Stock by the Company or SCF, as applicable, pursuant to this Section 2.3, then the Company or SCF, as applicable, shall be entitled to receive, unless the ROFR Notice specifically indicated to the contrary, any such distributions or securities, as the case may be, in respect of the Capital Stock that the Company or SCF, as applicable, acquires pursuant to this Section 2.3, and appropriate documentation shall be delivered at the closing by the ROFR Transferor to evidence the right of the Company or SCF, whichever is the purchaser of the ROFR Shares, to receive such distributions or securities.

(e) If, after completion of the foregoing procedures under this Section 2.3, neither the Company nor SCF has subscribed to purchase all of the ROFR Shares, then the ROFR Transferor may, at any time within 45 days after the later to occur of the Company ROFR Acceptance Deadline and the SCF ROFR Acceptance Deadline, if any, Transfer all (but not less than all) of the ROFR Shares, on terms no more favorable to such transferee than those set forth in the ROFR Notice and offered to the Company or SCF, as applicable. After the expiration of such 45-day period, the ROFR Transferor may not Transfer any of the ROFR Shares described in the ROFR Notice without complying again with the provisions of this Agreement if and to the extent then applicable.

(f) If a Non-SCF Holder makes an Involuntary Transfer of Capital Stock, such Non-SCF Holder (or his legal representative, executor or transferee, as the case may be) shall promptly notify the Company and SCF in writing of such Involuntary Transfer. Such notice shall constitute a ROFR Notice and the Involuntary Transfer shall be treated as a Transfer for purposes of this Section 2.3, and the provisions provided therein shall apply to such Involuntary Transfer as if it were a Transfer. If such Non-SCF Holder (or his legal representative, executor or transferee, as the case may be) fails to promptly give the required

notice of such Involuntary Transfer and if SCF or the Company nevertheless becomes aware of such Involuntary Transfer, the Company shall be entitled, and SCF shall be entitled to request the Company, to give notice to the applicable transferee of its election to acquire such securities at any time after it becomes aware of such Involuntary Transfer.

2.4 ***Co-Sale Provisions***.

(a) Subject to Section 2.6, any Transfer for value by SCF of Common Stock (the "**Co-Sale Shares**") shall be subject to this Section 2.4 other than (i) any Transfer of shares of Common Stock that does not in the aggregate, when added to all other Transfers by SCF exempted from this Section 2.4 pursuant to this clause (i) since the date of this Agreement, represent more than 5% of the Fully-Diluted Common Stock as of the date hereof (appropriately adjusted to give effect to any stock splits, stock dividends, combinations or reclassifications of the Common Stock), (ii) any Transfer pursuant to clause (d) of Section 2.2, (iii) any Transfer governed by the provisions of Section 2.5 or (iv) any Transfer in an underwritten public offering that constitutes a Qualified Public Offering.

(b) In connection with any proposed Transfer that is subject to this Section 2.4, SCF shall give written notice to the Company, and the Company shall promptly give written notice to each other Stockholder (the "**Co-Sale Notice**") at least 10 Business Days prior to any proposed Transfer that is subject to this Section 2.4. The Co-Sale Notice shall specify the proposed transferee, whether such proposed transferee is willing to purchase Common Stock then held by the Stockholders (other than SCF) and, if so, the maximum number of shares of Common Stock such proposed transferee is willing to purchase from such Stockholders, the number of Co-Sale Shares to be Transferred by SCF to such proposed transferee, the amount and type of consideration to be received therefor, the place and date on which the Transfer is expected to be consummated and the terms of the proposed Transfer. The Co-Sale Notice shall include an offer (the "**Participation Offer**") by SCF to include in the proposed Transfer on the terms described in paragraph (c) below a number of shares of Common Stock designated by any of the other Stockholders, not to exceed, in respect of any such other Stockholder, the product of (A) the sum of the aggregate number of Co-Sale Shares to be sold by SCF to the proposed transferee plus the maximum number of shares of Common Stock such proposed transferee is willing to purchase from Stockholders (other than SCF) and (B) a fraction with a numerator equal to the number of shares of Common Stock held by such other Stockholder and a denominator equal to the number of shares of Common Stock held by SCF and all Stockholders that elect to Transfer shares pursuant to this Section 2.4. Notwithstanding anything to the contrary herein, if the consideration proposed to be received by SCF includes securities with respect to which no registration statement covering the issuance of such securities has been declared effective under the Securities Act, if required by the issuer of any such securities, only Stockholders that are then Accredited Investors may accept the Participation Offer and Transfer shares of Common Stock pursuant to this Section 2.4 unless otherwise agreed to by such issuer.

(c) Except as set forth herein and in paragraph (b) above, the per share consideration to be received for any shares of Common Stock included in a proposed Transfer hereunder shall be the same per share consideration to be received by SCF as set forth in the Participation Offer. Each Stockholder who wishes to include shares of Common Stock in the proposed Transfer in accordance with the terms set forth in the Participation Offer shall so notify SCF not more than 5 Business Days after the date of the Co-Sale Notice, failing which such Stockholder shall not be entitled to participate in the proposed Transfer.

(d) The Participation Offer shall be conditioned upon SCF's Transfer of Co-Sale Shares pursuant to the transactions contemplated in the Co-Sale Notice with the transferee named therein. If any other Stockholders have accepted the Participation Offer, SCF shall reduce to the extent necessary the number of Co-Sale Shares it otherwise would have Transferred in the proposed Transfer so as to permit other Stockholders who have accepted the Participation Offer to sell the number of shares that they are entitled to sell under this Section 2.4, and SCF and such other Stockholders shall sell the number of shares specified in the Participation Offer to the proposed transferee in accordance with the terms of such sale as set forth in the Co-Sale Notice; *provided*, *however*, that if the proposed transferee deals solely with SCF and refuses to purchase from the other Stockholders who have accepted the Participation Offer with respect to the number of shares that they are entitled to sell under this Section 2.4, then (i) SCF shall be entitled to sell up to the number of shares specified in the Participation Offer to the proposed transferee in accordance with the terms of such sale as set forth in the Co-Sale Notice and (ii) SCF shall then purchase from such other Stockholders who have accepted the Participation Offer, on the terms set forth in the Co-Sale Notice, up to the number of shares that they would have been entitled to sell under this Section 2.4 had the proposed transferee purchased such shares directly from such Stockholders in accordance with the terms of this Section 2.4. Any Stockholder other than SCF who participates in a Transfer under this Section 2.4 shall not be liable for any transaction costs associated with such a Transfer other than the legal costs incurred by that Stockholder and, if SCF is obligated to pay selling commissions, then a pro-rata portion of such selling commissions.

(e) Each Stockholder who Transfers shares of Common Stock pursuant to this Section 2.4 shall not be required to make any representations or warranties for which such Stockholder would have personal liability in connection with such Transfer other than representations and warranties as to (and SCF and each such Stockholder shall execute an agreement for the benefit of the proposed transferee providing for representations and warranties as to) (i) such Stockholder's ownership of the shares of Common Stock to be Transferred free and clear of all liens, claims and other encumbrances other than those arising under this Agreement, (ii) such Stockholder's power and authority to effect such Transfer and (iii) such matters pertaining to compliance with securities Laws as are relevant to determining whether an exemption from registration is available in connection with such Transfer; *provided*, *however*, for the avoidance of doubt the parties acknowledge that the consideration to be received by SCF and such other Stockholders may consist of, among other things, an interest in an escrow account, a security or other consideration, the ultimate value of which may be dependent upon, among other things, the accuracy of representations and warranties relating to the Company and its business or the future performance of the Company.

(f) The closing of such purchase by the transferee shall be on the same date that the transferee acquires Co-Sale Shares from SCF; *provided* that such other Stockholders have been given 10 days' advance notice of such closing; *provided further, however*, that any such closing shall be delayed, to the extent required, until the next succeeding Business Day following the expiration of any required waiting periods under the HSR Act and the obtaining of all other governmental approvals reasonably deemed necessary by a party to the Transfer.

(g) Each Stockholder who participates in a Transfer pursuant to this Section 2.4 shall promptly perform, whether before or after any such closing, such additional acts (including executing and delivering additional documents, the terms and conditions of which shall be no more burdensome to such Stockholder than the terms and conditions of the documents executed by SCF in connection with such Transfer) as are reasonably required to effect more fully the transactions contemplated by this Section 2.4.

(h) If no other Stockholder accepts the Participation Offer, SCF may sell not more than the number of shares of Common Stock stated in the Participation Offer to the proposed transferee, at the price and upon the terms stated in the Participation Offer, but only if such Transfer shall be completed within 90 days after the delivery of the Participation Offer and if not so completed then the provisions of this Article 2 shall apply to any future Transfer of such shares by SCF.

2.5 ***Drag-Along Rights.***

(a) In connection with any Transfer for value (whether by sale, merger or otherwise) of all of the shares of Capital Stock owned by (i) SCF (*provided* SCF owns 50% or more of the Capital Stock at the time of the Transfer) or (ii) any group of Stockholders (which group includes SCF) that owns 50% or more of the Capital Stock (SCF or such group of Stockholders, the "**Dragging Stockholders**"), to any Person other than an Affiliate of any of the Dragging Stockholders, the Dragging Stockholders shall have the right to require all of the other Stockholders (the "**Non-Dragging Stockholders**") to sell all, but not less than all, of their shares of Common Stock on the terms described in this Section 2.5(b).

(b) In connection with any proposed Transfer subject to this Section 2.5, the Dragging Stockholders shall give written notice to each Non-Dragging Stockholder at least 20 days prior to such Transfer, which notice shall specify the amount of consideration to be received by the Dragging Stockholders for their Capital Stock in connection with such Transfer and the place and date on which the Transfer is expected to be consummated (a "**Drag-Along Notice**"). The per share consideration to be received by each Non-Dragging Stockholder in a Transfer governed by this Section 2.5 shall be equal to the per share consideration to be received by the Dragging Stockholders as reflected in the Drag-Along Notice.

(c) All Non-Dragging Stockholders shall consent to and raise no objections against a Transfer pursuant to this Section 2.5, and if such Transfer is structured as (i) a merger, share exchange or consolidation of the Company, or a Transfer of all or substantially all of the assets of the Company, each Non-Dragging Stockholder shall vote in favor of such Transfer and shall waive any dissenters rights, appraisal rights or similar rights in connection with such merger, share exchange, consolidation or asset sale, or (ii) a Transfer of all the shares of Capital Stock, the Non-Dragging Stockholders shall agree to sell all their shares of Capital Stock which are the subject of such Transfer, on the terms and conditions of such Transfer. The Non-Dragging Stockholders shall promptly take all necessary and desirable actions in connection with the consummation of a Transfer pursuant to this Section 2.5, including their respective reasonable efforts to obtain consents or approvals of the Board to such Transfer. In connection with a Transfer pursuant to this Section 2.5, the Non-Dragging Stockholders shall not be required to make any representations or warranties for which such Stockholder would have personal

liability in connection with such Transfer other than representations and warranties as to (and each Non-Dragging Stockholder shall execute an agreement for the benefit of the proposed transferee providing for representations and warranties as to) (i) such Non-Dragging Stockholder's ownership of the shares of Capital Stock to be Transferred free and clear of all liens, claims and encumbrances, (ii) such Non-Dragging Stockholder's power and authority to effect such Transfer and (iii) such matters pertaining to compliance with securities Laws as are relevant to determining whether an exemption from registration is available in connection with such Transfer; *provided, however*, for the avoidance of doubt the parties acknowledge that the consideration to be received by the Dragging Stockholders and such other Stockholders may consist of, among other things, an interest in an escrow account, a security or other consideration, the ultimate value of which may be dependent upon, among other things, the accuracy of representations and warranties relating to the Company and its business or the future performance of the Company.

(d) The closing of such purchase by the transferee shall be on the same date that the transferee acquires securities from the Dragging Stockholders (it being acknowledged that (i) in no event shall the Dragging Stockholders be obligated to Transfer any securities and (ii) the Non-Dragging Stockholders shall not be obligated to Transfer any securities unless and until the Dragging Stockholders Transfer securities hereunder), *provided* that such Non-Dragging Stockholders have been given 20 days' advance notice of such closing; *provided further, however*, that any such closing shall be delayed, to the extent required, until the next succeeding Business Day following the expiration of any required waiting periods under the HSR Act and the obtaining of all other governmental approvals reasonably deemed necessary by a party to such Transfer.

(e) If the Dragging Stockholders enter into any negotiation or transaction for which Rule 506 under the Securities Act (or any similar rule then in effect) may be available with respect to such negotiation or transaction (including a merger, consolidation or other reorganization), each Stockholder who is not an Accredited Investor will, at the request and election of the Dragging Stockholders, either at the election of the Dragging Stockholders (i) appoint a purchaser representative (as such term is defined in Rule 501 under the Securities Act) reasonably acceptable to the Dragging Stockholders or (ii) agree to accept cash in lieu of any securities such Stockholder would otherwise receive in an amount equal to the fair market value of such securities as unanimously determined by the Board.

(f) The Dragging Stockholders shall have the right to require the Company to cooperate fully with potential acquirors of the Company in a prospective transaction pursuant to this Section 2.5 by taking all customary and other actions reasonably requested by such Persons or such potential acquirors, including making the Company's properties, books and records, and other assets reasonably available for inspection by such potential acquirors and making its employees reasonably available for interviews.

(g) In connection with a Transfer pursuant to this Section 2.5, each Non-Dragging Stockholder shall promptly perform, whether before or after any such closing, such additional acts (including executing and delivering additional documents, the terms and conditions of which shall be no more burdensome to such Non-Dragging Stockholder than the terms and conditions of the documents executed by the Dragging Stockholders in connection with such Transfer) as are reasonably required to effect more fully the transactions contemplated by this Section 2.5.

2.6 ***Certain Limitations on Rights of First Refusal and Co-Sale***. Notwithstanding anything to the contrary in this Article 2:

(a) if SCF owns 50% or more of the Common Stock at the time it proposes to Transfer any Common Stock to a third Person (other than a Transfer that is subject to Section 2.5), then the provisions of Section 2.4 shall apply to such Transfer of Common Stock and the provisions of Section 2.3 shall not apply to such Transfer of Common Stock;

(b) if SCF owns 20% or more but less than 50% of the Common Stock at the time it proposes to Transfer any Common Stock to a third Person (other than a Transfer that is subject to Section 2.5), then SCF shall have the right to elect, in its sole and absolute discretion, by giving written notice to the Company in accordance with Section 2.3(a) or Section 2.4(b) for either Section 2.3 or Section 2.4 to apply to such Transfer of Common Stock;

(c) if SCF owns less than 20% of the Common Stock at the time it proposes to Transfer any Common Stock to a third Person (other than a Transfer that is subject to Section 2.5), then the provisions of Section 2.3 shall apply to such Transfer of Common Stock and such Transfer of Common Stock shall not be subject to the provisions of Section 2.4; and

(d) in the event that any Transfer of Common Stock by SCF is subject to Section 2.3 pursuant to Section 2.6(b) or Section 2.6(c) above, then the purchase right for the benefit of SCF pursuant to Section 2.3(b)(ii) shall not apply to such Transfer.

2.7 ***Conditions to Permitted Transfers; Continued Applicability of Agreement.***

(a) As a condition to any Transfer permitted under this Agreement (other than a Transfer pursuant to Section 2.5), any transferee (including any transferee pursuant to an Involuntary Transfer) of Capital Stock shall be required, as a condition to closing any Transfer transaction, to become a party to this Agreement, by executing (together with such Person's spouse, if applicable) an Adoption Agreement in substantially the form of Exhibit A to this Agreement (the "**Adoption Agreement**") and shall be deemed to be a Stockholder for all purposes under this Agreement. If any Person acquires Capital Stock from a Stockholder in such a Transfer, notwithstanding such Person's failure to execute an Adoption Agreement in accordance with the preceding sentence (whether such Transfer resulted by operation of law or otherwise), such Person and such shares of Capital Stock shall nevertheless be subject to this Agreement.

(b) As a condition to any Transfer by a Non-SCF Holder permitted under this Agreement, any transferee of Capital Stock held by such Non-SCF Holder shall be required to acknowledge and agree in writing that such shares of Capital Stock will be subject to the Company's right of offset, if any, under the agreement pursuant to which such Stockholder acquired such Capital Stock in the event that the Company becomes entitled to indemnification from such Non-SCF Holder in accordance with the terms of such agreement.

(c) The Stockholders hereby acknowledge and agree that any Person that acquires shares of Common Stock pursuant to the exercise of options under the Incentive Plan or acquires shares of Common Stock pursuant to a restricted stock grant under the Incentive Plan shall be required to become a party to, and that such shares shall be subject to, this Agreement by executing (together with such Persons' spouse, if applicable) an Adoption Agreement, and shall be entitled and subject to all of the rights and obligations of a Stockholder hereunder.

(d) The Stockholders hereby acknowledge and agree that (i) the Company may from time to time issue additional shares of Capital Stock to SCF, other Stockholders or Persons who are not then Stockholders, (ii) the Company may require any such recipient of Capital Stock (if such recipient is not then a party to this Agreement) to become a party to, and that such shares shall be subject to, this Agreement by executing (together with such Person's spouse, if applicable) an Adoption Agreement and (iii) such recipient shall thereafter be entitled and subject to all of the rights and obligations of a Stockholder hereunder.

(e) No shares of Capital Stock may be Transferred by a Person (other than pursuant to an effective registration statement under the Securities Act) unless such Person first delivers to the Company an opinion of counsel, if requested by the Company, which opinion of counsel shall be reasonably satisfactory to the Company, to the effect that such Transfer is not required to be registered under the Securities Act, unless the Company waives the right to receive such opinion.

Exhibit 4.2

AMENDED AND RESTATED STOCKHOLDERS AGREEMENT

OF

FORUM ENERGY TECHNOLOGIES, INC.,

A Delaware Corporation

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AMENDED AND RESTATED STOCKHOLDERS AGREEMENT
OF
FORUM ENERGY TECHNOLOGIES, INC.
A Delaware Corporation

This AMENDED AND RESTATED STOCKHOLDERS AGREEMENT, dated as of August 2, 2010, is adopted, executed and agreed to, for good and valuable consideration, by and among Forum Energy Technologies, Inc. a Delaware corporation (the "**Company**"), and the persons listed as "Stockholders" on the signature pages hereto.

RECITALS

A. The Company was formed as "NuWave Energy Technologies, Inc." by the filing of that certain Certificate of Incorporation with the Secretary of State of the State of Delaware dated May 10, 2005.

B. The stockholders of the Company prior to the Combination (as defined below) entered into that certain Stockholders Agreement of NuWave Energy Technologies, Inc. dated as of May 31, 2005 (the "**Original Agreement**"), setting forth their respective rights and obligations in connection with their ownership of shares of Common Stock (as defined below) in the Company.

C. The Company changed its name to Forum Oilfield Technologies, Inc. by the filing of that certain Certificate of Amendment to Certificate of Incorporation with the Secretary of State of the State of Delaware dated October 19, 2005.

D. Pursuant to that certain Combination Agreement dated as of July 16, 2010, the Company, together with Allied Production Services, Inc. ("**Allied**"), Global Flow Technologies, Inc. ("**Global Flow**"), Subsea Services International, Inc. ("**Subsea**") and Triton Group Holdings LLC ("**Triton**") effected a combination of the businesses conducted by such Persons and, in connection with such business combination, certain stockholders or members (as the case may be) of Allied, Global Flow, Subsea and Triton became stockholders of the Company (the "**Combination**").

E. In connection with the Combination, the stockholders of each of Allied, Global Flow and Subsea agreed to amend their respective stockholders agreements and the members of Triton agreed to amend the Third Amended and Restated Limited Liability Company Agreement of Triton (each of such former stockholders agreements and the Triton Third Amended and Restated Limited Liability Company Agreement being referred to herein as a "**Former Agreement**") so that each such stockholder and member that is receiving Capital Stock under the terms of the Combination became subject to this Agreement in lieu of such Former Agreement (collectively, the "**New Stockholders**").

F. In connection with the Combination, the stockholders of the Company immediately prior to the Combination agreed to amend and restate the Original Agreement in the form of this Agreement and set forth their respective rights and obligations and the rights and obligations of the New Stockholders in connection with their ownership of the Capital Stock of the Company.

G. In connection with the Combination, the Company changed its name to Forum Energy Technologies, Inc. by the filing of that certain Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware dated of even date herewith.

H. The Company and the Stockholders desire to restrict the sale, assignment, transfer, encumbrance or other disposition of the shares of Capital Stock (including as may be issued hereafter), and to provide for certain rights and obligations with respect thereto as hereinafter provided.

AGREEMENTS

ARTICLE 1.
DEFINITIONS AND CONSTRUCTION

1.1 ***Definitions***. In addition to the terms defined elsewhere herein, when used herein the following terms shall have the meanings indicated:

"**Acceptable Securities**" means (i) freely tradable common stock traded on a national securities exchange registered under Section 6(a) of the Exchange Act of a Person with a market value of its outstanding common stock owned by non-affiliates in excess of $100,000,000 or (ii) debt securities rated by Standard and Poor's of BB or better or, if not rated, which the Board believes would be so rated if a rating were requested.

"**Accredited Investor**" has the meaning set forth for such term in Rule 501 of Regulation D under the Securities Act (but excluding for such purposes Rule 501(a)(4) thereunder), as such rule may be amended, modified or superseded from time to time.

"**Acquisition Proposal**" has the meaning set forth in Section 2.3(a).

"**Adoption Agreement**" has the meaning set forth in Section 2.7(a).

"**Affiliate**" means, with respect to a particular Person, any Person Controlling, Controlled by, or Under Common Control with such Person.

"**Agreement**" means this Amended and Restated Stockholders Agreement, as it may be amended and restated from time to time.

"**Board**" means the board of directors of the Company.

"**Business Day**" means any day other than a Saturday, a Sunday, or a holiday on which banks are authorized or required by Law to close in the city of Houston, Texas.

"**Bylaws**" means the Amended and Restated Bylaws of the Company, as may be amended or restated from time to time in accordance with its terms.

"**Capital Stock**" shall mean Common Stock, preferred stock and any other capital stock of the Company, and any Common Stock Equivalents.

"**Certificate of Incorporation**" means the Second Amended and Restated Certificate of Incorporation of the Company filed with the Delaware Secretary of State, as may be amended or restated from time to time in accordance with its terms.

"**Common Stock**" means the common stock, par value $0.01 per share, of the Company.

"**Common Stock Equivalents**" means (without duplication with any other Common Stock or Common Stock Equivalents) rights, warrants, options, convertible securities, or exchangeable securities or indebtedness, or other rights, exercisable for or convertible or exchangeable into, directly or indirectly, Common Stock or securities convertible or exchangeable into Common Stock, whether at the time of issuance or upon the passage of time or the occurrence of some future event.

"**Company**" has the meaning set forth in the preamble.

"**Company Non-Exercise Event**" has the meaning set forth in Section 2.3(b)(ii).

"**Company ROFR Acceptance Deadline**" has the meaning set forth in Section 2.3(b)(i).

"**Company ROFR Acceptance Notice**" has the meaning set forth in Section 2.3(b)(i).

"**Contractual Management Rights**" has the meaning set forth in Section 4.2.

"**Control**" (including the correlative terms "**Controlling**", "**Controlled by**" and "**Under Common Control with**") means possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or any partnership or other ownership interest, by contract or otherwise) of a Person.

"**Co-Sale Notice**" has the meaning set forth in Section 2.4(b).

"**Co-Sale Shares**" has the meaning set forth in Section 2.4(a).

"**DGCL**" means the General Corporation Law of the State of Delaware and any successor statute, as amended from time to time.

"**Drag-Along Notice**" has the meaning set forth in Section 2.5(b).

"**Dragging Stockholders**" has the meaning set forth in Section 2.5(a).

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended from time to time.

"**Fair Market Value**" shall mean (i) with respect to shares of common stock, the average closing price of the common stock in question for the last five trading days with respect to such securities prior to the date of determination and (ii) with respect to debt securities, the principal amount of such debt securities after giving effect to any discount or premium to par (to the extent such debt securities are traded on a public market and such discount or premium is readily ascertainable).

"**Ferris**" means John William Ferris, an individual residing in the State of Oklahoma.

"**Fully-Diluted Common Stock**" means, at any time, the then outstanding Common Stock of the Company plus (without duplication) all shares of Common Stock issuable, whether at such time or upon the passage of time or the occurrence of future events, upon the exercise, conversion or exchange of all then outstanding Common Stock Equivalents.

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"**Incentive Plan**" means the Forum Energy Technologies, Inc. 2010 Stock Incentive Plan.

"**Independent Director**" means a director who would qualify as an "independent director" pursuant to Rule 303A.02 of The New York Stock Exchange Listed Company Manual, as such rule may be amended, modified or superseded from time to time.

"**Initial Public Offering**" means the initial underwritten public offering and sale of Common Stock on a firm commitment basis after which the Common Stock is listed for trading on a national securities exchange registered under Section 6(a) of the Exchange Act.

"**Involuntary Transfer**" means a Transfer resulting from the death of a Person, the bankruptcy or insolvency of a Person or the termination of the marital relationship of a Person by divorce or another involuntary Transfer occurring by operation of Law which the applicable Stockholder was unable to prevent; *provided*, *however*, that any Transfer that would otherwise be permitted pursuant to Section 2.2(a) or Section 2.2(d) shall not be deemed an Involuntary Transfer.

"**Law**" means any applicable constitutional provision, statute, act, code, law, regulation, rule, ordinance, order, decree, ruling, proclamation, resolution, judgment, decision, declaration, or interpretative or advisory opinion or letter of a governmental authority.

"**Non-Dragging Stockholders**" has the meaning set forth in Section 2.5(a).

"**Non-SCF Holder**" means any Stockholder other than SCF.

"**Original Agreement**" has the meaning set forth in the recitals.

"**Participation Offer**" has the meaning set forth in Section 2.4(b).

"**Person**" means any natural person, limited liability company, corporation, limited partnership, general partnership, joint stock company, joint venture, association, company, trust, bank trust company, land trust, business trust, or other organization, whether or not a legal entity, and any government or agency or political subdivision thereof.

"**Qualified Public Company**" means a Person whose common stock (or depositary receipts or depositary shares related to common stock or similar ordinary shares) is authorized and approved for listing on a national securities exchange registered under Section 6(a) of the Exchange Act.

"**Restricted Stock**" shall mean any Common Stock granted to employees of the Company or its subsidiaries that at the time of grant was subject to forfeiture restrictions, whether or not such forfeiture provisions have lapsed, and any Common Stock acquired pursuant to the exercise of stock options granted to employees of the Company or its subsidiaries.

"**Restriction**" has the meaning set forth in Section 5.6(b).

"**ROFR Notice**" has the meaning set forth in Section 2.3(a).

"**ROFR Shares**" has the meaning set forth in Section 2.3(a).

"**ROFR Transferor**" has the meaning set forth in Section 2.3(a).

"**SCF**" means SCF-V, L.P., a Delaware limited partnership, SCF-VI, L.P., a Delaware limited partnership, and SCF-VII, L.P., a Delaware limited partnership, and if any of SCF-V, L.P., SCF-VI, L.P. or SCF-VII, L.P. has Transferred Common Stock or Common Stock Equivalents to one or more of its Affiliates or if any Affiliate of any of SCF-V, L.P., SCF-VI, L.P. or SCF-VII, L.P. has acquired Common Stock or Common Stock Equivalents from the Company, then in any such case such Affiliates. For purposes of this Agreement, the rights and ownership of SCF shall be calculated on an aggregate basis and shall be allocated among the SCF funds in accordance with SCF's internal procedures and processes.

"**SCF Designees**" has the meaning set forth in Section 4.1.

"**SCF ROFR Acceptance Deadline**" has the meaning set forth in Section 2.3(b)(ii).

"**SCF ROFR Acceptance Notice**" has the meaning set forth in Section 2.3(b)(ii).

"**Schmitz Person**" means any of (i) John D. Schmitz, (ii) Steve Schmitz, (iii) any descendents of the parents of John D. Schmitz and Steve Schmitz, (iv) a spouse, widow, or widower or any of the foregoing individuals, (v) an organization described in Section 501(c)(3) of the Internal Revenue Code, as amended, (vi) a trust whose sole beneficiaries (other than remote contingent beneficiaries) are one or more of the foregoing individuals or organizations or (vii) an entity owned or otherwise controlled by one or more of the foregoing individuals, organizations and trusts.

"**Securities Act**" means the Securities Act of 1933, as amended from time to time.

"**Spouse**" has the meaning set forth in Section 5.14.

"**Stockholder**" means each person listed as a "Stockholder" on the signature page hereto, any Person that acquires Common Stock upon exercise of a Warrant and any Person deemed to be a Stockholder pursuant to Section 2.7 hereof.

"**Sunray**" means Sunray Capital, LP.

"**Sunray Holder**" means, collectively, Sunray and any Schmitz Person that holds or otherwise controls Common Stock or Common Stock Equivalents.

"**Transfer**" (including the correlative terms "**Transfers**," "**Transferring**" or "**Transferred**") means any direct or indirect transfer, assignment, sale, gift, pledge, hypothecation or other encumbrance, or any other disposition (whether voluntary or involuntary or by operation of Law or by merger, consolidation or otherwise), of shares of Capital Stock (or any interest (pecuniary or otherwise) therein or right thereto), including derivative or similar transactions or arrangements whereby a portion or all of the economic interest in, or risk of loss or opportunity for gain with respect to, Capital Stock is transferred or shifted to another Person; *provided*, *however*, that (a) an exchange, merger, recapitalization, consolidation or reorganization involving the Company in which securities of the Company or any other Person and/or cash are issued in respect of all shares of Capital Stock shall not be deemed a Transfer if all shares of Capital Stock are treated identically in any such transaction (other than (i) differences resulting from the treatment of fractional shares that would otherwise result from such transaction, (ii) differences resulting from any election made by the Stockholders so long as all Stockholders have an equal opportunity to make such an election, (iii) differences in the type (but not approximate value) of consideration received by the Stockholders based upon securities law considerations and/or (iv) differences resulting from treating one class or series of Capital Stock different than any other class or series of Capital Stock) and (b) the exercise of options in accordance with the terms of the Incentive Plan shall not be deemed a Transfer.

"**Warrant**" means warrants issued by the Company to purchase shares of Common Stock.

1.2 ***Construction***. All references in this Agreement to Annexes, Exhibits, Schedules, Articles, Sections, subsections and other subdivisions refer to the corresponding Annexes, Exhibits, Schedules, Articles, Sections, subsections and other subdivisions of or to this Agreement unless expressly provided otherwise. Titles appearing at the beginning of any Articles, Sections, subsections or other subdivisions of this Agreement are for convenience only, do not constitute any part of this Agreement, and shall be disregarded in construing the language hereof. The words "this Agreement," "herein," "hereby," "hereunder" and "hereof" and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. The words "this Article," "this Section" and "this subsection" and words of similar import refer only to the Article, Section or subsection hereof in which such words occur. The word "or" is not exclusive, and the word "including" (in its various forms) means including without limitation. Pronouns in masculine, feminine or neuter genders shall be construed to state and include any other gender, and words, terms and titles (including terms defined herein) in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires.

1.3 ***Stockholders; Capital Stock Subject to Agreement.***

(a) The Stockholders of the Company and the number of shares of Capital Stock of the Company held by each are set forth in Annex 1 as such annex may be amended and updated from time to time.

(b) Except as specifically provided otherwise in this Agreement, this Agreement shall extend and apply to all shares of Capital Stock now owned by each of the Stockholders and to all shares of Capital Stock as may hereafter be acquired by any of the Stockholders (including by merger, consolidation or otherwise), whether such shares constitute the separate property or community property of any of the individual Stockholders, and regardless of the capacity in which title to such shares is held or taken. This Agreement shall also apply to all shares of Capital Stock to which the Spouse of any Stockholder is entitled by virtue of any community property or any other Laws.

ARTICLE 2.
TRANSFER RESTRICTIONS

2.1 ***General Rule***. No Stockholder may Transfer all or any shares of its Capital Stock unless expressly permitted by Section 2.2. Any attempted Transfer of all or any shares of Capital Stock, other than in accordance with the terms of this Agreement shall be, and is hereby declared, null and void *ab initio*. The Stockholders agree that breach of the provisions of this Agreement may cause irreparable injury to the Company and the Stockholders for which monetary damages (or other remedy at Law) are inadequate in view of (a) the complexities and uncertainties in measuring the actual damages that would be sustained by reason of the failure of a Person to comply with such provisions and (b) the uniqueness of the Company's business and the relationship among the Stockholders. Accordingly, the Stockholders agree that the provisions of this Agreement may be enforced by specific performance or otherwise in a court of equity. Each party to this Agreement hereby waives any requirements for the securing or posting of a bond with respect to such injunctive relief or remedy of specific performance.

2.2 ***Exceptions***. Notwithstanding Section 2.1 hereof, and in each case subject to compliance with the provisions of Section 2.7 (if applicable in accordance with its terms):

(a) a Non-SCF Holder may Transfer Capital Stock (other than Restricted Stock) to an Affiliate, a family member or any partnership or trust established for the benefit of such Non-SCF Holder or one or more family members; *provided*, *however*, that such transferee must be an Accredited Investor;

(b) a Non-SCF Holder may Transfer Capital Stock in accordance with the provisions of Section 2.3 [Right of First Refusal];

(c) a Stockholder may Transfer Capital Stock to any Person in accordance with the provisions of Section 2.4 (if then applicable) [Co-Sale Provisions];

(d) SCF may Transfer Capital Stock to an Affiliate of SCF;

(e) a Stockholder may Transfer Capital Stock in accordance with Section 2.5 [Drag-Along Rights];

(f) subject to compliance with the provisions of Section 2.3(f), if applicable, a Stockholder may make an Involuntary Transfer of Capital Stock;

(g) a Stockholder may Transfer Common Stock in an underwritten public offering that constitutes an Initial Public Offering; and

(h) Ferris may Transfer Common Stock at any time to any Sunray Holder.

Notwithstanding the foregoing, a Stockholder may not Transfer Capital Stock to any Person if such Transfer has as a purpose the avoidance of (or is otherwise undertaken in contemplation of avoiding) the restrictions on Transfer in this Agreement.

2.3 ***Rights of First Refusal.***

(a) Subject to Section 2.6, should any Stockholder desire to effect a Transfer of any shares of its Capital Stock (the "**ROFR Shares**") pursuant to a bona fide offer for cash or Acceptable Securities from another Person (an "**Acquisition Proposal**"), such Stockholder (the "**ROFR Transferor**") shall promptly give notice (the "**ROFR Notice**") thereof to the Company and SCF. The ROFR Notice shall set forth the following information in respect of the proposed Transfer: (i) the name and address of the prospective acquiror, (ii) each Person that Controls the prospective acquiror, (iii) the number and type of ROFR Shares and (iv) the purchase price. The consideration for any Transfer under this Section 2.3 must be cash and/or Acceptable Securities only.

(b)(i) The Company shall have an optional preferential right, for a period of 20 days after the receipt by the Company of the ROFR Notice (the "**Company ROFR Acceptance Deadline**"), to acquire from the ROFR Transferor, for the per share purchase price set forth in the ROFR Notice, all (but not less than all) of the ROFR Shares, on the terms set forth in this Section 2.3. Any consideration consisting of Acceptable Securities provided in the Acquisition Proposal shall be valued at its Fair Market Value as of the date of the ROFR Notice, and the Company shall pay the Fair Market Value of such Acceptable Securities in cash as part of the purchase price for the ROFR Shares in the event it exercises its purchase right hereunder. The Company shall promptly determine the Company ROFR Acceptance Deadline upon its receipt of the ROFR Notice and shall promptly (within two Business Days of its receipt of the ROFR Notice) give notice thereof and a copy of the ROFR Notice to the ROFR Transferor and SCF. The Company may exercise its right hereunder by giving written notice (the "**Company ROFR Acceptance Notice**") to the ROFR Transferor and SCF, on or before the Company ROFR Acceptance Deadline, of the Company's election to acquire all (but not less than all) of the ROFR Shares.

(ii) If the Company provides written notice that it will not exercise its right to purchase the ROFR Shares pursuant to Section 2.3(b)(i), or if the 20 day period provided in Section 2.3(b)(i) for the Company's election thereof expires without any such election (such decline or expiration, the "**Company Non-Exercise Event**"), then SCF shall have an optional preferential right, for a period of five days after the occurrence of the Company Non-Exercise Event (the "**SCF ROFR Acceptance Deadline**"), to acquire from the ROFR Transferor, for the per share purchase price set forth in the ROFR Notice, all (but not less than all) of the ROFR Shares, on the terms set forth in this Section 2.3. Any consideration consisting of Acceptable Securities provided in the Acquisition Proposal shall be valued at its Fair Market Value as of the date of the ROFR Notice, and SCF shall pay the Fair Market Value of such Acceptable

Securities in cash as part of the purchase price for the ROFR Shares in the event it exercises its purchase right hereunder. SCF may exercise its right hereunder by giving written notice (the "**SCF ROFR Acceptance Notice**") to the ROFR Transferor and to the Company, on or before the SCF ROFR Acceptance Deadline, of SCF's election to acquire all (but not less than all) of the ROFR Shares.

(c) The closing of the sale of the ROFR Shares to the Company pursuant to Section 2.3(b)(i) or to SCF pursuant to Section 2.3(b)(ii) shall be at 9:00 a.m. on the 15th Business Day following the Company ROFR Acceptance Deadline or the SCF ROFR Acceptance Deadline, as applicable, at the Company's principal office, subject to any delay in the closing provided for below, unless the ROFR Transferor and the Company or SCF, whichever is the purchaser, otherwise agree. The Company, the ROFR Transferor and SCF shall cooperate in good faith in obtaining all necessary governmental and other third Person approvals, waivers and consents required for the closing. Any such closing shall be delayed, to the extent required, until the next succeeding Business Day following the expiration of any required waiting periods under the HSR Act and the obtaining of all necessary governmental approvals. At the closing of any purchase of the ROFR Shares by the Company or SCF, (i) the consideration to be paid in accordance with Section 2.3(b)(i) or Section 2.3(b)(ii), as applicable, of this Agreement shall be delivered by the Company or SCF, as applicable, to the ROFR Transferor, (ii) if the Company purchases the ROFR Shares pursuant to Section 2.3(b)(i), the ROFR Transferor shall deliver to the Company certificates representing the ROFR Shares so purchased, accompanied by duly executed stock transfer powers transferring such ROFR Shares to the Company, free and clear of all liens, encumbrances and adverse claims with respect thereto except for any encumbrances established herein, and (iii) if SCF purchases the ROFR Shares pursuant to Section 2.3(b)(ii), the ROFR Transferor shall deliver to SCF certificates representing the ROFR Shares so purchased, accompanied by duly executed stock transfer powers transferring such ROFR Shares to SCF, free and clear of all liens, encumbrances and adverse claims with respect thereto except for any encumbrances established herein. The ROFR Transferor shall not be required to make any representations or warranties in connection with any Transfer of ROFR Shares to the Company or SCF, as applicable, pursuant to this Section 2.3 other than representations and warranties as to (and the ROFR Transferor shall execute an agreement for the benefit of the Company or SCF, as applicable, providing for representations and warranties as to) (A) such ROFR Transferor's ownership of the ROFR Shares to be Transferred free and clear of all liens, claims and other encumbrances other than those arising under this Agreement, the Certificate of Incorporation or the Bylaws, (B) such ROFR Transferor's power and authority to effect such Transfer and (C) such matters pertaining to compliance with applicable Law (including securities Laws) as the Company (and SCF, if SCF is the purchaser pursuant to Section 2.3(b)(ii)) may reasonably require. The ROFR Transferor will promptly perform, whether before or after any such closing, such additional acts (including executing and delivering additional documents) as are reasonably required by the Company or SCF, as applicable, to effect more fully the transactions contemplated by this Section 2.3.

(d) If, in connection with any Transfer under this Section 2.3, any record date for a distribution on the Capital Stock subject to the ROFR Notice occurs on or after the date the ROFR Transferor gives the ROFR Notice but prior to the closing of the purchase of any shares of Capital Stock by the Company or SCF, as applicable, pursuant to this Section 2.3, then the Company or SCF, as applicable, shall be entitled to receive, unless the ROFR Notice specifically

indicated to the contrary, any such distributions or securities, as the case may be, in respect of the Capital Stock that the Company or SCF, as applicable, acquires pursuant to this Section 2.3, and appropriate documentation shall be delivered at the closing by the ROFR Transferor to evidence the right of the Company or SCF, whichever is the purchaser of the ROFR Shares, to receive such distributions or securities.

(e) If, after completion of the foregoing procedures under this Section 2.3, neither the Company nor SCF has subscribed to purchase all of the ROFR Shares, then the ROFR Transferor may, at any time within sixty (60) days after the later to occur of the Company ROFR Acceptance Deadline and, if applicable, the SCF ROFR Acceptance Deadline, Transfer all (but not less than all) of the ROFR Shares, on terms no more favorable to such transferee than those set forth in the ROFR Notice. After the expiration of such sixty (60) day period, the ROFR Transferor may not Transfer any of the ROFR Shares described in the ROFR Notice without complying again with the provisions of this Agreement if and to the extent then applicable.

(f) If a Non-SCF Holder makes an Involuntary Transfer of Capital Stock, such Non-SCF Holder (or his legal representative, executor or transferee, as the case may be) shall promptly notify the Company and SCF in writing of such Involuntary Transfer. Such notice shall constitute a ROFR Notice and the Involuntary Transfer shall be treated as a Transfer for purposes of this Section 2.3, and the provisions provided therein shall apply to such Involuntary Transfer as if it were a Transfer. If such Non-SCF Holder (or his legal representative, executor or transferee, as the case may be) fails to promptly give the required notice of such Involuntary Transfer and if SCF or the Company nevertheless becomes aware of such Involuntary Transfer, the Company shall be entitled, and SCF shall be entitled to request the Company, to give notice to the applicable transferee of its election to acquire such securities at any time after it becomes aware of such Involuntary Transfer at a price equal to the fair market value of such securities as determined in good faith by the Board after taking into account all factors the Board believes to be relevant.

2.4 *Co-Sale Provisions.*

(a) Subject to Section 2.6, any Transfer for value by SCF of Common Stock (the "**Co-Sale Shares**") shall be subject to this Section 2.4 other than (i) any Transfer of shares of Common Stock that does not in the aggregate, when added to all other Transfers by SCF exempted from this Section 2.4 pursuant to this clause (i) in the aggregate, since the date of this Agreement, represent more than 2% of the Fully-Diluted Common Stock as of the date hereof (appropriately adjusted to give effect to any stock splits, stock dividends, combinations or reclassifications of the Common Stock), (ii) any Transfer pursuant to clause (d) of Section 2.2, (iii) any Transfer governed by the provisions of Section 2.5 or (iv) any Transfer in an Initial Public Offering.

(b) In connection with any proposed Transfer that is subject to this Section 2.4, SCF shall give written notice to the Company, and the Company shall promptly give written notice to each other Stockholder (the "**Co-Sale Notice**") at least 15 Business Days prior to any proposed Transfer that is subject to this Section 2.4. The Co-Sale Notice shall specify the proposed transferee, whether such proposed transferee is willing to purchase Common Stock then held by the Non-SCF Holders and, if so, the maximum number of shares of Common Stock

such proposed transferee is willing to purchase from such Non-SCF Holders, the number of Co-Sale Shares to be Transferred by SCF to such proposed transferee, the amount and type of consideration to be received therefor, the place and date on which the Transfer is expected to be consummated and the terms of the proposed Transfer. The Co-Sale Notice shall include an offer (the "**Participation Offer**") by SCF to include in the proposed Transfer on the terms described in paragraph (c) below a number of shares of Common Stock designated by any Non-SCF Holders, not to exceed, in respect of any such Non-SCF Holder, the product of (A) the sum of the aggregate number of Co-Sale Shares to be sold by SCF to the proposed transferee plus the maximum number of shares of Common Stock such proposed transferee is willing to purchase from Non-SCF Holders and (B) a fraction with a numerator equal to the number of shares of Common Stock held by such other Non-SCF Holder and a denominator equal to the number of shares of Common Stock held by SCF and all Non-SCF Holders that elect to Transfer shares pursuant to this Section 2.4. Notwithstanding anything to the contrary herein, if the consideration proposed to be received by SCF includes securities with respect to which no registration statement covering the issuance of such securities has been declared effective under the Securities Act, if required by the issuer of any such securities, only Non-SCF Holders that are then Accredited Investors may accept the Participation Offer and Transfer shares of Common Stock pursuant to this Section 2.4 unless otherwise agreed to by such issuer; *provided*, *however*, that each Stockholder that is not then an Accredited Investor shall be entitled to Transfer to the Company such number of shares of Common Stock that such Stockholder would have been entitled to Transfer pursuant to this Section 2.4 had such Stockholder been an Accredited Investor, and such Stockholder shall be entitled to receive from the Company an equivalent value (as determined in good faith by the Board) in cash to what such Stockholder would have received pursuant to this Section 2.4, subject to any restrictions imposed upon the Company or to which the Company is subject by any agreement to which the Company or any of its subsidiaries is a party or by applicable Law.

(c) Except as set forth herein and in paragraph (b) above, the per share consideration to be received for any shares of Common Stock included in a proposed Transfer hereunder shall be the same per share consideration to be received by SCF as set forth in the Participation Offer. Each Non-SCF Holder who wishes to include shares of Common Stock in the proposed Transfer in accordance with the terms set forth in the Participation Offer shall so notify SCF not more than 10 Business Days after the date of the Co-Sale Notice, failing which such Non-SCF Holder shall not be entitled to participate in the proposed Transfer.

(d) The Participation Offer shall be conditioned upon SCF's Transfer of Co-Sale Shares pursuant to the transactions contemplated in the Co-Sale Notice with the transferee named therein. If any Non-SCF Holders have accepted the Participation Offer, SCF shall reduce to the extent necessary the number of Co-Sale Shares it otherwise would have Transferred in the proposed Transfer so as to permit Non-SCF Holders who have accepted the Participation Offer to sell the number of shares that they are entitled to sell under this Section 2.4, and SCF and such Non-SCF Holders shall sell the number of shares specified in the Participation Offer to the proposed transferee in accordance with the terms of such sale as set forth in the Co-Sale Notice; *provided*, *however*, that if the proposed transferee deals solely with SCF and refuses to purchase from the Non-SCF Holders who have accepted the Participation Offer with respect to the number of shares that they are entitled to sell under this Section 2.4, then (i) SCF shall be entitled to sell up to the number of shares specified in the Participation Offer to the proposed transferee in

accordance with the terms of such sale as set forth in the Co-Sale Notice and (ii) SCF shall then purchase from such Non-SCF Holders who have accepted the Participation Offer, on the terms set forth in the Co-Sale Notice, up to the number of shares that they would have been entitled to sell under this Section 2.4 had the proposed transferee purchased such shares directly from Non-SCF Holders in accordance with the terms of this Section 2.4. Any Non-SCF Holder who participates in a Transfer under this Section 2.4 shall not be liable for any transaction costs associated with such a Transfer other than the legal costs incurred by that Non-SCF Holder and, if SCF is obligated to pay selling commissions, then a pro-rata portion of such selling commissions.

(e) Each Non-SCF Holder who Transfers shares of Common Stock pursuant to this Section 2.4 shall not be required to make any representations or warranties for which such Non-SCF Holder would have personal liability in connection with such Transfer other than representations and warranties as to (and SCF and each such Stockholder shall execute an agreement for the benefit of the proposed transferee providing for representations and warranties as to) (i) such Non-SCF Holder's ownership of the shares of Common Stock to be Transferred free and clear of all liens, claims and other encumbrances other than those arising under this Agreement, the Certificate of Incorporation or the Bylaws, (ii) such Non-SCF Holder's power and authority to effect such Transfer and (iii) such matters pertaining to compliance with securities Laws as are relevant to determining whether an exemption from registration is available in connection with such Transfer; *provided*, *however*, for the avoidance of doubt the parties acknowledge that the consideration to be received by SCF and such Non-SCF Holders may consist of, among other things, an interest in an escrow account, a security or other consideration, the ultimate value of which may be dependent upon, among other things, the accuracy of representations and warranties relating to the Company and its business or the future performance of the Company.

(f) The closing of such purchase by the transferee of the Common Stock of the Non-SCF Holders shall be on the same date that the transferee acquires Co-Sale Shares from SCF; *provided* that such Non-SCF Holders have been given 10 days' advance notice of such closing; *provided further*, *however*, that any such closing shall be delayed, to the extent required, until the next succeeding Business Day following the expiration of any required waiting periods under the HSR Act and the obtaining of all other governmental approvals reasonably deemed necessary by a party to the Transfer.

(g) Each Non-SCF Holder who participates in a Transfer pursuant to this Section 2.4 shall promptly perform, whether before or after any such closing, such additional acts (including executing and delivering additional documents, the terms and conditions of which shall be no more burdensome to such Non-SCF Holder than the terms and conditions of the documents executed by SCF in connection with such Transfer) as are reasonably required to effect more fully the transactions contemplated by this Section 2.4.

(h) If no Non-SCF Holders accept the Participation Offer, SCF may sell not more than the number of shares of Common Stock stated in the Participation Offer to the proposed transferee, at the price and upon terms no more favorable than the terms stated in the Participation Offer, but only if such Transfer shall be completed within 90 days after the delivery of the Participation Offer and if not so completed then the provisions of this Article 2 shall apply to any future Transfer of such shares by SCF.

(i) SCF shall have the right to require the Company to cooperate fully with potential acquirors of Capital Stock of the Company in a prospective transaction pursuant to this Section 2.4 by taking all actions reasonably requested by such Persons or such potential acquirors, including making the Company's and its subsidiaries' properties, books and records, and other assets reasonably available for inspection by such potential acquirors and making employees of the Company and its subsidiaries reasonably available for interviews, in each case subject to such confidentiality restrictions or obligations as the Company may reasonably require.

(j) Notwithstanding anything in this Agreement to the contrary, if a Transfer of Capital Stock pursuant to this Section 2.4 is not consummated for whatever reason there shall be no liability on the part of SCF to the holders of Co-Sale Shares or any other Person. The decision to effect a Transfer pursuant to this Section 2.4 by SCF is in the sole and absolute discretion of SCF.

2.5 ***Drag-Along Rights.***

(a) In connection with any Transfer for value (whether by sale, merger or otherwise) of all of the shares of Capital Stock owned by (i) SCF (*provided* SCF owns 50% or more of the outstanding Common Stock at the time of the Transfer) or (ii) any group of Stockholders (which group includes SCF) that owns 50% or more of the outstanding Common Stock (SCF or such group of Stockholders, the "**Dragging Stockholders**"), to any Person other than an Affiliate of any of the Dragging Stockholders, the Dragging Stockholders shall have the right to require all of the other Stockholders (the "**Non-Dragging Stockholders**") to sell all, but not less than all, of their shares of Common Stock on the terms described in this Section 2.5(b).

(b) In connection with any proposed Transfer subject to this Section 2.5, the Dragging Stockholders shall give written notice to each Non-Dragging Stockholder at least 20 days prior to such Transfer, which notice shall specify the amount of consideration to be received by the Dragging Stockholders for their Capital Stock in connection with such Transfer and the place and date on which the Transfer is expected to be consummated (a "**Drag-Along Notice**"). The per share consideration to be received by each Non-Dragging Stockholder in a Transfer governed by this Section 2.5 shall be equal to the per share consideration to be received by the Dragging Stockholders as reflected in the Drag-Along Notice.

(c) All Non-Dragging Stockholders shall consent to and raise no objections against a Transfer pursuant to this Section 2.5, and if such Transfer is structured as (i) a merger, share exchange or consolidation of the Company, or a Transfer of all or substantially all of the assets of the Company, each Non-Dragging Stockholder shall vote in favor of such Transfer and shall waive any dissenters rights, appraisal rights or similar rights in connection with such merger, share exchange, consolidation or asset sale, or (ii) a Transfer of all the shares of Capital Stock, the Non-Dragging Stockholders shall agree to sell all their shares of Capital Stock which are the subject of such Transfer, on the terms and conditions of such Transfer. The Non-Dragging Stockholders shall promptly take all necessary and desirable actions in connection with

the consummation of a Transfer pursuant to this Section 2.5, including using their respective reasonable efforts to obtain consents or approvals of the Board to such Transfer. In connection with a Transfer pursuant to this Section 2.5, the Non-Dragging Stockholders shall not be required to make any representations or warranties for which such Stockholder would have personal liability in connection with such Transfer other than representations and warranties as to (and each Non-Dragging Stockholder shall execute an agreement for the benefit of the proposed transferee providing for representations and warranties as to) (i) such Non-Dragging Stockholder's ownership of the shares of Capital Stock to be Transferred free and clear of all liens, claims and encumbrances, (ii) such Non-Dragging Stockholder's power and authority to effect such Transfer and (iii) such matters pertaining to compliance with securities Laws as are relevant to determining whether an exemption from registration is available in connection with such Transfer; *provided*, *however*, for the avoidance of doubt the parties acknowledge that the consideration to be received by the Dragging Stockholders and the Non-Dragging Stockholders may consist of, among other things, an interest in an escrow account, a security or other consideration, the ultimate value of which may be dependent upon, among other things, the accuracy of representations and warranties relating to the Company and its business or the future performance of the Company.

(d) The closing of such purchase by the transferee of the Common Stock of the Non-Dragging Stockholders shall be on the same date that the transferee acquires securities from the Dragging Stockholders (it being acknowledged that (i) in no event shall the Dragging Stockholders be obligated to Transfer any securities and (ii) the Non-Dragging Stockholders shall not be obligated to Transfer any securities unless and until the Dragging Stockholders Transfer securities hereunder), *provided* that such Non-Dragging Stockholders have been given 20 days' advance notice of such closing; *provided further*, *however*, that any such closing shall be delayed, to the extent required, until the next succeeding Business Day following the expiration of any required waiting periods under the HSR Act and the obtaining of all other governmental approvals reasonably deemed necessary by a party to such Transfer.

(e) If the Dragging Stockholders enter into any negotiation or transaction for which Rule 506 under the Securities Act (or any similar rule then in effect) may be available with respect to such negotiation or transaction (including a merger, consolidation or other reorganization), each Stockholder who is not an Accredited Investor will, at the request and election of the Dragging Stockholders, either (i) appoint a purchaser representative (as such term is defined in Rule 501 under the Securities Act) reasonably acceptable to the Dragging Stockholders or (ii) agree to accept cash in lieu of any securities such Stockholder would otherwise receive in an amount equal to the fair market value of such securities as unanimously determined by the Board.

(f) The Dragging Stockholders shall have the right to require the Company to cooperate fully with potential acquirors of the Company in a prospective transaction pursuant to this Section 2.5 by taking all customary and other actions reasonably requested by such Persons or such potential acquirors, including making the Company's and its subsidiaries' properties, books and records, and other assets reasonably available for inspection by such potential acquirors and making the employees of the Company and its subsidiaries reasonably available for interviews.

(g) In connection with a Transfer pursuant to this Section 2.5, each Non-Dragging Stockholder shall promptly perform, whether before or after any such closing, such additional acts (including executing and delivering additional documents, the terms and conditions of which shall be no more burdensome to such Non-Dragging Stockholder than the terms and conditions of the documents executed by the Dragging Stockholders in connection with such Transfer) as are reasonably required to effect more fully the transactions contemplated by this Section 2.5.

(h) Notwithstanding anything in this Agreement to the contrary, if a Transfer of Capital Stock pursuant to this Section 2.5 is not consummated for whatever reason there shall be no liability on the part of SCF to the holders of Capital Stock or any other Person. The decision to effect a Transfer pursuant to this Section 2.5 by SCF is in the sole and absolute discretion of SCF.

2.6 ***Certain Limitations on Rights of First Refusal and Co-Sale***. Notwithstanding anything to the contrary in this Article 2:

(a) if SCF owns 20% or more of the outstanding Common Stock at the time it proposes to Transfer any Capital Stock to a third Person (other than a Transfer that is subject to Section 2.5), then such Transfer of Capital Stock shall be subject to Section 2.4 and not the provisions of Section 2.3;

(b) if SCF owns less than 20% of the outstanding Common Stock at the time it proposes to Transfer any Capital Stock to a third Person (other than a Transfer that is subject to Section 2.5), then such Transfer of Capital Stock shall be subject to Section 2.3 and not the provisions of Section 2.4; and

(c) in the event that any Transfer of Common Stock by SCF is subject to Section 2.3 pursuant to Section 2.6(b) above, then the purchase right for the benefit of SCF pursuant to Section 2.3(b)(ii) shall not apply to such Transfer. For purposes of the foregoing clauses (a) and (b), "**third Person**" refers to a Person other than an Affiliate of SCF.

2.7 ***Conditions to Permitted Transfers; Continued Applicability of Agreement.***

(a) As a condition to any Transfer permitted under this Agreement (other than a Transfer pursuant to Section 2.5), any transferee (including any transferee pursuant to an Involuntary Transfer) of Capital Stock shall be required, as a condition to closing any Transfer transaction, to become a party to this Agreement, by executing (together with such Person's Spouse, if applicable) an Adoption Agreement in substantially the form of Exhibit A to this Agreement (the "**Adoption Agreement**") and shall be deemed to be a Stockholder for all purposes under this Agreement. If any Person acquires Capital Stock from a Stockholder in such a Transfer, notwithstanding such Person's failure to execute an Adoption Agreement in accordance with the preceding sentence (whether such Transfer resulted by operation of Law or otherwise), such Person and such shares of Capital Stock shall nevertheless be subject to this Agreement.

(b) As a condition to any Transfer by a Non-SCF Holder permitted under this Agreement, any transferee of Capital Stock held by such Non-SCF Holder shall be required to acknowledge and agree in writing that such shares of Capital Stock will be subject to the Company's right of offset, if any, under the agreement pursuant to which such Stockholder acquired such Capital Stock in the event that the Company becomes entitled to indemnification from such Non-SCF Holder in accordance with the terms of such agreement.

(c) The Stockholders hereby acknowledge and agree that any Person that acquires shares of Common Stock pursuant to the exercise of options under the Incentive Plan or acquires shares of Common Stock pursuant to a restricted stock grant under the Incentive Plan shall be required to become a party to, and that such shares shall be subject to, this Agreement by executing (together with such Person's Spouse, if applicable) an Adoption Agreement, and shall be entitled and subject to all of the rights and obligations of a Stockholder hereunder. The Company shall only issue and transfer options to acquire Common Stock to Persons who agree to become a party to this Agreement by executing (together with such Person's Spouse, if applicable) an Adoption Agreement.

(d) The Stockholders hereby acknowledge and agree that (i) the Company may from time to time issue additional shares of Capital Stock to SCF, other Non-SCF Holders or Persons who are not then Stockholders, (ii) the Company may require any such recipient of Capital Stock (if such recipient is not then a party to this Agreement) to become a party to, and that such shares shall be subject to, this Agreement by executing (together with such Person's Spouse, if applicable) an Adoption Agreement and (iii) such recipient shall thereafter be entitled and subject to all of the rights and obligations of a Stockholder hereunder.

(e) No shares of Capital Stock may be Transferred by a Person (other than pursuant to an effective registration statement under the Securities Act) unless such Person first delivers to the Company an opinion of counsel, if requested by the Company, which opinion of counsel shall be reasonably satisfactory to the Company, to the effect that such Transfer is not required to be registered under the Securities Act, unless the Company waives the right to receive such opinion.

ARTICLE 3.
REGISTRATION OF STOCK

3.1 ***Registration Rights***. The Company hereby grants to each Stockholder registration rights with respect to Common Stock set forth in Exhibit B hereto, and such Exhibit B is incorporated herein by reference.

ARTICLE 4.
OTHER MATTERS

4.1 ***Corporate Opportunity Matters***. The Company shall not amend, modify or revoke the provisions set forth in Article Tenth of the Second Amended and Restated Certificate of Incorporation of the Company at any time while SCF holds Capital Stock. Each Stockholder hereby agrees to take all actions necessary or desirable to effect the foregoing sentence, including voting for or consenting to, or voting against or refusing to consent to, amendments to the Second Amended and Restated Certificate of Incorporation of the Company (whether effected by merger, consolidation or otherwise) in order to give effect to this Section 4.1.

4.2 ***VCOC Management Rights; Board Representation.*** As long as SCF owns at least 20% of the outstanding Common Stock, the Stockholders and the Company agree to take all action within their respective power, including, but not limited to, the voting of all Capital Stock entitled to vote, whether at a regular or special meeting of the stockholders of the Company or by the execution of written consents in lieu of such meetings, as shall be required to cause the Board to at all times to include at least two members designated by SCF (collectively, the "**SCF Designees**"). The rights set forth in this Section 4.2 are, in part, intended to satisfy the requirement of contractual management rights for purposes of qualifying the ownership interests of SCF in the Company as venture capital investments for purposes of the Department of Labor's "plan assets" regulations (the "**Contractual Management Rights**"), and in the event such rights are not satisfactory for such purpose or are lost by reason of the operation of this Agreement, the Company and SCF shall reasonably cooperate in good faith to agree upon mutually satisfactory Contractual Management Rights which satisfy such regulations. None of the SCF Designees or any other director who is also an officer of the Company will receive any consideration for serving on the Board prior to an Initial Public Offering. All of the SCF Designees and any other directors who are also officers of the Company will be entitled to reimbursement for reasonable out-of-pocket costs and expenses in attending meetings of the Board. The Stockholders and the Company agree to take all reasonable action within their respective power, including, but not limited to, the voting of all Capital Stock entitled to vote, whether at a regular or special meeting of the stockholders of the Company or by the execution of written consents in lieu of such meetings, as shall be required to cause the Board to at all times following 30 days after the date of this Agreement to include at least two members who are Independent Directors.

4.3 ***Financial Statements***. The Company covenants that, until the consummation of an Initial Public Offering, it will deliver the following to any Stockholder, upon receipt of a written request addressed to the Secretary of the Company, as soon as the following are completed and available:

(a) consolidated statements of income, changes in stockholders' equity and changes in the financial position of the Company for the most recently completed fiscal year, and a consolidated balance sheet of the Company as at the end of such most recently completed fiscal year, in each case audited for the Company by independent public accountants of recognized national standing selected by the Company, whose report shall state that such consolidated financial statements present fairly the results of operations, cash flows and financial position of the Company in accordance with GAAP on a basis consistent with prior periods except as noted therein and that the examination by such accountants has been made in accordance with generally accepted auditing standards; and

(b) consolidated statements of income, changes in stockholders' equity and changes in the financial position of the Company for the most recently completed quarterly period and for the period from the beginning of the current fiscal year to the end of such quarterly period, and a consolidated balance sheet of the Company as at the end of such quarterly period, all unaudited but prepared in accordance with GAAP on a basis consistent with past practice.

4.4 ***Confidentiality***. Each Stockholder agrees that any information obtained by such Stockholder pursuant to Section 4.3 shall be maintained in confidence and shall not be divulged

by such Stockholder or any of its Affiliates to any party unless the Company agrees to such disclosure or unless and until such information shall become public knowledge (other than by disclosure in breach of this Section 4.4) or as required by Law, including applicable securities laws and regulations; *provided* that, before such Stockholder or any of its Affiliates discloses any of the foregoing as may be required by law, such Person shall give the Company reasonable advance notice and take such reasonable actions as the Company may propose to minimize the required disclosure.

ARTICLE 5.
MISCELLANEOUS

5.1 ***Notices***. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given or made (a) when delivered if delivered in person or sent by nationally recognized overnight or second day courier service, (b) upon transmission by fax if transmission is confirmed, or (c) three Business Days after deposit with a United States post office if delivered by registered or certified mail (postage prepaid, return receipt requested) to the respective parties as follows:

if to the Company, addressed to:

Forum Energy Technologies, Inc.
8807 West Sam Houston Parkway North, Suite 200
Houston, TX 77040-5321
Attention: Chief Financial Officer
Facsimile: (713) 351-7997

if to a Stockholder, addressed to such Person at the address for notice set forth opposite such Person's name on Annex 1,

or to such other place and with such other copies as any party hereto may designate as to itself by written notice to the others in accordance with this Section 5.1.

5.2 ***Amendment or Restatement***. This Agreement may be amended or restated only by a written instrument adopted, executed and agreed to by the Company, SCF and the holders of a majority of the shares of Common Stock owned in the aggregate by the Non-SCF Holders; *provided*, *however*, that any amendment that imposes additional obligations on a party hereto shall require the consent of such party; *provided further* that Annex 1 hereto may be amended from time to time by the Company to reflect the ownership of the Capital Stock, and Exhibit B hereto may be amended in accordance with the terms of Section 12 thereof. In the event the Company is a party to a merger, consolidation or combination with another Person in which the Company is not the surviving entity (or survives as a subsidiary of another Person) and the Common Stock is converted or exchanged for common stock (or equivalent interests) of such other Person and this Agreement is not terminated pursuant to Section 5.8, all references in this Agreement to (i) "Common Stock" shall be deemed to mean common stock (or equivalent interests) of such other Person, (ii) "Capital Stock" shall be deemed to mean the capital stock of such other Person and (iii) "Company" shall mean such other Person. The terms of this Section 5.2 shall apply to all provisions of this Agreement other than the Registration Rights Agreement set forth on Exhibit B hereto.

5.3 ***Binding Effect***. Subject to the restrictions on Transfers set forth in this Agreement, this Agreement is binding on and inures to the benefit of the Stockholders and their respective heirs, legal representatives, successors, and assigns.

5.4 ***Governing Law***. This agreement is governed by and shall be construed in accordance with the law of the state of Delaware without regard to the principles of conflicts of law thereof.

5.5 ***Severability***. If any provision of this Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of that provision to other Persons or circumstances shall not be affected thereby and that provision shall be enforced to the greatest extent permitted by Law. Furthermore, in lieu of each such invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible and be legal, valid and enforceable, including by reference to any applicable provision of the Former Agreement applicable to any Stockholder to the extent any provision of this Agreement is determined to be invalid or unenforceable as a result of any failure to obtain the approval of such Stockholder of any amendment and restatement of such Former Agreement with respect to such provision.

5.6 ***Legends.***

(a) Each certificate for Common Stock shall include legends in substantially the following form:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF UNLESS IT HAS BEEN REGISTERED UNDER THE SECURITIES ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE (AND, IN SUCH CASE, AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY TO THE EFFECT THAT SUCH OFFER, SALE, TRANSFER OR DISPOSITION IS NOT REQUIRED TO BE REGISTERED UNDER THE SECURITIES ACT HAS BEEN PROVIDED TO THE COMPANY). THIS SECURITY IS SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED STOCKHOLDERS AGREEMENT OF THE COMPANY, AND SET FORTH IN THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE COMPANY, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

(b) A restriction on transfer of shares set forth in such legends (a "**Restriction**") shall cease and terminate as to any particular shares when, in the opinion of the Company and counsel reasonably satisfactory to the Company, such Restriction is no longer required. Whenever such Restriction shall cease and terminate as to any shares, the holder thereof shall be entitled to receive from the Company, without expense to such holder, new certificate(s) not bearing a legend stating such Restriction.

5.7 ***Counterparts and Effectiveness***. This Agreement may be executed in any number of counterparts, including facsimile counterparts, with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument. This Agreement shall become effective when executed and delivered by the minimum necessary parties required pursuant to Section 5.2 of the Original Agreement, and regardless of whether all the listed signatories have executed this Agreement.

5.8 ***Termination***. This Agreement (other than Article 3, Sections 5.1, 5.2, 5.3, 5.4, 5.5, 5.7, 5.9, 5.11 and 5.14 and Exhibit B) shall terminate, and shall have no further force or effect, upon the consummation of (a) an Initial Public Offering, (b) the Company's merger, combination or consolidation with a Qualified Public Company or a subsidiary of a Qualified Public Company, as long as the Stockholders receive solely cash and/or common stock (or an equivalent interest) of such Qualified Public Company in respect of their Common Stock, (c) the Company's merger, combination or consolidation with another Person if holders of Common Stock receive solely cash in respect of their Common Stock in such merger, combination or consolidation or (d) the consummation of a transaction pursuant to Section 2.5; provided, however, that upon the consummation of a transaction pursuant to Section 2.5 or the Company's merger, combination or consolidation with another Person in which, in any such case, holders of Capital Stock receive solely cash in respect of their Capital Stock in such transaction, merger, combination or consolidation, this Agreement shall terminate in its entirety. The Stockholders acknowledge and agree that following the termination of this Agreement pursuant to the previous sentence (other than pursuant to the proviso thereof), the Company may amend and restate this Agreement to be a stand-alone agreement of the Company, which shall include the substantive provisions of Article 3, Sections 5.1, 5.2, 5.3, 5.4, 5.5, 5.7, 5.9, 5.11 and 5.14 and Exhibit B, without any further action or approval by the Stockholders and such Registration Rights Agreement shall continue in full force and effect until terminated or amended pursuant to its terms. This Agreement shall continue in full force and effect until terminated pursuant to the previous sentence or otherwise amended pursuant to Section 5.2 of this Agreement.

5.9 ***Section Headings***. Headings contained in this Agreement are inserted only as a matter of convenience and in no way define, limit, or extend the scope or intent of this Agreement or any provisions hereof.

5.10 ***Entire Agreement***. This Agreement, including any Annexes, Exhibits, Schedules or other attachments hereto, and the agreements referred to herein, contain the entire understanding of the parties hereto respecting the subject matter hereof and supersedes all prior agreements, discussions and understandings with respect thereto.

5.11 ***Cumulative Rights***. The rights of the Stockholders and the Company under this Agreement are cumulative and in addition to all similar and other rights of such parties under other agreements.

5.12 ***Assignment***. Except as otherwise expressly provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Stockholders and the Company. No such assignment shall relieve the assignor from any liability hereunder. Any purported assignment made in violation of this Section 5.12 shall be void and of no force and effect.

5.13 ***Further Assurances***. In connection with this Agreement and the transactions contemplated hereby, each Stockholder shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions.

5.14 ***Spouses***. Each reference herein to the shares owned by a Stockholder includes the community property interest of such Stockholder's spouse (if any) (each, a "**Spouse**") in such shares. Each Spouse is fully aware of, understands and fully consents and agrees to the provisions of this Agreement and its binding effect upon any community property interest such Spouse may now or hereafter own. Each Spouse agrees that the termination of his or her marital relationship with a Stockholder for any reason shall not have the effect of removing any shares of the Company otherwise subject to this Agreement from its coverage. Each Spouse's awareness, understanding, consent and agreement are evidenced by the execution of this Agreement by such Spouse. In addition, each Spouse hereby acknowledges that the Company and the Parties may desire to amend this Agreement from time to time, and such Spouse hereby appoints his or her Spouse as his or her true and lawful proxy and attorney, with full power of substitution to enter into any such amendment to this Agreement. Such proxy is irrevocable and will survive the death, incompetency, and disability of such Spouse, *provided* that upon termination of this Agreement, the above authorized proxy shall become null and void. Each such Spouse agrees, for such Spouse and such Spouse's heirs, executors, administrators, guardians and other personal representatives, to offer for sale all shares now owned or hereafter acquired by such Spouse upon the happening of the events and on the terms and conditions set forth in this Agreement.

5.15 ***No SCF Management/Financial Advisory Agreement***. Neither SCF nor any of its Affiliates shall enter into any management, financial advisory or similar agreement with the Company or its subsidiaries without the consent or approval of at least a majority of the directors of the Board, excluding for this purpose the SCF Designees.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first written above.

COMPANY:

FORUM ENERGY TECHNOLOGIES, INC.

By: /s/ C. Christopher Gaut
Name: C. Christopher Gaut
Title: Chief Executive Officer

STOCKHOLDERS:

By power of attorney on behalf of the Stockholders identified by an "*"on Annex 1

By: /s/ C. Christopher Gaut
Name: C. Christopher Gaut
Title: Attorney-in-fact

ANNEX 1
LIST OF STOCKHOLDERS AND SHARE OWNERSHIP

EXHIBIT A
FORM OF ADOPTION AGREEMENT

This Adoption Agreement ("**Adoption**") is executed pursuant to the terms of the Amended and Restated Stockholders Agreement of Forum Energy Technologies, Inc. (the "**Company**") dated as of August __, 2010, as amended from time to time (the "**Stockholders Agreement**"), a copy of which is attached hereto. By the execution of this Adoption Agreement, _____("**Transferee**") **[and his or her spouse]** agree**[s]** as follows:

1. Acknowledgment. Transferee acknowledges that Transferee is acquiring certain shares of Common Stock from the Company or a Stockholder of the Company, subject to the terms and conditions of the Stockholders Agreement. Capitalized terms used herein without definition are defined in the Stockholders Agreement and are used herein with the same meanings set forth therein.

2. Agreement. Transferee **[and his or her spouse]** (a) agree**[s]** that the shares of Common Stock acquired by Transferee shall be bound by and subject to the terms of the Stockholders Agreement and (b) hereby join**[s]** in, and agree**[s]** to be bound by, the Stockholders Agreement with the same force and effect as if such Transferee **[and his or her spouse]** were originally parties thereto.

3. Notice. Any notice required or permitted by the Stockholders Agreement shall be given to Transferee at the address listed below Transferee's signature below.

EXECUTED AND DATED on this __ day of ____, ____.

TRANSFEREE:

By: _____
[Spouse:

_____
[Name]]

Address for Notice:

_____
_____
Attention: _____
Facsimile: (____) ____-_____

EXHIBIT B
to
Amended and Restated Stockholders Agreement
(the "Agreement")
dated as of August 2, 2010
by and among
Forum Energy Technologies, Inc.
and
the others parties thereto

REGISTRATION RIGHTS AGREEMENT

1. *Definitions*. In addition to the terms defined elsewhere in this Registration Rights Agreement, when used in this Registration Rights Agreement the following terms shall have the meanings indicated. All other capitalized terms used but not defined in this Registration Rights Agreement shall have the meaning assigned to such term in the Agreement.

"**Demand Holder**" means SCF and each transferee of SCF Registrable Securities directly or indirectly (in a chain of title) from SCF if such transferee to whom the right to request a Demand Registration under Section 2(a) has been expressly assigned in writing directly or indirectly (in a chain of title) from SCF as permitted by Section 9 hereof.

"**Demand Registration**" has the meaning set forth in Section 2(a)(i) below.

"**Demand Request**" has the meaning set forth in Section 2(a)(i) below.

"**Disposing Holders**" has the meaning set forth in Section 10.

"**FINRA**" means the Financial Industry Regulatory Authority, Inc.

"**Holder**" means a Stockholder (as defined in the Agreement, but excluding any Person who executes this Registration Rights Agreement or a separate agreement to be bound by the terms hereof solely in his or her capacity as a Spouse of a Stockholder), including any Person to whom the Company issues Common Stock after the date hereof and prior to an Initial Public Offering and who executes and delivers an Adoption Agreement to the Company (unless the Company enters into an agreement denying such Person the registration rights described herein), who holds Registrable Securities; *provided*, *however*, that a Person shall cease to be a Holder after the IPO Lock-Up Date if and when such Person owns Common Stock and Common Stock Equivalents representing less than four percent of the outstanding Common Stock and such Person may dispose of all Registrable Securities then owned by such Person and all Registrable Securities then acquirable upon exercise of Common Stock Equivalents (assuming such Common Stock Equivalents were exercised or converted on a cashless basis) then owned by such Person pursuant to Rule 144(b) (or any successor rule) under the Securities Act, and in such case the Registrable Securities owned by such Person shall cease to be Registrable Securities; *provided further, however*, that a Person shall cease to be a Holder after the first anniversary of the consummation of an Initial Public Offering if the Company requests in writing that such Person confirm in writing that such Person remains a Holder and such Person fails to so confirm within 30 days of such notice.

"**Indemnified Party**" has the meaning set forth in Section 7(c) below.

"**Indemnifying Party**" has the meaning set forth in Section 7(c) below.

"**Inspectors**" has the meaning set forth in Section 5(j) below.

"**IPO Lock-Up Date**" means the date that the Lock-Up Period set forth in Section 4(a) of this Registration Rights Agreement lapses in accordance with its terms in connection with an Initial Public Offering.

"**Lock-Up Period**" has the meaning set forth in Section 4(a) below.

"**Material Adverse Effect**" has the meaning set forth in Section 2(d) below.

"**Non-SCF Registrable Securities**" means the Common Stock issued to or acquired by any Non-SCF Holders, and any Common Stock into which Common Stock Equivalents held by a Non-SCF Holder have been or may be converted, exchanged or acquired and any other securities issued or issuable with respect to such securities by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or reorganization; *provided*, that after the IPO Lock-Up Date any Non-SCF Registrable Security will cease to be a Non-SCF Registrable Security when (a) a registration statement covering such Non-SCF Registrable Security has been declared effective by the SEC and it has been disposed of pursuant to such effective registration statement, (b) it is sold under circumstances in which all of the applicable conditions of Rule 144 (or any similar provisions then in force) under the Securities Act are met, (c) (i) it has been otherwise transferred, (ii) the Company has delivered a new certificate or other evidence of ownership for it not bearing any legend similar to that required pursuant to Section 5.6 of the Agreement and (iii) it may be resold without subsequent registration under the Securities Act or (d) it is held by a Person that is not a Holder in accordance with the provisos to the definition of Holder provided for herein.

"**Piggyback Registration**" has the meaning set forth in Section 3(a).

"**Piggyback Securities**" has the meaning set forth in Section 3(b).

"**Records**" has the meaning set forth in Section 5(j) below.

"**Registrable Securities**" means the SCF Registrable Securities and the Non-SCF Registrable Securities.

"**Registration Expenses**" has the meaning set forth in Section 6 below.

"**Requesting Holders**" means a Holder who makes a Demand Request pursuant to Section 2 below.

"**Required Filing Date**" has the meaning set forth in Section 2(a)(ii).

"**SCF Registrable Securities**" means the Common Stock issued to or acquired by SCF, including any Common Stock acquired by SCF from any Non-SCF Holder in accordance with

the terms of the Agreement, and any Common Stock into which Common Stock Equivalents held by SCF have been converted, exchanged or acquired and any other securities issued or issuable with respect to such securities by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or reorganization; *provided*, that after the IPO Lock-Up Date any SCF Registrable Security will cease to be an SCF Registrable Security when (a) a registration statement covering such SCF Registrable Security has been declared effective by the SEC and it has been disposed of pursuant to such effective registration statement, (b) it is sold under circumstances in which all of the applicable conditions of Rule 144 (or any similar provisions then in force) under the Securities Act are met, (c)(i) it has been otherwise transferred, (ii) the Company has delivered a new certificate or other evidence of ownership for it not bearing any legend similar to that required pursuant to Section 5.6 of the Agreement and (iii) it may be resold without subsequent registration under the Securities Act, or (d) it is held by a Person that is not a Holder in accordance with the provisos to the definition of Holder provided for herein.

"**SEC**" means the Securities and Exchange Commission or any successor governmental agency.

"**Selling Holder**" means a Holder who is selling Registrable Securities pursuant to a registration statement under the Securities Act.

"**Underwriter**" means a securities dealer which purchases any Registrable Securities as principal and not as part of such dealer's market-making activities.

2. *Demand Registration*.

(a) Request for Registration.

(i) From and after 180 days following an Initial Public Offering, any Demand Holder may make a written request of the Company (a "**Demand Request**") to have the Company effect a registration under the Securities Act (a "**Demand Registration**") for the sale of all or part of their Registrable Securities. Following receipt of such Demand Request, the Company shall be required to use commercially reasonable efforts to effect such Demand Registration subject to the terms hereof; *provided* that the Registrable Securities proposed to be offered by the Requesting Holders in any such Demand Request must have a reasonably anticipated aggregate offering price of at least $20,000,000 net of underwriting discounts and commissions (or at least $10,000,000 if the Company is then eligible to register such sale on a Form S-3 registration statement (or any comparable or successor form)); and *provided further* that the Demand Holders shall be entitled to make no more than five Demand Requests pursuant to the foregoing provisions; and *provided further* that, the Company shall not be obligated to effect more than one Demand Registration at the request of any of the Demand Holders in any six-month period. After such time as the Company shall become eligible to use Form S-3 (or any comparable or successor form) for the registration under the Securities Act of any of its securities, any Demand Request by one or more Demand Holders with a reasonably anticipated aggregate offering price of at least $100,000,000 may be for a "shelf" registration pursuant to Rule 415 under the Securities Act; *provided* that if such Demand Holders request that any such "shelf" registration statement remain effective for a period in excess of two years, such "shelf" registration shall count as two Demand Requests for the purposes of this Section 2(a).

(ii) Each Demand Request shall specify the number of shares of Registrable Securities proposed to be sold. Subject to Section 4(c), the Company shall use its best efforts to file under the Securities Act a registration statement on an appropriate form to effect the Demand Registration within 30 days if eligible to use Form S-3 (or any comparable or successor form), otherwise within 60 days if not so eligible, after receiving a Demand Request (the "**Required Filing Date**") and shall use commercially reasonable efforts to cause the same to be declared effective by the SEC as promptly as practicable after such filing.

(b) Effective Registration and Expenses. A registration will not count as a Demand Registration until it has become effective (unless the Requesting Holders withdraw their Demand Request, in which case such demand will count as a Demand Registration unless (i) the Requesting Holders pay all Registration Expenses in connection with such withdrawn registration, (ii) during the registration process material adverse information regarding the Company is disclosed that was not known by such Requesting Holders at the time the request for such Demand Registration was made or (iii) the Company has not complied in all material respects with its obligations hereunder required to have been taken prior to such withdrawal); *provided* that if, after it has become effective, an offering of Registrable Securities pursuant to a registration is interfered with by any stop order, injunction or other order or requirement of the SEC or other governmental agency or court, such registration will be deemed not to have been effected and will not count as a Demand Registration.

(c) Selection of Underwriters. The offering of Registrable Securities pursuant to a Demand Registration requested at a time when the Company is not then eligible to use Form S-3 (or any comparable or successor form) to register the sale of Common Stock requested by such Demand Registration shall be in the form of an underwritten offering. If the Requesting Holder so indicates, the Requesting Holder shall select the book-running managing Underwriter and such additional Underwriters to be used in connection with the offering; *provided* that such selections shall be subject to the consent of the Company, which consent shall not be unreasonably withheld.

(d) Priority on Demand Registrations. If securities to be sold for the account of any Person (including the Company) other than a Requesting Holder are desired to be included in a Demand Registration and if the managing Underwriter(s) shall advise the Requesting Holders that the inclusion of such other securities will materially and adversely affect the price or success of the offering (a "**Material Adverse Effect**"), then all such securities to be included in such Demand Registration shall be limited to the securities which the managing Underwriter(s) believe can be sold without a Material Adverse Effect and shall be allocated first pro rata among the Requesting Holders and the holders of Piggyback Securities who properly requested to include Registrable Securities in such Demand Registration pursuant to Section 3 (based on the number of Registrable Securities held by such Persons) and second to the Company.

3. *Piggyback Registration*.

(a) Piggyback Registration Rights. If the Company proposes to file a registration statement under the Securities Act with respect to an offering of any shares of Common Stock by the Company for its own account or for the account of any holder of Common Stock (including any Holder) (other than a registration statement on Form S-4 or Form S-8 or any substitute form that may be adopted by the SEC or any registration statement filed in connection with an exchange offer or offering of securities solely to the Company's existing security holders or under an employee benefit plan), then the Company shall give written notice of such proposed filing to the Holders of the Registrable Securities as soon as practicable (but in no event less than 15 days before the anticipated filing date of such registration statement), and such notice shall offer such Holders the opportunity to register such number of Registrable Securities as each such Holder may request (a "**Piggyback Registration**"); *provided*, *however*, that if SCF elects not to register any Registrable Securities in an offering intended to be an Initial Public Offering, then no Holder shall be entitled hereunder to register any Registrable Securities in such Initial Public Offering. Each Holder of Registrable Securities agrees that the fact that such a notice has been delivered shall constitute confidential information and such Holder agrees not to disclose that such notice has been delivered or effect any public sale or distribution or Common Stock until the earlier of (i) the registration statement prepared in connection with such Piggyback Registration has been filed with the SEC and (ii) 20 days after the date of such notice. Subject to Section 3(b) hereof, the Company shall include in each such Piggyback Registration all Registrable Securities requested to be included in the registration for such offering by written notice to the Company within 15 days of receipt (in accordance with Section 5.1 of the Agreement) of the Company's notice referred to above; *provided*, *however*, that the Company may at any time withdraw or cease proceeding with any such registration for its own account prior to effectiveness of such registration whether or not any Holder of Registrable Securities has elected to include any Registrable Securities in such registration. Each Holder of Registrable Securities shall be permitted to withdraw all or part of such Holder's Registrable Securities from a Piggyback Registration at any time prior to the effective date thereof. In connection with any filing of a "shelf" registration statement on Form S-3 (or any comparable or successor form) by the Company for the offer and sale of securities by the Company from time to time pursuant to Rule 415, the piggyback registration rights contemplated by this Section 3 for all Holders of Registrable Securities shall apply only at the time that such "shelf" registration statement is filed by the Company and not in connection with each offering of securities from such "shelf" registration statement; *provided*, *however*, that any Holder of Registrable Securities that exercises its Piggyback Registration rights with respect to the filing of such "shelf" registration statement shall be permitted to be included in any such offering of securities by the Company from such "shelf" registration statement as though such offering were the filing of a new registration statement for purposes of this Section 3.

(b) Priority on Piggyback Registration. The Company shall use commercially reasonable efforts to cause the managing Underwriter(s) of a proposed underwritten offering to permit the Registrable Securities requested to be included in the registration statement for such offering under Section 3(a) ("**Piggyback Securities**") to be included on the same terms and conditions as any similar securities included therein. Notwithstanding the foregoing, the Company shall not be required to include any Holder's Piggyback Securities in such offering unless such Holder accepts the terms of the underwriting agreement between the Company and

the managing Underwriter(s) and otherwise complies with the provisions of Section 8 below. If the managing Underwriter(s) of a proposed underwritten offering advise(s) the Company that in their opinion the total amount of securities, including Piggyback Securities, to be included in such offering is sufficiently large to cause a Material Adverse Effect, then in such event the securities to be included in such offering shall be allocated (i) if such registration statement is not pursuant to a Demand Request then first to the Company, and then, to the extent that any additional securities can, in the opinion of such managing Underwriter(s), be sold without any such Material Adverse Effect, pro rata among the Holders of Piggyback Securities on the basis of the number of Registrable Securities then held by each such Holder or (ii) if such registration statement is pursuant to a Demand Request, then as provided in Section 2(d).

4. ***Holdback Agreements***.

(a) Restrictions on Public Sale by Holder of Registrable Securities. In connection with any underwritten public offering of equity securities by the Company or any Holder of Registrable Securities effected pursuant to this Registration Rights Agreement, each Holder of Registrable Securities agrees not to effect any public sale or distribution of securities similar to those being registered or of any securities convertible into or exchangeable or exercisable for such securities or hedging transactions relating to the Registrable Securities, including a sale pursuant to Rule 144 under the Securities Act, during the period beginning 14 days prior to the expected date of "pricing" of such offering and continuing for a period not to exceed 180 days with respect to the Initial Public Offering or 90 days with respect to any offering subsequent to the Initial Public Offering, beginning on the date of such final prospectus (or prospectus supplement if the offering is made pursuant to a "shelf" registration statement) as shall be reasonably requested by the managing Underwriter(s) except as part of such registration (the "**Lock-Up Period**"); *provided, however*, that if (i) during the last 17 days of the initial Lock-Up Period, the Company releases earnings results or material news or a material event relating to the Company occurs or (ii) prior to the expiration of the initial Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the initial Lock-Up Period, then in each case the Lock-Up Period will be extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the occurrence of the material news or material event, as applicable, unless the managing Underwriter(s) of such underwritten public offering waive, in writing, such extension. If and to the extent requested by the managing Underwriter(s), each such Holder of Registrable Securities agrees to execute an agreement to the foregoing effect with the Underwriters for such offering on such terms as the managing Underwriter(s) shall reasonably request (with such modification as reasonably requested by such managing Underwriter(s) to take into consideration then existing rules of an applicable securities exchange regarding research analyst publications). Notwithstanding the foregoing, in no event shall any Holder of Registrable Securities be restricted at any time after the IPO Lock-Up Date from effecting any public sale or distribution of securities pursuant to this Section 4(a) for more than 150 days during any 12-month period.

(b) Restrictions on Public Sale by the Company. In connection with any underwritten public offering of equity securities by any Holder of Registrable Securities effected pursuant to this Registration Rights Agreement, the Company agrees not to effect any public sale or distribution of any securities similar to those being registered, or any securities convertible into or exchangeable or exercisable for such securities or hedging transactions relating to such

securities, during the Lock-Up Period as shall be reasonably requested by the managing Underwriter(s) except as part of such registration as permitted hereby; *provided, however*, that if (i) during the last 17 days of the initial Lock-Up Period, the Company releases earnings results or material news or a material event relating to the Company occurs or (ii) prior to the expiration of the initial Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the initial Lock-Up Period, then in each case the Lock-Up Period will be extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the occurrence of the material news or material event, as applicable, unless the managing Underwriter(s) of such underwritten public offering waive, in writing, such extension.

(c) Deferral of Filing. The Company may defer the filing (but not the preparation) of a registration statement required by Section 2 if (i) at the time the Company receives the Demand Request, (A) the Company or any of its subsidiaries are engaged in confidential negotiations or other confidential business activities, disclosure of which would be required in such registration statement (but would not be required if such registration statement were not filed) and the Board determines in good faith that such disclosure would be materially detrimental to the Company or (B) the Company has experienced some other material non-public event or is in possession of material non-public information concerning the Company, and the Board determines in good faith that such disclosure would be materially detrimental to the Company, until a date not later than 60 days after the Required Filing Date or (ii) prior to receiving such Demand Request, the Board had determined to effect a registered underwritten public offering of the Company's equity securities for the Company's account and the Company had taken substantial steps (including, but not limited to, selecting or entering into a letter of intent with the managing Underwriter(s) for such offering) and is proceeding with reasonable diligence to effect such offering, until a date not later than the end of the Lock-Up Period referred to in Section 4(a) above with respect to such offering. A deferral of the filing of a registration statement pursuant to this Section 4(c) shall be lifted, and the requested registration statement shall be filed as soon as reasonably practicable, if, in the case of a deferral pursuant to clause (i) of the preceding sentence, the negotiations or other activities are disclosed or terminated, or in the case of a deferral pursuant to clause (ii) of the preceding sentence, the proposed registration for the Company's account is abandoned. In order to defer the filing of a registration statement pursuant to this Section 4(c), the Company shall promptly, upon determining to seek such deferral, deliver to each Requesting Holder a certificate signed by the Chief Executive Officer of the Company stating that the Company is deferring such filing pursuant to this Section 4(c) and the basis therefor in reasonable detail. Within 20 days after receiving such certificate, the Holders of a majority of the Registrable Securities held by the Requesting Holders and for which registration was previously requested may withdraw such request by giving notice to the Company. If withdrawn, the Demand Request shall be deemed not to have been made for all purposes of this Registration Rights Agreement. The Company may defer the filing of a Demand Registration pursuant to this Section 4(c) only two times during any 12 month period. Nothing in this paragraph shall affect the rights of the Holders under Section 3 to participate in any such Demand Registration at such time as the filing deferral is lifted in accordance with this Section 4(c).

(d) Use, and Suspension of Use, of Shelf Registration Statement. If the Company has filed a "shelf" registration statement and has included Registrable Securities therein, the Company shall be entitled to suspend (but not more than an aggregate of 90 days in any 12-month period), for a reasonable period of time not in excess of 90 days, the offer or sale of Registrable Securities pursuant to such registration statement by any Holder of Registrable Securities if (i) a "road show" is not then in progress with respect to a proposed offering of Registrable Securities by such Holder pursuant to such registration statement and such Holder has not executed an underwriting agreement with respect to a pending sale of Registrable Securities pursuant to such registration statement and (ii) (A) the Company or any of its subsidiaries are engaged in confidential negotiations or other confidential business activities, disclosure of which would be required if such registration statement were used (but would not be required if such registration statement were not used) and the Board determines in good faith that such disclosure would be materially detrimental to the Company or (B) the Company has experienced some other material non-public event or is in possession of material non-public information concerning the Company, and the Board determines in good faith that such disclosure would be materially detrimental to the Company. In order to suspend the use of the registration statement pursuant to this Section 4(d), the Company shall promptly, upon determining to seek such suspension, deliver to the holders of Registrable Securities included in such registration statement, a certificate signed by the Chief Executive Officer of the Company stating that the Company is suspending use of such registration statement pursuant to this Section 4(d) and the basis therefor in reasonable detail. IN ADDITION, A HOLDER OF REGISTRABLE SECURITIES MAY NOT UTILIZE A SHELF REGISTRATION STATEMENT TO EFFECT THE SALE OF ANY SUCH REGISTRABLE SECURITIES UNLESS SUCH HOLDER HAS GIVEN THE COMPANY AT LEAST ONE BUSINESS DAY ADVANCE WRITTEN NOTICE OF THE DATE OR DATES OF A PROPOSED SALE OF SUCH REGISTRABLE SECURITIES BY SUCH HOLDER PURSUANT TO SUCH REGISTRATION STATEMENT (WHICH NOTICE MAY BE GIVEN AS OFTEN AS SUCH HOLDER DESIRES).

5. ***Registration Procedures*****.** Whenever the Holders have requested that any Registrable Securities be registered pursuant to Section 2 hereof, the Company will, at its expense, use commercially reasonable efforts to effect the registration of such Registrable Securities under the Securities Act prior to the Required Filing Date, and in connection with any such request, the Company will as expeditiously as practicable:

(a) prepare and file with the SEC a registration statement on any form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the sale of the Registrable Securities to be registered thereunder in accordance with the intended method of distribution thereof, and use commercially reasonable efforts and proceed diligently and in good faith to cause such filed registration statement to become effective under the Securities Act; *provided* that before filing a registration statement or prospectus or any amendments or supplements thereto, the Company will furnish to all Selling Holders and to one counsel reasonably acceptable to the Company selected by the Selling Holders, copies of all such documents proposed to be filed, which documents will be subject to the review of such counsel; *provided further* that in connection with a Demand Registration, the Company shall not file any registration statement or prospectus, or any amendments or supplements thereto, if the Requesting Holders who hold a majority of the Registrable Securities covered by such registration statement or their counsel shall reasonably object on a timely basis;

(b) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective pursuant to Section 2 for a period (except as provided in the last paragraph of this Section 5) of not less than 270 consecutive days (or three years, or such shorter period as the Requesting Holders who hold a majority of the Registrable Securities covered by such registration may elect, if a "shelf" registration is requested) or, if shorter, the period terminating when all Registrable Securities covered by such registration statement have been sold (but not before the expiration of the applicable period referred to in Section 4(3) of the Securities Act and Rule 174 thereunder, if applicable) and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended method of disposition by the Selling Holders thereof set forth in such registration statement; *provided however* that any Selling Holder that has been included on a "shelf" registration statement may request that such Seller Holder's Registrable Securities be removed from such registration statement, in which event the Company shall promptly either withdraw such registration statement or file a post-effective amendment to such registration statement removing such Registrable Securities;

(c) furnish to each such Selling Holder such number of copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits thereto), the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such Selling Holder may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Selling Holder;

(d) notify the Selling Holders promptly, and (if requested by any such Person) confirm such notice in writing, (i) when a prospectus or any prospectus supplement or post-effective amendment has been filed, and, with respect to a registration statement or any post-effective amendment, when the same has become effective under the Securities Act and each applicable state Law, (ii) of any request by the SEC or any other federal or state governmental authority for amendments or supplements to a registration statement or related prospectus or for additional information, (iii) of the issuance by the SEC of any stop order suspending the effectiveness of a registration statement or the initiation of any proceedings for that purpose, (iv) if at any time the representations or warranties of the Company or any of its subsidiaries contained in any agreement (including any underwriting agreement) contemplated by Section 5(i) below cease to be true and correct in any material respect, (v) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose, (vi) of the happening of any event which makes any statement made in such registration statement or related prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in such registration statement, prospectus or documents so that, in the case of the registration statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of the prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (vii) of the Company's reasonable determination that a post-effective amendment to a registration statement would be appropriate;

(e) use commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of a registration statement, or the lifting of any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest practicable moment;

(f) cooperate with the Selling Holders and the managing Underwriter(s) to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold, which certificates shall not bear any restrictive legends and shall be in a form eligible for deposit with The Depositary Trust Company;

(g) use commercially reasonable efforts to register or qualify such Registrable Securities as promptly as practicable under such other securities or blue sky laws of such jurisdictions as any Selling Holder or managing Underwriter reasonably (in light of the intended plan of distribution) requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such Selling Holder or managing Underwriter to consummate the disposition in such jurisdictions of the Registrable Securities owned by such Selling Holder; *provided* that the Company will not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph (g), (ii) subject itself to taxation in any such jurisdiction or (iii) consent to general service of process in any such jurisdiction;

(h) use commercially reasonable efforts to cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities, if any, as may be required of the Company to enable the Selling Holder or Selling Holders thereof to consummate the disposition of such Registrable Securities;

(i) enter into customary agreements (including an underwriting agreement in customary form with customary indemnification provisions) and take such other actions as are reasonably required or advisable in order to expedite or facilitate the disposition of such Registrable Securities, including providing reasonable availability of appropriate members of senior management of the Company to provide customary due diligence assistance in connection with any offering and to participate in customary "road show" presentations in connection with any underwritten offerings in substantially the same manner as they would in an underwritten primary registered public offering by the Company of its Common Stock, after taking into account the reasonable business requirements of the Company in determining the scheduling and duration of any road show;

(j) make available for inspection by any Selling Holder of such Registrable Securities, any Underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other professional retained by any such Selling Holder or Underwriter (collectively, the "**Inspectors**"), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the "**Records**") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors and employees to supply all information reasonably requested by any such Inspectors in connection with such registration statement. Each Selling Holder of such Registrable Securities agrees that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the

securities of the Company or its Affiliates unless and until such is made generally available to the public (other than by such Selling Holder). Each Selling Holder of such Registrable Securities further agrees that it will, as soon as practicable upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company at its expense to undertake appropriate action to prevent disclosure of the Records deemed confidential;

(k) use commercially reasonable efforts to obtain a comfort letter or comfort letters from the Company's independent public accountants in customary form and covering such matters of the type customarily covered by comfort letters as the managing Underwriter(s) reasonably request(s);

(l) otherwise use commercially reasonable efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering a period of twelve months, beginning within three months after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act;

(m) use commercially reasonable efforts to cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed or quoted on any inter-dealer quotation system on which similar securities issued by the Company are then quoted;

(n) if any event contemplated by Section 5(d)(vi) above shall occur, as promptly as practicable prepare a supplement or amendment or post-effective amendment to such registration statement or the related prospectus or any document incorporated therein by reference or promptly file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities, the prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(o) cooperate and assist in any filing required to be made with FINRA and in the performance of any due diligence investigation by any underwriter, including any "qualified independent underwriter," or any Selling Holder.

Notwithstanding anything contained herein to the contrary, the Company hereby agrees that (i) any Demand Registration that is a "shelf" registration pursuant to Rule 415 under the Securities Act shall contain all language (including on the prospectus cover page, the principal stockholders' chart and the plan of distribution) as may be reasonably requested by a holder of Registrable Securities. The Company may require each Selling Holder to promptly furnish in writing to the Company such information regarding the distribution of the Registrable Securities as it may from time to time reasonably request and such other information as may be legally required in connection with such registration. Notwithstanding anything herein to the contrary, the Company shall have the right to exclude from any offering the Registrable Securities of any Selling Holder who does not comply with the provisions of the immediately preceding sentence.

Each Selling Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 5(d)(vi) hereof, such Selling Holder will forthwith discontinue disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such Selling Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 5(n) hereof, and, if so directed by the Company, such Selling Holder will deliver to the Company all copies, other than permanent file copies, then in such Selling Holder's possession, of the most recent prospectus covering such Registrable Securities at the time of receipt of such notice. In the event the Company shall give such notice, the Company shall extend the period during which such registration statement shall be maintained effective (including the period referred to in Section 5(b) hereof) by the number of days during the period from and including the date of the giving of notice pursuant to Section 5(d)(vi) hereof to the date when the Company shall make available to the Selling Holders of Registrable Securities covered by such registration statement a prospectus supplemented or amended to conform with the requirements of Section 5(n) hereof.

6. ***Registration Expenses*****.** Subject to the provisions in Section 2(b) above with respect to a withdrawn Demand Registration, in connection with any registration statement required to be filed hereunder, the Company shall pay the following registration expenses (the "**Registration Expenses**"):

(a) all registration and filing fees (including with respect to filings to be made with FINRA);

(b) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities);

(c) printing expenses;

(d) internal expenses (including all salaries and expenses of its officers and employees performing legal or accounting duties);

(e) the fees and expenses incurred in connection with the listing on an exchange of the Registrable Securities if the Company shall choose, or be required pursuant to Section 5(m), to list such Registrable Securities;

(f) reasonable fees and disbursements of counsel for the Company and customary fees and expenses for independent certified public accountants retained by the Company (including the expenses of any comfort letters requested pursuant to Section 5(k) hereof);

(g) the reasonable fees and expenses of any special experts retained by the Company in connection with such registration;

(h) reasonable fees and expenses of one counsel reasonably acceptable to the Company selected by the Selling Holders incurred in connection with the registration of such Registrable Securities hereunder; and

(i) fees and expenses of any "qualified independent underwriter" or other independent appraiser participating in any offering pursuant to Rule 2720 of the FINRA Manual.

The Company shall not have any obligation to pay any underwriting fees, discounts, or commissions attributable to the sale of Registrable Securities or, except as provided by clause (b), (h) or (i) above, any out-of-pocket expenses of the Holders (or the agents who manage their accounts) or the fees and disbursements of any Underwriter.

7. ***Indemnification; Contribution***.

(a) Indemnification by the Company. The Company agrees to indemnify and hold harmless each Selling Holder, each Person, if any, who controls such Selling Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, and the officers, directors, agents, general and limited partners, and employees of each Selling Holder and each such controlling Person from and against any and all losses, claims, damages, liabilities (joint or several), and expenses (including reasonable costs of investigation and attorneys' fees) arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in any registration statement or prospectus relating to the Registrable Securities or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities or expenses arise out of, or are based upon and in conformity with, any such untrue statement or omission or allegation thereof based upon information furnished in writing to the Company by such Selling Holder or on such Selling Holder's behalf expressly for use therein. The Company also agrees to indemnify any Underwriters of the Registrable Securities, their officers and directors and each Person who controls such Underwriters on substantially the same basis as that of the indemnification of the Selling Holders provided in this Section 7(a).

(b) Indemnification by Holder of Registrable Securities. Each Selling Holder agrees to indemnify and hold harmless each other Selling Holder, the Company, and each Person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act and the officers, directors, agents and employees of each other Selling Holder, the Company and each such controlling Person to the same extent as the foregoing indemnity from the Company to such Selling Holder, but only with respect to information furnished in writing by such Selling Holder or on such Selling Holder's behalf expressly for use in any registration statement or prospectus relating to the Registrable Securities. The liability of any Selling Holder under this Section 7(b) shall be limited to the aggregate cash and property received by such Selling Holder pursuant to the sale of Registrable Securities covered by such registration statement or prospectus.

(c) Conduct of Indemnification Proceedings. If any action or proceeding (including any governmental investigation) shall be brought or asserted against any Person entitled to indemnification under Section 7(a) or 7(b) above (an "**Indemnified Party**") in respect of which indemnity may be sought from any Person who has agreed to provide such indemnification under Section 7(a) or 7(b) above (an "**Indemnifying Party**"), the Indemnified Party shall give prompt written notice to the Indemnifying Party and the Indemnifying Party shall assume the defense

thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party, and shall assume the payment of all reasonable expenses of such defense. Such Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party has agreed to pay such fees and expenses or (ii) the Indemnifying Party fails promptly to assume the defense of such action or proceeding or fails to employ counsel reasonably satisfactory to such Indemnified Party or (iii) the named parties to any such action or proceeding (including any impleaded parties) include both such Indemnified Party and Indemnifying Party (or an Affiliate of the Indemnifying Party), and such Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to the Indemnified Party that are different from or additional to those available to the Indemnifying Party, or there is a conflict of interest on the part of counsel employed by the Indemnifying Party to represent such Indemnified Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense of such action or proceeding on behalf of such Indemnified Party). Notwithstanding the foregoing, the Indemnifying Party shall not, in connection with any such action or proceeding or separate but substantially similar related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable at any time for the fees and expenses of more than one separate firm of attorneys (together in each case with appropriate local counsel). The Indemnifying Party shall not be liable for any settlement of any such action or proceeding effected without its written consent (which consent will not be unreasonably withheld), but if settled with its written consent, or if there be a final judgment for the plaintiff in any such action or proceeding, the Indemnifying Party shall indemnify and hold harmless such Indemnified Party from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment. The Indemnifying Party shall not consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release, in form and substance reasonably satisfactory to the Indemnified Party, from all liability in respect of such action or proceeding for which such Indemnified Party would be entitled to indemnification hereunder.

(d) Contribution. If the indemnification provided for in this Section 7 is unavailable to the Indemnified Parties in respect of any losses, claims, damages, liabilities or judgments referred to herein, then each such Indemnifying Party, in lieu of indemnifying such Indemnified Parties, shall contribute to the amount paid or payable by such Indemnified Parties as a result of such losses, claims, damages, liabilities and judgments as between the Company on the one hand and each Selling Holder on the other, in such proportion as is appropriate to reflect the relative fault of the Company and of each Selling Holder in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or judgments, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and of each Selling Holder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such Person, and such Persons' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Selling Holders agree that it would not be just and equitable if contribution pursuant to this Section 7(d) were determined by any method of allocation which does not take into account the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages, liabilities or judgments referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 7(d), no Selling Holder shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities of such Selling Holder were offered to the public (less any underwriting discounts or commissions) exceeds the amount of any damages which such Selling Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

8. ***Participation in Underwritten Registrations*****.** No Holder may participate in any underwritten registration hereunder unless such Holder (a) agrees to sell such Holder's Registrable Securities on the basis provided in any underwriting arrangements approved by the Person entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, custody agreements, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements and this Registration Rights Agreement.

9. ***Transfers of Registration Rights*****.** The provisions hereof will inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto, except as otherwise provided herein; *provided*, *however*, that the registration rights granted hereby may be transferred only (i) by operation of Law or (ii) to any Person to whom a Holder transfers Registrable Securities, *provided* that any such transferee shall not be entitled to rights pursuant to Section 2, 3 or 4 hereof unless such transferee of registration rights hereunder agrees to be bound by the terms and conditions hereof and executes and delivers to the Company an acknowledgment and agreement to such effect.

10. ***Information Rights in Private Sale*****.** If any Demand Holders who then hold in the aggregate a minimum of 15% of the Fully-Diluted Common Stock (such Demand Holders, for purposes of this Section 10, being herein called the "**Disposing Holders**") propose to Transfer in a private transaction Registrable Securities having a fair market value in excess of $20,000,000, as determined in good faith by such Disposing Holders, then held by such Disposing Holders, then, the Company shall afford to such Disposing Holders, such prospective transferees and their respective counsel, accountants, lenders and other representatives, full access during normal business hours to the properties, books, contracts, records and management of the Company in order that such parties may have full opportunity to make such investigations as they shall desire to make of the Company and shall, upon request, promptly furnish to such parties all other information concerning the Company as such parties may reasonably request in connection with such prospective transfer, in each case subject to such confidentiality restrictions or obligations as the Company may reasonably require; *provided*, *however*, that any such investigation shall be conducted in such a manner as not to interfere unreasonably with the Company's business and operations.

11. ***Entire Agreement.*** The foregoing provisions of this Exhibit B and the provisions of the Agreement contain the entire understanding of the parties hereto and thereto respecting the subject matter hereof and supersede all prior agreements, discussions and understandings with respect thereto.

12. ***Miscellaneous; Amendment; Termination.*** The provisions of Sections 1.1, 1.2, 5.1, 5.3, 5.4, 5.5, 5.7, 5.9, 5.11 and 5.13 of the Agreement shall apply to this Registration Rights Agreement. The provisions of this Registration Rights Agreement may only be amended by the written consent of the Company and the Demand Holders (if the Demand Holders then own Registrable Securities); *provided, however*, that any amendment that has an adverse effect on the rights of, or imposes additional obligations on, the Holders other than the Demand Holders shall require the consent of such Holders other than the Demand Holders that hold in the aggregate at least 50% of the Registrable Securities then held by such Holders (if such Holders then own Registrable Securities). The Holders acknowledge and agree that any Person that becomes a Stockholder shall have the rights and obligations set forth in this Registration Rights Agreement and that such Person becoming a Stockholder shall be deemed not to be an amendment to this Registration Rights Agreement. The provisions of this Registration Rights Agreement shall terminate and be of no further force or effect as of and following the tenth anniversary of the date hereof; *provided* that the provisions of Section 7 of this Registration Rights Agreement shall survive for any sales of Registrable Securities prior to such date.

AMENDMENT NO. 1 TO REGISTRATION RIGHTS AGREEMENT

This Amendment No. 1, dated as of June 14, 2011 (this "Amendment"), is made to the Registration Rights Agreement attached as Exhibit B (the "Original Agreement") to that certain Amended and Restated Stockholders Agreement, dated as of August 2, 2010, by and among Forum Energy Technologies, Inc., a Delaware corporation ("Company"), and the persons listed as "Stockholders" on the signature pages thereto. This Amendment is by and among the Company, SCF-V, L.P., a Delaware limited partnership ("SCF-V"), SCF-VI, L.P., a Delaware limited partnership ("SCF-VI"), and SCF-VII, L.P., a Delaware limited partnership ("SCF-VII" and together with SCF-V and SCF-VI, the "Demand Holders").

RECITALS:

WHEREAS, the Company and the Demand Holders desire to amend the Original Agreement.

WHEREAS, pursuant to Section 12 of the Original Agreement, the Original Agreement may be amended by the written consent of the Company and the Demand Holders.

NOW, THEREFORE, the parties hereto, in consideration of the premises and of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. Unless otherwise defined herein, capitalized terms used in this Amendment shall have the respective meaning ascribed to such terms in the Original Agreement.

ARTICLE II
AMENDMENT TO THE ORIGINAL AGREEMENT

Section 2.1 Amendment to Section 3(a) of the Original Agreement. The first sentence of Section 3(a) of the Original Agreement is hereby amended by inserting the following at the end of such sentence:

> *provided further, however*, that in the case of an offering intended to be an Initial Public Offering, the Company shall not be obligated to provide written notice of any proposed filing of a registration statement to the Holders of the Registrable Securities until no less than 15 days before the anticipated filing date of a registration statement (or a pre-effective amendment thereof) that first identifies SCF as a selling stockholder in such registration statement.

ARTICLE III
GENERAL PROVISIONS

Section 3.1 Effectiveness and Ratification. All of the provisions of this Amendment shall be effective as of the date hereof. Except as specifically provided for in this Amendment, the terms of the Original Agreement remain in full force and effect. In the event of any conflict or inconsistency between the terms of this Amendment and the Original Agreement, the terms of this Amendment shall prevail and govern.

Section 3.2 Severability. If any provision of this Amendment or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Amendment and the application of that provision to other Persons or circumstances shall not be affected thereby and that provision shall be enforced to the greatest extent permitted by Law. Furthermore, in lieu of each such invalid or unenforceable provision, there shall be added automatically as a part of this Amendment a provision as similar in terms to such invalid or unenforceable provisions as may be possible and be legal, valid and enforceable.

Section 3.3 Amendment; Entire Agreement. Whenever the Agreement is referred to in the Original Agreement or in any other agreement, documents and instruments, such reference shall be deemed to be to the Original Agreement as amended by this Amendment. The Original Agreement, as amended by this Amendment, and the exhibits and schedules thereto and the documents, information supplied in writing, and instruments referred to therein, constitute the entire agreement and supersedes all other prior agreements and understandings, both oral and written, among the parties or any of them, with respect to the subject matter hereof and thereof.

Section 3.4 Governing Law. This Amendment is governed by and shall be construed in accordance with the law of the State of Delaware without regard to the principles of conflicts of law thereof.

Section 3.5 Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all such counterparts together shall constitute one instrument. Delivery of a copy of this Amendment bearing an original signature by facsimile transmission or by electronic mail shall have the same effect as physical delivery of the paper document bearing the original signature.

IN WITNESS WHEREOF, the parties to this Amendment have caused it to be duly executed as of the date first above written.

FORUM ENERGY TECHNOLOGIES, INC.

By: /s/ C. Christopher Gaut
Name: C. Christopher Gaut
Title: Chief Executive Officer

SCF-V, L.P.

By: SCF-VI, G.P, Limited Partnership,
its general partner

By: L.E. Simmons & Associates, Incorporated,
its general partner

By: /s/ David C. Baldwin
Name: David C. Baldwin
Title: Managing Director

SCF-VI, L.P.

By: SCF-VI, G.P, Limited Partnership,
its general partner

By: L.E. Simmons & Associates, Incorporated,
its general partner

By: /s/ David C. Baldwin
Name: David C. Baldwin
Title: Managing Director

SCF-VII, L.P.

By: SCF-VII, G.P, Limited Partnership,
its general partner

By: L.E. Simmons & Associates, Incorporated,
its general partner

By: /s/ David C. Baldwin
Name: David C. Baldwin
Title: Managing Director

Signature Page to Amendment No. 1 to Registration Rights Agreement

Exhibit 10.1

EXECUTION VERSION

CREDIT AGREEMENT

dated as of August 2, 2010

Among

FORUM ENERGY TECHNOLOGIES, INC.
as Borrower,

WELLS FARGO BANK, NATIONAL ASSOCIATION
as Administrative Agent and Swing Line Lender,

WELLS FARGO BANK, NATIONAL ASSOCIATION, JPMORGAN CHASE BANK, N.A. AND BANK OF AMERICA, N.A. AND SUCH OTHER LENDERS DESIGNATED FROM TIME TO TIME
as Issuing Lenders

THE LENDERS NAMED HEREIN
as Lenders

$450,000,000

WELLS FARGO SECURITIES, LLC,
J.P. MORGAN SECURITIES, INC., AND
BANC OF AMERICA SECURITIES LLC
AS CO-LEAD ARRANGERS AND JOINT BOOKRUNNERS

JPMORGAN CHASE BANK, N.A. AND BANK OF AMERICA, N.A.
AS CO-SYNDICATION AGENTS

CITIBANK, N.A., DEUTSCHE BANK SECURITIES, INC.,
AND AMEGY BANK NATIONAL ASSOCIATION
AS CO-DOCUMENTATION AGENTS

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CREDIT AGREEMENT

This CREDIT AGREEMENT dated as of August 2, 2010 (the "Agreement") is among (a) Forum Energy Technologies, Inc., a Delaware corporation (the "Borrower"), (b) the Lenders (as defined below), (c) the Issuing Lenders (as defined below), and (d) Wells Fargo Bank, National Association as a Swing Line Lender (as defined below), and as Administrative Agent (as defined below) for the Lenders.

In consideration of the mutual covenants and agreements herein contained, the parties hereto hereby agree as follows:

ARTICLE 1
DEFINITIONS AND ACCOUNTING TERMS

Section 1.1 Certain Defined Terms. The following terms shall have the following meanings (unless otherwise indicated, such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Acceptable Security Interest" means a security interest which (a) exists in favor of the Administrative Agent for its benefit and the ratable benefit of the Secured Parties, (b) is superior to all other security interests (other than the Permitted Liens and other than as to Excluded Perfection Collateral), (c) secures the Obligations, (d) is enforceable against the Credit Party which created such security interest and (e) except as to Excluded Perfection Collateral, is perfected.

"Acquisition" means the purchase by any Restricted Entity of any business, including (i) the purchase of associated assets or operations of, or (ii) the purchase of Equity Interests, or merger or consolidation with, any Person.

"Additional Lender" has the meaning set forth in Section 2.15(a).

"Adjusted Base Rate" means, for any day, the fluctuating rate per annum of interest equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Rate in effect on such day plus 1/2 of 1.00% and (c) a rate determined by the Administrative Agent to be the Daily One-Month LIBOR plus 1.50%. Any change in the Adjusted Base Rate due to a change in the Prime Rate, Daily One-Month LIBOR or the Federal Funds Rate shall be effective on the effective date of such change in the Prime Rate, Daily One-Month LIBOR or the Federal Funds Rate.

"Adjusted EBITDA" means:

(a) for the calculations to be made as of the last day of the fiscal quarter ending September 30, 2010, the sum of (i) the Subject Companies' combined (but not duplicative) consolidated EBITDA for the period from July 1, 2010 to the Effective Date plus (ii) the Borrower's consolidated EBITDA for the period from the Effective Date to September 30, 2010 plus (iii) the Subject Companies' combined (but not duplicative) consolidated EBITDA for the three fiscal quarter period ended June 30, 2010;

(b) for the calculations to be made as of the last day of the fiscal quarter ending December 31, 2010, the sum of (i) the Subject Companies' combined (but not duplicative) consolidated EBITDA for the period from July 1, 2010 to the Effective Date plus (ii) the Borrower's consolidated EBITDA for the period from the Effective Date to September 30, 2010 plus (iii) the Borrower's consolidated EBITDA for the fiscal quarter ending December 31, 2010 plus (iv) the Subject Companies' combined (but not duplicative) consolidated EBITDA for the two fiscal quarter period ended June 30, 2010;

(c) for the calculations to be made as of the last day of the fiscal quarter ending March 31, 2011, the sum of (i) the Subject Companies' combined (but not duplicative) consolidated EBITDA for the period from July 1, 2010 to the Effective Date plus (ii) the Borrower's consolidated EBITDA for the period from the Effective Date to September 30, 2010 plus (iii) the Borrower's consolidated EBITDA for the two fiscal quarter period ending March 31, 2011 plus (iv) the Subject Companies' combined (but not duplicative) consolidated EBITDA for the fiscal quarter ended June 30, 2010; and

(d) for the calculations to be made as of the last day of the fiscal quarter ending June 30, 2011, the sum of (i) the Subject Companies' combined (but not duplicative) consolidated EBITDA for the period from July 1, 2010 to the Effective Date plus (ii) the Borrower's consolidated EBITDA for the period from the Effective Date to September 30, 2010 plus (iii) the Borrower's consolidated EBITDA for the three fiscal quarter period ending June 30, 2011.

"Administrative Agent" means Wells Fargo in its capacity as agent for the Lenders pursuant to Article 8 and any successor agent pursuant to Section 8.6.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Advance" means any advance by a Lender or a Swing Line Lender to the Borrower as a part of a Borrowing.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such Person or any Subsidiary of such Person.

"Agreed Currency" means, subject to Section 1.6, (a) Dollars, (b) British Pound Sterling, (c) Canadian Dollars, (d) Euros, (e) UAE Dirham, (f) Singapore Dollars, (g) South African Rand other than with respect to Bank of America, N.A. unless such Issuing Lender consents to otherwise, and (h) any other Eligible Currency approved in accordance with Section 1.6.

"Agreement" means this Credit Agreement among the Borrower, the Lenders, the Swing Line Lenders, the Issuing Lenders and the Administrative Agent.

"Allied" means Allied Production Services, Inc., a Delaware corporation.

"Applicable Margin" means, at any time with respect to each Type of Advance, the Letters of Credit and the Commitment Fee, the percentage rate per annum which is applicable at such time with respect to such Advance, Letter of Credit or Commitment Fee as set forth in Schedule I and subject to further adjustments as set forth in Section 2.8(c).

"Applicable Period" has the meaning set forth in Section 2.8(c).

"Assignment and Acceptance" means an assignment and acceptance executed by a Lender and an Eligible Assignee and accepted by the Administrative Agent, in substantially the same form as Exhibit A.

"AutoBorrow Agreement" means any agreement providing for automatic borrowing services between a Credit Party and the applicable Swing Line Lender.

"Availability" means an amount equal to (a) the aggregate Commitments in effect at such time minus (b) the sum of (i) the outstanding amount of all Advances plus (ii) the Dollar Equivalent of the Letter of Credit Exposure.

"Balance Sheet Debt" means, collectively, (a) all liabilities of the Borrower and its consolidated Restricted Subsidiaries which are required to be listed as a liability on its balance sheet in accordance with GAAP plus (b) to the extent not otherwise listed as a liability on its balance sheet, the unamortized debt discount associated with senior notes or convertible debt.

"Banking Services Provider" means any Lender or Affiliate of a Lender that provides Banking Services to any Restricted Entity.

"Banking Services" means each and any of the following bank services provided to any Restricted Entity by any Banking Services Provider: (a) commercial credit cards, (b) stored value cards, (c) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services, but in the case of overdraft lines of credit in favor of Foreign Restricted Subsidiaries, subject to the limitation in the following clause (d) as to overdraft lines of credit, and (d) the overdraft lines of credit permitted under Section 6.1(j).

"Banking Services Obligations" means any and all obligations of any Restricted Entity owing to the Banking Services Providers, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

"Base Rate Advance" means an Advance which bears interest based upon the Adjusted Base Rate.

"Borrower" means Forum Energy Technologies, Inc., a Delaware corporation.

"Borrowing" means a Revolving Borrowing or a Swing Line Borrowing.

"Business Day" means a day (a) other than a Saturday, Sunday, or other day on which the Administrative Agent is authorized to close under the laws of, or is in fact closed in, New York or Texas, and (b) if the applicable Business Day relates to any Eurodollar Advances, on which dealings are carried on by commercial banks in the London interbank market.

"Canadian Dollars" means the lawful money of Canada.

"Capital Expenditures" means, for any Person and period of its determination, without duplication, the aggregate of all expenditures and costs (whether paid in cash or accrued as liabilities during that period and including that portion of payments under Capital Leases that are capitalized on the balance sheet of such Person) of such Person during such period that, in conformity with GAAP, are required to be included in or reflected as plant, property, equipment or other similar fixed asset accounts on the balance sheet of such Person.

"Capitalization Ratio" means, as of the last day of each fiscal quarter, the ratio of (a) all Balance Sheet Debt as of the last day of such fiscal quarter to (b) the Borrower's consolidated Total Capitalization as of the last day of such fiscal quarter.

"Capital Leases" means, for any Person, any lease of any Property by such Person as lessee which would, in accordance with GAAP, be required to be classified and accounted for as a capital lease on the balance sheet of such Person.

"Cash Collateral Account" means a special cash collateral account pledged to the Administrative Agent containing cash deposited pursuant to the terms hereof to be maintained with the Administrative Agent in accordance with Section 2.2(h).

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, analogous state and local laws, and all rules and regulations and legally enforceable requirements promulgated thereunder, in each case as now or hereafter in effect.

"Change in Control" means the occurrence of any of the following events: (a) prior to the closing of the Offering, SCF ceases to own, directly or indirectly more than 50% of the Voting Securities of the Borrower; and (b) after the closing of the Offering, (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) other than SCF becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire (such right, an "option right"), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 33% or more of the equity securities of the Borrower entitled to vote for members of the board of directors or equivalent governing body of the Borrower on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right), or (ii) during any period of 12 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Borrower cease to be composed of individuals (A) who were members of that board or equivalent governing body on the first day of such period, (B) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (A) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (C) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (A) and (B) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

"Change in Law" means the occurrence, after the date of this Agreement (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided however, for purposes of this Agreement, the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, guidelines or directives in connection therewith are deemed to have gone into effect and adopted after the date of this Agreement.

"Class" has the meaning set forth in Section 1.4.

"Closing Date Leverage Ratio" means, on a pro forma basis after giving effect to the Transactions, the ratio of (a) the Funded Debt as of June 30, 2010 minus immediately available cash on hand on the Effective Date which is free and clear of all Liens and other third party rights other than a Lien in favor of the Administrative Agent pursuant to Security Documents, to (b) the Subject Companies' combined (but not duplicative) EBITDA for the four fiscal quarter period ended June 30, 2010.

"Closing Date Redemptions" means (a) redemption or purchase of Equity Interests of Subject Companies owned by non-accredited investors, (b) redemption or purchase of preferred Equity Interests of Global Flow from Pon North America, Inc., and (c) redemption or purchase of other equity interests of Subsea, Triton, and Allied in any event, in connection with, and in order to effect, the Reorganization.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations and published interpretations thereof.

"Co-Lead Arrangers" means Wells Fargo Securities, LLC, J.P. Morgan Securities, Inc. and Banc of America Securities LLC in their respective capacities as co-lead arrangers and joint bookrunners.

"Collateral" means all property of the Credit Parties which is "Collateral" (as defined in the Security Agreement) or similar terms used in the Security Documents. The Collateral shall not include any Excluded Properties.

"Combined Entities" means, collectively, (a) the Credit Parties, (b) each First Tier Foreign Restricted Subsidiary to which the Administrative Agent has (i) an Acceptable Security Interest in at least 66% (or if greater, the Control Percentage) of the Voting Securities issued by such Subsidiary, and (ii) if requested by the Administrative Agent, an opinion letter from foreign counsel in form and substance reasonably acceptable to the Administrative Agent, regarding such First Tier Foreign Restricted Subsidiary and the security interest described in clause (i) above, and (c) each other Foreign Restricted Subsidiary that is Wholly-Owned and whose (i) Equity Interests are unencumbered other than the Liens in favor of the Administrative Agent pursuant to the Security Documents and (ii) assets are unencumbered other than by Liens permitted under clauses (a) – (i), clauses (k) - (m) and clause (p) of Section 6.2.

"Commitment" means, for each Lender, the obligation of each Lender to advance to Borrower the amount set opposite such Lender's name on Schedule II as its Commitment, or if such Lender has entered into any Assignment and Acceptance, the amount set forth for such Lender as its Commitment in the Register, as such amount may be reduced pursuant to Section 2.1(b) or increased pursuant to Section 2.15; provided that, after the Maturity Date, the Commitment for each Lender shall be zero; and provided further that, the aggregate Commitment shall not exceed $600,000,000. The initial aggregate Commitment on the date hereof is $450,000,000.

"Commitment Fees" means the fees required under Section 2.7(a).

"Commitment Increase" has the meaning set forth in Section 2.15(a).

"Compliance Certificate" means a compliance certificate executed by a Responsible Officer of the Borrower or such other Person as required by this Agreement in substantially the same form as Exhibit B.

"Computation Date" means (a) if any Foreign Currency L/C is issued or deemed issued on the Effective Date, the Effective Date and (b) so long as any Foreign Currency L/C issued or deemed issued hereunder is outstanding, (i) the first Business Day of each week, (ii) the date a draw is funded on any Foreign Currency L/C, (iii) the date of any proposed Borrowing or proposed issuance or increase of a Foreign Currency L/C, (iv) the date of any increase or reduction of Commitments pursuant to Sections 2.1(b) or 2.15, and (v) such additional dates as the Administrative Agent shall determine or the Majority Lenders shall require.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or

otherwise, and the terms "Controlled by" or "under common Control with" shall have the correlative meanings.

"Control Percentage" means, with respect to any Person, the percentage of the outstanding Voting Securities of such Person having ordinary voting power which gives the holder(s) thereof Control over such Person.

"Controlled Group" means all members of a controlled group of corporations and all businesses (whether or not incorporated) under common control which, together with the Borrower or any Subsidiary, are treated as a single employer under Section 414 of the Code.

"Convert," "Conversion," and "Converted" each refers to a conversion of Advances of one Type into Advances of another Type pursuant to Section 2.4(b).

"Credit Documents" means this Agreement, the Notes, the Letters of Credit, the Letter of Credit Applications, the Guaranties, the Notices of Borrowing, the Notices of Conversion, the Security Documents, any Autoborrow Agreement, the Fee Letter, and each other agreement, instrument, or document executed at any time in connection with this Agreement.

"Credit Parties" means the Borrower and the Guarantors.

"Daily One-Month LIBOR" means, for any day, the rate of interest equal to the Eurodollar Rate then in effect for delivery for a one (1) month period.

"Debt" means, for any Person, without duplication: (a) indebtedness of such Person for borrowed money; (b) to the extent not covered under clause (a) above, obligations under letters of credit and agreements relating to the issuance of letters of credit, bankers' acceptances, bank guaranties, surety bonds and similar instruments; (c) obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (d) obligations of such Person under conditional sale or other title retention agreements relating to any Properties purchased by such Person (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business); (e) obligations of such Person to pay the deferred purchase price of property or services (such obligations including, without limitation, any earn-out obligations, contingent obligations, or other similar obligations associated with such purchase) but excluding trade accounts payable in the ordinary course of business and, in each case, not past due for more than 90 days after the date on which such trade account payable was created; (f) obligations of such Person as lessee under Capital Leases and obligations of such Person in respect of synthetic leases; (g) obligations of such Person under any Hedging Arrangement; (h) all obligations of such Person to mandatorily purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person on a date certain or upon the occurrence of certain events or conditions, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends (which obligations, for the avoidance of doubt, do not include any obligations to issue Equity Interests in respect of warrants); (i) the Debt of any partnership or unincorporated joint venture in which such Person is a general partner or a joint venturer, but only to the extent to which there is recourse to such Person for the payment of such Debt; (j) obligations of such Person under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) of such Person to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (a) through (i) above; and (k) indebtedness or obligations of others of the kinds referred to in clauses (a) through (j) secured by any Lien on or in respect of any Property of such Person, but if recourse is only to such Property, then only to the extent of the lesser of the amount of the Debt secured thereby and the fair market value of the Property subject to such Lien.

"Default" means (a) an Event of Default or (b) any event or condition which with notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"Default Rate" means a per annum rate equal to (a) in the case of principal of any Advance, 2.00% plus the rate otherwise applicable to such Advance as provided in Sections 2.8(a), (b), or (c), and (b) in the case of any other Obligation, 2.00% plus the non-default rate applicable to Base Rate Advances as provided in Section 2.8(a) or (c).

"Defaulting Lender" means any Lender that (a) has failed to fund any portion of the Advances or participations in Letter of Credit Obligations or Swing Line Advances required to be funded by it hereunder within two Business Days of the date required to be funded by it hereunder unless, with the consent of the Administrative Agent and the Borrower (which consent may be withheld at the sole discretion of the Administrative Agent and the Borrower), such failure has been cured, (b) has indicated to the Administrative Agent, or has stated publicly, that such Lender will not fund any portion of the Advances or participations in Letter of Credit Obligations or Swing Line Advances required to be funded by it hereunder, unless, with the consent of the Administrative Agent and the Borrower (which consent may be withheld at the sole discretion of the Administrative Agent and the Borrower), such Lender actually funds such Advances or participations, (c) has otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, unless the subject of a good faith dispute, or unless, with the consent of the Administrative Agent (which consent may be withheld at the sole discretion of the Administrative Agent), such failure has been cured, (d) as to which a Lender Insolvency Event has occurred and is continuing with respect to such Lender, or (e) has failed to confirm in writing to the Administrative Agent, for at least three Business Days, in response to a written request of the Administrative Agent, that it will comply with its funding obligations hereunder. Any determination that a Lender is a Defaulting Lender will be made by the Administrative Agent in its sole discretion acting in good faith**;** provided that, if the Administrative Agent, the Borrower, each Swing Line Lender and each Issuing Lender each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, such Lender shall cease to be a Defaulting Lender.

"Disposition" means any sale, lease, transfer, assignment, conveyance, or other disposition of any Property; "Dispose" or similar terms shall have correlative meanings.

"Dollar Equivalent" means, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in any Foreign Currency, the equivalent amount thereof in Dollars as determined by the Administrative Agent or the applicable Issuing Lender, as the case may be, at such time on the basis of the Exchange Rate (determined in respect of the most recent Computation Date) for the purchase of Dollars with such Foreign Currency.

"Dollars" and "$" means lawful money of the United States of America.

"Domestic Restricted Subsidiary" means any Restricted Subsidiary that is not a Foreign Subsidiary.

"Domestic Subsidiary" means any Subsidiary that is not a Foreign Subsidiary.

"EBITDA" means, for any period and for the Borrower and its consolidated Restricted Subsidiaries, without duplication, (a) the Borrower's consolidated Net Income for such period (it being understood that no amounts of the Unrestricted Subsidiaries' Net Income shall be taken into account in calculating EBITDA other than to the extent provided in clause (c) below) plus (b) to the extent deducted in determining consolidated Net Income for such period, Interest Expense, taxes, depreciation,

amortization, depletion, and other non-cash charges for such period (including any provision for the reduction in the carrying value of assets recorded in accordance with GAAP and including non-cash charges resulting from the requirements of ASC 410, 718 and 815) for such period plus (c) cash dividends received by the Restricted Entities from Unrestricted Subsidiaries during such period plus (d) any cash charges or other expenses incurred in connection with the Transactions during such period plus (e) any non-recurring charges incurred during such period in connection with Permitted Acquisitions consisting of excess compensation of prior officers of the acquired Person; provided that the aggregate amount of such charges may not exceed $2,000,000 unless otherwise agreed to by the Administrative Agent plus (f) other reasonable non-recurring cash charges and expenses incurred in connection with Permitted Acquisitions during such period in an amount not to exceed such amount as agreed to between the Administrative Agent and the Borrower minus (g) all non-cash items of income which were included in determining such consolidated Net Income (including non-cash income resulting from the requirements of ASC 410, 718 and 815); provided that such EBITDA shall be subject to pro forma adjustments for Acquisitions and Nonordinary Course Asset Sales assuming that such transactions had occurred on the first day of the determination period, which adjustments shall be made in accordance with the guidelines for pro forma presentations set forth by the SEC or in a manner otherwise reasonably acceptable to the Administrative Agent.

"Effective Date" means the date of this Agreement.

"Eligible Assignee" means (a) a Lender (other than a Defaulting Lender), (b) any Affiliate of a Lender approved by the Administrative Agent, the Swing Line Lenders and the Issuing Lenders, or (c) any other Person (other than a natural Person) approved by the Administrative Agent, the Swing Line Lenders and the Issuing Lenders and, unless an Event of Default has occurred and is continuing at the time any assignment is effected in accordance with Section 9.7, the Borrower, such approvals by the Borrower, Administrative Agent, Swing Line Lenders and the Issuing Lenders not to be unreasonably withheld, conditioned or delayed; provided, however, that neither the Borrower nor any Affiliate of the Borrower shall qualify as an Eligible Assignee.

"Eligible Currency" means any Foreign Currency provided that: (a) quotes for loans in such currency are available in the London interbank deposit market; (b) such currency is freely transferable and convertible into Dollars in the London foreign exchange market, (c) no approval of a Governmental Authority in the country of issue of such currency is required to permit use of such currency by any applicable Lender or applicable Issuing Lender for making loans or issuing letters of credit, or honoring drafts presented under letters of credit in such currency, and (d) there is no restriction or prohibition under any applicable Legal Requirements against the use of such currency for such purposes.

"EMU Legislation" means the legislative measures of the European Council for the introduction of, changeover to or operation of a single or unified European currency.

"Environment" or "Environmental" shall have the meanings set forth in 42 U.S.C. 9601(8) (1988).

"Environmental Claim" means any third party (including any Governmental Authority) action, lawsuit, claim, demand, regulatory action or proceeding, order, decree, consent agreement or notice of potential or actual responsibility or violation which seeks to impose liability under any Environmental Law.

"Environmental Law" means all federal, state, and local laws, rules, regulations, ordinances, orders, decisions, enforceable agreements, and other requirements, including duties imposed under common law, now or hereafter in effect and relating to, or in connection with the Environment, including

without limitation CERCLA, relating to (a) pollution, contamination, injury, destruction, loss, protection, cleanup, reclamation or restoration of the air, surface water, groundwater, land surface or subsurface strata, or other natural resources; (b) solid, gaseous or liquid waste generation, treatment, processing, recycling, reclamation, cleanup, storage, disposal or transportation; (c) exposure to pollutants, contaminants, hazardous, or toxic substances, materials or wastes; or (d) the manufacture, processing, handling, transportation, distribution in commerce, use, storage or disposal of hazardous, or toxic substances, materials or wastes.

"Environmental Permit" means any permit, license, order, approval, registration or other authorization required or issued under Environmental Law.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Equity Funded Capital Expenditure" means Capital Expenditures that are fully funded solely with Equity Issuance Proceeds.

"Equity Interest" means with respect to any Person, any shares, interests, participation, or other equivalents (however designated) of corporate stock, membership interests or partnership interests (or any other ownership interests) of such Person.

"Equity Issuance" means any issuance of equity securities or any other Equity Interests (including any preferred equity securities) by the Borrower.

"Equity Issuance Proceeds" means, with respect to any Equity Issuance, all cash and cash equivalent proceeds or cash equivalent investments received by the Borrower from such Equity Issuance (other than from any other Credit Party) after payment of, or provision for, all underwriter fees and expenses, SEC and blue sky fees, printing costs, fees and expenses of accountants, lawyers and other professional advisors, brokerage commissions and other out-of-pocket fees and expenses actually incurred in connection with such Equity Issuance.

"Euro" and "EUR" mean the lawful currency of the Participating Member States introduced in accordance with the EMU Legislation.

"Eurocurrency Liabilities" has the meaning assigned to that term in Regulation D of the Federal Reserve Board as in effect from time to time.

"Eurodollar Advance" means an Advance that bears interest based upon the Eurodollar Rate (other than Advances that bear interest based upon the Daily One Month LIBOR).

"Eurodollar Base Rate" means:

(a) in determining Eurodollar Rate for purposes of the "Daily One Month LIBOR", the rate per annum for Dollar deposits quoted by the Administrative Agent for the purpose of calculating effective rates of interest for loans making reference to the "Daily One-Month LIBOR", as the inter-bank offered rate in effect from time to time for delivery of funds for one (1) month in amounts approximately equal to the principal amount of the applicable Advances; provided that, (i) the Administrative Agent may base its quotation of the inter-bank offered rate upon such offers or other market indicators of the inter-bank market as the Administrative Agent in its reasonable discretion deems appropriate including, but not limited to, the rate determined under the following clause (b), and (ii) such rate per annum shall be

generally applicable to all credit facilities agented by the Administrative Agent which makes reference to the "Daily One-Month LIBOR" or words of similar import; and

(b) in determining Eurodollar Rate for all other purposes, the rate per annum (rounded upward to the nearest whole multiple of 1/100th of 1%) equal to the interest rate per annum set forth on the Reuters Reference LIBOR1 page as the London Interbank Offered Rate, for deposits in Dollars at 11:00 a.m. (London, England time) two Business Days before the first day of the applicable Interest Period and for a period equal to such Interest Period; provided that, if such quotation is not available for any reason, then for purposes of this clause (b), Eurodollar Base Rate shall then be the rate determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in immediately available funds in the approximate amount of the Advances being made, continued or converted by the Lenders and with a term equivalent to such Interest Period would be offered by the Administrative Agent's London Branch (or other branch or Affiliate of the Administrative Agent, or in the event that the Administrative Agent does not have a London branch, the London branch of a Lender chosen by the Administrative Agent) to major banks in the London or other offshore inter-bank market for Dollars at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period).

"Eurodollar Rate" means a rate per annum determined by the Administrative Agent pursuant to the following formula:

$$\text{Eurodollar Rate} = \frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

Where,

"Eurodollar Reserve Percentage" means, as of any day, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to liabilities or assets consisting of or including Eurocurrency Liabilities. The Eurodollar Rate for each outstanding Advance shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

"Event of Default" has the meaning specified in Section 7.1.

"Exchange Rate" means, on any Business Day, with respect to any calculation of the Dollar Equivalent with respect to any Foreign Currency on such date or any calculation of the Foreign Currency Equivalent on such date, the Administrative Agent's spot rate of exchange in the interbank market where its currency exchange operations in respect of such Foreign Currency are then being conducted, at or about 12:00 noon local time at such date for the purchase of such Foreign Currency with Dollars or the purchase of Dollars with such Foreign Currency, as the case may be, for delivery two Business Days later; provided that if at the time of any such determination no such spot rate can reasonably be quoted, the Administrative Agent may use any reasonable method (including obtaining quotes from three or more market makers for such Foreign Currency) as it deems appropriate to determine such rate and such determination shall be presumed correct absent manifest error.

"Excluded Perfection Collateral" shall mean, unless otherwise elected by the Administrative Agent during the continuance of an Event of Default, collectively (a) Certificated Equipment, as defined in the Security Agreement, (b) deposit accounts, commodities accounts and securities accounts other than the Cash Collateral Account, and (c) any other Property (i) in which a security interest cannot be

perfected by the filing of a financing statement under the UCC and (ii) with respect to which the Administrative Agent has determined, in its reasonable discretion that the cost of perfecting a security interest in such Property are excessive in relation to the value of the Lien to be afforded thereby.

"Excluded Properties" means (a) all fee owned and leased real property of any Credit Party, (b) any Properties owned by any Foreign Subsidiary, (c) commercial tort claims, (d) letter of credit rights, and (e) the "Excluded Collateral" as defined in the Security Agreement which include, but is not limited to, (i) Equity Interests issued by Foreign Subsidiaries other than 66% of the Voting Securities issued by First Tier Foreign Subsidiaries, and (ii) Excluded JV Equity Interests, as defined therein.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender, any Issuing Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the United States of America (or any political subdivision thereof) or by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Borrower is located and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.14, any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new lending office) or is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 2.13(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.13(a), (d) any U.S. Federal withholding taxes that are imposed by FATCA, and (e) any interest, additions to tax and penalties with respect to taxes referred to in clauses (a)-(d) above.

"Executive Officer" means any Responsible Officer of a Restricted Subsidiary who is, as part of his/her employment with such Restricted Subsidiary, in contact with any Responsible Officer of the Borrower regarding the business and operations of such Restricted Subsidiary on a regular basis.

"Existing Credit Agreements" means (a) Credit Agreement dated as of August 20, 2007 entered into by Allied, as borrower, and Wells Fargo as agent, (b) Credit Agreement dated as of June 30, 2006 entered into by the Borrower, Forum Canada ULC, and Amegy Bank National Association, as agent, (c) Credit Agreement dated as of June 30, 2005 entered into by Global Flow, ZyTech Global Industries, Inc., Z Resources, Inc., PBV-USA, Inc., Global Flow Equipment, Inc., Z Explorations, Inc., Quadrant Valve & Actua-tor, LLC, and JPMorgan Chase Bank, N.A., as agent, (d) Credit Agreement dated as of January 8, 2007 entered into by Subsea and Amegy Bank National Association, as agent, (e) the Existing Triton Credit Agreement, and (f) Credit Agreement dated December 29, 2006 among Pro-Tech Valve Sales Inc., as borrower, Global Flow Technologies, Inc., Zy-Tech Global Industries, Inc., and PBV-USA, Inc. as guarantors, and JPMorgan Chase Bank, National Association, Toronto Branch, as lender, in the case of (a) through (f), as amended from time to time prior to the Effective Date.

"Existing Letters of Credit" means the letters of credit issued by any of the Issuing Lenders under any of the Existing Credit Agreements and listed on the attached Schedule 1.1.

"Existing Triton Credit Agreement" means the Term Loan and Revolving Facilities Agreement dated as of February 2, 2007 entered into by Triton, TGH (UK) Limited, TGH (US) Inc., Perry Slingsby Systems, Inc. (a Delaware corporation), Perry Slingsby Systems, Inc. (a Texas corporation), and Perry

Slingsby Systems Limited, and The Royal Bank of Scotland plc, as agent, as amended from time to time prior to the Effective Date.

"Existing Triton Lenders" means The Royal Bank of Scotland plc, HSBC Bank plc, and Clydesdale Bank but specifically excluding any Lender.

"FATCA" means Section 1471 through 1474 of the Code and any regulations or official interpretations thereof.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to the Administrative Agent (in its individual capacity) on such day on such transactions as determined by the Administrative Agent.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System or any of its successors.

"Fee Letter" means that certain engagement and fee letter dated as of June 10, 2010 among the Borrower, Wells Fargo, and the Co-Lead Arrangers.

"First Tier Foreign Subsidiary" means any Foreign Subsidiary the Equity Interests of which are held directly by the Borrower or a Domestic Subsidiary.

"First Tier Foreign Restricted Subsidiary" means any First Tier Foreign Subsidiary that is a Restricted Subsidiary.

"Foreign Currency" means Canadian Dollars, Euro and each other currency (other than Dollars) that is approved in accordance with Section 1.6.

"Foreign Currency Equivalent" means, at any time, with respect to any amount denominated in Dollars, the equivalent amount thereof in the applicable Foreign Currency as determined by the Administrative Agent or the applicable Issuing Lender, as the case may be, at such time on the basis of the Exchange Rate (determined in respect of the most recent Computation Date) for the purchase of such Foreign Currency with Dollars.

"Foreign Currency L/C" means any Letter of Credit issued or deemed issued hereunder which is denominated in currency other than Dollars.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Foreign Restricted Subsidiary" means any Restricted Subsidiary of the Borrower that is a Foreign Subsidiary.

"Foreign Subsidiary" means any Subsidiary of the Borrower that is not a United States person within the meaning of Section 7701(a)(30) of the Code.

"Funded Debt" means, as to the Borrower and its consolidated Restricted Subsidiaries, without duplication:

(a) all Debt of such Restricted Entity of the type described in clauses (a), (b), (c), (d) and (f) of the definition of "Debt" but excluding any Debt permitted under Section 6.1(n);

(b) all Debt of such Restricted Entity of the type described in clause (e) of the definition of "Debt" other than (i) trade accounts payable incurred in the ordinary course of business, and (ii) contingent obligations of such Restricted Entity to pay the deferred purchase price of property to the extent, and only to the extent, (A) such obligations are contingent and (B) with respect to earn out obligations, the amount of such earn out obligations is not known and payable;

(c) all Debt of such Restricted Entity of the type described in clause (h) of the definition of "Debt" other than such Debt that is permitted under Section 6.1(l);

(d) all Debt of such Restricted Entity of the type described in clause (i) of the definition of "Debt", but only to the extent such Debt is of the type included in clause (a) - (c) above;

(e) all Debt of such Restricted Entity of the type described in clause (j) of the definition of "Debt" but only in respect of Debt of any other Person (other than a Restricted Entity) of the type included in clauses (a) - (d) above; and

(f) all Debt of others of the type included in clauses (a) - (e) above secured by any Lien on or in respect of any Property of such Restricted Entity, but if recourse is only to such Property, then only to the extent of the lesser of the amount of the Debt secured thereby and the fair market value of the Property subject to such Lien.

"GAAP" means United States of America generally accepted accounting principles as in effect from time to time, applied on a basis consistent with the requirements of Section 1.3.

"G&A Payments" means cash Restricted Payments to SCF for payment of (a) the Borrower's contractually allocable share of the accounting, legal and other general and administrative expenses incurred in the ordinary course of business by SCF as a result of the general and administrative functions performed on behalf of the Borrower and (b) management fees.

"Global Flow" means Global Flow Technologies, Inc., a Delaware corporation.

"Global Flow AutoBorrow" means any AutoBorrow Agreement in effect between Global Flow and JPMorgan Chase Bank, N.A.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantors" means any Person that now or hereafter executes a Guaranty, including (a) the Wholly-Owned Domestic Restricted Subsidiaries of the Borrower listed on Schedule 4.11; and (b) each

Wholly-Owned Domestic Restricted Subsidiary of the Borrower that becomes a guarantor of all or a portion of the Obligations and which has entered into either a joinder agreement substantially in the form attached to the Guaranty or a new Guaranty.

"Guaranty" means the Guaranty Agreement executed in substantially the same form as Exhibit C.

"Hazardous Substance" means any substance or material identified as hazardous or extremely hazardous pursuant to CERCLA and those regulated as hazardous or toxic under any other Environmental Law, including without limitation pollutants, contaminants, petroleum, petroleum products, radionuclides, and radioactive materials.

"Hazardous Waste" means any substance or material regulated or designated as hazardous pursuant to any Environmental Law.

"Hedging Arrangement" means a hedge, call, swap, collar, floor, cap, option, forward sale or purchase or other contract or similar arrangement (including any obligations to purchase or sell any commodity or security at a future date for a specific price) which is entered into to reduce or eliminate or otherwise protect against the risk of fluctuations in prices or rates, including interest rates, foreign exchange rates, commodity prices and securities prices.

"Increase Date" has the meaning set forth in Section 2.15(b).

"Increasing Lender" has the meaning set forth in Section 2.15(a).

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indemnitee" has the meaning set forth in Section 9.2.

"Interest Coverage Ratio" means:

(a) as of the fiscal quarter ending on September 30, 2010, the ratio of (i) the Adjusted EBITDA to (ii) the Borrower's consolidated Interest Expense for such fiscal quarter multiplied by 4;

(b) as of the fiscal quarter ending on December 31, 2010, the ratio of (i) the Adjusted EBITDA to (ii) the Borrower's consolidated Interest Expense for the two fiscal quarter period then ended multiplied by 2;

(c) as of the fiscal quarter ending on March 31, 2011, the ratio of (i) the Adjusted EBITDA to (ii) the Borrower's consolidated Interest Expense for the three fiscal quarter period then ended multiplied by 4/3;

(d) as of the fiscal quarter ending on June 30, 2011, the ratio of (i) the Adjusted EBITDA to (ii) the Borrower's consolidated Interest Expense for such four-fiscal quarter period then ended; and

(d) as of each fiscal quarter ending on or after September 30, 2011, the ratio of (i) the Borrower's consolidated EBITDA for the four-fiscal quarter period then ended to (ii) the Borrower's consolidated Interest Expense for such four-fiscal quarter period then ended.

"Interest Expense" means, for any period and with respect to any Person, total cash interest expense net of gross interest income of Borrower and its Restricted Subsidiaries, letter of credit fees and other fees and expenses incurred by such Person in connection with any Debt for such period whether

paid or accrued (including that attributable to obligations which have been or should be, in accordance with GAAP, recorded as Capital Leases), including, without limitation, all commissions, discounts, and other fees and charges owed with respect to letters of credit and bankers' acceptance financing, fees owed with respect to the Secured Obligations, and net costs under Hedging Arrangements entered into addressing interest rates, all as determined in conformity with GAAP; provided that, no amounts of the Unrestricted Subsidiaries' Interest Expense shall be taken into account in calculating the Borrower's consolidated Interest Expense.

"Interest Period" means for each Eurodollar Advance comprising part of the same Borrowing, the period commencing on the date of such Eurodollar Advance is made or deemed made and ending on the last day of the period selected by the Borrower pursuant to the provisions below and Section 2.4, and thereafter, each subsequent period commencing on the day following the last day of the immediately preceding Interest Period and ending on the last day of the period selected by the Borrower pursuant to the provisions below and Section 2.4. The duration of each such Interest Period shall be one, three, or six months (or twelve months if agreed to by all the Lenders), in each case as the Borrower may select, provided that:

(a) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided that if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day;

(b) any Interest Period which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month in which it would have ended if there were a numerically corresponding day in such calendar month; and

the Borrower may not select any Interest Period for any Advance which ends after the Maturity Date.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, guarantee (by guaranty or other arrangement) or assumption of Debt of, or purchase or other acquisition of any other Debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"Issuing Lender" means (a) each of Wells Fargo, JPMorgan Chase Bank, N.A. and Bank of America, N.A., (b) Amegy Bank National Association with respect to the Existing Letters of Credit issued by it, and (c) any other Lender that agrees to act as an issuer of Letters of Credit hereunder at the request of the Borrower and with the consent of the Administrative Agent, which consent shall not be unreasonably withheld, conditioned or delayed, in any event, in each of their respective capacity as the Lender that issues Letters of Credit for the account of any Restricted Entity pursuant to the terms of this Agreement.

"Legal Requirement" means any law, statute, ordinance, decree, requirement, order, judgment, rule, regulation (or official interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority, including, but not limited to, Regulations T, U and X.

"Lender Insolvency Event" means that (a) a Lender or its Parent Company is insolvent, or is generally unable to pay its debts as they become due, or admits in writing its inability to pay its debts as they become due, or makes a general assignment for the benefit of its creditors, or (b) such Lender or its Parent Company is the subject of a bankruptcy, insolvency, reorganization, liquidation or similar proceeding, or a receiver, trustee, conservator, intervenor or sequestrator or the like has been appointed for such Lender or its Parent Company, or such Lender or its Parent Company has taken any action in furtherance of or indicating its consent to or acquiescence in any such proceeding or appointment; provided, that a Lender Insolvency Event shall not be triggered solely as the result of the acquisition or maintenance of an ownership interest in such Lender or its Parent Company by a governmental authority or an instrumentality thereof.

"Lending Party" has the meaning set forth in Section 9.8.

"Lenders" means the Persons listed on the signature pages hereto as Lenders, any other Person that shall have become a Lender hereto pursuant to Section 2.14, and any other Person that shall have become a Lender hereto pursuant to an Assignment and Acceptance, but in any event, excluding any such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance. Unless the context otherwise requires, the term "Lenders" includes the Swing Line Lenders.

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

"Letter of Credit" means any standby or commercial letter of credit issued by any Issuing Lender for the account of any Restricted Entity pursuant to the terms of this Agreement, in such form as may be agreed by the Borrower and such Issuing Lender.

"Letter of Credit Application" means the applicable Issuing Lender's standard form letter of credit application or other reimbursement agreement for standby or commercial letters of credit which has been executed by the Borrower and accepted by such Issuing Lender in connection with the issuance of a Letter of Credit.

"Letter of Credit Documents" means all Letters of Credit, Letter of Credit Applications and amendments thereof.

"Letter of Credit Exposure" means, at the date of its determination by the Administrative Agent, the aggregate outstanding undrawn amount of Letters of Credit plus the aggregate unpaid amount of all of the Borrower's payment obligations under drawn Letters of Credit.

"Letter of Credit Maximum Amount" means $75,000,000; provided that, on and after the Maturity Date, the Letter of Credit Maximum Amount shall be zero.

"Letter of Credit Obligations" means any obligations of the Borrower under this Agreement in connection with the Letters of Credit.

"Letter of Credit Termination Date" means the 5th day prior to the Maturity Date.

"Leverage Ratio" means:

(a) as of the fiscal quarter ending on September 30, 2010, the ratio of (i) the Funded Debt as of the last day of such fiscal quarter to (ii) the Adjusted EBITDA;

(b) as of the fiscal quarter ending on December 31, 2010, the ratio of (i) the Funded Debt as of the last day of such fiscal quarter to (ii) the Adjusted EBITDA;

(c) as of the fiscal quarter ending on March 31, 2011, the ratio of (i) the Funded Debt as of the last day of such fiscal quarter to (ii) the Adjusted EBITDA; and

(d) as of the fiscal quarter ending on June 30, 2011, the ratio of (i) the Funded Debt as of the last day of such fiscal quarter to (ii) the Adjusted EBITDA; and

(e) as of each fiscal quarter ending on or after September 30, 2011, the ratio of (i) the Funded Debt as of the last day of such fiscal quarter to (ii) the Borrower's consolidated EBITDA for the four-fiscal quarter period then ended.

"Lien" means any mortgage, lien, pledge, charge, deed of trust, security interest, or encumbrance to secure or provide for the payment of any obligation of any Person, whether arising by contract, operation of law, or otherwise (including the interest of a vendor or lessor under any conditional sale agreement, Capital Lease, or other title retention agreement).

"Liquid Investments" means (a) readily marketable direct full faith and credit obligations of the United States of America or obligations unconditionally guaranteed by the full faith and credit of the United States of America; (b) commercial paper issued by (i) any Lender or any Affiliate of any Lender or (ii) any commercial banking institutions or corporations rated at least P-1 by Moody's or A-1 by S&P; (c) certificates of deposit, time deposits, and bankers' acceptances issued by (i) any of the Lenders or (ii) any other commercial banking institution which is a member of the Federal Reserve System and has a combined capital and surplus and undivided profits of not less than $250,000,000.00 and rated Aa by Moody's or AA by S&P; (d) repurchase agreements which are entered into with any of the Lenders or any major money center banks included in the commercial banking institutions described in clause (c) and which are secured by readily marketable direct full faith and credit obligations of the government of the United States of America or any agency thereof; (e) investments in any money market fund which holds investments substantially of the type described in the foregoing clauses (a) through (d); and (f) other investments made through the Administrative Agent or its Affiliates. All the Liquid Investments described in clauses (a) through (d) above shall have maturities of not more than 365 days from the date of issue.

"Liquidity" means, as of a date of determination, the sum of (a) Availability plus (b) readily and immediately available cash held in deposit accounts of any Credit Party (other than the Cash Collateral Account); provided that, such deposit accounts and the funds therein shall be unencumbered and free and clear of all Liens and other third party rights other than a Lien in favor of the Administrative Agent pursuant to Security Documents.

"Majority Lenders" means (a) other than as provided in clause (b) below, two or more Lenders holding greater than 50% of the sum of (i) the aggregate unfunded Commitments at such time plus (ii) the aggregate unpaid principal amount of the Revolving Advances plus (iii) the then existing Dollar Equivalent of the Letter of Credit Exposure (including any such Letter of Credit Exposure that has been reallocated pursuant to Section 2.16), and (b) at any time when there is only one Lender, such Lender; provided that, (i) in any event, if there are two or more Lenders, the Commitment of, and the portion of

the Advances and Letter of Credit Exposure held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Majority Lenders unless all Lenders are Defaulting Lenders, and (ii) for purposes of this definition, Letter of Credit Exposure which is not reallocated or cash collateralized in accordance with Section 2.16 shall be deemed to be held by the applicable Issuing Lender.

"Material Adverse Change" means any event, development or circumstance that has had or would reasonably be expected to have a material adverse effect on (a) the business, operations, property or financial condition of the Borrower and its Restricted Subsidiaries, taken as a whole; or (b) on the validity or enforceability of any Credit Document or any right or remedy of any Secured Party under any Credit Document.

"Material Real Property" means, as of any date of determination, any real property owned by the Borrower or any Domestic Restricted Subsidiary that (a) has a net book value equal to or greater than 10% of the aggregate net book value of the Borrower's and the Domestic Restricted Subsidiaries' property, plant and equipment or (b) when taken together with all other real property owned by the Borrower or any Domestic Restricted Subsidiary has an aggregate net book value equal to or greater than 10% of the aggregate net book value of the Borrower's and the Domestic Restricted Subsidiaries' property, plant and equipment.

"Maturity Date" means the earlier of (a) August 2, 2014 and (b) the earlier termination in whole of the Commitments pursuant to Section 2.1(b)(i) or Article 7.

"Maximum Rate" means the maximum nonusurious interest rate under applicable law.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto which is a nationally recognized statistical rating organization.

"Multiemployer Plan" means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which the Borrower or any member of the Controlled Group is making or accruing an obligation to make contributions.

"Net Income" means, for any period and with respect to any Person, the net income for such period for such Person after taxes as determined in accordance with GAAP, excluding, however, (a) extraordinary items, including (i) any net non-cash gain or loss during such period arising from the sale, exchange, retirement or other Disposition of capital assets (such term to include all fixed assets and all securities) other than in the ordinary course of business, and (ii) any write-up or write-down of assets, and (b) the cumulative effect of any change in GAAP. For the avoidance of doubt, in determining net income, gross interest income shall be applied to increase income or decrease interest expense but not both.

"Non-Consenting Lender" means any Lender who does not agree to a consent, waiver or amendment which (a) requires the agreement of all Lenders or all affected Lenders in accordance with the terms of Section 9.3 and (b) has been agreed by the Majority Lenders.

"Non-Credit Party Obligations" means (a) the Banking Services Obligations owing by Restricted Entities that are not Credit Parties and (b) all obligations of Restricted Entities that are not Credit Parties owing to Swap Counterparties under any Hedging Arrangements.

"Non-Defaulting Lender" means any Lender that is not then a Defaulting Lender or a Potential Defaulting Lender.

"Nonordinary Course Asset Sales" means, any sales, conveyances, or other transfers of Property made by any Restricted Entity (a) of any division of any Restricted Entity, (b) of the Equity Interest in any Restricted Subsidiary by the Borrower or any Restricted Subsidiary or (c) outside the ordinary course of business of any assets of any Restricted Entity, whether in a single transaction or related series of transactions.

"Notes" means the Revolving Notes and the Swing Line Notes.

"Notice of Borrowing" means a notice of borrowing signed by the Borrower in substantially the same form as Exhibit D.

"Notice of Continuation or Conversion" means a notice of continuation or conversion signed by the Borrower in substantially the same form as Exhibit E.

"Obligations" means all principal, interest (including post-petition interest), fees, reimbursements, indemnifications, and other amounts now or hereafter owed by any of the Credit Parties to the Lenders, the Swing Line Lenders, the Issuing Lenders, or the Administrative Agent under this Agreement and the Credit Documents, including, the Letter of Credit Obligations, and any increases, extensions, and rearrangements of those obligations under any amendments, supplements, and other modifications of the documents and agreements creating those obligations.

"OFAC" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"Offering" means a public offering and sale of Equity Interests in the Borrower.

"Other Taxes" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Credit Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Credit Document.

"Parent Company" means, with respect to a Lender, the bank holding company (as defined in Federal Reserve Board Regulation Y), if any, of such Lender, and/or any Person owning, beneficially or of record, directly or indirectly, a majority of the shares of such Lender.

"Participating Member State" means each state so described in any EMU Legislation.

"Patriot Act" means the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Permitted Acquisition" means an Acquisition that is permitted under Section 6.4.

"Permitted Debt" has the meaning set forth in Section 6.1.

"Permitted Investments" has the meaning set forth in Section 6.3.

"Permitted Liens" has the meaning set forth in Section 6.2.

"Permitted Tax Distributions" means, solely related to a tax period in which the Borrower is an association taxable as a partnership for federal tax purposes (i.e. a "pass-through entity"), Restricted

Payments in the form of cash made by the Borrower to its Equity Interest holders in an amount equal to the income tax liabilities of such holders (and in the event such holder is a pass-through entity, the ultimate owners thereof) attributable to the earnings of the Borrower for such tax years in which the Borrower is a pass-through entity; provided that (i) such amount may not exceed the amount actually required to be paid by such holders (and in the event any such holder is a pass-through entity, the ultimate owners thereof) in income tax attributable to such earnings, and (ii) prior to making such Restricted Payment, if requested by the Administrative Agent, the Borrower shall provide the Administrative Agent with a calculation of such attributable taxes in detail and form reasonably acceptable to the Administrative Agent.

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, limited liability company, limited liability partnership, unincorporated association, joint venture, or other entity, or a government or any political subdivision or agency thereof, or any trustee, receiver, custodian, or similar official.

"Plan" means an employee benefit plan (other than a Multiemployer Plan) maintained for employees of the Borrower or any member of the Controlled Group and covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code.

"Potential Defaulting Lender" means, at any time, a Lender (i) as to which the Administrative Agent has notified the Borrower that an event of the kind referred to in the definition of "Lender Insolvency Event" has occurred in respect of any financial institution affiliate of such Lender, or (ii) as to which the Administrative Agent or any Issuing Lender has in good faith determined and notified the Borrower and, in the case of any good faith determination and notification made by any Issuing Lender), the Administrative Agent that such Lender or its Parent Company or a financial institution affiliate thereof has notified the Administrative Agent or such Issuing Lender, or has stated publicly, that it will not comply with its funding obligations under any other loan agreement or credit agreement or other similar financing agreement. Any determination that a Lender is a Potential Defaulting Lender under any of clauses (i) or (ii) above will be made by the Administrative Agent or, in the case of clause (ii), any Issuing Lender, in its sole discretion acting in good faith.

"Prime Rate" means the per annum rate of interest established from time to time by Wells Fargo at its principal office in San Francisco as its prime rate, which rate may not be the lowest rate of interest charged by such Lender to its customers.

"Property" of any Person means any property or assets (whether real, personal, or mixed, tangible or intangible) of such Person.

"Pro Rata Share" means, at any time with respect to any Lender, (i) the ratio (expressed as a percentage) of such Lender's Commitment at such time to the aggregate Commitments at such time, (ii) if all of the Commitments have been terminated, the ratio (expressed as a percentage) of such Lender's aggregate outstanding Revolving Advances at such time to the total aggregate outstanding Revolving Advances at such time, or (iii) if no Revolving Advances are then outstanding, then "Pro Rata Share" shall mean the "Pro Rata Share" most recently in effect, after giving pro forma effect to any Assignment and Acceptances.

"Redemptions" means, collectively, the Closing Date Redemptions and the Stockholder Redemption.

"Register" has the meaning set forth in Section 9.7(b).

"Regulations T, U, and X" means Regulations T, U, and X of the Federal Reserve Board, as each is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates, and each of their respective successors and assigns.

"Release" shall have the meaning set forth in CERCLA or under any other applicable Environmental Law.

"Reorganization" means a series of transactions occurring on or prior to the Effective Date (and after the Effective Date with respect to the Stockholder Redemption) whereby the Subject Companies (other than the Borrower) and each of their respective subsidiaries, become subsidiaries of the Borrower, including the Redemptions and the SCF Equity Investments made in connection therewith.

"Reorganization Documents" means (i) that certain Combination Agreement dated as of July 16, 2010 by and among Forum, Allied, Global Flow, Triton, Subsea, Allied Merger Sub, LLC, Global Flow Merger Sub, LLC, Triton Merger Sub, LLC and Subsea Merger Sub, LLC, (ii) the Confidential Information Memorandum of Forum to the stockholders of each of Allied, Global Flow, Triton and Subsea, and (iii) the documents, instruments and agreements evidencing and governing the Reorganization, including the Redemptions and the SCF Equity Investment.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA (other than any such event not subject to the provision for 30-day notice to the PBGC under the regulations issued under such Section).

"Response" shall have the meaning set forth in CERCLA or under any other applicable Environmental Law.

"Restricted Entity" means (a) the Borrower and (b) each Restricted Subsidiary.

"Restricted Subsidiary" means (a) each Subsidiary of the Borrower on the Effective Date, and (b) each Subsidiary of the Borrower that is not an Unrestricted Subsidiary.

"Responsible Officer" means (a) with respect to any Person that is a corporation, such Person's chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president, (b) with respect to any Person that is a limited liability company, if such Person has officers, then such Person's chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president, and if such Person is managed by members, then a chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president of such Person's managing member, and if such Person is managed by managers, then a manager (if such manager is an individual) or a chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president of such manager (if such manager is an entity), and (c) with respect to any Person that is a general partnership, limited partnership or a limited liability partnership, the chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president of such Person's general partner or partners.

"Restricted Payment" means, with respect to any Person, any direct or indirect dividend or distribution (whether in cash, securities or other Property) or any direct or indirect payment of any kind or character (whether in cash, securities or other Property) in consideration for or otherwise in connection with any retirement, purchase, redemption or other acquisition of any Equity Interest of such Person, or

any options, warrants or rights to purchase or acquire any such Equity Interest of such Person; provided that the term "Restricted Payment" shall not include any dividend or distribution payable solely in Equity Interests of such Person or warrants, options or other rights to purchase such Equity Interests.

"Revolving Advance" means any advance by a Lender to the Borrower as part of a Revolving Borrowing.

"Revolving Borrowing" means a Borrowing consisting of simultaneous Revolving Advances of the same Type made by the Lenders pursuant to Section 2.1(a) or Converted by each Lender to Revolving Advances of a different Type pursuant to Section 2.4(b).

"Revolving Note" means a promissory note of the Borrower payable to the order of a Lender in the amount of such Lender's Commitment, in substantially the same form as Exhibit F, evidencing indebtedness of the Borrower to such Lender resulting from Revolving Advances owing to such Lender.

"Sanctioned Entity" means (a) a country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, (d) a Person resident in a country, in each case, that is subject to a country sanctions program administered and enforced by OFAC.

"Sanctioned Person" means a person named on the list of Specially Designated Nationals maintained by OFAC.

"Same Day Funds" means (a) with respect to disbursements and payments in Dollars, immediately available funds, and (b) with respect to disbursements and payments in an Foreign Currency, same day or other funds as may be reasonably determined by the Administrative Agent or applicable Issuing Lender, as the case may be, to be customary in the place of disbursement or payment for the settlement of international banking transactions in the relevant Foreign Currency.

"S&P" means Standard & Poor's Rating Agency Group, a division of McGraw-Hill Companies, Inc., or any successor thereof which is a national credit rating organization.

"SEC" means, the Securities and Exchange Commission.

"SCF" means, collectively, SCF-V, L.P., SCF-VI, L.P., and SCF-VII, L.P., each a Delaware limited partnership.

"SCF Equity Investments" means the funding of Equity Issuance Proceeds by SCF to the Borrower in an amount sufficient to effect, in full, all of the Closing Date Redemptions.

"Secured Obligations" means (a) the Obligations, (b) the Banking Services Obligations owing by Credit Parties, (c) all obligations of any Credit Party owing to Swap Counterparties under any Hedging Arrangements, and (d) all Non-Credit Party Obligations in an aggregate amount not to exceed $30,000,000.

"Secured Parties" means the Administrative Agent, the Issuing Lenders, the Lenders, the Swap Counterparties and the Banking Service Providers.

"Security Agreement" means the Pledge and Security Agreement among the Credit Parties and the Administrative Agent in substantially the same form as Exhibit G.

"Security Documents" means, collectively, the Security Agreement, and any and all other instruments, documents or agreements now or hereafter executed by any Credit Party or any other Person to secure the Secured Obligations.

"Solvent" means, as to any Person, on the date of any determination (a) the fair value of the Property of such Person is greater than the total amount of debts and other liabilities (including without limitation, contingent liabilities) of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts and other liabilities (including, without limitation, contingent liabilities) as they become absolute and matured, (c) such Person is able to realize upon its assets and pay its debts and other liabilities (including, without limitation, contingent liabilities) as they mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities (including, without limitation, contingent liabilities) beyond such Person's ability to pay as such debts and liabilities mature, (e) such Person is not engaged in, and is not about to engage in, business or a transaction for which such Person's Property would constitute unreasonably small capital, and (f) such Person has not transferred, concealed or removed any Property with intent to hinder, delay or defraud any creditor of such Person.

"Stockholder Redemption" means an up to $25,000,000 redemption of Equity Interests pursuant to an offer to stockholders of the Borrower (which include former stockholders of Global Flow, Triton, Subsea and Allied that receive Equity Interests in the Borrower in connection with the Reorganization) occurring on or before September 30, 2010.

"Subject Companies" means the Borrower, Global Flow, Triton, Subsea and Allied.

"Subject Lender" has the meaning set forth in Section 2.14.

"Subject Period" has the meaning set forth in Section 6.9(f).

"Subject Quarter" has the meaning set forth in Section 6.9(f).

"Subsea" means Subsea Services International, Inc., a Delaware corporation.

"Subsidiary" means, with respect to any Person (the "holder") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the holder in the holder's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity, a majority of whose outstanding Voting Securities shall at any time be owned by the holder or one more Subsidiaries of the holder. Unless expressly provided otherwise, all references herein and in any other Credit Document to any "Subsidiary" or "Subsidiaries" means a Subsidiary or Subsidiaries of the Borrower.

"Swap Counterparty" means a Lender or an Affiliate of a Lender that has entered into a Hedging Arrangement with a Restricted Entity.

"Swing Line Advance" means an advance by a Swing Line Lender to the Borrower as part of a Swing Line Borrowing.

"Swing Line Borrowing" means the Borrowing consisting of a Swing Line Advance made by a Swing Line Lender pursuant to Section 2.3 or, if an AutoBorrow Agreement is in effect, any transfer of funds pursuant to such AutoBorrow Agreement.

"Swing Line Reserve Amount" means (a) at any time that Wells Fargo or any other Lender serving in its capacity as Administrative Agent is the sole Swing Line Lender, the aggregate amount of all Swing Line Advances then outstanding, and (b) at any other time, the greater of (i) the aggregate amount of all Swing Line Advances then outstanding and (ii) an amount equal to $10,000,000.

"Swing Line Sublimit Amount" means (a) at any time that Wells Fargo or any other Lender serving in its capacity as Administrative Agent is the sole Swing Line Lender, $25,000,000, and (b) at any time that there are two or more Swing Line Lenders (i) $15,000,000 with respect to Wells Fargo and (ii) $10,000,000 with respect to the other Swing Line Lenders as may be agreed to among such Swing Line Lenders and the Borrower; provided that, (A) such Swing Line Sublimit Amount may be adjusted as provided in Section 2.3(g) and (B) on and after the Maturity Date, the Swing Line Sublimit Amount for all purposes shall be zero.

"Swing Line Lenders" means (a) Wells Fargo, (b) in connection with the Global Flow AutoBorrow, JPMorgan Chase Bank, N.A., and (c) Amegy Bank National Association or any other Lender that agrees to act as a "Swing Line Lender" hereunder at the request of the Borrower and with the consent of the Administrative Agent, which consent shall not be unreasonably withheld, conditioned or delayed, in any event.

"Swing Line Note" means the promissory note made by the Borrower payable to the order of a Swing Line Lender evidencing the indebtedness of the Borrower to such Swing Line Lender resulting from Swing Line Advances made by such Swing Line Lender in substantially the same form as Exhibit I.

"Swing Line Payment Date" means (a) if an AutoBorrow Agreement is in effect, the earliest to occur of (i) the date required by such AutoBorrow Agreement, (ii) demand is made by the applicable Swing Line Lender and (iii) the Maturity Date, or (b) if an AutoBorrow Agreement is not in effect, the earlier to occur of (i) three (3) Business Days after demand is made by the applicable Swing Line Lender if no Default exists, and otherwise upon demand by the applicable Swing Line Lender and (ii) the Maturity Date.

"Tangible Net Assets" means (a) the consolidated net book value of all assets of the Borrower and its consolidated Restricted Subsidiaries minus (b) the consolidated net book value of all intangible assets of the Borrower and its consolidated Restricted Subsidiaries.

"Tax Group" has the meaning set forth in Section 4.13.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Termination Event" means (a) a Reportable Event with respect to a Plan, (b) the withdrawal of the Borrower or any member of the Controlled Group from a Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA, (c) the filing of a notice of intent to terminate a Plan or the treatment of a Plan amendment as a termination under Section 4041(c) of ERISA, (d) the institution of proceedings to terminate a Plan by the PBGC, or (e) any other event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan.

"Total Capitalization" means, as of the end of each fiscal quarter, the sum of (a) all consolidated Debt of the Borrower as of the last day of such fiscal quarter (excluding any Debt of the Unrestricted

Subsidiaries) plus (b) the shareholders' equity in the Borrower (excluding such portion thereof attributable to Unrestricted Subsidiaries) as of such date as determined in accordance with GAAP.

"Transactions" means, collectively, (a) the initial borrowings and other extensions of credit under this Agreement, (b) the Reorganization, including the Redemptions and the SCF Equity Investments, (c) the Stockholder Redemption, (d) the payment in full of all outstanding obligations under the Existing Credit Agreements other than the Triton Liabilities, and (e) the payment of fees, commissions and expenses in connection with each of the foregoing.

"Triton" means Triton Group Holdings LLC, a Delaware limited liability company.

"Triton Guaranty" means that certain guaranty agreement dated August 2, 2010 entered into by the Borrower in favor of HSBC Bank plc to guarantee the Triton Liabilities owing to HSBC Bank plc in an aggregate principal amount not in excess of $1,400,000.

"Triton Liabilities" means the outstanding obligations of Triton and its Subsidiaries under the Existing Triton Credit Agreement owing to any Existing Triton Lender on the Closing Date and not paid in full on the Closing Date in an aggregate principal amount not in excess of (a) GPB 4,015,500 owing to The Royal Bank of Scotland plc and Clydesdale Bank and (b) $1,400,000 owing to HSBC Bank plc.

"Type" has the meaning set forth in Section 1.4.

"UCC" means the Uniform Commercial Code as in effect in the State of New York from time to time.

"Unrestricted Subsidiaries" means any Subsidiary of the Borrower created or acquired after the Effective Date that has been designated as an Unrestricted Subsidiary in compliance with Section 5.8.

"Voting Securities" means (a) with respect to any corporation, capital stock of the corporation having general voting power under ordinary circumstances to elect directors of such corporation (irrespective of whether at the time stock of any other class or classes shall have or might have special voting power or rights by reason of the happening of any contingency), (b) with respect to any partnership, any partnership interest or other ownership interest having general voting power to elect the general partner or other management of the partnership or other Person, and (c) with respect to any limited liability company, membership certificates or interests having general voting power under ordinary circumstances to elect managers of such limited liability company.

"Wells Fargo" means Wells Fargo Bank, National Association.

"Wholly-Owned" means, as used in reference to a Restricted Subsidiary, any Restricted Subsidiary whose Equity Interest is owned 100%, either directly or indirectly, by the Borrower.

Section 1.2 Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

Section 1.3 Accounting Terms; Changes in GAAP.

(a) All accounting terms not specifically defined in this Agreement shall be construed in accordance with GAAP applied on a consistent basis with those applied in the preparation of the financial

statements delivered to the Administrative Agent for the fiscal year ended December 31, 2009 as required under Section 5.2.

(b) Unless otherwise indicated, all financial statements of the Borrower, all calculations for compliance with covenants in this Agreement, all determinations of the Applicable Margin, and all calculations of any amounts to be calculated under the definitions in Section 1.1 shall be based upon the consolidated accounts of the Borrower and its Restricted Subsidiaries in accordance with GAAP and consistent with the principles of consolidation applied in preparing the Borrower's financial statements referred to in Section 4.4.

(c) If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Credit Document, and either the Borrower or the Majority Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Borrower and the Majority Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

Section 1.4 Classes and Types of Advances. Advances are distinguished by "Class" and "Type". The "Class" of an Advance refers to the determination of whether such Advance is a Revolving Advance or a Swing Line Advance. The "Type" of an Advance refers to the determination of whether such Advance is a Base Rate Advance or a Eurodollar Advance.

Section 1.5 Miscellaneous. Article, Section, Schedule, and Exhibit references are to this Agreement, unless otherwise specified. All references to instruments, documents, contracts, and agreements (including this Agreement) are references to such instruments, documents, contracts, and agreements as the same may be amended, supplemented, and otherwise modified from time to time, unless otherwise specified and shall include all schedules and exhibits thereto unless otherwise specified. Any reference herein to any law shall be construed as referring to such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time. Any reference herein to any Person shall be construed to include such Person's successors and assigns (subject to the restrictions contained herein). The words "hereof", "herein", and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The term "including" means "including, without limitation,". Paragraph headings have been inserted in this Agreement as a matter of convenience for reference only and it is agreed that such paragraph headings are not a part of this Agreement and shall not be used in the interpretation of any provision of this Agreement.

Section 1.6 Foreign Currency.

(a) Exchange Rates; Currency Equivalents.

(i) On each Computation Date, the Administrative Agent shall determine the Exchange Rate as of such Computation Date and deliver to each Issuing Lender and the Borrower in writing the effective Exchange Rate and the Dollar Equivalent amount of such determination. The Exchange Rate so determined shall become effective as of such Computation Date and shall remain effective through the next succeeding Computation Date. Except for purposes of financial statements delivered by Credit Parties hereunder or calculating financial covenants hereunder or

except as otherwise provided herein, the applicable amount of any currency (other than Dollars) for purposes of the Credit Documents shall be such Dollar Equivalent amount as so determined by the Administrative Agent.

(ii) Wherever in this Agreement in connection with the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Letter of Credit is denominated in a Foreign Currency, such amount shall be, with respect to such Foreign Currency L/C, the relevant Foreign Currency Equivalent of such Dollar amount (rounded to the nearest unit of such Foreign Currency, with 0.5 of a unit being rounded upward), as determined by the Administrative Agent or the applicable Issuing Lender, as the case may be.

(b) Agreed Currencies.

(i) The Borrower may from time to time request that Letters of Credit be issued in any Agreed Currency; provided further that, such request in any currency other than Dollars shall be subject to the approval of the applicable Issuing Lender.

(ii) Any such request shall be made to the applicable Issuing Lender, with a copy to the Administrative Agent, not later than 11:00 a.m., 20 Business Days prior to the date of the desired issuance of a Letter of Credit (or such other time or date as may be agreed by the applicable Issuing Lender in its sole discretion). The applicable Issuing Lender shall notify the Administrative Agent, not later than 11:00 a.m., ten Business Days (or such other time or date as may be reasonably agreed by the Administrative Agent in its sole discretion) after receipt of such request whether it consents, in its sole discretion, to the issuance of Letters of Credit in such requested currency.

(iii) Any failure by an Issuing Lender to respond to such request within the time period specified in the preceding sentence shall be deemed to be a refusal by such Issuing Lender to permit Letters of Credit to be issued in such requested currency. If the applicable Issuing Lender consents to the issuance of Letters of Credit in such requested currency, such Issuing Lender shall so notify the Borrower and the Administrative Agent and such currency shall thereupon be deemed for all purposes to be an Agreed Currency hereunder for purposes of any Letter of Credit issuances by such Issuing Lender. Any specified currency of an Existing Letter of Credit that is neither Dollars nor one of the Agreed Currencies specifically listed in the definition of "Agreed Currency" shall be deemed an Agreed Currency with respect to such Existing Letter of Credit only unless otherwise agreed to by the applicable Issuing Lender.

(iv) If, after the designation of any currency as an Agreed Currency (A) currency control or other exchange regulations are imposed in the country in which such currency is issued with the result that different types of such currency are introduced, (B) such currency, in the reasonable determination of the Administrative Agent or an applicable Issuing Lender, no longer qualifies as an "Eligible Currency" or (C) in the reasonable determination of the Administrative Agent or any applicable Issuing Lender, a Dollar Equivalent of such currency is not readily calculable, the Administrative Agent (or if applicable, such Issuing Lender) shall promptly notify the other Issuing Lenders, the Borrower, and, in the case of a determination made by an Issuing Lender, the Administrative Agent, and such currency shall no longer be an Agreed Currency with respect to all the Issuing Lenders if such determination is made by the Administrative Agent and with respect to any particular Issuing Lender if such determination is made by such Issuing Lender, in any event, until such time as the Administrative Agent and the Issuing Lenders (or

such applicable Issuing Lender), as provided herein, agree to reinstate such currency as an Agreed Currency.

(c) Change of Currency.

(i) Each obligation of the Borrower to make a payment denominated in the national currency unit of any member state of the European Union that adopts the Euro as its lawful currency after the date hereof shall be redenominated into Euro at the time of such adoption (in accordance with the EMU Legislation). If, in relation to the currency of any such member state, the basis of accrual of interest expressed in this Agreement in respect of that currency shall be inconsistent with any convention or practice in the London interbank market for the basis of accrual of interest in respect of the Euro, such expressed basis shall be replaced by such convention or practice with effect from the date on which such member state adopts the Euro as its lawful currency.

(ii) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect the adoption of the Euro by any member state of the European Union and any relevant market conventions or practices relating to the Euro.

(iii) Each provision of this Agreement also shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect a change in currency of any other country and any relevant market conventions or practices relating to the change in currency.

ARTICLE 2
CREDIT FACILITIES

Section 2.1 Revolving Commitments.

(a) Commitment. Each Lender severally agrees, on the terms and conditions set forth in this Agreement, to make Revolving Advances to the Borrower from time to time on any Business Day during the period from the Effective Date until the Business Day immediately preceding the Maturity Date; provided that after giving effect to such Revolving Advances, the sum of the aggregate outstanding amount of all Revolving Advances plus the Dollar Equivalent of the Letter of Credit Exposure plus the Swing Line Reserve Amount, shall not exceed the aggregate Commitments. Each Revolving Borrowing shall (A) if comprised of Base Rate Advances be in an aggregate amount not less than $500,000 and in integral multiples of $100,000 in excess thereof, (B) if comprised of Eurodollar Advances be in an aggregate amount not less than $1,000,000 and in integral multiples of $500,000 in excess thereof, and (C) consist of Revolving Advances of the same Type made on the same day by the Lenders ratably according to their respective Commitments. Within the limits of each Lender's Commitment, the Borrower may from time to time borrow, prepay pursuant to Section 2.5, and reborrow under this Section 2.1(a).

(b) Reduction of the Commitments.

(i) Commitments. The Borrower shall have the right, upon at least three Business Days' irrevocable notice to the Administrative Agent, to terminate in whole or reduce in part the unused portion of the Commitments; provided that each partial reduction shall be in a minimum amount of $1,000,000 and in integral multiples of $1,000,000 in excess thereof. Any reduction or termination of the Commitments pursuant to this Section 2.1(b)(i) shall be applied ratably to each

Lender's Commitment and shall be permanent, with no obligation of the Lenders to reinstate such Commitments, and the applicable Commitment Fees shall thereafter be computed on the basis of the Commitments, as so reduced; provided that a notice of termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied.

(ii) Defaulting Lender. At any time when a Lender is then a Defaulting Lender, the Borrower, at the Borrower's election, may elect to terminate such Defaulting Lender's Commitment hereunder; provided that (A) such termination must be of the Defaulting Lender's entire Commitment, (B) the Borrower shall pay all amounts owed by the Borrower to such Defaulting Lender in such Lender's capacity as a Lender under this Agreement and under the other Credit Documents (including principal of and interest on the Revolving Advances owed to such Defaulting Lender, accrued Commitment Fees (subject to the proviso Section 2.7(a)), and letter of credit fees but specifically excluding any amounts owing under Section 2.10 as result of such payment of such Advances) and shall deposit with the Administrative Agent into the Cash Collateral Account cash collateral in the amount equal to such Defaulting Lender's ratable share of the Dollar Equivalent of the Letter of Credit Exposure (including any such Letter of Credit Exposure that has been reallocated pursuant to Section 2.16), and (C) a Defaulting Lender's Commitment may be terminated by the Borrower under this Section 2.1(b)(ii) if and only if at such time, the Borrower has elected, or is then electing, to terminate the Commitments of all then existing Defaulting Lenders. Upon written notice to the Defaulting Lender and Administrative Agent of the Borrower's election to terminate a Defaulting Lender's Commitment pursuant to this clause (ii) and the payment and deposit of amounts required to be made by the Borrower under clause (B) and (C) above, (1) such Defaulting Lender shall cease to be a "Lender" hereunder for all purposes except that such Lender's rights and obligations as a Lender under Sections 2.11, 2.13, 8.5 and 9.2 shall continue with respect to events and occurrences occurring before or concurrently with its ceasing to be a "Lender" hereunder, (2) such Defaulting Lender's Commitment shall be deemed terminated, and (3) such Defaulting Lender shall be relieved of its obligations hereunder as a "Lender" except as to its obligations Section 8.5 and Section 9.2(d) which obligations shall continue with respect to events and occurrences occurring before or concurrently with its ceasing to be a "Lender" hereunder, provided that, any such termination will not be deemed to be a waiver or release of any claim by the Borrower, the Administrative Agent, the Swing Line Lenders, Issuing Lenders or any Lender may have against such Defaulting Lender.

(c) Evidence of Indebtedness. The Revolving Advances made by each Lender, and the Swing Line Advances made by each Swing Line Lender, shall be evidenced by one or more accounts or records maintained by such Lender or Swing Line Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by Administrative Agent, the Swing Line Lenders and the applicable Lenders shall be conclusive absent manifest error of the amount of the Advances made by such Lenders and Swing Line Lender to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Credit Agreement Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender to the Borrower made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Revolving Note which shall evidence such Lender's Revolving Advances to the Borrower in addition to such accounts or records. Upon the request of a Swing Line Lender to the Borrower, the Borrower shall execute and deliver to such Swing Line Lender a

Swing Line Lender Note which shall evidence the applicable Swing Line Advances to the Borrower in addition to such accounts or records. Each Lender and each Swing Line Lender may attach schedules to such Notes and endorse thereon the date, Type (if applicable), amount, and maturity of its Advances and payments with respect thereto. In addition to the accounts and records referred to in the immediately preceding sentences, each Lender, each Issuing Lender and Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender (other than the respective Issuing Lenders) in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. In the event of any conflict among the accounts and records maintained by the Administrative Agent, the accounts and records maintained by an Issuing Lender as to Letters of Credit issued by it, and the accounts and records of any other Lender in respect of such matters, the accounts and records of such Issuing Lender shall control in the absence of manifest error.

Section 2.2 Letters of Credit

(a) Commitment for Letters of Credit. The Issuing Lenders, the Lenders, and the Borrower agree that effective as of the Effective Date, the Existing Letters of Credit shall be deemed to have been issued and maintained under, and to be governed by the terms and conditions of, this Agreement. Subject to the terms and conditions set forth in this Agreement, each Issuing Lender agrees, in reliance upon the agreements of the other Lenders set forth in this Section 2.2, from time to time on any Business Day during the period from the Effective Date until the Business Day immediately preceding the Maturity Date, to issue Letters of Credit for the account of any Restricted Entity, and increase or extend the expiration date of Letters of Credit issued by such Issuing Lender; provided that no Letter of Credit will be issued, increased, or extended:

(i) if such issuance, increase, or extension would cause the Dollar Equivalent of the Letter of Credit Exposure to exceed the Letter of Credit Maximum Amount;

(ii) if such issuance, increase, or extension would cause the sum of (A) the aggregate outstanding amount of all Advances plus (B) the Dollar Equivalent of the Letter of Credit Exposure (after taking into account such issuance, increase, or extension) to exceed the aggregate Commitments in effect at such time;

(iii) unless such Letter of Credit has an expiration date not later than the earlier of (A) two years after the issuance or extension and (B) the Letter of Credit Termination Date; provided that, (1) if Commitments are terminated in whole pursuant to Section 2.1(b)(i), the Borrower shall either (A) deposit into the Cash Collateral Account cash in an amount equal to 103% of the Dollar Equivalent of the Letter of Credit Exposure for the Letters of Credit which have an expiry date beyond such termination date or (B) provide a replacement letter of credit (or other security) reasonably acceptable to the Administrative Agent and the applicable Issuing Lender in an amount equal to 103% of the Dollar Equivalent of the Letter of Credit Exposure and (2) any such Letter of Credit with a two-year tenor (or shorter tenor) may expressly provide for an automatic extension of additional periods up to two additional years so long as such Letter of Credit expressly allows the applicable Issuing Lender, at its sole discretion, to elect not to provide such extension; provided that, in any event, such automatic extension may not result in an expiration date that occurs after the Letter of Credit Maturity Date;

(iv) unless such Letter of Credit is (A) a standby letter of credit, or (B) with the consent of the applicable Issuing Lender, a commercial letter of credit;

(v) unless such Letter of Credit is in form and substance acceptable to the applicable Issuing Lender in its sole discretion;

(vi) unless the Borrower has delivered to the applicable Issuing Lender a completed and executed Letter of Credit Application; provided that, if the terms of any Letter of Credit Application conflicts with the terms of this Agreement, the terms of this Agreement shall control;

(vii) unless such Letter of Credit is governed by (A) the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600, or (B) the International Standby Practices (ISP98), International Chamber of Commerce Publication No. 590, in either case, including any subsequent revisions thereof approved by a Congress of the International Chamber of Commerce;

(viii) if any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the applicable Issuing Lender from issuing, increasing or extending such Letter of Credit, or any Legal Requirement applicable to the applicable Issuing Lender or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the applicable Issuing Lender shall prohibit, or request that such Issuing Lender refrain from, the issuance, increase or extension of letters of credit generally or such Letter of Credit in particular or shall impose upon such Issuing Lender with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such Issuing Lender is not otherwise compensated hereunder) not in effect on the Effective Date, or shall impose upon such Issuing Lender any unreimbursed loss, cost or expense which was not applicable on the Effective Date and which such Issuing Lender in good faith deems material to it;

(ix) if the issuance, increase or extension of such Letter of Credit would violate one or more policies of such Issuing Lender that are generally applicable to letters of credit;

(x) [Reserved]

(xi) if such Letter of Credit supports the obligations of any Person in respect of (A) a lease of real property, or (B) an employment contract if the applicable Issuing Lender reasonably determines that the Borrower's obligation to reimburse any draws under such Letter of Credit may be limited; or

(xii) any Lender is at such time a Defaulting Lender or a Potential Defaulting Lender hereunder, unless the applicable Issuing Lender has entered into satisfactory arrangements with the Borrower or such Lender to eliminate such Issuing Lender's risk with respect to such Lender.

(b) Requesting Letters of Credit. Each Letter of Credit (other than the Existing Letters of Credit which are deemed issued hereunder) shall be issued pursuant to a Letter of Credit Application given by the Borrower to the applicable Issuing Lender with a copy to the Administrative Agent by facsimile or other writing not later than 12:00 noon (Houston, Texas, time) on the third Business Day before the proposed date of issuance for the Letter of Credit. Each Letter of Credit Application shall be fully completed and shall specify the information required therein. Each Letter of Credit Application shall be irrevocable and binding on the Borrower.

(c) Reimbursements for Letters of Credit; Funding of Participations.

(i) With respect to any Letter of Credit, in accordance with the related Letter of Credit Application, the Borrower agrees to pay on demand to the Administrative Agent on behalf of the applicable Issuing Lender an amount equal to any amount paid by such Issuing Lender under such Letter of Credit. Upon the applicable Issuing Lender's demand for payment under the terms of a Letter of Credit Application, the Borrower may, with a written notice to the Administrative Agent and such Issuing Lender, request that the Borrower's obligations to such Issuing Lender thereunder be satisfied with the proceeds of a Base Rate Advance in the same amount (notwithstanding any minimum size or increment limitations on individual Revolving Advances). If the Borrower does not make such request and does not otherwise make the payments demanded by such Issuing Lender as required under this Agreement or the Letter of Credit Application, then upon such notice by the applicable Issuing Lender to the Administrative Agent, the Borrower shall be deemed for all purposes of this Agreement to have requested such Base Rate Advance in the same amount and the transfer of the proceeds thereof to satisfy the Borrower's obligations to such Issuing Lender, and the Borrower hereby unconditionally and irrevocably authorizes, empowers, and directs the Lenders to make such Base Rate Advance, to transfer the proceeds thereof to the applicable Issuing Lender in satisfaction of such obligations, and to record and otherwise treat such payments as a Base Rate Advance to the Borrower. The Administrative Agent and each Lender may record and otherwise treat the making of such Revolving Borrowings as the making of a Revolving Borrowing to the Borrower under this Agreement as if requested by the Borrower. Nothing herein is intended to release any of the Borrower's obligations under any Letter of Credit Application, but only to provide an additional method of payment therefor. The making of any Borrowing under this Section 2.2(c) shall not constitute a cure or waiver of any Default, other than the payment Default which is satisfied by the application of the amounts deemed advanced hereunder, caused by the Borrower's failure to comply with the provisions of this Agreement or the Letter of Credit Application.

(ii) Each Lender (including each Lender acting as an Issuing Lender) shall, upon notice from the Administrative Agent that the Borrower has requested or is deemed to have requested a Revolving Advance pursuant to Section 2.4 and regardless of whether (A) the conditions in Section 3.2 have been met, (B) such notice complies with Section 2.4, or (C) a Default exists, make funds available to the Administrative Agent for the account of the applicable Issuing Lender in an amount equal to such Lender's Pro Rata Share of the amount of such Revolving Advance not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon each Lender that so makes funds available shall be deemed to have made a Revolving Advance to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the applicable Issuing Lender.

(iii) If any such Lender shall not have so made its Revolving Advance available to the Administrative Agent pursuant to this Section 2.2, such Lender agrees to pay interest thereon for each day from such date until the date such amount is paid at the lesser of (A) the Federal Funds Rate for such day for the first three days and thereafter the interest rate applicable to the Revolving Advance and (B) the Maximum Rate. Whenever, at any time after the Administrative Agent has received from any Lender such Lender's Revolving Advance, the Administrative Agent receives any payment on account thereof, the Administrative Agent will pay to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's Revolving Advance was outstanding and funded), which payment shall be subject to repayment by such Lender if such payment received by the Administrative Agent is required to be returned. Each Lender's obligation to make the Revolving Advance pursuant to this Section 2.2 shall be absolute and unconditional and shall not be affected by any circumstance, including (1) any set-off, counterclaim, recoupment, defense or other right which such Lender or any other Person may

have against any Issuing Lender, the Administrative Agent or any other Person for any reason whatsoever; (2) the occurrence or continuance of a Default or the termination of the Commitments; (3) any breach of this Agreement by any Credit Party or any other Lender; or (4) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(iv) If at any time, the Commitments shall have expired or be terminated while any Letter of Credit Exposure is outstanding each Lender, at the sole option of the applicable Issuing Lender, shall fund its participation in such Letters of Credit in an amount equal to such Lender's Pro Rata Share of the Dollar Equivalent of the unpaid amount of the Borrower's payment obligations under drawn Letters of Credit. The Issuing Lenders shall notify the Administrative Agent, and in turn, the Administrative Agent shall notify each such Lender of the amount of such participation, and such Lender will transfer to the Administrative Agent for the account of the applicable Issuing Lender on the next Business Day following such notice, in Same Day Funds, the amount of such participation. At any time after an Issuing Lender has made a payment under any Letter of Credit and has received from any Lender funding of its participation in respect of such payment in accordance with this clause (iv), if the Administrative Agent receives for the account of such Issuing Lender any payment in respect of the related Letter of Credit Exposure or interest thereon (whether directly from the Borrower or otherwise, including proceeds of cash collateral applied thereto by the Administrative Agent), the Administrative Agent shall distribute to such Lender its Pro Rata Share thereof in the same funds as those received by the Administrative Agent.

(v) If any payment received by the Administrative Agent for the account of any Issuing Lender pursuant to this Section 2.2(c) is required to be returned under any of the circumstances described in Section 9.13 (including pursuant to any settlement entered into by such Issuing Lender in its discretion), each Lender shall pay to the Administrative Agent for the account of such Issuing Lender its Pro Rata Share thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate in effect from time to time. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(d) Participations. Upon the date of the issuance or increase of a Letter of Credit or the deemed issuance of the Existing Letters of Credit under Section 2.2(a), the applicable Issuing Lender shall be deemed to have sold to each other Lender and each other Lender shall have been deemed to have purchased from such Issuing Lender a participation in the related Letter of Credit Obligations equal to such Lender's Pro Rata Share at such date and such sale and purchase shall otherwise be in accordance with the terms of this Agreement. The applicable Issuing Lender shall promptly notify each such participant Lender by telex, telephone, or telecopy of each Letter of Credit issued or increased and the actual dollar amount of such Lender's participation in such Letter of Credit.

(e) Obligations Unconditional. The obligations of the Borrower under this Agreement in respect of each Letter of Credit shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, notwithstanding the following circumstances:

(i) any lack of validity or enforceability of any Letter of Credit Documents;

(ii) any amendment or waiver of or any consent to departure from any Letter of Credit Documents;

(iii) the existence of any claim, set-off, defense or other right which any Restricted Entity may have at any time against any beneficiary or transferee of such Letter of Credit (or any Persons for whom any such beneficiary or any such transferee may be acting), any Issuing Lender, any Lender or any other person or entity, whether in connection with this Agreement, the transactions contemplated in this Agreement or in any Letter of Credit Documents or any unrelated transaction;

(iv) any statement or any other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect to the extent the applicable Issuing Lender would not be liable therefor pursuant to the following paragraph (g);

(v) payment by the applicable Issuing Lender under such Letter of Credit against presentation of documents which do not comply with the terms of such Letter of Credit; or

(vi) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing;

provided, however, that nothing contained in this paragraph (e) shall be deemed to constitute a waiver of any remedies of the Borrower in connection with the Letters of Credit.

(f) Prepayments of Letters of Credit. In the event that any Letter of Credit shall be outstanding or shall be drawn and not reimbursed on or prior to the Letter of Credit Termination Date, the Borrower shall pay to the Administrative Agent an amount equal to 103% of the Dollar Equivalent of the Letter of Credit Exposure allocable to such Letter of Credit, such amount to be due and payable on the Letter of Credit Termination Date, and to be held in the Cash Collateral Account and applied in accordance with paragraph (h) below.

(g) Liability of Issuing Lenders. The Borrower assumes all risks of the acts or omissions of any beneficiary or transferee of any Letter of Credit with respect to its use of such Letter of Credit. No Issuing Lender and no Related Party thereof shall be liable or responsible for:

(i) the use which may be made of any Letter of Credit or any acts or omissions of any beneficiary or transferee in connection therewith;

(ii) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged;

(iii) payment by any Issuing Lender against presentation of documents which do not comply with the terms of a Letter of Credit, including failure of any documents to bear any reference or adequate reference to the relevant Letter of Credit; or

(iv) any other circumstances whatsoever in making or failing to make payment under any Letter of Credit (**INCLUDING ANY ISSUING LENDER'S OWN NEGLIGENCE**),

except that the Borrower shall have a claim against the applicable Issuing Lender, and such Issuing Lender shall be liable to, and shall promptly pay to, the Borrower, to the extent of any direct, as opposed to consequential, damages suffered by the Borrower which a court in a final, non-appealable finding rules were caused by such Issuing Lender's willful misconduct or gross negligence in determining whether documents presented under a Letter of Credit comply with the terms of such Letter of Credit. In

furtherance and not in limitation of the foregoing, any Issuing Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

(h) Cash Collateral Account.

(i) If the Borrower is required to deposit funds in the Cash Collateral Account pursuant to Sections 2.2(i), 2.3 (a)(vi), 2.16, 7.2(b) or 7.3(b) or any other provision under this Agreement, then the Borrower and the Administrative Agent shall establish the Cash Collateral Account and the Borrower shall execute any documents and agreements, including the Administrative Agent's standard form assignment of deposit accounts, that the Administrative Agent reasonably requests in connection therewith to establish the Cash Collateral Account and grant the Administrative Agent an Acceptable Security Interest in such account and the funds therein. The Borrower hereby pledges to the Administrative Agent and grants the Administrative Agent a security interest in the Cash Collateral Account, whenever established, all funds held in the Cash Collateral Account from time to time, and all proceeds thereof as security for the payment of the Secured Obligations.

(ii) Funds held in the Cash Collateral Account shall be held as cash collateral for obligations with respect to Letters of Credit or outstanding Swing Line Advances, as applicable, and promptly applied by the Administrative Agent at the request of the applicable Issuing Lender or applicable Swing Line Lender to any reimbursement or other obligations under Letters of Credit that exist or occur and to any outstanding Swing Line Advances, as applicable. To the extent that any surplus funds are held in the Cash Collateral Account above the Letter of Credit Exposure and the outstanding amount of the Swing Line Advances during the existence of an Event of Default the Administrative Agent may (A) hold such surplus funds in the Cash Collateral Account as cash collateral for the Secured Obligations or (B) apply such surplus funds to any Secured Obligations in any manner directed by the Majority Lenders. If no Default exists, the Administrative Agent shall release any surplus funds held in the Cash Collateral Account above the Letter of Credit Exposure and the outstanding amount of the Swing Line Advances to the Borrower at the Borrower's written request and such other amounts as provided in Section 2.16(d).

(iii) Funds held in the Cash Collateral Account may be invested in Liquid Investments maintained with, and under the sole dominion and control of, the Administrative Agent or in another investment if mutually agreed upon by the Borrower and the Administrative Agent, but the Administrative Agent shall have no obligation to make any investment of the funds therein. The Administrative Agent shall exercise reasonable care in the custody and preservation of any funds held in the Cash Collateral Account and shall be deemed to have exercised such care if such funds are accorded treatment substantially equivalent to that which the Administrative Agent accords its own property, it being understood that the Administrative Agent shall not have any responsibility for taking any necessary steps to preserve rights against any parties with respect to any such funds.

(i) Defaulting Lender. Subject to Section 2.16(c), if, at any time, a Defaulting Lender or a Potential Defaulting Lender exists hereunder, then, at the request of any Issuing Lender subject to Section 2.16(c), the Borrower shall deposit funds with Administrative Agent into the Cash Collateral Account an amount equal to such Defaulting Lender's or such Potential Defaulting Lender's pro rata share of the Letter of Credit Exposure as it relates to such requesting Issuing Lender.

(j) Letters of Credit Issued for Guarantors or any Restricted Subsidiary. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Guarantor or any Restricted Subsidiary, the Borrower shall be obligated to reimburse each Issuing Lender hereunder for any and all drawings under such Letter of Credit issued hereunder by such Issuing Lender. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of any Guarantor, the Borrower or any Restricted Subsidiary inures to the benefit of the Borrower, and that the Borrower's business (indirectly or directly) derives substantial benefits from the businesses of such other Persons.

Section 2.3 Swing Line Advances.

(a) Facility. On the terms and conditions set forth in this Agreement, and if an AutoBorrow Agreement is in effect, subject to the terms and conditions of such AutoBorrow Agreement, each Swing Line Lender shall, from time-to-time on any Business Day during the period from the date of this Agreement until the Business Day immediately preceding the Maturity Date, make Swing Line Advances to the Borrower (or in the case of the Global Flow AutoBorrow, to Global Flow) which shall be due and payable on the Swing Line Payment Date, bearing interest at the Adjusted Base Rate plus the Applicable Margin for Base Rate Advances or such other per annum rate as agreed to between the Borrower (or in the case of the Global Flow AutoBorrow, Global Flow) and the applicable Swing Line Lender; provided that (i) after giving effect to such Swing Line Advance, the aggregate outstanding principal amount of all Swing Line Advances advanced by such Swing Line Lender shall not exceed its Swing Line Sublimit Amount; (ii) after giving effect to such Swing Line Advance, the sum of the aggregate outstanding amount of all Revolving Advances plus the Dollar Equivalent of the Letter of Credit Exposure plus the aggregate outstanding amount of all Swing Line Advances, shall not exceed the aggregate Commitments; (iii) no Swing Line Advance shall be made by a Swing Line Lender if the conditions set forth in Section 3.2 have not been met as of the date of such Swing Line Advance, it being agreed by the Borrower that the giving of the applicable Notice of Borrowing and the acceptance by the Borrower (or in the case of the Global Flow AutoBorrow, Global Flow) of the proceeds of such Swing Line Advance shall constitute a representation and warranty by the Borrower that on the date of such Swing Line Advance such conditions have been met; (iv) each Swing Line Advance shall be in an aggregate amount not less than $100,000.00 and in integral multiples of $50,000.00 in excess thereof, except as otherwise set forth in any AutoBorrow Agreement; (v) if an AutoBorrow Agreement is in effect, such additional terms and conditions of such AutoBorrow Agreement shall have been satisfied, and in the event that any of the terms of this Section 2.3(a) conflict with such AutoBorrow Agreement, the terms of the AutoBorrow Agreement shall govern and control; and (vi) if any Lender is at such time a Defaulting Lender or a Potential Defaulting Lender hereunder, no Swing Line Lender shall be obligated to make any Swing Line Advances unless the Borrower shall have deposited with the Administrative Agent into the Cash Collateral Account cash collateral in an amount equal to such Defaulting Lender's or Potential Defaulting Lender's Pro Rata Share of the aggregate Swing Line Sublimit Amount; provided that, in the event that the Administrative Agent, the Borrower, and the Swing Line Lenders each agrees that a Defaulting Lender or a Potential Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender or a Potential Defaulting Lender, then if no Default exists, any cash collateral posted by the Borrower pursuant to this clause (vi) with respect to such Lender shall be returned to the Borrower. No Lender shall have any rights or obligations under any AutoBorrow Agreement, but each Lender shall have the obligation to purchase and fund risk participations in the Swing Line Advances and to refinance Swing Line Advances as provided below and as provided in Section 2.16(d).

(b) Prepayment. Within the limits expressed in this Agreement, amounts advanced pursuant to Section 2.3(a) may from time to time be borrowed, prepaid without penalty, and reborrowed. If the aggregate outstanding principal amount of the Swing Line Advances advanced by a Swing Line Lender ever exceeds its Swing Line Sublimit Amount, the Borrower shall, upon receipt of written notice of such

condition from such Swing Line Lender and to the extent of such excess, prepay to such Swing Line Lender outstanding principal of the Swing Line Advances such that such excess is eliminated. If an AutoBorrow Agreement is in effect, each prepayment of a Swing Line Borrowing shall be made as provided in such AutoBorrow Agreement.

(c) Reimbursements for Swing Line Obligations.

(i) With respect to the Swing Line Advances and the interest, premium, fees, and other amounts owed by the Borrower (or in the case of the Global Flow AutoBorrow, by Global Flow) to the Swing Line Lenders in connection with the Swing Line Advances, the Borrower agrees to pay (or in the case of the Global Flow AutoBorrow, cause Global Flow to pay) to the applicable Swing Line Lender such amounts when due and payable to the applicable Swing Line Lender under the terms of this Agreement and, if an AutoBorrow Agreement is in effect, in accordance with the terms of such AutoBorrow Agreement. If the Borrower does not pay (or in the case of the Global Flow AutoBorrow, cause Global Flow to pay) to the applicable Swing Line Lender any such amounts when due and payable to such Swing Line Lender, such Swing Line Lender may upon notice to the Administrative Agent request the satisfaction of such obligation by the making of a Revolving Borrowing in the amount of any such amounts not paid when due and payable. Upon such request, the Borrower shall be deemed to have requested the making of a Revolving Borrowing in the amount of such obligation and the transfer of the proceeds thereof to such Swing Line Lender. Such Revolving Borrowing shall bear interest based upon the Adjusted Base Rate plus the Applicable Margin for Base Rate Advances. The Administrative Agent shall promptly forward notice of such Revolving Borrowing to the Borrower and the Lenders, and each Lender shall, regardless of whether (A) the conditions in Section 3.2 have been met, (B) such notice complies with Section 2.4, or (C) a Default exists, make available such Lender's ratable share of such Revolving Borrowing to the Administrative Agent, and the Administrative Agent shall promptly deliver the proceeds thereof to the applicable Swing Line Lender for application to such amounts owed to such Swing Line Lender. The Borrower hereby unconditionally and irrevocably authorizes, empowers, and directs the Swing Line Lenders to make such requests for Revolving Borrowings on behalf of the Borrower in accordance with this Section, and the Lenders to make Revolving Advances to the Administrative Agent for the benefit of the Swing Line Lenders in satisfaction of such obligations. The Administrative Agent and each Lender may record and otherwise treat the making of such Revolving Borrowings as the making of a Revolving Borrowing to the Borrower under this Agreement as if requested by the Borrower. Nothing herein is intended to release the Borrower's obligations (or in the case of the Global Flow AutoBorrow, Global Flow's obligations) with respect to Swing Line Advances, but only to provide an additional method of payment therefor. The making of any Borrowing under this Section 2.3(c) shall not constitute a cure or waiver of any Default or Event of Default, other than the payment Default or Event of Default which is satisfied by the application of the amounts deemed advanced hereunder, caused by the Borrower's or Global Flow's failure to comply with the provisions of this Agreement or any AutoBorrow Agreement.

(ii) If at any time, the Commitments shall have expired or be terminated while any Swing Line Advance is outstanding, each Lender, at the sole option of the applicable Swing Line Lender, shall either (A) notwithstanding the expiration or termination of the Commitments, make a Revolving Advance as a Base Rate Advance, or (B) be deemed, without further action by any Person, to have purchased from such Swing Line Lender a participation in such Swing Line Advance, in either case in an amount equal to the product of such Lender's Pro Rata Share times the outstanding aggregate principal balance of the Swing Line Advances made by such Swing Line Lender. The Swing Line Lenders shall notify the Administrative Agent, and in turn, the Administrative Agent shall notify each such Lender of the amount of such Revolving Advance or

participation, and such Lender will transfer to the Administrative Agent for the account of the applicable Swing Line Lender on the next Business Day following such notice, in Same Day Funds, the amount of such Revolving Advance or participation.

(iii) If any such Lender shall not have so made its Revolving Advance or its percentage participation available to the Administrative Agent pursuant to this Section 2.3, such Lender agrees to pay interest thereon for each day from such date until the date such amount is paid at the lesser of (A) the Federal Funds Rate for such day for the first three days and thereafter the interest rate applicable to the Revolving Advance and (B) the Maximum Rate. Whenever, at any time after the Administrative Agent has received from any Lender such Lender's Revolving Advance or participating interest in a Swing Line Advance, the Administrative Agent receives any payment on account thereof, the Administrative Agent will pay to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's Revolving Advance or participating interest was outstanding and funded), which payment shall be subject to repayment by such Lender if such payment received by the Administrative Agent is required to be returned. Each Lender's obligation to make the Revolving Advance or purchase such participating interests pursuant to this Section 2.3 shall be absolute and unconditional and shall not be affected by any circumstance, including (1) any set-off, counterclaim, recoupment, defense or other right which such Lender or any other Person may have against any Swing Line Lender, the Administrative Agent or any other Person for any reason whatsoever; (2) the occurrence or continuance of a Default or the termination of the Commitments; (3) any breach of this Agreement by the Borrower or any other Lender; or (4) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. Each Swing Line Advance, once so participated by any Lender, shall cease to be a Swing Line Advance with respect to that amount for purposes of this Agreement, but shall continue to be a Revolving Advance.

(d) Method of Borrowing. If an AutoBorrow Agreement is in effect, each Swing Line Borrowing shall be made as provided in such AutoBorrow Agreement. Otherwise, and except as provided in the clause (c) above, each request for a Swing Line Advance shall be made pursuant to telephone notice to the Swing Line Lender given no later than 1:00 p.m. (Houston, Texas time) (or such later time as accepted by the applicable Swing Line Lender) on the date of the proposed Swing Line Advance, promptly confirmed by a completed and executed Notice of Borrowing telecopied or facsimiled to the Administrative Agent and the applicable Swing Line Lender. The applicable Swing Line Lender will promptly make the Swing Line Advance available to the Borrower (or in the case of the Global Flow AutoBorrow, to Global Flow) at the Borrower's account with the Administrative Agent or as otherwise directed by the Borrower (or in the case of the Global Flow AutoBorrow, by Global Flow) with written notice to the Administrative Agent.

(e) Interest for Account of Swing Line Lender. Swing Line Lenders shall be responsible for invoicing the Borrower for interest on the Swing Line Advances made by such Swing Line Lender (provided that any failure of a Swing Line Lender to provide such invoice shall not release the Borrower or Global Flow from its respective obligation to pay such interest). Until each Lender funds its Revolving Advance or risk participation pursuant to clause (c) above, interest in respect of Lender's Pro Rata Share of the Swing Line Advances shall be solely for the account of the applicable Swing Line Lender.

(f) Payments Directly to Swing Line Lenders. The Borrower (or in the case of the Global Flow AutoBorrow, Global Flow) shall make all payments of principal and interest in respect of the Swing Line Advances directly to the applicable Swing Line Lender.

(g) Adjustments to Swing Line Sublimit Amount. If any Lender becomes a Defaulting Lender or a Potential Defaulting Lender hereunder, at the Borrower's option and with at least one Business Day's prior written notice to the Administrative Agent and the Swing Line Lenders, the Borrower may decrease the Swing Line Sublimit Amount to such lesser amount notified to the Administrative Agent and the Swing Line Lenders. If such election is made, then in the event that the Administrative Agent, the Borrower, and the Swing Line Lenders agree that all existing Defaulting Lenders and Potential Defaulting Lenders have adequately remedied all matters that caused such Lenders to be Defaulting Lenders or Potential Defaulting Lenders, the Swing Line Sublimit Amount shall automatically, without further notice or action to be taken by any party hereto, be increased back up to the Swing Line Sublimit Amount that was in effect prior to the Borrower's election made pursuant to this clause (g).

Section 2.4 Advances.

(a) Notice. Each Borrowing (other than the Borrowings to be made on the Effective Date and Swing Line Borrowings), shall be made pursuant to the Notice of Borrowing given not later than (i) 12:00 noon (Houston, Texas time) on the third Business Day before the date of the proposed Borrowing, in the case of a Eurodollar Advance or (ii) 12:00 noon (Houston, Texas time) on the Business Day before the date of the proposed Borrowing, in the case of a Base Rate Advance, by the Borrower to the Administrative Agent, which shall give to each Lender prompt notice of such proposed Borrowing, by facsimile or telex. Each Notice of Borrowing shall be by facsimile or telex, confirmed promptly by the Borrower with a hard copy (other than with respect to notice sent by facsimile), (i) specifying the requested date of such Borrowing, (ii) specifying the requested Type and Class of Advances comprising such Borrowing, (iii) specifying the aggregate amount of such Borrowing, and (iv) if such Borrowing is to be comprised of Eurodollar Advances, specifying the requested Interest Period for each such Advance; provided that, any and all Borrowings to be made on the Effective Date shall consists only of Base Rate Advances which may, subject to the terms of this Agreement, be thereafter converted into Eurodollar Advances. In the case of a proposed Borrowing comprised of Eurodollar Advances, the Administrative Agent shall promptly notify each Lender of the applicable interest rate under Section 2.8(b). Each Lender shall, before 12:00 noon (Houston, Texas time) on the date of such Borrowing, make available for the account of its applicable Lending Office to the Administrative Agent at its address referred to in Section 9.9, or such other location as the Administrative Agent may specify by notice to the Lenders, in same day funds, such Lender's Pro Rata Share of such Borrowing. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article 3, the Administrative Agent will make such funds available to the Borrower at its account with the Administrative Agent or as otherwise directed by the Borrower with written notice to the Administrative Agent.

(b) Conversions and Continuations. In order to elect to Convert or continue a Revolving Advance under this paragraph, the Borrower shall deliver an irrevocable Notice of Continuation or Conversion to the Administrative Agent at the Administrative Agent's office no later than 12:00 noon (Houston, Texas time) (i) on the Business Day before the date of the proposed conversion date in the case of a Conversion to a Base Rate Advance and (ii) at least three Business Days in advance of the proposed Conversion or continuation date in the case of a Conversion to, or a continuation of, a Eurodollar Advance. Each such Notice of Conversion or Continuation shall be in writing or by telex or facsimile confirmed promptly by the Borrower with a hard copy (other than with respect to notice sent by facsimile), specifying (i) the requested Conversion or continuation date (which shall be a Business Day), (ii) the amount, Type, and Class of the Advance to be Converted or continued, (iii) whether a Conversion or continuation is requested and, if a Conversion, into what Type of Advance, and (iv) in the case of a Conversion to, or a continuation of, a Eurodollar Advance, the requested Interest Period. Promptly after receipt of a Notice of Conversion or Continuation under this paragraph, the Administrative Agent shall

provide each Lender with a copy thereof and, in the case of a Conversion to or a Continuation of a Eurodollar Advance, notify each Lender of the applicable interest rate under Section 2.8(b). The portion of Advances comprising part of the same Borrowing that are converted to Advances of another Type shall constitute a new Borrowing.

(c) Certain Limitations. Notwithstanding anything in paragraphs (a) and (b) above:

(i) at no time shall there be more than six Interest Periods applicable to outstanding Eurodollar Advances;

(ii) the Borrower may not select Eurodollar Advances for any Borrowing at any time when an Event of Default has occurred and is continuing;

(iii) if any Lender shall, at least one Business Day before the date of any requested Borrowing, notify the Administrative Agent (which notice the Administrative Agent shall promptly deliver to the Borrower) that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or that any central bank or other governmental authority asserts that it is unlawful, for such Lender or its applicable Lending Office to perform its obligations under this Agreement to make Eurodollar Advances or to fund or maintain Eurodollar Advances, (A) the obligation of such Lender to make such Eurodollar Advance as part of the requested Borrowing or for any subsequent Borrowing shall be suspended until such Lender shall notify the Borrower that the circumstances causing such suspension no longer exist and such Lender's portion of such requested Borrowing or any subsequent Borrowing of Eurodollar Advances shall be made in the form of a Base Rate Advance, and (B) such Lender agrees to use commercially reasonable efforts (consistent with its internal policies and legal and regulatory restrictions) to designate a different Lending Office if the making of such designation (i) would eliminate the restriction on such Lender described above, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender;

(iv) if the Administrative Agent is unable to determine the Eurodollar Rate for Eurodollar Advances comprising any requested Borrowing, the right of the Borrower to select Eurodollar Advances for such Borrowing or for any subsequent Borrowing shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist, and each Advance comprising such Borrowing shall be a Base Rate Advance;

(v) if the Majority Lenders shall, at least one Business Day before the date of any requested Borrowing, notify the Administrative Agent that the Eurodollar Rate for Eurodollar Advances comprising such Borrowing will not adequately reflect the cost to such Lenders of making or funding their respective Eurodollar Advances, as the case may be, for such Borrowing, the right of the Borrower to select Eurodollar Advances for such Borrowing or for any subsequent Borrowing shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist, and each Advance comprising such Borrowing shall be a Base Rate Advance; and

(vi) if the Borrower shall fail to select the duration or continuation of any Interest Period for any Eurodollar Advances in accordance with the provisions contained in the definition of Interest Period in Section 1.1 and paragraph (b) above, the Administrative Agent will forthwith so notify the Borrower and the Lenders and such Advances will be made available to the

Borrower on the date of such Borrowing as Base Rate Advances or, if an existing Eurodollar Advance, Convert into a Base Rate Advance.

(d) Notices Irrevocable. Each Notice of Borrowing and Notice of Continuation or Conversion delivered by the Borrower hereunder, including its deemed request for borrowing made under Section 2.2(c) or Section 2.3(c), shall be irrevocable and binding on the Borrower.

(e) Administrative Agent Reliance. Unless the Administrative Agent shall have received notice from a Lender before the date of any Revolving Borrowing that such Lender will not make available to the Administrative Agent such Lender's applicable pro rata share of any Borrowing, the Administrative Agent may assume that such Lender has made its applicable pro rata share of such Borrowing available to the Administrative Agent on the date of such Borrowing in accordance with Section 2.4(a), and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made its applicable pro rata share of such Borrowing available to the Administrative Agent, such Lender and the Borrower severally agree to immediately repay to the Administrative Agent on demand such corresponding amount, together with interest on such amount, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, the Adjusted Base Rate plus the Applicable Margin; and (ii) in the case of such Lender, the lesser of (A) the Federal Funds Rate for such day and (B) the Maximum Rate. If such Lender shall repay to the Administrative Agent such corresponding amount and interest as provided above, such corresponding amount so repaid shall constitute such Lender's Advance as part of such Borrowing for purposes of this Agreement even though not made on the same day as the other Advances comprising such Borrowing.

Section 2.5 Prepayments.

(a) Right to Prepay; Ratable Prepayment. The Borrower shall have no right to prepay any principal amount of any Advance except as provided in this Section 2.5, Section 2.1(b)(ii), Section 2.3(b) and Section 2.14, and all notices given pursuant to this Section 2.5 shall be irrevocable and binding upon the Borrower; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.1(b), then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.1(b). Each payment of any Advance pursuant to this Section 2.5 shall be made in a manner such that all Advances comprising part of the same Borrowing are paid in whole or ratably in part other than Advances owing to a Defaulting Lender as provided in Section 2.16 or Section 2.1(b)(ii).

(b) Optional. The Borrower may elect to prepay any of the Advances without penalty or premium except as set forth in Section 2.10 and after giving by 12:00 noon (Houston, Texas time) (i) in the case of Eurodollar Advances, at least three Business Days' or (ii) in case of Base Rate Advances, one Business Day's prior written notice to the Administrative Agent stating the proposed date and aggregate principal amount of such prepayment. If any such notice is given, the Borrower shall prepay Advances comprising part of the same Borrowing in whole or ratably in part in an aggregate principal amount equal to the amount specified in such notice, together with accrued interest to the date of such prepayment on the principal amount prepaid and amounts, if any, required to be paid pursuant to Section 2.10 as a result of such prepayment being made on such date; provided that (A) each optional prepayment of Eurodollar Advances shall be in a minimum amount not less than $1,000,000 and in multiple integrals of $500,000 in excess thereof, (B) each optional prepayment of Base Rate Advances shall be in a minimum amount not less than $500,000 and in multiple integrals of $100,000 in excess thereof and (C) each optional prepayment of Swing Line Advances shall be in a minimum amount not less than $250,000 and in multiple integrals of $50,000 in excess thereof, except as otherwise set forth in any AutoBorrow

Agreement. If an AutoBorrow Agreement is in effect, each prepayment of Swing Line Advances shall be made as provided in such AutoBorrow Agreement.

(c) Mandatory.

(i) If, on any Business Day, the sum of (A) the outstanding Advances plus (B) the Dollar Equivalent of the Letter of Credit Exposure exceeds the aggregate Commitments, then the Borrower shall, on such Business Day, to the extent of such excess, first prepay to the Swing Line Lenders the outstanding principal amount of the Swing Line Advances on a pro rata basis, second prepay to the Lenders on a pro rata basis the outstanding principal amount of the Revolving Advances; and third make deposits into the Cash Collateral Account to provide cash collateral in the remaining amount of such excess (if any) for the Letter of Credit Exposure.

(ii) If an increase in the aggregate Commitments is effected as permitted under Section 2.15 the Borrower shall prepay any Revolving Advances outstanding on the date such increase is effected to the extent necessary to keep the outstanding Revolving Advances ratable to reflect the revised pro rata shares of the Lenders arising from such increase. Any prepayment made by Borrower in accordance with this clause (c) may be made with the proceeds of Revolving Advances made by all the Lenders in connection such increase occurring simultaneously with the prepayment.

(d) Interest; Costs. Each prepayment pursuant to this Section 2.5 shall be accompanied by accrued interest on the amount prepaid to the date of such prepayment and amounts, if any, required to be paid pursuant to Section 2.10 as a result of such prepayment being made on such date.

Section 2.6 Repayment. The Borrower shall pay to the Administrative Agent for the ratable benefit of each Lender the aggregate outstanding principal amount of the Revolving Advances on the Maturity Date. Each Swing Line Advance shall be paid in full on the Swing Line Payment Date.

Section 2.7 Fees.

(a) Commitment Fees. The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee (the "Commitment Fee") on the average daily amount by which (i) such Lender's Commitment exceeds (ii) the sum of such Lender's outstanding Revolving Advances plus such Lender's Pro Rata Share of the Dollar Equivalent of the Letter of Credit Exposure, at the per annum rate equal to the Applicable Margin for Commitment Fees for such period; provided that, no such Commitment Fee shall accrue on the Commitment of a Defaulting Lender during the period such Lender remains a Defaulting Lender. Such Commitment Fee is due quarterly in arrears on March 31, June 30, September 30, and December 31 of each year commencing on September 30, 2010, and on the Maturity Date. For purposes of this Section 2.7(a) only, Swing Line Advances shall not reduce the amount of the unused Commitment.

(b) Fees for Letters of Credit. The Borrower agrees to pay the following:

(i) Subject to Section 2.16, to the Administrative Agent for the pro rata benefit of the Lenders a per annum letter of credit fee for each Letter of Credit issued hereunder, for the period such Letter of Credit is outstanding, in an amount equal to the greater of (A) the Applicable Margin for Eurodollar Advances per annum on the Dollar Equivalent of the face amount of such Letter of Credit, and (B) $600.00 per Letter of Credit. Such fee shall be due and payable quarterly in arrears on March 31, June 30, September 30, and December 31 of each year, and on the Maturity Date.

(ii) To each Issuing Lender, a fronting fee for each Letter of Credit issued, increased or extended by such Issuing Lender, equal to the greater of (A) 0.125% per annum on the face amount of such Letter of Credit and (B) $600.00. Such fee shall be due and payable in advance on the date of the issuance of the Letter of Credit, and, in the case of an increase or extension only, on the date of such increase or such extension.

(iii) To each Issuing Lender, an additional fronting fee for each commercial Letter of Credit equal to an amount agreed to between the Borrower and such Issuing Lender. Such fee shall be due and payable in advance on the date of the issuance of the Letter of Credit in writing, and, in the case of an increase or extension only, on the date of such increase or such extension.

(iv) To each Issuing Lender such other usual and customary fees associated with any transfers, amendments, drawings, negotiations, issuances or reissuances of any Letters of Credit issued by such Issuing Lender. Such fees shall be due and payable as requested by the applicable Issuing Lender in accordance with such Issuing Lender's then current fee policy.

The Borrower shall have no right to any refund of letter of credit fees previously paid by the Borrower, including any refund claimed because any Letter of Credit is canceled prior to its expiration date.

(c) Administrative Agent Fee. The Borrower agrees to pay the fees to the Administrative Agent as set forth in the Fee Letter.

Section 2.8 Interest.

(a) Base Rate Advances. Each Base Rate Advance shall bear interest at the Adjusted Base Rate in effect from time to time plus the Applicable Margin for Base Rate Advances for such period. The Borrower shall pay to Administrative Agent for the ratable account of each Lender all accrued but unpaid interest on such Lender's Base Rate Advances on each March 31, June 30, September 30, and December 31 commencing on September 30, 2010, and on the Maturity Date. The Swing Line Advances shall bear interest only at the Adjusted Base Rate plus the Applicable Margin for Base Rate Advances or such other per annum rate to be agreed to between the Borrower and the applicable Swing Line Lender.

(b) Eurodollar Advances. Each Eurodollar Advance shall bear interest during its Interest Period equal to at all times the Eurodollar Rate for such Interest Period plus the Applicable Margin for Eurodollar Advances for such period. The Borrower shall pay to the Administrative Agent for the ratable account of each Lender all accrued but unpaid interest on each of such Lender's Eurodollar Advances on the last day of the Interest Period therefor (provided that for Eurodollar Advances with six month Interest Periods, or, if agreed to by all Lenders, 12 month Interest Periods, accrued but unpaid interest shall also be due every three months from the first day of such Interest Period), on the date any Eurodollar Advance is repaid, and on the Maturity Date.

(c) Retroactive Adjustments of Applicable Margin. In the event that any financial statement or Compliance Certificate delivered pursuant to Section 5.2 is shown to be inaccurate (regardless of whether this Agreement or the Commitments are in effect when such inaccuracy is discovered), and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period (an "Applicable Period") than the Applicable Margin applied for such Applicable Period, then (i) the Borrower shall promptly deliver to the Administrative Agent a corrected Compliance Certificate for such Applicable Period, (ii) the Applicable Margin shall be determined as if the higher Applicable Margin that would have applied were applicable for such Applicable Period (and in any event at Level I if the inaccuracy was the result of intentional dishonesty, fraud or willful misconduct), and (iii) the Borrower shall promptly, without further action by the Administrative Agent, any Lender or any Issuing Lender,

pay to the Administrative Agent for the account of the applicable Lenders, the accrued additional interest owing as a result of such increased Applicable Margin for such Applicable Period. This Section 2.8(c) shall not limit the rights of the Administrative Agent and Lenders with respect to the default rate of interest as set forth in Section 2.8(d) below or Article 7. The Borrower's obligations under this Section 2.8(c) shall survive the termination of the Commitments and the repayment of all other Secured Obligations hereunder.

(d) Default Rate. Notwithstanding the foregoing, (a) upon the occurrence and during the continuance of an Event of Default under Section 7.1(a), all overdue amounts shall bear interest, after as well as before judgment, at the Default Rate and (b) upon the occurrence and during the continuance of any Event of Default (including under Section 7.1(a)), upon the request of the Majority Lenders, all Obligations shall bear interest, after as well as before judgment, at the Default Rate. Interest accrued pursuant to this Section 2.8(d) and all interest accrued but unpaid on or after the Maturity Date shall be due and payable on demand.

Section 2.9 Illegality. If any Lender shall notify the Borrower that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or that any central bank or other governmental authority asserts that it is unlawful, for such Lender or its applicable Lending Office to perform its obligations under this Agreement to make, maintain, or fund any Eurodollar Advances of such Lender then outstanding hereunder, (a) the Borrower shall, no later than 12:00 noon (Houston, Texas, time) (i) if not prohibited by law, on the last day of the Interest Period for each outstanding Eurodollar Advance or (ii) if required by such notice, on the second Business Day following its receipt of such notice, prepay all of the Eurodollar Advances of such Lender then outstanding, together with accrued interest on the principal amount prepaid to the date of such prepayment and amounts, if any, required to be paid pursuant to Section 2.10 as a result of such prepayment being made on such date, (b) such Lender shall simultaneously make a Base Rate Advance to the Borrower on such date in an amount equal to the aggregate principal amount of the Eurodollar Advances prepaid to such Lender, and (c) the right of the Borrower to select Eurodollar Advances from such Lender for any subsequent Borrowing shall be suspended until such Lender shall notify the Borrower that the circumstances causing such suspension no longer exist. Each Lender agrees to use commercially reasonable efforts (consistent with its internal policies and legal and regulatory restrictions) to designate a different Lending Office if the making of such designation would avoid the effect of this paragraph and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

Section 2.10 Breakage and Other Costs. Within 5 Business Days of demand made by any Lender to the Borrower (with a copy to the Administrative Agent) from time to time, the Borrower shall compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment (including any deemed payment or repayment and any reallocated repayment to Non-Defaulting Lenders provided for in Section 2.12(a) or Section 2.16) of any Advance other than a Base Rate Advance on a day other than the last day of the Interest Period for such Advance (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make an Advance) to prepay, borrow, continue or convert any Advance other than a Base Rate Advance on the date or in the amount notified by the Borrower;

(c) any payment by the Borrower of reimbursement drawings under any Foreign Currency L/C in a currency other than such Foreign Currency; or

(d) any assignment of an Eurodollar Advance on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 2.14;

including any loss of anticipated profits, any foreign exchange losses and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Advance, from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing. For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 2.10, the requesting Lender shall be deemed to have funded the Eurodollar Advances made by it at the Eurodollar Base Rate used in determining the Eurodollar Rate for such Advance by a matching deposit or other borrowing in the offshore interbank market for Dollars for a comparable amount and for a comparable period, whether or not such Eurodollar Advance was in fact so funded. Any notice delivered by the Administrative Agent (including on behalf of any Lender providing such notice to the Administrative Agent) setting forth in reasonable detail any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.10 shall be delivered to Borrower and shall be conclusive and binding absent manifest error.

Section 2.11 Increased Costs.

(a) Eurodollar Advances. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Eurodollar Rate) or any Issuing Lender;

(ii) subject any Lender or any Issuing Lender to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Eurodollar Advance made by it, or change the basis of taxation of payments to such Lender or such Issuing Lender in respect thereof (except for Indemnified Taxes or Other Taxes covered by Section 2.13 and the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender or such Issuing Lender); or

(iii) impose on any Lender or any Issuing Lender or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Advances made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Advance (or of maintaining its obligation to make any such Advance), or to increase the cost to such Lender or such Issuing Lender of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or such Issuing Lender hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or such Issuing Lender, the Borrower shall pay to such Lender or such Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Lender, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Adequacy. If any Lender or Issuing Lender determines that any Change in Law affecting such Lender or Issuing Lender or any lending office of such Lender or such Lender's or such Issuing Lender's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuing Lender's capital or on the capital of such

Lender's or such Issuing Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Advances made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Lender, to a level below that which such Lender or such Issuing Lender or such Lender's or such Issuing Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Lender's policies and the policies of such Lender's or such Issuing Lender's holding company with respect to capital adequacy), then from time to time the Borrower shall pay to such Lender or such Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Lender or such Lender's or such Issuing Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or an Issuing Lender setting forth in reasonable detail the amount or amounts necessary to compensate such Lender or such Issuing Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay to the Administrative Agent for the account of such Lender or such Issuing Lender, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or Issuing Lender to demand compensation pursuant to this Section 2.11 shall not constitute a waiver of such Lender's or such Issuing Lender's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or Issuing Lender pursuant to this Section 2.11 for any increased costs incurred or reductions suffered more than 180 days prior to the date that such Lender or Issuing Lender, as the case may be, notifies the Borrower and the Administrative Agent of the Change in Law giving rise to such increased costs or reductions and of such Lender's or Issuing Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Designation of a Different Lending Office. If any Lender requests compensation under this Section 2.11 then such Lender shall use commercially reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to this Section 2.11 in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

Section 2.12 Payments and Computations.

(a) Payments. Except as otherwise expressly provided herein, all payments of principal, interest, and other amounts to be made by the Borrower under this Agreement and other Credit Documents shall be made to the Administrative Agent in Dollars and in Same Day Funds, without setoff, deduction, or counterclaim; provided that, the Borrower may setoff amounts owing to any Lender that is at such time a Defaulting Lender against Advances that such Defaulting Lender failed to the fund to the Borrower under this Agreement (the "Unfunded Advances") so long as (i) the Borrower shall have delivered prior written notice of such setoff to the Administrative Agent and such Defaulting Lender, (ii) the Advances made by the Lenders (other than such Defaulting Lender) as part of the original Borrowing to which the Unfunded Advances applied shall still be outstanding, (iii) if such Defaulting Lender failed to fund Advances under more than one Borrowing, such setoff shall be applied in a manner satisfactory to the Administrative Agent, and (iv) upon the application of such setoff, the Unfunded Advances shall be deemed to have been made by such Defaulting Lender on the effective date of such setoff.

(b) Payment Procedures. The Borrower shall make each payment under this Agreement not later than 12:00 noon (Houston, Texas time) on the day when due in Dollars to the Administrative Agent at the location referred to in Schedule II (or such other location as the Administrative Agent shall designate in writing to the Borrower) in same day funds. The Administrative Agent will promptly thereafter, and in any event prior to the close of business on the day any timely payment is made, cause to be distributed like funds relating to the payment of principal, interest or fees ratably (other than amounts payable solely to the Administrative Agent, a specific Issuing Lender or a specific Lender pursuant to Sections 2.2, 2.3, 2.9, 2.10, 2.11, 2.13, 2.14, 9.1, and 9.2 but after taking into account payments effected pursuant to Section 7.4) in accordance with each Lender's applicable pro rata share to the Lenders for the account of their respective applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon receipt of other amounts due solely to the Administrative Agent, a specific Issuing Lender, a specific Swing Line Lender, or a specific Lender, the Administrative Agent shall distribute such amounts to the appropriate party to be applied in accordance with the terms of this Agreement.

(c) Non-Business Day Payments. Whenever any payment shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be; provided that if such extension would cause payment of interest on or principal of Eurodollar Advances to be made in the next following calendar month, such payment shall be made on the immediately preceding Business Day.

(d) Computations. All computations of interest for Base Rate Advances (other than Base Rate Advances based on the Federal Funds Rate or a One Daily One-Month LIBOR) shall be made by the Administrative Agent on the basis of a year of 365/366 days and all computations of all other interest and fees shall be made by the Administrative agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day, but excluding the last day) occurring in the period for which such interest or fees are payable. Each determination by the Administrative Agent of an amount of interest or fees shall be conclusive and binding for all purposes, absent manifest error.

(e) Sharing of Payments, Etc. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Advances or other obligations hereunder resulting in such Lender's receiving payment of a proportion of the aggregate amount of its Advances and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein (other than as a result of a termination of a Defaulting Lender's Commitment under Section 2.1(b)(ii), the setoff right of the Borrower under clause (a) above, or the non-pro rata application of payments provided in the penultimate sentence of this clause (e)), then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Advances and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that: (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and (ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Advances or participations in Letter of Credit Obligations to any assignee or participant, other than to the Borrower, any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). If a Lender fails to fund a Revolving Advance with respect to a Borrowing as and when required

hereunder and the Borrower subsequently makes a repayment of any Revolving Advances, then, after taking into account any setoffs made pursuant to Section 2.12(a) above, such payment shall be applied among the non-defaulting Lenders ratably in accordance with their respective Commitment percentages until each Lender (including any Lender that is at such time a Defaulting Lender) has its percentage of all of the outstanding Revolving Advances and the balance of such repayment shall be applied among the Lenders in accordance with their Pro Rata Share. Each Credit Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Credit Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Credit Party in the amount of such participation.

Section 2.13 Taxes.

(a) No Deduction for Certain Taxes. Any and all payments by or on account of any obligation of any Credit Party hereunder or under any other Credit Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes, provided that if a Credit Party shall be required by applicable Legal Requirement to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, Lender or Issuing Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Credit Party shall make such deductions and (iii) the Credit Party shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable Legal Requirement.

(b) Other Taxes. Without limiting the provisions of paragraph (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Legal Requirement.

(c) Indemnification. The Borrower shall indemnify the Administrative Agent, each Lender and each Issuing Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent, such Lender or such Issuing Lender, as the case may be, and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or such Issuing Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or such Issuing Lender, shall be conclusive absent manifest error. Failure or delay on the part of the Administrative Agent, any Lender or any Issuing Lender to demand payment pursuant to this Section shall not constitute a waiver of such Person's right to demand such payment; provided that, no Administrative Agent, Lender or Issuing Lender shall be indemnified for any Indemnified Taxes or Other Taxes the demand for which is made to the Borrower later than one year after the later of (i) the date on which the relevant Governmental Authority makes written demand upon the Administrative Agent, Lender or Issuing Lender for payment of such Indemnified Taxes or Other Taxes, and (ii) the date on which such Administrative Agent, Lender or Issuing Lender has made payment of such Indemnified Taxes or Other Taxes; provided that if the Indemnified Taxes or Other Taxes imposed or asserted giving rise to such claims are retroactive, then the one-year period referred to above shall be extended to include the period of retroactive effect thereof.

(d) Evidence of Tax Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by a Credit Party to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority

evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Credit Document shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Without limiting the generality of the foregoing, in the event that the Borrower is resident for tax purposes in the United States of America, any Foreign Lender shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(i) duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States of America is a party,

(ii) duly completed copies of Internal Revenue Service Form W-8ECI,

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and (y) duly completed copies of Internal Revenue Service Form W-8BEN, or

(iv) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made.

(f) FATCA. In the case of the Administrative Agent, a Lender or an Issuing Lender that would be subject to withholding tax imposed by FATCA on payments made on account of any obligation of the Borrower hereunder if such Administrative Agent, Lender or Issuing Lender fails to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Administrative Agent, Lender or Issuing Lender, as the case may be, shall provide such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower to comply with its obligations under FATCA, to determine that such Administrative Agent, Lender or Issuing Lender, as the case may be, has complied with such Administrative Agent's, Lender's or Issuing Lender's obligations under FATCA.

(g) Treatment of Certain Refunds. If the Administrative Agent, a Lender or an Issuing Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section, it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent, such Lender or such Issuing Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Borrower, upon the request of the Administrative Agent, such Lender or such Issuing Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent, such Lender or such Issuing Lender in the event the Administrative Agent, such Lender or such Issuing Lender is required to repay such refund to such Governmental Authority. This paragraph shall not be construed to require the Administrative Agent, any Lender or any Issuing Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

(h) Designation of a Different Lending Office. If any Lender requires the Borrower to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to this Section 2.13, then such Lender shall use commercially reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to this Section 2.13 in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

Section 2.14 Replacement of Lenders. If (a) the Borrower is required pursuant to Section 2.11 or 2.13 to make any additional payment to any Lender, (b) any Lender's obligation to make or continue, or to convert Base Rate Advances into, Eurodollar Advances shall be suspended pursuant to 2.4(c)(iii) or 2.9, (c) any Lender is a Non-Consenting Lender, or (d) any Lender is a Defaulting Lender (any such Lender described in any of the preceding clauses (a) – (d), being a "Subject Lender"), then (i) in the case of a Defaulting Lender, the Administrative Agent may, upon notice to the Subject Lender and the Borrower, require such Defaulting Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 9.7), all of its interests, rights and obligations under this Agreement and the related Credit Documents as a Lender to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment) and (ii) in the case of any Subject Lender, the Borrower may, upon notice to the Subject Lender and the Administrative Agent and at the Borrower's sole cost and expense, require such Subject Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 9.7), all of its interests, rights and obligations under this Agreement and the related Credit Documents to an Eligible Assignee that shall assume such obligations (which Eligible Assignee may be another Lender, if a Lender accepts such assignment), provided that, in any event

(A) as to assignments required by the Borrower, the Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 9.7;

(B) such Subject Lender shall have received payment of an amount equal to the outstanding principal of its applicable Advances and participations in outstanding Letter of Credit Obligations, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Credit Documents (including any amounts under Section 2.10) from the assignee (to the extent

of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(C) in the case of any such assignment resulting from a claim for compensation under Section 2.13, such assignment will result in a reduction in such compensation or payments thereafter;

(D) such assignment does not conflict with applicable Legal Requirements; and

(E) in the case of any such assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have agreed to the applicable departure, waiver or amendment of the Credit Documents.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply. Solely for purposes of effecting any assignment involving a Defaulting Lender under this Section 2.14 and to the extent permitted under applicable Legal Requirements, **each Lender hereby designates and appoints the Administrative Agent as true and lawful agent and attorney-in-fact, with full power and authority, for and on behalf of and in the name of such Lender to execute, acknowledge and deliver the Assignment and Acceptance required hereunder if such Lender is a Defaulting Lender and such Lender shall be bound thereby as fully and effectively as if such Lender had personally executed, acknowledged and delivered the same**. In lieu of the Borrower or the Administrative Agent replacing a Defaulting Lender as provided in this Section 2.14, the Borrower may terminate such Defaulting Lender's applicable Commitment as provided in Section 2.1(b)(ii).

Section 2.15 Increase in Commitments.

(a) At any time prior to the Business Day immediately preceding the Maturity Date, the Borrower may effectuate one or more increases in the aggregate Commitments (each such increase being a "Commitment Increase"), by designating either one or more of the existing Lenders (each of which, in its sole discretion, may determine whether and to what degree to participate in such Commitment Increase) or one or more other Eligible Assignees that at the time agree, in the case of any such Eligible Assignee that is an existing Lender to increase its Commitment as such Lender shall so select (an "Increasing Lender") and, in the case of any other Eligible Assignee that is not an existing Lender (an "Additional Lender"), to become a party to this Agreement as a Lender; provided, however, that (i) each such Commitment Increase shall be equal to at least $25,000,000, (ii) all Commitments and Revolving Advances provided pursuant to a Commitment Increase shall be available on the same terms as those applicable to the existing Commitments and Revolving Advances except as to upfront fees which may be as agreed to between the Borrower and such Increasing Lender or Additional Lender, as the case may be, and (iii) the aggregate of all such Commitment Increases shall not exceed $150,000,000. The Borrower shall provide prompt notice of such proposed Commitment Increase pursuant to this Section 2.15 to the Administrative Agent and the Lenders. This Section 2.15 shall not be construed to create any obligation on the Administrative Agent or any of the Lenders to advance or to commit to advance any credit to the Borrower or to arrange for any other Person to advance or to commit to advance any credit to the Borrower.

(b) The Commitment Increase shall become effective on the date (the "Increase Date") on or prior to which each of following conditions shall have been satisfied: (i) the receipt by the Administrative Agent of (A) an agreement in form and substance reasonably satisfactory to the Administrative Agent signed by the Borrower, each Increasing Lender and/or each Additional Lender, setting forth the Commitments, if any, of each such Increasing Lender and/or Additional Lender and, if applicable, setting forth the agreement of each Additional Lender to become a party to this Agreement and to be bound by

all the terms and provisions hereof binding upon each Lender, and (B) such evidence of appropriate authorization on the part of the Borrower with respect to such Commitment Increase and such legal opinions as the Administrative Agent may reasonably request, (ii) the funding by each Increasing Lender and Additional Lender of the Advances to be made by each such Lender to effect the prepayment requirement set forth in Section 2.5(c)(ii), (iii) receipt by the Administrative Agent of a certificate of an authorized officer of the Borrower certifying (A) both before and after giving effect to such Commitment Increase, no Default has occurred and is continuing, (B) all representations and warranties made by the Borrower in this Agreement are true and correct in all material respects(except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), unless such representation or warranty relates to an earlier date which remains true and correct in all material respects as of such earlier date (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), and (C) the pro forma compliance with the covenants in Sections 6.17, 6.18 and 6.19, after giving effect to such Commitment Increase, and (iv) receipt by the Increasing Lender or Additional Lender, as applicable, of all such fees as agreed to between such Increasing Lender and /or Additional Lender and the Borrower.

(c) Notwithstanding any provision contained herein to the contrary, from and after the date of such Commitment Increase, all calculations and payments of interest on the Revolving Advances shall take into account the actual Commitment of each Lender and the principal amount outstanding of each Revolving Advance made by such Lender during the relevant period of time.

(d) On such Increase Date, each Lender's share of the Letter of Credit Exposure on such date shall automatically be deemed to equal such Lender's applicable pro rata share of such Letter of Credit Obligations (such pro rata share for such Lender to be determined as of the Increase Date in accordance with its Commitment on such date as a percentage of the aggregate Commitment on such date) without further action by any party.

Section 2.16 Payments and Deductions to a Defaulting Lender or Potential Defaulting Lender.

(a) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.1(a), Section 2.2, Section 2.3 or Section 2.12 then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid in cash.

(b) If a Defaulting Lender as a result of the exercise of a set-off shall have received a payment in respect of its outstanding applicable Advances or pro rata share of Letter of Credit Exposure which results in its outstanding applicable Advances and share of Letter of Credit Exposure being less than its pro rata share of the aggregate outstanding applicable Advances and Letter of Credit Exposure, then no payments will be made to such Defaulting Lender until such time as all amounts due and owing to the Lenders have been equalized in accordance with each Lender's respective pro rata share of the aggregate outstanding applicable Advances and Letter of Credit Exposure. Further, if at any time prior to the acceleration or maturity of the Advances, the Administrative Agent shall receive any payment in respect of principal of an applicable Advance or a Letter of Credit Obligations while one or more Defaulting Lenders shall be party to this Agreement, the Administrative Agent shall apply such payment first to the Borrowings for which such Defaulting Lender(s) shall have failed to fund its pro rata share until such time as such Borrowing(s) are paid in full or each Lender (including each Defaulting Lender) is owed its pro rata share of all Advances then outstanding. After acceleration or maturity of the Advances, subject to the first sentence of this Section 2.16(b), all principal will be paid ratably as provided in Section 2.12(e).

(c) If any Letter of Credit Exposure exists at the time a Lender becomes a Defaulting Lender or a Potential Defaulting Lender then:

(i) such Letter of Credit Exposure shall be automatically reallocated among the Non-Defaulting Lenders in accordance with their respective pro rata share of such Defaulting Lender's or Potential Defaulting Lender's share of the Letter of Credit Exposure (and each Lender is deemed to have purchased and assigned such participation interest in such reallocated portion of the Letter of Credit Exposure) but only to the extent that (A) the sum of each Non-Defaulting Lender's outstanding Revolving Advances plus its share of the Letter of Credit Exposure, after giving effect to the reallocation provided herein, does not exceed such Non-Defaulting Lender's Commitment, and (B) the conditions set forth in Section 3.2 are satisfied at such time; provided that, such reallocation shall not constitute a waiver or release of any claim the Borrower, the Administrative Agent, any Issuing Lender or any other Lender may have against such Defaulting Lender or cause such Defaulting Lender to be a Non-Defaulting Lender or cause such Potential Defaulting Lender to be a Non-Defaulting Lender;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, then the Borrower shall, within one Business Day following notice by the Administrative Agent, cash collateralize such Defaulting Lender's or such Potential Defaulting Lenders share of the Letter of Credit Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.2(h) for so long as such Letter of Credit Exposure is outstanding;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's or such Potential Defaulting Lender's Letter of Credit Exposure pursuant to this Section 2.16 then the Borrower shall not be required to pay any fees to such Defaulting Lender or such Potential Defaulting Lender pursuant to Section 2.7(b)(i) with respect to such Defaulting Lender's or such Potential Defaulting Lender's Letter of Credit Exposure during the period such Defaulting Lender's Letter of Credit Exposure is cash collateralized;

(iv) if the Letter of Credit Exposure is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 2.7(b)(i) shall be adjusted in accordance with such Non-Defaulting Lenders' pro rata share;

(v) if any Defaulting Lender's or Potential Defaulting Lender's share of the Letter of Credit Exposure is neither cash collateralized nor reallocated pursuant to the preceding provisions, then, without prejudice to any rights or remedies of any Issuing Lender or any Lender hereunder, all letter of credit fees payable under Section 2.7(b)(i) with respect to such Defaulting Lender's or such Potential Defaulting Lender's share of the Letter of Credit Exposure shall be payable to the applicable Issuing Lender until such Letter of Credit Exposure is cash collateralized and/or reallocated.

(d) If any Swing Line Advances are outstanding at the time a Lender becomes a Defaulting Lender or a Potential Defaulting Lender then:

(i) upon demand by the applicable Swing Line Lender to the Borrower and the Administrative Agent, the Borrower shall be deemed to have requested the making of a Revolving Borrowing consisting of Base Rate Advances in the amount of such outstanding Swing Line Advances and the transfer of the proceeds thereof to such Swing Line Lender, and the Borrower hereby unconditionally and irrevocably authorizes, empowers, and directs the Swing Line Lenders to make such requests for Revolving Borrowings on behalf of the Borrower in

accordance with this clause (i), and the Lenders to make Revolving Advances to the Administrative Agent for the benefit of the Swing Line Lenders in satisfaction of such obligations;

(ii) upon request from the Administrative Agent of the Revolving Borrowing referred to in clause (i) above, each Non-Defaulting Lender shall make a Base Rate Advance in an amount equal to the sum of (A) such Non-Defaulting Lender's Pro Rata Share of such outstanding Swing Line Advances and (B) such Non-Defaulting Lender's Pro Rata Share of such Defaulting Lender's or Potential Defaulting Lender's share of such outstanding Swing Line Advances but only to the extent that, after giving effect to such Revolving Borrowing, the sum of the aggregate amount of Revolving Advances made by such Non-Defaulting Lender plus such Non-Defaulting Lender's share of the Letter of Credit Exposure (after giving effect to any reallocations effected under clause (c) above), does not exceed such Non-Defaulting Lender's Commitment; provided that, no such Revolving Borrowing may be made if the conditions set forth in Section 3.2 have not been satisfied; and provided further that, the making of such Revolving Advances by the Non-Defaulting Lenders shall not constitute a waiver or release of any claim the Borrower, the Administrative Agent, any Issuing Lender, any Swing Line Lender or any other Lender may have against such Defaulting Lender or cause such Defaulting Lender to be a Non-Defaulting Lender or cause such Potential Defaulting Lender to be a Non-Defaulting Lender; and

(iii) if the Revolving Borrowing described in clause (i) and (ii) above cannot, or can only partially, be effected, then the Borrower shall, within one Business Day following notice by the Administrative Agent, cash collateralize such Defaulting Lender's or such Potential Defaulting Lender's share of the outstanding Swing Line Advances (after giving effect to any partial payments effected pursuant to the Revolving Borrowing made pursuant to clause (i) and (ii) above) in accordance with the procedures set forth in Section 2.2(h) for so long as such Swing Line Advances are outstanding.

In the event that the Administrative Agent, the Borrower, the Swing Line Lenders and the Issuing Lenders each agrees that a Defaulting Lender or a Potential Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender or a Potential Defaulting Lender, then (i) the Letter of Credit Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment, (ii) on such date such Lender shall be deemed to have purchased at par such of the Revolving Advances or participations in Letters of Credit of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Revolving Advances and Letter of Credit Exposure in accordance with its pro rata share, and (iii) if no Default exists, then any cash collateral posted by the Borrower pursuant to clause (c)(ii) or clause (d)(iii) above with respect to such Lender shall be returned to the Borrower.

ARTICLE 3
CONDITIONS OF LENDING

Section 3.1 Conditions Precedent to Initial Borrowings and the Initial Letter of Credit. The obligations of each Lender to make the initial Advance and for any Issuing Lender to issue the initial Letters of Credit, including the deemed issuance of the Existing Letters of Credit, shall be subject to the conditions precedent that:

(a) Documentation. The Administrative Agent shall have received the following, duly executed by all the parties thereto, in form and substance reasonably satisfactory to the Administrative Agent and the Lenders:

(i) this Agreement and all attached Exhibits and Schedules and the Notes payable to the order of each Lender requesting a Note;

(ii) the Guaranty executed by all Wholly-Owned Domestic Restricted Subsidiaries of the Borrower existing on the Effective Date;

(iii) the Security Agreement executed by each Credit Party, together with appropriate UCC-1 financing statements and intellectual property security agreements, if any, necessary for filing with the appropriate authorities and any other documents, agreements, or instruments necessary to create, perfect or maintain an Acceptable Security Interest in the Collateral described in the Security Agreement;

(iv) certificates of insurance naming the Administrative Agent as loss payee with respect to property insurance, or additional insured with respect to liability insurance, and covering the Credit Party's Properties with such insurance carriers, for such amounts and covering such risks as required by Section 5.3;

(v) a certificate from an authorized officer of the Borrower dated as of the Effective Date stating that as of such date (A) all representations and warranties of the Borrower set forth in this Agreement are true and correct in all material respects (except to the extent that such representation is qualified by materiality), (B) no Default has occurred and is continuing; and (C) all conditions precedent set forth in this Section 3.1 have been met;

(vi) a secretary's certificate from each Credit Party certifying such Person's (A) officers' incumbency, (B) authorizing resolutions, (C) organizational documents, and (D) governmental approvals, if any, with respect to the Credit Documents to which such Person is a party;

(vii) certificates of good standing for each Credit Party in each state in which each such Person is organized or qualified to do business, which certificate shall be (A) dated a date not earlier than 30 days prior to Effective Date or (B) otherwise effective on the Effective Date;

(viii) a legal opinion of Vinson & Elkins LLP as outside counsel to the Credit Parties, in form and substance reasonably acceptable to the Administrative Agent;

(ix) legal opinions from outside Canadian, English, Scottish, and British Virgin Islands counsels to the Credit Parties in form and substance reasonably acceptable to the Administrative Agent;

(x) such other documents, governmental certificates, agreements, and lien searches as the Administrative Agent or any Lender may reasonably request.

(b) Consents; Authorization; Conflicts. The Borrower shall have received any consents, licenses and approvals of any Governmental Authority or any other Person and required in accordance with applicable Legal Requirement, or in accordance with any document, agreement, instrument or arrangement to which the Borrower, any Restricted Subsidiary, or any other party to the Reorganization Documents is a party, in connection with the execution, delivery, performance, validity and enforceability of this Agreement, the other Credit Documents and the Reorganization Documents other than immaterial consents, licenses or approvals the absence of which would not reasonably be expected to be adverse to any Secured Party. In addition, the Borrower and the Restricted Subsidiaries shall have all such material consents, licenses and approvals required in connection with the continued operation of the Borrower and

the Restricted Subsidiaries, and such approvals shall be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on this Agreement and the actions contemplated hereby.

(c) Representations and Warranties. The representations and warranties contained in Article 4 and in each other Credit Document shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the Effective Date before and after giving effect to the initial Borrowing or issuance (or deemed issuance) of Letters of Credit and to the application of the proceeds from such Borrowing, as though made on and as of such date.

(d) Payment of Fees. The Borrower shall have paid the fees and expenses required to be paid as of the Effective Date by Sections 2.7(c) and 9.1 (other than legal fees) or any other provision of a Credit Document. The Borrower shall have paid the legal fees for the Administrative Agent as required under Section 9.1 to the extent such fees have been invoiced at least two Business Days prior to the Effective Date.

(e) Other Proceedings. No action, suit, investigation or other proceeding by or before any arbitrator or any Governmental Authority shall be threatened or pending and no preliminary or permanent injunction or order by a state or federal court shall have been entered in connection with this Agreement, any other Credit Document, or any of the Transactions.

(f) Other Reports. The Administrative Agent shall have received, in form and substance reasonably satisfactory to it, all environmental reports, and such other reports, audits or certifications as it may reasonably request.

(g) Material Adverse Change. Since December 31, 2009, there shall not have occurred any event or circumstance that could reasonably be expected to result in a Material Adverse Change.

(h) No Default. No Default shall have occurred and be continuing.

(i) Solvency. The Administrative Agent shall have received a certificate in form and substance reasonably satisfactory to the Administrative Agent from a Responsible Officer of the Borrower and each Guarantor certifying that, (i) before giving effect to the initial Borrowings made hereunder on the Effective Date, each Subject Company (taken as a whole with its respective Subsidiaries) is Solvent and (ii) after giving effect to the initial Borrowings made hereunder on the Effective Date and the other Transactions, the Credit Parties, taken as a whole, are Solvent.

(j) Delivery of Financial Statements; Projections. With respect to the Subject Companies, the Administrative Agent shall have received (i) audited consolidated financial statements for the fiscal years ended in 2007, 2008 and 2009 (except, in the case of Triton, for 2009) and unaudited consolidated financial statements for the first fiscal quarter of 2010 and the unaudited consolidated financial statements of Triton for the fiscal year 2009, (ii) monthly consolidated financial statements for the month ended June 30, 2010 and (iii) pro forma consolidated financial statements for the fiscal quarter ended June 30, 2010. The Administrative Agent shall have also received projections prepared by management of balance sheets, income statements and cashflow statements of the Borrower and its Subsidiaries, after giving effect to the Transactions, which shall be quarterly for the first year after the Effective Date and annually thereafter until the Maturity Date.

(k) Notices of Borrowing. The Administrative Agent shall have received a Notice of Borrowing from the Borrower, with appropriate insertions and executed by a duly authorized officer of the Borrower.

(l) Equity Contribution. Immediately prior to, or concurrently with, the making of the initial Advances hereunder, the Administrative Agent shall have received evidence reasonably satisfactory to it that SCF shall have made a cash capital contribution, or otherwise funded Equity Issuance Proceeds to the Borrower in an amount equal to at least $50,000,000 (including the SCF Equity Investments).

(m) Payment in Full of Existing Debt. Prior to, or concurrently with, the making of the initial Advances hereunder, all outstanding obligations owing under the Existing Credit Agreements (other than the payment of fees and expenses under the credit facility for Pro-Tech Valve Sales Inc., as borrower and JPMorgan Chase Bank, National Association, Toronto Branch, as lender, the funds for which shall have been sent by the Borrower on or prior to August 2, 2010 but not received by such lender until August 3, 2010) shall have been paid in full other than the Triton Liabilities and the Administrative Agent shall have received a "pay-off" letter (or such other evidence) in form and substance reasonably satisfactory to the Administrative Agent with respect to all such Debt being refinanced with the initial Advances to be made hereunder; and arrangements satisfactory to the Administrative Agent shall have been made with any Person holding any Lien securing any such Debt, for the release and delivery of such UCC (or equivalent) termination statements, mortgage releases, releases of assignments of leases and rents, and other instruments, in each case in proper form for recording or filing, as the Administrative Agent shall have requested to release and terminate of record the Liens securing such Debt.

(n) Reorganization. The Administrative Agent shall have received evidence that immediately prior to, or concurrently with, the initial Advances (or initial issuance of Letters of Credit or deemed issuance of Existing Letters of Credit) made hereunder, the Reorganization shall have been completed.

(o) USA Patriot Act. The Administrative Agent shall have received all documentation and other information that is required by regulatory authorities under applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act.

(p) Pro Forma Compliance Certificate. The Administrative Agent shall have received an officer's certificate executed by a Responsible Officer of the Borrower, reflecting the Closing Date Leverage Ratio of no greater than 2.75 to 1.00, after giving pro forma effect to the Transactions.

(q) Pro Forma Structure. The pro forma capital and ownership structure and the equityholder arrangements of the Borrower and its Restricted Subsidiaries (and all agreements relating thereto), after giving effect to the Transactions, will be reasonably satisfactory to the Administrative Agent and the Lenders.

(r) Compliance with Law. The Borrower, each other Subject Company, and each of the foregoing's respective Subsidiaries shall have been in compliance with all Legal Requirements which are applicable to such Persons, including the operations, business or Property of such Persons, except in any case where the failure to be in compliance could not reasonably be expected to result in a Material Adverse Change or affect the consummation or the legality of the Transactions.

(s) Liquidity. The Administrative Agent shall have received evidence satisfactory to it that, after giving effect to the Transactions, Liquidity is greater than or equal to $50,000,000.

Section 3.2 Conditions Precedent to Each Borrowing and to Each Issuance, Extension or Renewal of a Letter of Credit. The obligation of each Lender to make an Advance on the occasion of each Borrowing (including the initial Borrowing), the obligation of the Issuing Lenders to issue, increase, renew or extend a Letter of Credit (including the deemed issuance of Existing Letters of Credit on the Effective Date) and of any reallocation of Letter of Credit Exposure provided in Section 2.16, shall be subject to the further conditions precedent that on the date of such Borrowing or such issuance, increase, renewal or extension:

(a) Representations and Warranties. As of the date of the making of any Advance or issuance, increase, renewal or extension of any Letter of Credit or the reallocation of the Letter of Credit Exposure, the representations and warranties made by any Credit Party or any officer of any Credit Party contained in the Credit Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on such date, except that any representation and warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) only as of such specified date and each request for the making of any Advance or issuance, increase, renewal or extension of any Letter of Credit and the making of such Advance or the issuance, increase, renewal or extension of such Letter of Credit shall be deemed to be a reaffirmation of such representations and warranties. Each of the giving of the applicable Notice of Borrowing or Letter of Credit Application, the acceptance by the Borrower of the proceeds of such Borrowing, the issuance, increase, or extension of such Letter of Credit, and the reallocation of the Letter of Credit Exposure, shall constitute a representation and warranty by the Borrower that on the date of such Borrowing, such issuance, increase, or extension of such Letter of Credit or such reallocation, as applicable, the foregoing condition has been met.

(b) Event of Default. As of the date of the making of any Advance, the issuance, increase, renewal or extension of any Letter of Credit, or the reallocation of the Letter of Credit Exposure, as applicable, no Default or Event of Default shall exist, and the making of such Advance or issuance, increase, renewal or extension of such Letter of Credit, or the relocation of the Letter of Credit Exposure would not cause a Default or Event of Default. Each of the giving of the applicable Notice of Borrowing or Letter of Credit Application, the acceptance by the Borrower of the proceeds of such Borrowing, the issuance, increase, or extension of such Letter of Credit, and the reallocation of the Letter of Credit Exposure, shall constitute a representation and warranty by the Borrower that on the date of such Borrowing, such issuance, increase, or extension of such Letter of Credit or such reallocation, as applicable, the foregoing condition has been met.

Section 3.3 Determinations Under Sections 3.1 and 3.2. For purposes of determining compliance with the conditions specified in Sections 3.1 and 3.2 each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Administrative Agent responsible for the transactions contemplated by the Credit Documents shall have received written notice from such Lender prior to the Borrowings hereunder specifying its objection thereto and such Lender shall not have made available to the Administrative Agent such Lender’s ratable portion of such Borrowings.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants as follows:

Section 4.1 Organization. The Borrower and each of its Restricted Subsidiaries is duly and validly organized and existing and in good standing under the laws of its jurisdiction of incorporation or formation and is authorized to do business and is in good standing in all jurisdictions in which such qualifications or authorizations are necessary except where the failure to be so qualified or authorized could not reasonably be expected to result in a Material Adverse Change. As of the Effective Date, each Credit Party's type of organization and jurisdiction of incorporation or formation are set forth on Schedule 4.1.

Section 4.2 Authorization. The execution, delivery, and performance by each Credit Party of each Credit Document to which such Credit Party is a party and the consummation of the transactions contemplated thereby (a) are within such Credit Party's organizational powers, (b) have been duly authorized by all necessary corporate, limited liability company or partnership action, as applicable, of such Credit Party, (c) do not contravene any articles or certificate of incorporation or bylaws, partnership or limited liability company agreement, as applicable, binding on or affecting such Credit Party, (d) do not contravene any law or any contractual restriction binding on or affecting such Credit Party except for immaterial laws or contractual restrictions the noncompliance with which would not reasonably be expected to be adverse to any Secured Party, (e) do not result in or require the creation or imposition of any Lien prohibited by this Agreement, and (f) do not require any authorization or approval or other action by, or any notice or filing with, any Governmental Authority except for immaterial authorizations, approvals, other actions, notices or filings the failure to obtain of which would not reasonably be expected to be adverse to any Secured Party. At the time of each Advance or the issuance, renewal, extension or increase of each Letter of Credit, such Advance and the use of the proceeds of such Advance or the issuance, renewal, extension or increase of such Letter of Credit are within the Borrower's corporate powers, have been duly authorized by all necessary action, do not contravene (i) the Borrower's certificate of incorporation or bylaws, or (ii) any Legal Requirement or any contractual restriction binding on or affecting the Borrower, will not result in or require the creation or imposition of any Lien prohibited by this Agreement, and do not require any authorization or approval or other action by, or any notice or filing with, any Governmental Authority except for any immaterial contractual restrictions the noncompliance with which would not reasonably be expected to be adverse to any Secured Party.

Section 4.3 Enforceability. The Credit Documents have each been duly executed and delivered by each Credit Party that is a party thereto and each Credit Document constitutes the legal, valid, and binding obligation of each Credit Party that is a party thereto enforceable against such Credit Party in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws at the time in effect affecting the rights of creditors generally and by general principles of equity whether applied by a court of law or equity.

Section 4.4 Financial Condition.

(a) The financial statements (other than the projections) delivered under Section 3.1(j) were prepared in accordance with GAAP and fairly present, in all material respects, the consolidated financial condition of the Persons covered thereby as of the respective dates thereof for the periods covered therein, subject, in the case of unaudited financial statements, to normal year-end adjustments and the absence of footnotes. As of the date of the aforementioned financial statements, there were no material contingent obligations, liabilities for taxes, unusual forward or long-term commitments, or unrealized or anticipated

losses of the applicable Persons, except as disclosed therein and adequate reserves for such items have been made in accordance with GAAP.

(b) Since the Effective Date, after giving pro forma effect to the Transactions, no event or condition has occurred that could reasonably be expected to result in Material Adverse Change.

Section 4.5 Ownership and Liens; Real Property. Each Restricted Entity (a) has good and marketable fee simple title to, or a valid leasehold interest or easement in, all material real property, and good title to all material personal Property, used in its business, and (b) none of the Property owned by the Borrower or a Restricted Subsidiary is subject to any Lien except Permitted Liens.

Section 4.6 True and Complete Disclosure. All written factual information (whether delivered before or after the date of this Agreement) prepared by or on behalf of the Borrower and its Restricted Subsidiaries and furnished to the Administrative Agent or the Lenders for purposes of or in connection with this Agreement or any other Credit Document, taken as a whole, does not contain any material misstatement of fact or omits to state any material fact necessary to make the statements therein not misleading as of the date such information is dated or certified. There is no fact known to any Responsible Officer of any Credit Party on the date of this Agreement that has not been disclosed to the Administrative Agent that could reasonably be expected to result in a Material Adverse Change. All projections, estimates, budgets, and pro forma financial information furnished by the Borrower or any of its Restricted Subsidiaries (or on behalf of the Borrower or any such Restricted Subsidiary), were prepared on the basis of assumptions, data, information, tests, or conditions (including current and reasonably foreseeable business conditions) believed to be reasonable at the time such projections, estimates, and pro forma financial information were furnished (it being recognized by the Administrative Agent and the Lenders, however, that projections as to future events are not to be viewed as facts and that results during the period(s) covered by such projections may differ from the projected results and that such differences may be material and that the Loan Parties make no representation that such projections will be realized).

Section 4.7 Litigation. There are no actions, suits, or proceedings pending or, to any Restricted Entity's knowledge, threatened against the Borrower or any Restricted Subsidiary, at law, in equity, or in admiralty, or by or before any Governmental Authority, which could reasonably be expected to result in a Material Adverse Change. Additionally, except as disclosed in writing to the Administrative Agent and the Lenders, there is no pending or, to the knowledge of any Restricted Entity, threatened action or proceeding instituted against the Borrower or any Restricted Subsidiary which seeks to adjudicate the Borrower or any Restricted Subsidiary as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its Property.

Section 4.8 Compliance with Agreements.

(a) Neither the Borrower nor any of its Restricted Subsidiaries is a party to any indenture, loan or credit agreement or any lease or any other types of agreement or instrument or subject to any charter or corporate restriction or provision of applicable law or governmental regulation the performance of or compliance with which could reasonably be expected to cause a Material Adverse Change. Neither the Borrower nor any of its Restricted Subsidiaries is in default under or with respect to any contract, agreement, lease or any other types of agreement or instrument to which the Borrower or such Restricted Subsidiary is a party and which could reasonably be expected to cause a Material Adverse Change. To the knowledge of the Credit Parties, neither the Borrower nor any of its Restricted Subsidiaries is in

default under, or has received a notice of default under, any contract, agreement, lease or any other document or instrument to which the Borrower or its Restricted Subsidiaries is a party which is continuing and which, if not cured, could reasonably be expected to cause a Material Adverse Change.

(b) No Default has occurred and is continuing.

Section 4.9 Pension Plans. (a) Except for matters that could not reasonably be expected to result in a Material Adverse Change, all Plans are in compliance with all applicable provisions of ERISA, (b) no Termination Event has occurred with respect to any Plan that would result in an Event of Default under Section 7.1(i), and, except for matters that could not reasonably be expected to result in a Material Adverse Change, each Plan has complied with and been administered in accordance with applicable provisions of ERISA and the Code, (c) no "accumulated funding deficiency" (as defined in Section 302 of ERISA) has occurred, and for plan years after December 31, 2007, no unpaid minimum required contribution exists, and there has been no excise tax imposed under Section 4971 of the Code, (d) the present value of all benefits vested under each Plan (based on the assumptions used to fund such Plan) did not, as of the last annual valuation date applicable thereto, exceed the value of the assets of such Plan allocable to such vested benefits in an amount that could reasonably be expected to result in a Material Adverse Change, (e) neither the Borrower nor any member of the Controlled Group has had a complete or partial withdrawal from any Multiemployer Plan for which there is any unsatisfied withdrawal liability that could reasonably be expected to result in a Material Adverse Change or an Event of Default under Section 7.1(j), and (f) neither the Borrower nor any member of the Controlled Group has incurred any liability as a result of a Multiemployer Plan being in reorganization or insolvent that could reasonably be expected to result in a Material Adverse Change. Based upon GAAP existing as of the date of this Agreement and current factual circumstances, no Restricted Entity has any reason to believe that the annual cost during the term of this Agreement to the Borrower or any Subsidiary for post-retirement benefits to be provided to the current and former employees of the Borrower or any Subsidiary under Plans that are welfare benefit plans (as defined in Section 3(1) of ERISA) could, in the aggregate, reasonably be expected to cause a Material Adverse Change.

Section 4.10 Environmental Condition. Except as set forth on Schedule 4.10:

(a) Permits, Etc. Each Restricted Entity (i) has obtained all material Environmental Permits necessary for the ownership and operation of its Properties and the conduct of its businesses; (ii) is and, during the relevant time periods specified under applicable statutes of limitation, has been in material compliance with all terms and conditions of such Permits and with all other material requirements of applicable Environmental Laws; (iii) has not received written notice of any material violation or alleged material violation of any Environmental Law or Environmental Permit; and (iv) is not subject to any actual or contingent Environmental Claim which could reasonably be expected to cause a Material Adverse Change.

(b) Certain Liabilities. To each Restricted Entity's knowledge, none of the present or previously owned or operated Property of any Restricted Entity or of any Subsidiary thereof, wherever located, (i) has been placed on or proposed to be placed on the National Priorities List, the Comprehensive Environmental Response Compensation Liability Information System list, or their state or local analogs, or have been otherwise investigated, designated, listed, or identified by a Governmental Authority as a potential site for removal, remediation, cleanup, closure, restoration, reclamation, or other response activity under any Environmental Laws; (ii) is subject to a Lien, arising under or in connection with any Environmental Laws, that attaches to any revenues or to any Property owned or operated by any Restricted Entity, wherever located, which could reasonably be expected to cause a Material Adverse Change; or (iii) has been the site of any Release of Hazardous Substances or Hazardous Wastes from present or past operations which has caused at the site or at any third-party site any condition that has

resulted in or could reasonably be expected to result in the need for Response that could cause a Material Adverse Change.

(c) Certain Actions. Without limiting the foregoing, (i) all necessary material notices have been properly filed, and no further action is required under current applicable Environmental Law as to each Response or other restoration or remedial project required to be undertaken by the Borrower, any of its Subsidiaries or any of the Borrower's or such Subsidiary's former Subsidiaries , pursuant to any Environmental Law, on any of their presently or formerly owned or operated Property and (ii) the present and, to the Credit Parties' knowledge, future liability, if any, of the Borrower or of any Subsidiary which could reasonably be expected to arise in connection with requirements under Environmental Laws is not expected to result in a Material Adverse Change.

Section 4.11 Subsidiaries. As of the Effective Date, the Borrower has no Subsidiaries other than those listed on Schedule 4.11. Each Restricted Subsidiary of the Borrower (including any such Restricted Subsidiary formed or acquired subsequent to the Effective Date) has complied with the requirements of Section 5.8.

Section 4.12 Investment Company Act. Neither the Borrower nor any Restricted Subsidiary is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Section 4.13 Taxes. Proper and accurate (in all material respects), federal and all material state, local and foreign tax returns, reports and statements required to be filed (after giving effect to any extension granted in the time for filing) by the Borrower and each Restricted Subsidiary or any member of the Affiliated Group as determined under Section 1504 of the Code (hereafter collectively called the "Tax Group") have been filed with the appropriate Governmental Authorities, and all taxes (which are material in amount) and other impositions due and payable have been timely paid prior to the date on which any fine, penalty, interest, late charge or loss may be added thereto for non-payment thereof except where contested in good faith and by appropriate proceeding. Neither the Borrower nor any member of the Tax Group has given, or been requested to give, a waiver of the statute of limitations relating to the payment of any federal, state, local or foreign taxes or other impositions. Proper and accurate amounts have been withheld by the Borrower and all other members of the Tax Group from their employees for all periods to comply in all material respects with the tax, social security and unemployment withholding provisions of applicable federal, state, local and foreign law.

Section 4.14 Permits, Licenses, etc. Each of the Borrower and its Restricted Subsidiaries possesses all permits, licenses, patents, patent rights or licenses, trademarks, trademark rights, trade names rights, and copyrights which are material to the conduct of its business. Each of the Borrower and its Restricted Subsidiaries manages and operates its business in accordance with all applicable Legal Requirements except where the failure to so manage or operate could not reasonably be expected to result in a Material Adverse Change; provided that this Section 4.14 does not apply with respect to Environmental Permits.

Section 4.15 Use of Proceeds. The proceeds of the Advances will be used by the Borrower for the purposes described in Section 6.6. No Credit Party is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U). No proceeds of any Advance will be used to purchase or carry any margin stock in violation of Regulation T, U or X.

Section 4.16 Condition of Property; Casualties. The material Properties used or to be used in the continuing operations of the Borrower and each Restricted Subsidiary, taken as a whole, are in good working order and condition, normal wear and tear excepted. Neither the business nor the material

Properties of the Borrower or any Restricted Subsidiary has been affected as a result of any fire, explosion, earthquake, flood, drought, windstorm, accident, strike or other labor disturbance, embargo, requisition or taking of Property or cancellation of contracts, permits or concessions by a Governmental Authority, riot, activities of armed forces or acts of God or of any public enemy, which effect could reasonably be expected to cause a Material Adverse Change.

Section 4.17 Insurance. Each of the Borrower and its Restricted Subsidiaries carry insurance (which may be carried by the Borrower on a consolidated basis) with reputable insurers in respect of such of their respective Properties, in such amounts and against such risks as is customarily maintained by other Persons of similar size engaged in similar businesses or, self-insure to the extent that is customary for Persons of similar size engaged in similar businesses.

Section 4.18 Security Interest. Each Credit Party has authorized the filing of financing statements sufficient when filed to perfect the Lien created by the Security Documents to the extent such Lien can be perfected by filing financing statements. When such financing statements are filed in the offices noted therein, the Administrative Agent will have a valid and perfected security interest in all Collateral that is capable of being perfected by filing financing statements (excluding, for perfection purposes, the Excluded Perfection Collateral).

Section 4.19 OFAC. Neither the Borrower nor any of its Subsidiaries is in violation of any of the country or list based economic and trade sanctions administered and enforced by OFAC. Neither the Borrower nor any of its Subsidiaries (a) is a Sanctioned Person or a Sanctioned Entity, (b) has its assets located in Sanctioned Entities, or (c) derives revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. No proceeds of any Advance will be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity.

Section 4.20 Solvency. Before and after giving effect to the making of each Advance and the issuance or increase of each Letter of Credit, in each case, after the Effective Date, the Borrower and its Restricted Subsidiaries are, when taken as a whole, Solvent.

ARTICLE 5
AFFIRMATIVE COVENANTS

So long as any Obligation shall remain unpaid, any Lender shall have any Commitment hereunder, or there shall exist any Letter of Credit Exposure (unless such Letter of Credit Exposure shall have been cash collateralized on terms and in amounts reasonably acceptable to the applicable Issuing Lenders), each Credit Party agrees to comply with the following covenants.

Section 5.1 Organization. Each Credit Party shall, and shall cause each of its respective Restricted Subsidiaries to, preserve and maintain its partnership, limited liability company or corporate existence, rights, franchises and privileges in the jurisdiction of its organization. Each Credit Party shall, and shall cause each of its respective Restricted Subsidiaries to qualify and remain qualified as a foreign business entity in each jurisdiction in which qualification is necessary or desirable in view of its business and operations or the ownership of its Properties, except where failure to so qualify could not reasonably be expected to cause a Material Adverse Change. Nothing contained in this Section 5.1 shall prevent any transaction permitted by Section 6.7 or Section 6.8.

Section 5.2 Reporting.

(a) Annual Financial Reports. The Borrower shall provide, or shall cause to be provided, to the Administrative Agent, as soon as available, but in any event within 120 days after the end of each fiscal year of the Borrower (commencing with the fiscal year ended December 31, 2010), a consolidated balance sheet of the Borrower and its Restricted Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, such consolidated statements to be audited and accompanied by a report and opinion of PricewaterhouseCoopers LLP or any other independent certified public accountant of nationally recognized standing reasonably acceptable to the Administrative Agent, which report and opinion shall be prepared in accordance with GAAP and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit, and such consolidated statements to be certified by the chief executive officer, chief financial officer, treasurer or controller of the Borrower to the effect that such statements fairly present the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Restricted Subsidiaries in all material respects in accordance with GAAP;

(b) Quarterly Financials. The Borrower shall provide, or shall cause to be provided, to the Administrative Agent, as soon as available, but in any event (i) within 60 days after the end of the fiscal quarters ending June 30, 2010 and September 30, 2010, and (ii) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (commencing with the fiscal quarter ending March 31, 2011), a consolidated balance sheet of the Borrower and its Restricted Subsidiaries as at the end of such fiscal quarter, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal quarter and for the portion of the Borrower's fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, such consolidated statements to be certified by the chief executive officer, chief financial officer, treasurer or controller of the Borrower as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Restricted Subsidiaries, in all material respects, in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes;

(c) Compliance Certificate. Concurrently with the delivery of the financial statements referred to in Section 5.2(a) and (b) above, the Borrower shall provide to the Administrative Agent a duly completed Compliance Certificate signed by the chief executive officer, chief financial officer, treasurer or controller of the Borrower;

(d) Annual Budget. As soon as available and in any event within 60 days after the end of each fiscal year of the Borrower, the Borrower shall provide to the Administrative Agent an annual operating, capital and cash flow budget for the immediately following fiscal year and reasonably detailed on a quarterly basis.

(e) Defaults. The Credit Parties shall provide to the Administrative Agent promptly, but in any event within five Business Days after a Responsible Officer of any Credit Party obtains knowledge thereof, a notice of any Default or Event of Default, together with a statement of a Responsible Officer of the Borrower setting forth the details of such Default or Event of Default and the actions which the Credit Parties have taken and propose to take with respect thereto.

(f) Other Creditors. The Credit Parties shall provide to the Administrative Agent promptly after the giving or receipt thereof, copies of any material default notices given or received by the

Borrower or by any of its Restricted Subsidiaries pursuant to the terms of any indenture, loan agreement, credit agreement, or similar agreement evidencing Debt in an amount in excess of $2,000,000.

(g) Litigation. The Credit Parties shall provide to the Administrative Agent promptly after the commencement thereof, notice of all actions, suits, and proceedings before any Governmental Authority, affecting the Borrower or any of its Restricted Subsidiaries that could reasonably be expected to result in a Material Adverse Change.

(h) Environmental Notices. Promptly upon, and in any event no later than 15 days after, the receipt thereof, or the acquisition of knowledge thereof, by any Restricted Entity, the Credit Parties shall provide the Administrative Agent with a copy of any form of request, claim, complaint, order, notice, summons or citation received from any Governmental Authority or any other Person, (i) concerning violations or alleged violations of Environmental Laws, which seeks to impose liability therefore in excess of $2,000,000, (ii) concerning any action or omission on the part of any of the Credit Parties or any of their former Subsidiaries in connection with Hazardous Waste or Hazardous Substances which could reasonably result in the imposition of liability in excess of $2,000,000 or requiring that action be taken to respond to or clean up a Release of Hazardous Substances or Hazardous Waste into the environment and such action or clean-up could reasonably be expected to exceed $2,000,000, including without limitation any information request related to, or notice of, potential responsibility under CERCLA, or (iii) concerning the filing of a Lien (other than a Permitted Lien) upon, against or in connection with the Borrower, any Subsidiary, or any of their respective former Subsidiaries, or any of their leased or owned Property, wherever located pursuant to any Environmental Law.

(i) Material Changes. The Credit Parties shall provide to the Administrative Agent prompt written notice of any condition or event of which any Responsible Officer of any Credit Party obtains knowledge and which could reasonably be expected to result in a Material Adverse Change.

(j) Termination Events. As soon as possible and in any event (i) within 30 days after the Borrower or any member of the Controlled Group knows that any Termination Event described in clause (a) of the definition of Termination Event with respect to any Plan has occurred, and (ii) within 10 days after the Borrower or any member of the Controlled Group knows that any other Termination Event with respect to any Plan has occurred, the Credit Parties shall provide to the Administrative Agent a statement of an authorized officer of the Borrower describing such Termination Event and the action, if any, which the Borrower or any Affiliate of the Borrower proposes to take with respect thereto;

(k) Termination of Plans. Promptly and in any event within five Business Days after receipt thereof by the Borrower or any member of the Controlled Group from the PBGC, the Credit Parties shall provide to the Administrative Agent copies of each notice received by the Borrower or any such member of the Controlled Group of the PBGC's intention to terminate any Plan or to have a trustee appointed to administer any Plan;

(l) Other ERISA Notices. Promptly and in any event within five Business Days after receipt thereof by the Borrower or any member of the Controlled Group from a Multiemployer Plan sponsor, the Credit Parties shall provide to the Administrative Agent a copy of each notice received by the Borrower or any member of the Controlled Group concerning the imposition or amount of withdrawal liability imposed on the Borrower or any member of the Controlled Group pursuant to Section 4202 of ERISA;

(m) Other Governmental Notices. Promptly and in any event within five Business Days after receipt thereof by the Borrower or any Restricted Subsidiary, the Credit Parties shall provide to the Administrative Agent a copy of any notice, summons, citation, or proceeding seeking to modify, revoke,

or suspend any contract, license, permit, or agreement with any Governmental Authority the modification, revocation or suspension of which could reasonably be expected to result in a Material Adverse Change;

(n) Disputes; etc. The Credit Parties shall provide to the Administrative Agent prompt written notice of (i) any claims, legal or arbitration proceedings, proceedings before any Governmental Authority, or disputes, or to the knowledge of any Credit Party, any such actions threatened, or affecting the Borrower or any Restricted Subsidiary, in any event, which could reasonably be expected to cause a Material Adverse Change, or any material labor controversy of which any Credit Party has knowledge resulting in or reasonably considered to be likely to result in a strike against the Borrower or any Restricted Subsidiary, and (ii) any claim, judgment, Lien or other encumbrance (other than a Permitted Lien) affecting any Property of the Borrower or any Restricted Subsidiary, if the value of the claim, judgment, Lien, or other encumbrance affecting such Property shall exceed $2,000,000;

(o) Management Letters; Other Accounting Reports. Promptly upon receipt thereof (to the extent permitted by the Borrower's auditors), a copy of each "management letter" submitted to the Borrower or any Restricted Subsidiary by independent accountants in connection with any annual, interim or special audit made by them of the books of the Borrower and its Restricted Subsidiaries, and a copy of any response by the Borrower or any Restricted Subsidiary of the Borrower, or the board of directors or managers (or other applicable governing body) of the Borrower or any Restricted Subsidiary of the Borrower, to such letter;

(p) Other Information. Subject to the confidentiality provisions of Section 9.8, the Credit Parties shall provide to the Administrative Agent such other information respecting the business, operations, or Property of the Borrower or any Restricted Subsidiary, financial or otherwise, as any Lender through the Administrative Agent may reasonably request.

Section 5.3 Insurance.

(a) Each Credit Party shall, and shall cause each of its Restricted Subsidiaries to, carry and maintain all such insurance in such amounts and against such risks as is customarily maintained by other Persons of similar size engaged in similar businesses and with reputable insurers.

(b) Copies of all certificates of insurance for policies covering the property or business of the Credit Parties, and endorsements and renewals thereof, shall be delivered by Borrower to and retained by the Administrative Agent. At the request of the Administrative Agent, copies of such policies of insurance, certified as true and correct copies of such documents by a Responsible Officer of the Borrower shall be delivered by Borrower to and retained by the Administrative Agent. All policies of property insurance with respect to the Collateral either shall have attached thereto a lender's loss payable endorsement in favor of the Administrative Agent for its benefit and the ratable benefit of the Secured Parties or name the Administrative Agent as loss payee for its benefit and the ratable benefit of the Secured Parties, in either case, in form reasonably satisfactory to the Administrative Agent, and all policies of liability insurance shall name the Administrative Agent for its benefit and the ratable benefit of the Secured Parties as an additional insured. All policies or certificates of insurance shall set forth the coverage, the limits of liability, the name of the carrier, the policy number, and the period of coverage. All such policies shall contain a provision that notwithstanding any contrary agreements between the Borrower, its Restricted Subsidiaries, and the applicable insurance company, such policies will not be canceled or allowed to lapse without renewal without at least 30 days' (or such shorter period as may be accepted by the Administrative Agent) prior written notice to the Administrative Agent.

(c) If at any time the area in which any real property constituting Collateral (to the extent any "buildings" or "mobile home" (as defined in Regulation H of the Federal Reserve Board) is situation on

real property) is located is designated a “flood hazard area” in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), the Borrower shall, and shall cause each other Credit Party to, obtain flood insurance in such total amount as required by Regulation H of the Federal Reserve Board, as from time to time in effect and all official rulings and interpretations thereunder or thereof, and otherwise comply with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as it may be amended from time to time.

(d) Prior to the occurrence and continuance of an Event of Default, (i) up to $10,000,000, in the aggregate, of all proceeds of property insurance received by a Credit Party for the loss of Property which constitutes Collateral shall be paid directly to the applicable Credit Party to repair or replace the damaged or destroyed Property covered by such policy; provided that such Credit Party shall make such repair or replace such Property within 180 days from the receipt of such proceeds and (ii) the remaining amount of such proceeds and any amount of proceeds that were paid to such Credit Party as permitted under clause (i) above and not used toward the repair or replacement of such Property within the 180 days required under such clause (i), shall be paid directly to the Administrative Agent and if necessary, assigned to the Administrative Agent to be, at the election of the Administrative Agent, (A) applied in accordance with Section 7.6 of this Agreement, whether or not the Secured Obligations are then due and payable, or (B) returned to such Credit Party to repair or replace the damaged or destroyed Property covered by such policy or to make such other investments permitted under Section 6.3 of this Agreement.

(e) After the occurrence and during the continuance of an Event of Default, if requested by the Administrative Agent, all proceeds of insurance of any Credit Party, including any casualty insurance proceeds, property insurance proceeds, proceeds from actions, and any other proceeds, shall be paid directly to the Administrative Agent and if necessary, assigned to the Administrative Agent, to be applied in accordance with Section 7.6 of this Agreement, whether or not the Secured Obligations are then due and payable.

(f) In the event that any insurance proceeds are paid to any Credit Party in violation of clause (d) or clause (e), such Credit Party shall hold the proceeds in trust for the Administrative Agent, segregate the proceeds from the other funds of such Credit Party, and promptly pay the proceeds to the Administrative Agent with any necessary endorsement. Upon the request of the Administrative Agent, each of Credit Party shall execute and deliver to the Administrative Agent any additional assignments and other documents as may be necessary to enable the Administrative Agent to directly collect the proceeds as set forth herein.

Section 5.4 Compliance with Laws. Each Credit Party shall, and shall cause each of its Restricted Subsidiaries to, comply with Legal Requirements (including Environmental Laws) which are applicable to such Restricted Entity, including the operations, business or Property of such Restricted Entity and maintain all related permits necessary for the ownership and operation of such Restricted Entity’s Property and business, except in any case where the failure to so comply could not reasonably be expected to result in a Material Adverse Change.

Section 5.5 Taxes. Each Credit Party shall, and shall cause each of its Restricted Subsidiaries to pay and discharge all material taxes, assessments, and other charges and claims related thereto imposed on the Borrower or any of its Restricted Subsidiaries prior to the date on which penalties attach other than any tax, assessment, charge, or claims which is being contested in good faith and for which adequate reserves have been established in compliance with GAAP.

Section 5.6 [Reserved].

Section 5.7 Security. The Borrower agrees that at all times before the termination of this Agreement, payment in full of the Obligations (other than reimbursement and indemnity obligations which survive for which the Borrower has not received a notice of claim), and termination in full of the Commitments, the Administrative Agent shall have an Acceptable Security Interest in the applicable Collateral, as required below, subject to any permitted releases pursuant to the terms of this Agreement or the Security Documents, to secure the performance and payment of the Obligations as set forth in the Security Documents. The Borrower shall, and shall cause each Restricted Subsidiary to take such actions, including execution and delivery of any Security Documents necessary to create, perfect and maintain an Acceptable Security Interest in favor of the Administrative Agent in the following Properties, whether now owned or hereafter acquired: (a) all Equity Interests issued by any Subsidiary (other than a Foreign Subsidiary) and held by a Wholly-Owned Domestic Restricted Subsidiary or the Borrower; (b) 100% of Equity Interests issued by First Tier Foreign Subsidiaries which are owned by the Borrower or any Wholly-Owned Domestic Restricted Subsidiary but, in any event, no more than 66% of the outstanding Voting Securities issued by any First Tier Foreign Subsidiary; and (c) all other Properties of the Credit Parties other than Excluded Properties. For the avoidance of doubt, notwithstanding the preceding provisions of this Section 5.7 or any other provisions of the Credit Documents, (i) neither the Borrower nor any Domestic Subsidiary shall be required to grant any security interest in more than 66% of the Voting Securities issued by any First Tier Foreign Subsidiary, (ii) neither the Borrower nor any Subsidiary shall be required to grant any security interest in Equity Interests in any Foreign Subsidiary that is not a First Tier Foreign Subsidiary, and (iii) no Foreign Subsidiary shall be required to grant an Acceptable Security Interest in any of its Properties or otherwise be bound by the requirements of this Section 5.7.

Section 5.8 Designations with Respect to Subsidiaries.

(a) Any newly acquired or formed Subsidiary shall be deemed a Restricted Subsidiary unless designated by Borrower as an Unrestricted Subsidiary in accordance with the terms of this Section 5.8(a). The Borrower may not acquire or form any new Subsidiary nor may it designate any existing Unrestricted Subsidiary as a Restricted Subsidiary unless each of the following conditions are satisfied in connection with such acquisition or formation:

(i) immediately before and after giving effect to such acquisition or formation of a Restricted Subsidiary or designation as a Restricted Subsidiary, no Default or Event of Default shall exist and be continuing;

(ii) the Borrower shall deliver to the Administrative Agent each of the items set forth in Schedule 5.8 attached hereto with respect to each Domestic Restricted Subsidiary created after the Effective Date and within the time requirements set forth in Schedule 5.8, and

(iii) the Borrower shall otherwise be in compliance with Section 5.7 and Section 6.4.

(b) The Borrower may designate any Restricted Subsidiary as an Unrestricted Subsidiary and may designate any Unrestricted Subsidiary as a Restricted Subsidiary; provided that (i) before and after giving effect to such designation, no Default shall exist, (ii) if such designation is to make a Restricted Subsidiary an Unrestricted Subsidiary, the Borrower can demonstrate compliance with Sections 6.1 – 6.4, 6.8, 6.9, 6.14 and 6.17-6.22 as of the date of such designation assuming such designation had not been made, in such detail as is reasonably acceptable to the Administrative Agent, (iii) only two such designations may be made as to any particular Subsidiary, and (iv) such designation shall be made effective as of a quarter end.

(c) The Borrower shall deliver to the Administrative Agent, within 20 Business Days after any such designation, a certificate of a Responsible Officer of Borrower stating the effective date of such designation and stating that the applicable foregoing conditions have been satisfied.

Section 5.9 Records; Inspection. Each Credit Party shall maintain, in all material respects, proper, complete and consistent books of record with respect to such Person's operations, affairs, and financial condition. From time to time upon reasonable prior notice, each Credit Party shall permit any Lender, at such reasonable times and intervals and to a reasonable extent and under the reasonable guidance of officers of or employees delegated by officers of such Credit Party, to, subject to any applicable confidentiality considerations, examine and copy the books and records of such Credit Party, to visit and inspect the Property of such Credit Party, and to discuss the business operations and Property of such Credit Party with the officers and directors thereof (provided that, so long as no Event of Default has occurred and is continuing, the Lenders shall be entitled to only one such visit per year coordinated by the Administrative Agent).

Section 5.10 Maintenance of Property. Each Credit Party shall, and shall cause each of its Restricted Subsidiaries to, maintain their owned, leased, or operated material Property, taken as a whole, in good condition and repair, except for normal wear and tear; and shall abstain from, and cause each of its Restricted Subsidiaries to abstain from, knowingly or willfully permitting the commission of waste or other injury, destruction, or loss of natural resources, or the occurrence of pollution, contamination, or any other condition in, on or about the owned or operated Property involving the Environment that could reasonably be expected to result in Response activities and that could reasonably be expected to cause a Material Adverse Change.

ARTICLE 6
NEGATIVE COVENANTS

So long as any Obligation shall remain unpaid, any Lender shall have any Commitment hereunder, or there shall exist any Letter of Credit Exposure (unless such Letter of Credit Exposure shall have been cash collateralized on terms and in amounts reasonably acceptable to the applicable Issuing Lenders), the Borrower agrees to comply with the following covenants.

Section 6.1 Debt. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, create, assume, incur, suffer to exist, or in any manner become liable, directly, indirectly, or contingently in respect of, any Debt other than the following (collectively, the "Permitted Debt"):

(a) (i) the Obligations, and (ii) the Banking Services Obligations subject to the limits in Section 6.1(j) below;

(b) Debt existing on the date hereof and set forth in Schedule 6.1 and extensions, refinancings, refundings, replacements and renewals of any such Debt subject to the last sentence of this Section 6.1;

(c) intercompany Debt incurred by any Domestic Restricted Subsidiary and owing to (i) the Borrower or (ii) any Domestic Restricted Subsidiary; provided that, if such Domestic Restricted Subsidiary to whom such Debt is owed is not a Guarantor, then such Debt shall be subordinated to the Obligations pursuant to terms substantially the same as the subordination terms applicable to the Guarantors pursuant to the Guaranty;

(d) (i) intercompany Debt incurred by any First Tier Foreign Restricted Subsidiary and owing to the Borrower or to any Wholly-Owned Domestic Restricted Subsidiary; provided that, (A) such

Debt is evidenced by a note and (B) the Administrative Agent shall have an Acceptable Security Interest in such note and the receivable evidenced thereby; and (ii) intercompany Debt incurred by Foreign Restricted Subsidiaries and owing to First Tier Foreign Restricted Subsidiaries;

(e) intercompany Debt incurred by any Credit Party for general corporate purposes and owing to any Foreign Restricted Subsidiary; provided that, (i) such Debt shall be subordinated to the Obligations pursuant to terms substantially the same as the subordination terms applicable to the Guarantors pursuant to the Guaranty and (ii) the aggregate outstanding principal amount of such Debt permitted under this clause (e) shall not exceed $10,000,000 at any time;

(f) purchase money debt or Capital Leases (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the last sentence of this Section 6.1) in an aggregate outstanding principal amount not to exceed $25,000,000 at any time;

(g) Hedging Arrangements permitted under Section 6.16;

(h) Debt arising from the endorsement of instruments for collection in the ordinary course of business;

(i) The Triton Liabilities and the Triton Guaranty;

(j) Debt incurred under overdraft lines of credit made available for the purpose of supporting the operations of any Foreign Restricted Entity in the United Kingdom, Canada, Singapore, Dubai or any other jurisdiction that is not a Sanctioned Entity (and including extensions, refinancings, refundings, replacements and renewals of thereof subject to the last sentence of this Section 6.1); provided that, the aggregate outstanding principal amount of such Debt permitted under this clause (j) shall not exceed $30,000,000 at any time;

(k) unsecured Debt of the Borrower evidenced by bonds, debentures, notes or other similar instruments (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the last sentence of this Section 6.1); provided that, (i) the scheduled maturity date of such Debt shall not be earlier than one year after the Maturity Date, (ii) such Debt shall not have any amortization or other requirement to purchase, redeem, retire, defease or otherwise make any payment in respect thereof, other than at scheduled maturity thereof and mandatory prepayments triggered upon change in control and sale of all or substantially all assets, (v) the aggregate amount of such Debt shall not exceed $300,000,000, and (vi) the agreements and instruments governing such Debt shall not contain (A) (i) any financial maintenance covenants that are more restrictive than those in this Agreement, or (ii) any other affirmative or negative covenants that are, taken as a whole, materially more restrictive than those set forth in this Agreement; provided that the inclusion of any covenant that is customary with respect to such type of Debt and that is not found in this Agreement shall not be deemed to be more restrictive for purposes of this clause (A), (B) any restriction on the ability of the Borrower or any of its Restricted Subsidiaries to amend, modify, restate or otherwise supplement this Agreement or the other Credit Documents, (C) any restrictions on the ability of any Subsidiary of the Borrower to guarantee the Secured Obligations (as such Secured Obligations may be amended, supplemented, modified, or amended and restated), provided that a requirement that any such Subsidiary also guarantee such Debt shall not be deemed to be a violation of this clause (C), (D) any restrictions on the ability of any Restricted Subsidiary or the Borrower to pledge assets as collateral security for the Secured Obligations (as such Secured Obligations may be amended, supplemented, modified, or amended and restated), or (E) any restrictions on the ability of any Restricted Subsidiary or the Borrower to incur Debt under this Agreement or any other Credit Document other than a restriction as to the outstanding principal amount of such Debt in excess of $700,000,000;

(l) unsecured Debt in respect of redeemable preferred Equity Interest, provided that, the terms thereof shall not require any purchase, redemption, retirement, defeasance or other payment in respect thereof at any time prior to one year after the Maturity Date;

(m) Debt of any Restricted Entity that is not recourse to any other Restricted Entity and that is assumed by such Restricted Entity in connection with any Permitted Acquisition (or, if such Restricted Subsidiary is acquired as part of such Permitted Acquisition, existing prior thereto) and the refinancing and renewal thereof; provided, however, that (i) such Debt exists at the time of such Permitted Acquisition at least in the amounts assumed in connection therewith and is not drawn down, created or increased in contemplation of or in connection with such Permitted Acquisition, (ii) that such Debt is not recourse to any Restricted Entity or any Property thereof prior to the date of such Permitted Acquisition, and (iii) the aggregate principal amount of Debt at any time outstanding pursuant to this clause (m) shall not exceed $10,000,000;

(n) Debt arising from the financing of insurance premium of any Restricted Entity, so long as (i) such Debt shall not be in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the underlying term of such insurance policy, (ii) any unpaid amount of such Debt is fully cancelled upon termination of the underlying insurance policy, and (iii) the aggregate principal amount of Debt at any time outstanding pursuant to this clause (n) shall not exceed $10,000,000;

(o) secured Debt not otherwise permitted under the preceding provisions of this Section 6.1 (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the last sentence of this Section 6.1); provided that, (i) the aggregate principal amount of such Debt shall not exceed $25,000,000 at any time, (ii) the Properties encumbered by any Lien securing such Debt shall not be Collateral or any Property that is required to be Collateral under Section 5.7, and (iii) the aggregate principal amount of the Debt secured by Material Real Property shall not exceed $10,000,000;

(p) unsecured Debt in respect of Investments permitted by Section 6.3(d), Section 6.3(e) and Section 6.3(o); and

(q) unsecured Debt not otherwise permitted under the preceding provisions of this Section 6.1 (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the last sentence of this Section 6.1); provided that, the aggregate outstanding principal amount of Debt permitted under this clause (q) shall not exceed $35,000,000 at any time.

Any extensions, refinancings, refundings, replacements and renewals of Debt as permitted above in this Section 6.1 shall be subject to the following conditions: (A) any such refinancing Debt is in an aggregate principal amount not greater than the aggregate principal amount of the Debt being renewed or refinanced, plus the amount of any premiums required to be paid thereon and reasonable fees and expenses associated therewith and an amount equal to any unutilized active commitment under the Debt being renewed or refinanced and (B) the covenants, events of default, subordination and other provisions thereof (including any guarantees thereof) shall be, in the aggregate, no less favorable to the Lenders than those contained in the Debt being renewed or refinance; provided that, the foregoing conditions are not, and shall not be construed as, an increase in any dollar limit already provided in Section 6.1 above nor an amendment of any specific requirement set forth in Section 6.1 above, including the specific requirements under clause (k) above.

Section 6.2 Liens. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, create, assume, incur, or suffer to exist any Lien on the Property of any Credit Party or any Restricted Subsidiary, whether now owned or hereafter acquired, or assign any right to receive any income, other than the following (collectively, the "Permitted Liens"):

(a) Liens securing the Secured Obligations pursuant to the Security Documents;

(b) Liens imposed by law, such as materialmen's, mechanics', carriers', workmen's and repairmen's liens, landlord's liens and other similar liens, and such Liens granted under contract with such materialmen, mechanic, carrier, workmen, repairmen and landlord, in any case, arising in the ordinary course of business securing obligations which are not overdue for a period of more than 30 days or are being contested in good faith by appropriate procedures or proceedings and for which adequate reserves have been established;

(c) Liens arising in the ordinary course of business out of pledges or deposits under workers compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation to secure public or statutory obligations;

(d) Liens for taxes, assessment, or other governmental charges which are not yet due and payable or which are being actively contested in good faith by appropriate proceedings;

(e) Liens securing purchase money debt or Capital Lease obligations permitted under Section 6.1(f); provided that each such Lien encumbers only the Property purchased in connection with the creation of any such purchase money debt or the subject of any such Capital Lease, and all proceeds thereof (including insurance proceeds);

(f) Liens arising from precautionary UCC financing statements regarding operating leases;

(g) encumbrances consisting of easements, zoning restrictions, servitudes or other restrictions on the use of real property that do not (individually or in the aggregate) materially affect the value of the assets encumbered thereby or materially impair the ability of any Credit Party to use such assets in its business;

(h) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights and remedies and burdening only deposit accounts or other funds maintained with a depository institution;

(i) Liens on cash or securities pledged to secure performance of tenders, surety and appeal bonds, government contracts, performance and return of money bonds, bids, trade contracts, leases, statutory obligations, regulatory obligations and other obligations of a like nature incurred in the ordinary course of business;

(j) judgment and attachment Liens not giving rise to an Event of Default, provided that (i) any appropriate legal proceedings which may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within which such proceeding may be initiated shall not have expired and (ii) no action to enforce such Lien has been commenced;

(k) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into in the ordinary course of business or Liens arising by operation of law under Article 2 of the UCC or by contract in favor of a reclaiming seller of goods or buyer of goods (including purchase money security interests in favor of vendors in the ordinary course of business);

(l) Liens solely on cash earnest money deposits made in connection with any letter of intent or purchase agreement permitted hereunder;

(m) Lien arising by reason of deposits with or giving of any form of security to any Governmental Authority for any purpose at any time as required by applicable law as a condition to the transaction of any business or the exercise of any privilege or license;

(n) Liens created pursuant to joint venture agreements and related documents (to the extent requiring a Lien on the Equity Interest owned by any Borrower or Restricted Entity in the applicable joint venture is required thereunder) having ordinary and customary terms (including with respect to Liens) and entered into in the ordinary course of business and securing obligations other than Debt;

(o) Liens encumbering Properties of the Restricted Entities which is not Collateral or Property required to be Collateral under Section 5.7 and securing Debt permitted under Section 6.1(o);

(p) Liens encumbering Properties of Foreign Subsidiaries securing Debt permitted under Section 6.1(j);

(q) Liens on Property of a Person which becomes a Restricted Subsidiary after the date hereof, to the extent that (i) such Liens are in existence at the time such Person becomes a Restricted Subsidiary and were not created in anticipation thereof and (ii) the Debt secured by such Liens does not thereafter increase in amount; and

(r) Liens existing as of the date hereof and set forth on Schedule 6.2.

Section 6.3 Investments. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, make or hold any Investment other than the following (collectively, the "Permitted Investments"):

(a) Investments in the form of trade credit to customers of a Restricted Entity arising in the ordinary course of business and represented by accounts from such customers;

(b) Liquid Investments;

(c) Investments made prior to the Effective Date as specified in the attached Schedule 6.3;

(d) Investments in any Subsidiary that is not a Credit Party; provided that, (i) the aggregate amount of all such Investments permitted under this clause (d) does not exceed $25,000,000 (other than as a result of appreciation), and (ii) if any Restricted Payments made by Unrestricted Subsidiaries are included in the calculation of EBITDA of any period for any purpose under this Agreement, then no Investments may be made by any Restricted Entity in such applicable Unrestricted Subsidiary during such period (under this clause (d) or otherwise) unless the Borrower would otherwise be in compliance with the applicable covenant without taking into account such Restricted Payments from the Unrestricted Subsidiaries;

(e) Investments by a Credit Party to any other Credit Party;

(f) Investments in the form of Permitted Acquisitions; provided that, if such Permitted Acquisition involves a Subsidiary, such Acquisitions otherwise complies with this Agreement, including Section 5.8 as to Wholly-Owned Domestic Restricted Subsidiaries and clause (d) above with respect to any Subsidiary that is not a Credit Party;

(g) creation of any additional Restricted Subsidiaries in compliance with Section 5.8;

(h) creation of any Unrestricted Subsidiaries in compliance with Section 5.8; provided that, the initial capitalization thereof is permitted under clause (d) above;

(i) loans or advances to directors, officers and employees of any Restricted Entity for expenses or other payments incident to such Person's employment or association with any Restricted Entity; provided that the aggregate outstanding amount of such advances and loans shall not exceed $2,500,000;

(j) the Reorganization and the other Transactions contemplated by this Agreement;

(k) Investments (including debt obligations and Equity Interests) and other assets received in connection with the bankruptcy or reorganization of suppliers and customers or in settlement or delinquent obligations of, or other disputes with, customers and suppliers arising in the ordinary course of business or received upon the foreclosure with respect to any secured investment or other transfer of title with respect to any secured investment;

(l) Investments in the form of mergers and consolidations of Restricted Entities in compliance with Section 6.7(a); provided that, if such Investments involves a Subsidiary, such Acquisitions otherwise complies with this Agreement, including Section 5.8 as to Restricted Subsidiaries and clause (d) above with respect to any Subsidiary that is not a Credit Party;

(m) Capital Expenditures permitted under Section 6.20;

(n) Investments in the form of Equity Interests, including the purchase or acquisition thereof and capital contributions in connection therewith, made by the Restricted Entities to Foreign Restricted Subsidiaries; provided that, (i) such Investments are made for general corporate purposes or to fund a Permitted Acquisition, (ii) the aggregate amount of such Investments permitted under this clause (n) shall not exceed $50,000,000 (other than as a result of appreciation), and (iii) such Investments shall be subject to the limitation in Section 6.3(d)(ii) above); and

(o) other Investments in an aggregate amount not to exceed $10,000,000 (other than as a result of appreciation).

Section 6.4 Acquisitions. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, make an Acquisition in a single transaction or related series of transactions other than:

(a) mergers and consolidations permitted by Section 6.7(a), and

(b) an Acquisition that meets each of the following conditions: (i) no Default exists both before and after giving effect to such Acquisition; (ii) both before and after giving effect to such Acquisition, Availability is greater than or equal to $40,000,000; and (iii) either (A) no more than 65% of the total consideration for such Acquisition will be funded with Advances or (B) after giving effect to such Acquisition, the Borrower's pro forma Leverage Ratio is less than (1) 3.25 to 1.00 for any period ending on or prior to June 30, 2011, (2) 3.00 to 1.00 for any period ending after June 30, 2011 but on or prior to June 30, 2012, (3) 2.75 to 1.00 for any period ending after June 30, 2012 but on or prior to June 30, 2013, and (4) 2.50 to 1.00 for any period ending after June 30, 2013, and the Borrower has delivered to the Administrative Agent a compliance certificate evidencing such pro forma compliance duly executed by a Responsible Officer of the Borrower.

Section 6.5 Agreements Restricting Liens. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, create, incur, assume or permit to exist any contract, agreement or

understanding which in any way prohibits or restricts the granting, conveying, creation or imposition of any Lien on any of its Property, whether now owned or hereafter acquired, to secure the Secured Obligations or restricts any Restricted Subsidiary from paying Restricted Payments to the Borrower, or which requires the consent of or notice to other Persons in connection therewith other than:

(a) this Agreement and the Security Documents;

(b) agreements governing Debt permitted by Section 6.1(f) to the extent such restrictions govern only the assets financed pursuant to such Debt and the proceeds thereof;

(c) agreements governing Debt permitted by Section 6.1(j), (m), and (o) to the extent such restrictions do not apply to Collateral or Properties which are required to be Collateral under Section 5.7 and such agreements do not require the direct or indirect granting of any Lien securing such Debt or other obligation by virtue of the granting of Liens on or pledge of Collateral to secure the Secured Obligations;

(d) any prohibition or limitation that (i) exists pursuant to applicable requirements of a Governmental Authority, (ii) restricts subletting or assignment of leasehold interests contained in any lease governing a leasehold interest of Borrower or a Restricted Subsidiary and customary provisions in other contracts restricting assignment thereof, or (iii) exists in any agreement in effect at the time a Subsidiary becomes a Restricted Subsidiary of Borrower, so long as such agreement was not entered into in contemplation of such Person becoming a Restricted Subsidiary; and

(e) any prohibition or limitation that exists in any contract to which a Credit Party is a party on the date hereof so long as (i) such prohibition or limitation is generally applicable and does not specifically address any of the Secured Obligations or the Liens granted under the Credit Documents, and (ii) the noncompliance of such prohibition or limitation would not reasonably be expected to be adverse to any Secured Party.

Section 6.6 Use of Proceeds; Use of Letters of Credit. No Credit Party shall, nor shall it permit any of its Subsidiaries to: (a) use the proceeds of the Revolving Advances for any purposes other than (i) to refinance the advances and other obligations outstanding under the Existing Credit Agreements (other than the Triton Liabilities), (ii) the payment of fees and expenses related to the entering into of Transactions, (iii) working capital purposes of the Borrower and any Restricted Subsidiary, or (iv) other general corporate purposes of the Borrower and any Restricted Subsidiary, including Permitted Acquisitions and permitted Restricted Payments; or (b) use the proceeds of the Swing Line Advances or the Letters of Credit for any purposes other than (i) working capital purposes of the Borrower and any Restricted Subsidiary or (ii) other general corporate purposes of the Borrower and any Restricted Subsidiary. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, use any part of the proceeds of Advances or Letters of Credit for any purpose which violates, or is inconsistent with, Regulations T, U, or X.

Section 6.7 Corporate Actions; Accounting Changes.

(a) No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, merge or consolidate with or into any other Person, except:

(i) that the Borrower may merge with any of its Wholly-Owned Restricted Subsidiaries and any Credit Party may merge or be consolidated with or into any other Credit Party; provided that immediately after giving effect to any such proposed transaction no Default would exist and, in the case of any such merger to which the Borrower is a party, the Borrower is the surviving entity;

(ii) that any Restricted Entity that is not a Credit Party may merge or consolidate with any other Restricted Entity that is not a Credit Party;

(iii) that any Restricted Entity that is not a Credit Party may merge or consolidate with any Credit Party; provided that a Credit Party is the surviving entity or such merger or consolidation is otherwise permitted by Section 6.8;

(iv) merger or consolidation as part of a Permitted Acquisitions under Section 6.4(b), subject to the conditions set forth therein; and

(v) any Subsidiary may dissolve, liquidate or wind up its affairs at any time; provided that such dissolution, liquidation or winding up, as applicable, could not reasonably be expected to have a Material Adverse Change and such Subsidiary may effect the same by merger or consolidation.

(b) No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, (i) without at least 15 days (or such shorter period as agreed to by the Administrative Agent) prior written notice to the Administrative Agent, change its name, change its state of incorporation, formation or organization, change its organizational identification number or reorganize in another jurisdiction, (ii) amend, supplement, modify or restate their articles or certificate of incorporation or formation, limited partnership agreement, bylaws, limited liability company agreements, or other equivalent organizational documents, in any manner that could reasonably be expected to be materially adverse to the Lenders, or (iii) change the method of accounting employed in the preparation of the financial statements referred to in Section 4.4 or change the fiscal year end of the Borrower unless such changes are required to conform to GAAP or such changes are to conform the accounting practices of the Borrower and its Restricted Subsidiaries and notice of such changes have been delivered to the Administrative Agent prior to effecting such changes.

Section 6.8 Disposition of Assets. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, make a Disposition other than:

(a) Disposition by any Restricted Entity of any of its Properties to any Credit Party; provided that, at the reasonable request of the Administrative Agent, the receiving Credit Party shall ratify, grant and confirm the Liens on such assets (and any other related Collateral) pursuant to documentation reasonably satisfactory to the Administrative Agent;

(b) Disposition by any Restricted Entity that is not a Credit Party of any of its Properties to any other Restricted Entity that is not a Credit Party; provided that, if such Property is an Equity Interest that is Collateral or otherwise required to be Collateral under Section 5.7, then at the reasonable request of the Administrative Agent, the receiving Restricted Entity (other than a Foreign Subsidiary) shall ratify, grant and confirm the Liens on such Equity Interest (and any other related Collateral) pursuant to documentation reasonably satisfactory to the Administrative Agent;

(c) Sale of inventory in the ordinary course of business and Disposition of cash or Liquid Investments in the ordinary course of business;

(d) Disposition of worn out, obsolete or surplus property in the ordinary course of business and the abandonment or other Disposition of patents, trademarks and copyrights that, in the reasonable judgment of Borrower and its Subsidiaries, should be replaced or is no longer economically practicable to maintain or useful in the conduct of the business of the Borrower and its Subsidiaries taken as a whole;

(e) mergers and consolidations in compliance with Section 6.7(a);

(f) Permitted Investments;

(g) assignments and licenses of patents, trademarks or copyrights of any Restricted Entity in the ordinary course of business;

(h) Disposition of any assets required under Legal Requirements;

(i) Dispositions of equipment in the ordinary course of business the proceeds of which are reinvested in the acquisition of equipment of comparable value and type within 90 days and on which the Administrative Agent has an Acceptable Security Interest;

(j) Dispositions of Equity Interests in a joint venture or Unrestricted Subsidiary;

(k) leases of real or personal property in the ordinary course of business; and

(l) Disposition of Properties not otherwise permitted under the preceding clauses of this Section 6.8; provided that, such Disposition, taken together with all such other Dispositions completed since the Effective Date, does not exceed 5% of the Tangible Net Assets in the aggregate and calculated at the time of such subject Disposition.

Section 6.9 Restricted Payments. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to make any Restricted Payments except that:

(a) the Restricted Subsidiaries of the Borrower may make Restricted Payments to the Borrower or any other Credit Party,

(b) the Borrower may make Permitted Tax Distributions,

(c) so long as no Default exists or would result from the making of such Restricted Payment, the Borrower or any Restricted Subsidiary may make cash Restricted Payments in an amount not to exceed $10,000,000 in the aggregate to existing and former officers, directors, and employees of the Borrower or such Restricted Subsidiary; provided that such Restricted Payments are in consideration for the retirement, purchase, or redemption of any of the Equity Interests of such Restricted Entity, or any option, warrant or other right to purchase or acquire such Equity Interest, in any event, held by such Person;

(d) the Closing Date Redemptions may be made prior to or contemporaneously with the other Transactions as part of the Reorganization; provided that the aggregate amount of Restricted Payments permitted under this clause (d) and under clause (e) below shall not exceed $50,000,000;

(e) the Stockholder Redemption may be made on or prior to September 30, 2010; provided that the aggregate amount of Restricted Payments permitted under this clause (e) and under clause (d) above shall not exceed $50,000,000;

(f) so long as no Default exists or would result from the making of such Restricted Payment, the Borrower may make to SCF the G&A Payments in an aggregate amount not to exceed $500,000 per fiscal year;

(g) the Restricted Entities may make cash Restricted Payments so long as, (i) no Default exists or would result from the making of such Restricted Payment, (ii) such Restricted Payment is made after December 31, 2011, and (iii) after giving effect to the making of such Restricted Payment (A) the pro forma Leverage Ratio would be less than or equal to 2.50 to 1.00; (B) Availability would be equal to or greater than $40,000,000, (C) the aggregate amount of Restricted Payments made in any fiscal quarter (the "Subject Quarter") would not exceed 50% of the Borrower's consolidated EBITDA for the four fiscal quarters ended immediately prior to such Subject Quarter, and (D) the aggregate amount of Restricted Payments made in any consecutive four fiscal quarter period (the "Subject Period") would not exceed 50% of the Borrower's consolidated EBITDA for the four fiscal quarter period ended immediately prior to the Subject Period.

Section 6.10 Affiliate Transactions. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction or series of transactions (including, but not limited to, the purchase, sale, lease or exchange of Property, the making of any investment, the giving of any guaranty, the assumption of any obligation or the rendering of any service) with any of their Affiliates which are not Restricted Entities other than:

(a) such transaction or series of transactions are arm's length transactions entered into on terms that are not materially less favorable to the Borrower or any Restricted Subsidiary, as applicable, than those that could be obtained in a comparable arm's length transaction with a Person that is not such an Affiliate;

(b) the intercompany agreements described on Schedule 6.10; provided that the terms thereof may not be amended, supplemented or otherwise modified unless such amended, supplemented or otherwise modified terms complies with clause (a) above;

(c) the Restricted Payments permitted under Section 6.9;

(d) Investments in the form of Equity Interests of Subsidiaries, including the purchase or acquisition thereof and capital contributions in connection therewith;

(e) reasonable and customary director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans).

Section 6.11 Line of Business. No Credit Party shall, and shall not permit any of its Restricted Subsidiaries to, change the character of the Borrower's and its Restricted Subsidiaries collective business as conducted on the date of this Agreement, or engage in any type of business not reasonably related to, or a normal extension of, the Borrower's and its Restricted Subsidiaries collective business as presently conducted.

Section 6.12 Hazardous Materials. No Credit Party (a) shall, nor shall it permit any of its Subsidiaries to, create, handle, transport, use, or dispose of any Hazardous Substance or Hazardous Waste, except in the ordinary course of its business and except in compliance with Environmental Law other than to the extent that such non-compliance could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change or in any liability on the Lenders or the Administrative Agent, and (b) shall, nor shall it permit any of its Subsidiaries to, Release any Hazardous Substance or Hazardous Waste into the Environment and shall not permit any Credit Party's or any Subsidiary's Property to be subjected to any Release of Hazardous Substance or Hazardous Waste, except in compliance with Environmental Law other than to the extent that such non-compliance could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change or in any material liability on the Lenders or the Administrative Agent.

Section 6.13 Compliance with ERISA. Except for matters that could not reasonably be expected to cause a Material Adverse Change, no Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly: (a) engage in any transaction in connection with which the Borrower or any Subsidiary could be subjected to either a civil penalty assessed pursuant to Section 502(c), (i) or (l) of ERISA or a tax imposed by Chapter 43 of Subtitle D of the Code; (b) terminate, or permit any member of the Controlled Group to terminate, any Plan in a manner, or take any other action with respect to any Plan, which could result in any liability to the Borrower, any Subsidiary or any member of the Controlled Group to the PBGC; (c) fail to make, or permit any member of the Controlled Group to fail to make, full payment when due of all amounts which, under the provisions of any Plan, agreement relating thereto or applicable law, the Borrower, a Subsidiary or member of the Controlled Group is required to pay as contributions thereto; (d) permit to exist, or allow any Subsidiary or any member of the Controlled Group to permit to exist, any accumulated funding deficiency (or unpaid minimum required contribution for plan years after December 31, 2007) within the meaning of Section 302 of ERISA or Section 412 of the Code, whether or not waived, with respect to any Plan; (e) permit, or allow any member of the Controlled Group to permit, the actuarial present value of the benefit liabilities (as "actuarial present value of the benefit liabilities" shall have the meaning specified in Section 4041 of ERISA) under any Plan that is regulated under Title IV of ERISA to exceed the current value of the assets (computed on a plan termination basis in accordance with Title IV of ERISA) of such Plan allocable to such benefit liabilities; (f) contribute to or assume an obligation to contribute to, or permit any member of the Controlled Group to contribute to or assume an obligation to contribute to, any Multiemployer Plan; (g) acquire, or permit any member of the Controlled Group to acquire, an interest in any Person that causes such Person to become a member of the Controlled Group if such Person sponsors, maintains or contributes to, or at any time in the six-year period preceding such acquisition has sponsored, maintained, or contributed to, (1) any Multiemployer Plan, or (2) any other Plan that is subject to Title IV of ERISA under which the actuarial present value of the benefit liabilities under such Plan exceeds the current value of the assets (computed on a plan termination basis in accordance with Title IV of ERISA) of such Plan allocable to such benefit liabilities; (h) incur, or permit any member of the Controlled Group to incur, a liability to or on account of a Plan under Sections 515, 4062, 4063, 4064, 4201 or 4204 of ERISA; or (i) contribute to or assume an obligation to contribute to any employee welfare benefit plan, as defined in Section 3(1) of ERISA, including, without limitation, any such plan maintained to provide benefits to former employees of such entities, that may not be terminated by such entities in their sole discretion at any time without any liability.

Section 6.14 Sale and Leaseback Transactions. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, sell or transfer to a Person any Property, whether now owned or hereafter acquired, if at the time or thereafter the Borrower or a Restricted Subsidiary shall lease as lessee such Property or any part thereof or other Property which the Borrower or a Restricted Subsidiary intends to use for substantially the same purpose as the Property sold or transferred; provided that, the Restricted Entities may effect such transactions with Property that is not Collateral so long as such transactions do not exceed $10,000,000 in the aggregate.

Section 6.15 [Reserved].

Section 6.16 Limitation on Hedging. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, (a) purchase, assume, or hold a speculative position in any commodities market or futures market or enter into any Hedging Arrangement for speculative purposes; or (b) be party to or otherwise enter into any Hedging Arrangement which is entered into for reasons other than as a part of its normal business operations as a risk management strategy and/or hedge against changes resulting from market conditions related to the Borrower's or its Restricted Subsidiaries' operations; provided that, for the avoidance of doubt, any Restricted Entity may enter into Hedging Arrangements (A) to mitigate risk to which such Restricted Entity has actual exposure, (B) to effectively cap, collar or exchange interest

rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of any Restricted Entities and (C) consisting of spot and forward delivery foreign exchange contracts entered into in the ordinary course of business and not for speculative purposes.

Section 6.17 Total Capitalization Ratio. Borrower shall not permit the Capitalization Ratio to be more than 0.65 to 1.00.

Section 6.18 Leverage Ratio. Borrower shall not permit the Leverage Ratio as of the last day of each fiscal quarter, commencing with the quarter ending September 30, 2010, to be more than (a) 3.75 to 1.00 for each fiscal quarter ending on or prior to June 30, 2011, (b) 3.50 to 1.00 for each fiscal quarter ending after June 30, 2011 but on or prior to June 30, 2012, (c) 3.25 to 1.00 for each fiscal quarter ending after June 30, 2012 but on or prior to June 30, 2013, and (d) 3.00 to 1.00 for each fiscal quarter ending after June 30, 2013.

Section 6.19 Interest Coverage Ratio. Borrower shall not permit the Interest Coverage Ratio as of the last day of each fiscal quarter, commencing with the quarter ending September 30, 2010, to be less than 3.00 to 1.00.

Section 6.20 Capital Expenditures. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, cause the aggregate Capital Expenditures (other than Equity Funded Capital Expenditures) expended by the Borrower or any of its Restricted Subsidiaries in any fiscal year to exceed 50% of the Borrower's consolidated EBITDA for the immediately prior fiscal year.

Section 6.21 Non-Obligors. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, (a) permit the Net Income of the Credit Parties to be less than 85% of the consolidated Net Income of the Borrower and its Domestic Restricted Subsidiaries, (b) permit the net book value of all assets of the Credit Parties to be less than 85% of the aggregate consolidated net book value of all assets of the Borrower and its Domestic Restricted Subsidiaries, (c) permit the Net Income of the Combined Entities to be less than 85% of the consolidated Net Income of the Borrower and its Restricted Subsidiaries, (d) permit the net book value of all assets of the Combined Entities to be less than 85% of the aggregate consolidated net book value of all assets of the Borrower and its Restricted Subsidiaries, in each case, as established in accordance with GAAP and as reflected in the financial statements most recently delivered to the Administrative Agent pursuant to the terms hereof.

Section 6.22 Prepayment of Certain Debt. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, or make any payment in violation of any subordination terms of, any Debt, except (a) the prepayment of the Obligations in accordance with the terms of this Agreement, (b) regularly scheduled or required repayments or redemptions of Permitted Debt (other than Debt permitted under Section 6.1(k) and Debt permitted under Section 6.1(l)) and refinancings and refundings of Permitted Debt so long as such refinancings and refundings would otherwise comply with Section 6.1, including the last sentence therein, and (c) so long as no Event of Default exists or would result therefrom, other prepayments of Permitted Debt not described in the immediately preceding clauses (a) and (b), but specifically excluding any prepayments, redemptions, purchases, defeasance, or other satisfaction of Debt permitted under Section 6.1(k) and Debt permitted under Section 6.1(l).

ARTICLE 7
DEFAULT AND REMEDIES

Section 7.1 Events of Default. The occurrence of any of the following events shall constitute an "Event of Default" under this Agreement and any other Credit Document:

(a) Payment Failure. Any Credit Party (i) fails to pay any principal when due under this Agreement or under any AutoBorrow Agreement (other the failure to pay such principal under such AutoBorrow Agreement which is fully satisfied with a Borrowing under Section 2.3(c)) or (ii) fails to pay, within three Business Days of when due, any other amount due under this Agreement or any other Credit Document, including payments of interest fees, reimbursements, and indemnifications;

(b) False Representation or Warranties. Any representation or warranty made or deemed to be made by any Credit Party or any officer thereof in this Agreement, in any other Credit Document or in any certificate delivered in connection with this Agreement or any other Credit Document is incorrect, false or otherwise misleading in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) at the time it was made or deemed made;

(c) Breach of Covenant. (i) Any breach by any Credit Party of any of the covenants in Section 5.3(a), or Article 6 of this Agreement or the corresponding covenants in any Guaranty; provided, however that any Event of Default under Sections 6.17 and 6.18 is subject to cure as contemplated by Section 7.7 below; or (ii) any breach by any Credit Party of any other covenant contained in this Agreement or any other Credit Document and such breach shall remain unremedied for a period of thirty days after the earliest of (A) the date any officer of the Borrower has actual knowledge of such breach, (B) the date any Executive Officer of any Restricted Subsidiary has actual knowledge of such breach, and (C) the date written notice thereof shall have been given to the Borrower by the Administrative Agent or a Lender;

(d) Guaranties. Any material provision in the Guaranty shall at any time (before the Guaranty expires in accordance with its terms) and for any reason be determined by a court of competent jurisdiction to cease to be in full force and effect and valid and binding on the Guarantors party thereto or shall be contested by any Guarantor party thereto or by the Borrower; the Borrower or any Guarantor shall deny in writing that it has any liability or obligation under such Guaranty; or any Guarantor shall cease to exist other than as expressly permitted by the terms of this Agreement;

(e) Security Documents. Any Security Document shall at any time and for any reason cease to create an Acceptable Security Interest with respect to any Collateral having a fair market value, individually or in the aggregate, in excess of $5,000,000 (unless released or terminated pursuant to the terms of such Security Document) or any material provisions thereof shall cease to be in full force and effect and valid and binding on the Credit Party that is a party thereto or any such Person shall so state in writing (unless released or terminated pursuant to the terms of such Security Document);

(f) Cross-Default. (i) Any Restricted Entity shall fail to pay any principal of or premium or interest on its Debt which is outstanding in a principal amount of at least $20,000,000 individually or when aggregated with all such Debt of the Restricted Entities so in default (but excluding Debt owing to the Lenders hereunder) when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; (ii) any other event shall occur or condition shall exist under any agreement or instrument relating to Debt of the Restricted Entities which is outstanding in a principal amount of at least $20,000,000 individually or

when aggregated with all such Debt of the Restricted Entities so in default (but excluding Debt owing to the Lenders hereunder), and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt prior to the stated maturity thereof; or (iii) any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment); provided that, for purposes of this paragraph (f), the "principal amount" of the obligations in respect of Hedging Arrangements at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that would be required to be paid if such Hedging Arrangements were terminated at such time;

(g) Bankruptcy and Insolvency. (i) Except as otherwise permitted under this Agreement, any Credit Party shall terminate its existence or dissolve or (ii) any Restricted Entity (A) admits in writing its inability to pay its debts generally as they become due; makes an assignment for the benefit of its creditors; consents to or acquiesces in the appointment of a receiver, liquidator, fiscal agent, or trustee of itself or any of its Property; files a petition under bankruptcy or other laws for the relief of debtors; or consents to any reorganization, arrangement, workout, liquidation, dissolution, or similar relief or (B) shall have had, without its consent: any court enter an order appointing a receiver, liquidator, fiscal agent, or trustee of itself or any of its Property; any petition filed against it seeking reorganization, arrangement, workout, liquidation, dissolution or similar relief under bankruptcy or other laws for the relief of debtors and such petition shall not be dismissed, stayed, or set aside for an aggregate of 60 days, whether or not consecutive;

(h) Adverse Judgment. Any Restricted Entity suffers final judgments against any of them since the date of this Agreement in an aggregate amount, less any insurance proceeds covering such judgments which are received or as to which the insurance carriers have not denied, greater than $20,000,000 and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgments or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgments, by reason of a pending appeal or otherwise, shall not be in effect;

(i) Termination Events. Any Termination Event with respect to a Plan shall have occurred, and, 30 days after notice thereof shall have been given to the Borrower by the Administrative Agent, such Termination Event shall not have been corrected and shall have created and caused to be continuing a material risk of Plan termination or liability for withdrawal from the Plan as a "substantial employer" (as defined in Section 4001(a)(2) of ERISA), which termination could reasonably be expect to result in a liability of, or liability for withdrawal could reasonably be expected to be, greater than $20,000,000;

(j) Plan Withdrawals. The Borrower or any member of the Controlled Group as employer under a Multiemployer Plan shall have made a complete or partial withdrawal from such Multiemployer Plan and such withdrawing employer shall have incurred a withdrawal liability in an annual amount exceeding $20,000,000;

(k) Invalidity of Credit Agreement. Any material provision of this Agreement shall cease to be in full force and effect and valid and binding on the Borrower or the Borrower shall so state in writing (except as permitted by the terms of this Agreement or as waived in accordance with Section 9.3); or

(l) Change in Control. The occurrence of a Change in Control.

Section 7.2 Optional Acceleration of Maturity. If any Event of Default (other than an Event of Default pursuant to Section 7.1(g)) shall have occurred and be continuing, then, and in any such event,

(a) the Administrative Agent (i) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrower, declare that the obligation of each Lender to make Advances and the obligation of the Issuing Lenders to issue Letters of Credit shall be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrower, declare the principal of the Obligations, all interest thereon, and all other Obligations to be forthwith due and payable, whereupon such principal, all such interest, and all such amounts shall become and be forthwith due and payable in full, without presentment, demand, protest or further notice of any kind (including, without limitation, any notice of intent to accelerate or notice of acceleration), all of which are hereby expressly waived by each of the Credit Parties,

(b) the Borrower shall, on demand of the Administrative Agent at the request or with the consent of the Majority Lenders, deposit with the Administrative Agent into the Cash Collateral Account an amount of cash equal to 103% of the Dollar Equivalent of the outstanding Letter of Credit Exposure as security for the Secured Obligations to the extent the Letter of Credit Obligations are not otherwise paid or cash collateralized at such time, and

(c) the Administrative Agent shall at the request of, or may with the consent of, the Majority Lenders proceed to enforce its rights and remedies under the Security Documents, the Guaranties, or any other Credit Document for the ratable benefit of the Secured Parties by appropriate proceedings.

Section 7.3 Automatic Acceleration of Maturity. If any Event of Default pursuant to Section 7.1(g) shall occur,

(a) the obligation of each Lender to make Advances and the obligation of the Issuing Lenders to issue Letters of Credit shall immediately and automatically be terminated and all Obligations shall immediately and automatically become and be due and payable in full, without presentment, demand, protest or any notice of any kind (including, without limitation, any notice of intent to accelerate or notice of acceleration), all of which are hereby expressly waived by each of the Credit Parties,

(b) the Borrower shall, on demand of the Administrative Agent at the request or with the consent of the Majority Lenders, deposit with the Administrative Agent into the Cash Collateral Account an amount of cash equal to 103% of the Dollar Equivalent of the outstanding Letter of Credit Exposure as security for the Secured Obligations to the extent the Letter of Credit Obligations are not otherwise paid or cash collateralized at such time, and

(c) the Administrative Agent shall at the request of, or may with the consent of, the Majority Lenders proceed to enforce its rights and remedies under the Security Documents, the Guaranties, or any other Credit Document for the ratable benefit of the Secured Parties by appropriate proceedings.

Section 7.4 Right of Set-Off. If an Event of Default shall have occurred and be continuing, each Lender, each Issuing Lender, and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, such Issuing Lender or any such Affiliate to or for the credit or the account of the Borrower or any other Credit Party against any and all of the obligations of the Borrower or such Credit Party now or hereafter existing under this Agreement or any other Credit Document to such Lender or such Issuing Lender, irrespective of whether or not such Lender or such Issuing Lender shall have made any demand under this Agreement or any other Credit Document and although such obligations of the Borrower or such Credit Party may be contingent or unmatured or are owed to a branch or office of such Lender or such Issuing Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each

Lender, such Issuing Lender and their respective Affiliates under this Section 7.4 are in addition to other rights and remedies (including other rights of setoff) that such Lender, such Issuing Lender or their respective Affiliates may have. Each Lender and each Issuing Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 7.5 Remedies Cumulative, No Waiver. No right, power, or remedy conferred to any Lender in this Agreement or the Credit Documents, or now or hereafter existing at law, in equity, by statute, or otherwise shall be exclusive, and each such right, power, or remedy shall to the full extent permitted by law be cumulative and in addition to every other such right, power or remedy. No course of dealing and no delay in exercising any right, power, or remedy conferred to any Lender in this Agreement and the Credit Documents or now or hereafter existing at law, in equity, by statute, or otherwise shall operate as a waiver of or otherwise prejudice any such right, power, or remedy. Any Lender may cure any Event of Default without waiving the Event of Default. No notice to or demand upon the Borrower or any other Credit Party shall entitle the Borrower or any other Credit Party to similar notices or demands in the future.

Section 7.6 Application of Payments. Prior to an Event of Default, all payments made hereunder shall be applied by the Administrative Agent as directed by the Borrower, but subject to the terms of this Agreement, including the application of prepayments according to Section 2.5 and Section 2.12. During the existence of an Event of Default, all payments and collections received by the Administrative Agent shall be applied to the Secured Obligations in accordance with Section 2.12 and otherwise in the following order:

FIRST, to the payment of all costs and expenses incurred by the Administrative Agent (in its capacity as such hereunder or under any other Credit Document) in connection with this Agreement or any of the Secured Obligations, including all court costs and the fees and expenses of its agents and legal counsel, the repayment of all advances made by the Administrative Agent as secured party hereunder or under any other Credit Document on behalf of any Credit Party and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Credit Document;

SECOND, to the payment of all accrued interest constituting part of the Secured Obligations other than Non-Credit Party Obligations (the amounts so applied to be distributed ratably among the Lenders (and to the extent applicable to Hedging Arrangements, the Swap Counterparties and to the extent applicable to Banking Services Obligations, the Banking Service Providers) pro rata in accordance with the amounts of the Secured Obligations owed to them on the date of any such distribution);

THIRD, to the payment of any then due and owing principal constituting part of the Secured Obligations other than Non-Credit Party Obligations (the amounts so applied to be distributed ratably among the Lenders (and to the extent applicable to Hedging Arrangements, the Swap Counterparties and to the extent applicable to Banking Services Obligations, the Banking Service Providers) pro rata in accordance with the principal amounts of the Secured Obligations owed to them on the date of any such distribution), and when applied to make distributions by the Administrative Agent to pay the principal amount of the outstanding Borrowings, pro rata to the Lenders;

FOURTH, to the payment of any then due and owing other amounts (including fees and expenses) constituting part of the Secured Obligations other than Non-Credit Party Obligations (the amounts so applied to be distributed ratably among the Lenders (and to the extent applicable

to Hedging Arrangements, the Swap Counterparties and to the extent applicable to Banking Services Obligations, the Banking Service Providers) pro rata in accordance with such amounts owed to them on the date of any such distribution), and when applied to make distributions by the Administrative Agent to pay such amounts payable to the Lenders under this Credit Agreement, pro rata to the Lenders;

FIFTH, to the payment of all accrued interest constituting part of the Non-Credit Party Obligations (the amounts so applied to be distributed ratably among the Swap Counterparties and the Banking Service Providers) pro rata in accordance with the amounts of the Non-Credit Party Obligations owed to them on the date of any such distribution;

SIXTH, to the payment of any then due and owing principal constituting part of the Non-Credit Party Obligations (the amounts so applied to be distributed ratably among the Swap Counterparties and the Banking Service Providers) pro rata in accordance with the principal amounts of the Non-Credit Party Obligations owed to them on the date of any such distribution;

SEVENTH, to the payment of any then due and owing other amounts (including fees and expenses) constituting part of the Non-Credit Party Obligations (the amounts so applied to be distributed ratably among the Swap Counterparties and the Banking Service Providers) pro rata in accordance with such amounts owed to them on the date of any such distribution; and

EIGHTH, to the Credit Parties, their successors or assigns, or as a court of competent jurisdiction may otherwise direct.

Section 7.7 Borrower's Right to Cure.

(a) Notwithstanding anything to the contrary contained in Section 7.1, in the event of any Event of Default under any covenant set forth in Section 6.17 or Section 6.18 and until the expiration of the tenth (10th) day after the date on which financial statements are required to be delivered pursuant to Section 5.2(a) or (b) with respect to the applicable fiscal quarter hereunder, the Borrower may sell or issue common Equity Interests of the Borrower to any of the Equity Interest holders (to the extent such transaction would not result in a Change in Control) and apply the Equity Issuance Proceeds thereof to (i) increase consolidated EBITDA of the Borrower with respect to such applicable quarter (and include it as consolidated EBITDA in such quarter for any four fiscal quarter period including such quarter), and (ii) increase the Borrower's shareholders' equity with respect to such applicable quarter (and include it as shareholders' equity in such quarter for any four fiscal quarter period including such quarter); provided that such Equity Issuance Proceeds (A) are actually received by the Borrower no later than ten (10) days after the date on which financial statements are required to be delivered pursuant to Section 5.2(a) or (b) with respect to such fiscal quarter hereunder and (B) do not exceed the amount necessary to cause the maximum Leverage Ratio on a pro forma basis after giving effect to the cure provided herein, for any applicable period to be 1.00x less than the then required leverage ratio covenant under Section 6.18. Subject to the terms set forth above and the terms in clause (b) and (c) below, upon (x) application of the Equity Proceeds as provided in clause (i) and (ii) above within the 10 day period described above in such amounts sufficient to cure the Events of Default under the covenants set forth in Section 6.17 and 6.18, and (y) delivery of an updated Compliance Certificate executed by a Responsible Officer of the Borrower to the Administrative Agent reflecting compliance with Sections 6.17 and 6.18, such Events of Default shall be deemed cured and no longer in existence.

(b) The parties hereby acknowledge and agree that this Section 7.7 may not be relied on for purposes of calculating any financial ratios or other conditions or compliances other than the financial covenant set forth in Section 6.17 or Section 6.18 and shall not result in any adjustment to any amounts

other than the amount of the consolidated EBITDA and shareholders' equity referred to in Section 7.7(a) above for purposes of determining the Borrower's compliance with Section 6.17 and 6.18.

(c) In each period of four fiscal quarters, there shall be at least three (3) fiscal quarters in which no cure set forth in Section 7.7 is made. Furthermore, the Borrower may not utilize more than three cures provided in this Section 7.7.

Section 7.8 Currency Conversion After Maturity. Notwithstanding any other provision in this Agreement, on the date that there has been an acceleration of the maturity of the Obligations or a termination of the obligations of the Lenders to make Advances hereunder or of the obligations of the Issuing Lenders to issue, increase, or extend Letters of Credit hereunder, in any case, as a result of any Event of Default, all Advances and all other Obligations denominated in any Foreign Currency shall be converted into, and all such amounts due thereunder shall accrue and be payable in, Dollars at the Exchange Rate on such date. From and after such date, all Advances shall be denominated only in, and all fees due under this Agreement shall be payable in, Dollars.

ARTICLE 8
THE ADMINISTRATIVE AGENTS AND ISSUING LENDERS

Section 8.1 Appointment, Powers, and Immunities.

(a) Appointment and Authority. Each of the Lenders and each Issuing Lender hereby irrevocably appoints Wells Fargo to act on its behalf as the Administrative Agent hereunder and under the other Credit Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Lenders, and neither the Borrower nor any Affiliate thereof shall have rights as a third party beneficiary of any of such provisions.

(b) Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and as an Issuing Lender as any other Issuing Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender," "Lenders," "Issuing Lender," and "Issuing Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for, make investments in, and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders. Wells Fargo (and any successor acting as Administrative Agent) and its Affiliates may accept fees and other consideration from the Borrower or any of its Subsidiaries or Affiliates for services in connection with this Agreement or otherwise without having to account for the same to the Lenders or the Issuing Lenders.

(c) Exculpatory Provisions. The Administrative Agent (which term as used in this clause (c) and in Section 8.5 and the first sentence of Section 8.6 shall include its Related Parties) shall not have any duties or obligations except those expressly set forth herein and in the other Credit Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Documents that the Administrative Agent is required to exercise as directed in writing by the Majority Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Credit Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Credit Document or applicable law; and

(iii) shall not, except as expressly set forth herein and in the other Credit Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Majority Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 7.2, 7.3 and 9.3 or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment. The Administrative Agent shall be deemed not to have knowledge of or notice of the occurrence of any Default unless and until written notice describing such Default is given to the Administrative Agent by the Borrower, a Lender or an Issuing Lender and specifying such notice as a "Notice of Default". In the event that the Administrative Agent receives such a notice of the occurrence of a Default, the Administrative Agent shall (subject to Section 9.3) take such action with respect to such Default or Event of Default as shall reasonably be directed by the Majority Lenders, provided that, unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable in the best interest of the Secured Parties.

The Administrative Agent shall not be responsible for, or have any duty to ascertain or inquire into, (i) any recital, statement, warranty or representation (whether written or oral) made in or in connection with this Agreement or any other Credit Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the value, validity, enforceability, effectiveness, enforceability, sufficiency or genuineness of this Agreement, any other Credit Document or any other agreement, instrument or document, (v) the inspection of, or to inspect, the Property (including the books and records) of any Credit Party or any of its Subsidiaries or Affiliates, (vi) the satisfaction of any condition set forth in Article 3 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent, or (vii) any litigation or collection proceedings (or to initiate or conduct any such litigation or proceedings) under any Credit Document unless requested by the Majority Lenders in writing and it receives indemnification satisfactory to it from the Lenders.

Section 8.2 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document, writing or other communication (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Advance, Conversion of any Advance or the issuance of a Letter

of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an Issuing Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender or such Issuing Lender unless the Administrative Agent shall have received notice to the contrary from such Lender or such Issuing Lender prior to the making of such Advance, Conversion of such Advance or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 8.3 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more sub agents appointed by the Administrative Agent. The Administrative Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub agent and to the Related Parties of the Administrative Agent and any such sub agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Section 8.4 Indemnification.

(a) INDEMNITY OF ADMINISTRATIVE AGENT. THE LENDERS SEVERALLY AGREE TO INDEMNIFY THE ADMINISTRATIVE AGENT AND EACH AFFILIATE THEREOF AND THEIR RESPECTIVE RELATED PARTIES (TO THE EXTENT NOT REIMBURSED BY THE BORROWER), RATABLY ACCORDING TO THE RESPECTIVE PRINCIPAL AMOUNTS OF THE ADVANCES THEN HELD BY EACH OF THEM (OR IF NO PRINCIPAL OF THE ADVANCES IS AT THE TIME OUTSTANDING, RATABLY ACCORDING TO THE RESPECTIVE COMMITMENTS HELD BY EACH OF THEM IMMEDIATELY PRIOR TO THE TERMINATION, EXPIRATION OR FULL REDUCTION OF EACH SUCH COMMITMENT), FROM AND AGAINST ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER WHICH MAY BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTY IN ANY WAY RELATING TO OR ARISING OUT OF THIS AGREEMENT, ANY CREDIT DOCUMENT OR ANY ACTION TAKEN OR OMITTED BY THE ADMINISTRATIVE AGENT UNDER THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT (**INCLUDING SUCH INDEMNITEE'S OWN NEGLIGENCE REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE OR CONTRIBUTORY, ACTIVE OR PASSIVE, IMPUTED, JOINT OR TECHNICAL**), AND INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL LIABILITIES, PROVIDED THAT NO LENDER SHALL BE LIABLE FOR ANY PORTION OF SUCH LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH INDEMNITEE'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. WITHOUT LIMITATION OF THE FOREGOING, EACH LENDER AGREES TO REIMBURSE THE ADMINISTRATIVE AGENT PROMPTLY UPON DEMAND FOR ITS RATABLE SHARE (DETERMINED AS SET FORTH ABOVE IN THIS PARAGRAPH) OF ANY OUT-OF-POCKET EXPENSES (INCLUDING COUNSEL FEES) INCURRED BY THE ADMINISTRATIVE AGENT IN CONNECTION WITH THE PREPARATION, EXECUTION, DELIVERY, ADMINISTRATION, MODIFICATION, AMENDMENT, OR ENFORCEMENT (WHETHER THROUGH NEGOTIATIONS, LEGAL PROCEEDINGS, OR OTHERWISE) OF, OR LEGAL ADVICE IN RESPECT OF RIGHTS OR RESPONSIBILITIES UNDER, THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT, TO THE EXTENT THAT THE ADMINISTRATIVE AGENT IS NOT REIMBURSED FOR SUCH BY THE BORROWER.

(b) INDEMNITY OF ISSUING LENDERS. THE LENDERS SEVERALLY AGREE TO INDEMNIFY EACH ISSUING LENDER AND EACH AFFILIATE THEREOF AND THEIR RESPECTIVE RELATED PARTIES (TO THE EXTENT NOT REIMBURSED BY THE BORROWER), RATABLY ACCORDING TO THE RESPECTIVE PRINCIPAL AMOUNTS OF THE ADVANCES THEN HELD BY EACH OF THEM (OR IF NO PRINCIPAL OF THE ADVANCES IS AT THE TIME OUTSTANDING, RATABLY ACCORDING TO THE RESPECTIVE COMMITMENTS HELD BY EACH OF THEM IMMEDIATELY PRIOR TO THE TERMINATION, EXPIRATION OR FULL REDUCTION OF EACH SUCH COMMITMENT), FROM AND AGAINST ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER WHICH MAY BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST SUCH ISSUING LENDER OR ANY OF ITS RELATED PARTY IN ANY WAY RELATING TO OR ARISING OUT OF THIS AGREEMENT, ANY CREDIT DOCUMENT OR ANY ACTION TAKEN OR OMITTED BY SUCH ISSUING LENDER UNDER THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT (**INCLUDING SUCH INDEMNITEE'S OWN NEGLIGENCE REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE OR CONTRIBUTORY, ACTIVE OR PASSIVE, IMPUTED, JOINT OR TECHNICAL**), AND INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL LIABILITIES, PROVIDED THAT NO LENDER SHALL BE LIABLE FOR ANY PORTION OF SUCH LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH INDEMNITEE'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

Section 8.5 Non-Reliance on Administrative Agent and Other Lenders. Each Lender and each Issuing Lender agrees that it has, independently and without reliance on the Administrative Agent or any other Lender or any other Issuing Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis of the Borrower and the other Credit Parties and decision to enter into this Agreement and that it will, independently and without reliance upon the Administrative Agent or any other Lender or any other Issuing Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking or not taking action under the Credit Documents. Except for notices, reports, and other documents and information expressly required to be furnished to the Lenders or the Issuing Lenders by the Administrative Agent hereunder and for other information in the Administrative Agent's possession which has been requested by a Lender and for which such Lender pays the Administrative Agent's expenses in connection therewith, the Administrative Agent shall not have any duty or responsibility to provide any Lender or any Issuing Lender with any credit or other information concerning the affairs, financial condition, or business of any Credit Party or any of its Subsidiaries or Affiliates that may come into the possession of the Administrative Agent or any of its Affiliates.

Section 8.6 Resignation of Administrative Agent and Issuing Lenders.

(a) The Administrative Agent and any Issuing Lender may resign at any time by giving written notice thereof to the Lenders and the Borrower. Upon receipt of notice of any such resignation, the Majority Lenders shall have the right to appoint a successor Administrative Agent (and the Borrower shall have the right to appoint a successor Issuing Lender pursuant to clause (b) below). If no successor Administrative Agent or Issuing Lender shall have been so appointed by the Majority Lenders (or as applicable, the Borrower) and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's or Issuing Lender's giving of notice of resignation, then the retiring Administrative Agent or Issuing Lender may, on behalf of the Lenders and the Borrower, appoint a successor Administrative Agent or Issuing Lender, which shall be, in the case of a successor agent, a

commercial bank organized under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least $250,000,000.00 and, in the case of an Issuing Lender, a Lender; provided that, if the Administrative Agent or Issuing Lender shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent or Issuing Lender shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that (A) in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the Issuing Lenders under any of the Credit Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed and (B) the retiring Issuing Lender shall remain the Issuing Lender with respect to any Letters of Credit outstanding on the effective date of its resignation or removal and the provisions affecting the Issuing Lenders with respect to such Letters of Credit shall inure to the benefit of the retiring Issuing Lender until the termination of all such Letters of Credit) and (2) all payments, communications and determinations provided to be made by, to or through the retiring Administrative Agent shall instead be made by or to each Lender and the Issuing Lenders directly, until such time as the Majority Lenders appoint a successor Administrative Agent or Issuing Lender, as applicable, as provided for above in this paragraph. Upon the acceptance of any appointment as Administrative Agent or Issuing Lender by a successor Administrative Agent or Issuing Lender, such successor Administrative Agent or Issuing Lender shall thereupon succeed to and become vested with all the rights, powers, privileges, and duties of the retiring Administrative Agent or Issuing Lender, and the retiring Administrative Agent or Issuing Lender shall be discharged from its duties and obligations under this Agreement and the other Credit Documents, except that the retiring Issuing Lender shall remain the Issuing Lender with respect to any Letters of Credit outstanding on the effective date of its resignation or removal and the provisions affecting the Issuing Lenders with respect to such Letters of Credit shall inure to the benefit of the retiring Issuing Lender until the termination of all such Letters of Credit. After any retiring Administrative Agent's or Issuing Lender's resignation as Administrative Agent or Issuing Lender, the provisions of this Article 8 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent or Issuing Lender under this Agreement and the other Credit Documents.

(b) Any Issuing Lender (including a retiring Issuing Lender) may be replaced at any time by written agreement among the Borrower, the Administrative Agent, such replaced Issuing Lender and, in the case of a replacement, the successor Issuing Lender. The Administrative Agent shall notify the Lenders of any such replacement of an Issuing Lender. At the time any such resignation or replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the retiring or replaced Issuing Lender pursuant to Section 2.7(b). From and after the effective date of such replacement, (i) the successor Issuing Lender shall have all the rights and obligations of the replaced Issuing Lender under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to "Issuing Lender" shall be deemed to refer to such successor or to any previous Issuing Lender, or to such successor and all previous Issuing Lenders, as the context shall require. After the replacement of an Issuing Lender hereunder, the replaced Issuing Lender shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Lender under this Agreement with respect to Letters of Credit issued by it prior to such resignation or replacement, but shall not be required to issue additional Letters of Credit.

Section 8.7 Collateral Matters.

(a) The Administrative Agent is authorized on behalf of the Secured Parties, without the necessity of any notice to or further consent from such Secured Parties, from time to time, to take any actions with respect to any Collateral or Security Documents which may be necessary to perfect and maintain the Liens upon the Collateral granted pursuant to the Security Documents. The Administrative Agent is further authorized (but not obligated) on behalf of the Secured Parties, without the necessity of

any notice to or further consent from the Secured Parties, from time to time, to take any action in exigent circumstances as may be reasonably necessary to preserve any rights or privileges of the Secured Parties under the Credit Documents or applicable Legal Requirements. By accepting the benefit of the Liens granted pursuant to the Security Documents, each Secured Party hereby agrees to the terms of this paragraph (a).

(b) The Lenders hereby, and any other Secured Party by accepting the benefit of the Liens granted pursuant to the Security Documents, irrevocably authorize the Administrative Agent to (i) release any Lien granted to or held by the Administrative Agent upon any Collateral (a) upon termination of this Agreement, termination of all Hedging Agreements with such Persons, termination of all Letters of Credit (other than Letters of Credit as to which other arrangements reasonably satisfactory to the applicable Issuing Lender have been made), and the payment in full of all outstanding Advances, Letter of Credit Obligations (other than with respect to Letters of Credit as to which other arrangements reasonably satisfactory to the applicable Issuing Lender have been made) and all other Secured Obligations payable under this Agreement and under any other Credit Document; (b) constituting property sold or to be sold or disposed of as part of or in connection with any disposition permitted under this Agreement or any other Credit Document; (c) constituting property in which no Credit Party owned an interest at the time the Lien was granted or at any time thereafter; or (d) constituting property leased to any Credit Party under a lease which has expired or has been terminated in a transaction permitted under this Agreement or is about to expire and which has not been, and is not intended by such Credit Party to be, renewed or extended; and (ii) release a Guarantor from its obligations under a Guaranty and any other applicable Credit Document if such Person ceases to be a Restricted Subsidiary as a result of a transaction permitted under this Agreement. Upon the request of the Administrative Agent at any time, the Secured Parties will confirm in writing the Administrative Agent's authority to release particular types or items of Collateral pursuant to this Section 8.7.

(c) Notwithstanding anything contained in any of the Credit Documents to the contrary, the Credit Parties, the Administrative Agent, and each Secured Party hereby agree that no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guaranties, it being understood and agreed that all powers, rights and remedies hereunder and under the Security Documents may be exercised solely by Administrative Agent on behalf of the Secured Parties in accordance with the terms hereof and the other Credit Documents. By accepting the benefit of the Liens granted pursuant to the Security Documents, each Secured Party not party hereto hereby agrees to the terms of this paragraph (c).

Section 8.8 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the co-lead arrangers, joint bookrunners, co-syndication agent or any other agent named on the cover page to this Agreement (other than the Administrative Agent) shall have any powers, duties or responsibilities under this Agreement or any of the other Credit Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender, Swing Line Lender or Issuing Lender.

ARTICLE 9
MISCELLANEOUS

Section 9.1 Costs and Expenses. The Borrower agrees to pay within 30 days of invoice:

(a) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of one law firm serving as counsel for the Administrative Agent and, if applicable, one law firm serving as local counsel for each applicable jurisdiction), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Credit

Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated),

(b) all reasonable out-of-pocket expenses incurred by any Issuing Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and

(c) all out-of-pocket expenses incurred by the Administrative Agent, any Lender or any Issuing Lender (including the fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or any Issuing Lender), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Credit Documents, including its rights under this Section, or (B) in connection with the Advances made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Advances or Letters of Credit.

Section 9.2 Indemnification; Waiver of Damages.

(A) INDEMNIFICATION. EACH CREDIT PARTY HERETO AGREES TO, JOINTLY AND SEVERALLY, INDEMNIFY AND HOLD HARMLESS THE ADMINISTRATIVE AGENT, EACH ISSUING LENDER AND EACH LENDER AND EACH OF THEIR RESPECTIVE RELATED PARTIES (EACH, AN "INDEMNITEE") FROM AND AGAINST ANY AND ALL ACTIONS, SUITS, LOSSES, CLAIMS, DAMAGES, LIABILITIES AND EXPENSES OF ANY KIND (INCLUDING REASONABLE ATTORNEYS' FEES, EXPENSES AND CHARGES) OR NATURE, JOINT OR SEVERAL, TO WHICH SUCH INDEMNITEE MAY BECOME SUBJECT OR THAT MAY BE INCURRED OR ASSERTED OR AWARDED AGAINST SUCH INDEMNITEE, IN EACH CASE ARISING OUT OF OR IN CONNECTION WITH OR BY REASON OF (INCLUDING, WITHOUT LIMITATION, IN CONNECTION WITH ANY INVESTIGATION, LITIGATION OR PROCEEDING OR PREPARATION OF A DEFENSE IN CONNECTION THEREWITH) THIS AGREEMENT, ANY OTHER CREDIT DOCUMENT, ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN OR THE ACTUAL OR PROPOSED USE OF THE PROCEEDS OF THE ADVANCES OR LETTERS OF CREDIT ISSUED HEREUNDER**, AND INCLUDING SUCH ARISING AS A RESULT OF SUCH INDEMNITEE'S OWN NEGLIGENCE REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE OR CONTRIBUTORY, ACTIVE OR PASSIVE, IMPUTED, JOINT OR SEVERAL** AND INCLUDING ENVIRONMENTAL LIABILITIES**;** PROVIDED THAT NO INDEMNITEE WILL HAVE ANY RIGHT TO INDEMNIFICATION FOR ANY OF THE FOREGOING TO THE EXTENT RESULTING FROM SUCH INDEMNITEE'S OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AS DETERMINED BY A FINAL NON-APPEALABLE JUDGMENT OF A COURT OF COMPETENT JURISDICTION. IN THE CASE OF AN INVESTIGATION, LITIGATION OR OTHER PROCEEDING TO WHICH THE INDEMNITY IN THIS SECTION 9.2 APPLIES, SUCH INDEMNITY SHALL BE EFFECTIVE WHETHER OR NOT SUCH INVESTIGATION, LITIGATION OR PROCEEDING IS BROUGHT BY ANY CREDIT PARTY, ITS DIRECTORS, HOLDERS OF EQUITY OR CREDITORS OR AN INDEMNITEE OR ANY OTHER PERSON OR ANY INDEMNITEE IS OTHERWISE A PARTY THERETO AND WHETHER OR NOT THE TRANSACTIONS CONTEMPLATED HEREBY ARE CONSUMMATED. EACH CREDIT PARTY ALSO AGREE THAT NO INDEMNITEE WILL HAVE ANY LIABILITY (WHETHER DIRECT OR INDIRECT, IN CONTRACT OR TORT, OR OTHERWISE) TO ANY CREDIT PARTY OR AFFILIATE THEREOF OR TO ANY OF THE FOREGOING'S RESPECTIVE EQUITY HOLDERS OR CREDITORS ARISING OUT OF, RELATED TO OR IN CONNECTION WITH ANY ASPECT OF THE TRANSACTIONS CONTEMPLATED HEREBY, EXCEPT TO THE EXTENT SUCH LIABILITY IS DETERMINED IN A FINAL, NONAPPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH INDEMNITEE'S OWN GROSS

NEGLIGENCE OR WILLFUL MISCONDUCT. THE FOREGOING INDEMNITY AND HOLD HARMLESS SHALL NOT APPLY TO ANY CLAIMS, DAMAGES, LOSSES, LIABILITIES, COSTS OR EXPENSES THAT IS INCURRED BY OR ASSERTED OR AWARDED AGAINST ANY INDEMNITEE DIRECTLY FOR, OR AS A DIRECT CONSEQUENCE OF, SUCH INDEMNITEE BEING A DEFAULTING LENDER UNDER CLAUSE (A) OR (C) OF THE DEFINITION OF "DEFAULTING LENDER", WHETHER ASSERTED BY ANY CREDIT PARTY, THE ADMINISTRATIVE AGENT, ANY ISSUING LENDER OR ANY SWING LINE LENDER. No Credit Party shall, without the prior written consent of each Indemnitee affected thereby (which consent will not be unreasonably withheld), settle any threatened or pending claim or action that would give rise to the right of any Indemnitee to claim indemnification hereunder unless such settlement (a) includes a full and unconditional release of all liabilities arising out of such claim or action against such Indemnitee and (b) does not include any statement as to or an admission of fault, culpability or failure to act by or on behalf of any Indemnitee.

(b) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, no Credit Party shall assert, agrees not to assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Advance or Letter of Credit or the use of the proceeds thereof. To the fullest extent permitted by applicable law, no Indemnitee shall assert, agrees not to assert, and hereby waives, any claim against any Credit Party or any Affiliate thereof, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby. No Indemnitee referred to in subsection (a) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(c) Survival. Without prejudice to the survival of any other agreement of the Credit Parties hereunder, the agreements and obligations of the Credit Parties contained in this Section 9.2 shall survive the termination of this Agreement, the termination of all Commitments, and the payment in full of the Advances and all other amounts payable under this Agreement.

(e) Payments. All amounts due under this Section 9.2 shall, unless otherwise set forth above, be payable not later than 10 days after demand therefor.

(d) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under Section 9.1 or 9.2 above to be paid by it to the Administrative Agent (or any sub-agent thereof), any Issuing Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), such Issuing Lender or such Related Party, as the case may be, such Lender's Pro Rata Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or such Issuing Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) or Issuing Lender in connection with such capacity.

Section 9.3 Waivers and Amendments. No amendment or waiver of any provision of this Agreement or any other Credit Document (other than the Fee Letter or any AutoBorrow Agreement), nor consent to any departure by the Borrower or any Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Lenders and the Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that:

(a) no amendment, waiver, or consent shall, unless in writing and signed by all the Lenders and the Borrower, do any of the following: (i) waive any of the conditions specified in Section 3.1 or Section 3.2, (ii) reduce the principal or interest amounts payable hereunder or under any other Credit Document (provided that, the consent of the Majority Lenders shall be sufficient to waive or reduce the increased portion of interest resulting from Section 2.8(d)), (iii) increase the aggregate Commitments (except pursuant to Section 2.15), (iv) amend Section 2.12(e), Section 7.6, this Section 9.3 or any other provision in any Credit Document which expressly requires the consent of, or action or waiver by, all of the Lenders, (v) release all or substantially all of the Guarantors from their respective obligations under any Guaranty except as specifically provided in the Credit Documents, (vi) release all or substantially all of the Collateral except as permitted under Section 8.7(b); or (vii) amend the definitions of "Majority Lenders";

(b) no amendment, waiver, or consent shall, unless in writing and signed by each Lender directly and adversely affected thereby, do any of the following: (i) postpone any date fixed for any interest, fees or other amounts payable hereunder or extend the Maturity Date, or (ii) reduce any fees or other amounts payable hereunder or under any other Credit Document (other than the principal or interest);

(c) no Commitment of a Lender or any obligations of a Lender may be increased without such Lender's written consent;

(d) no amendment, waiver, or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement or any other Credit Document;

(e) no amendment, waiver or consent shall, unless in writing and signed by the applicable Issuing Lender in addition to the Lenders required above to take such action, affect the rights or duties of such Issuing Lender under this Agreement or any other Credit Document; and

(f) no amendment, waiver or consent shall, unless in writing and signed by the applicable Swing Line Lender in addition to the Lenders required above to take such action, affect the rights or duties of such Swing Line Lender under this Agreement or any other Credit Document.

For the avoidance of doubt, no Lender or any Affiliate of a Lender shall have any voting rights under this Agreement or any Credit Document as a result of the existence of obligations owed to it under Hedging Arrangements or Banking Services Obligations.

Section 9.4 Severability. In case one or more provisions of this Agreement or the other Credit Documents shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality, and enforceability of the remaining provisions contained herein or therein shall not be affected or impaired thereby.

Section 9.5 Survival of Representations and Obligations. All representations and warranties contained in this Agreement or made in writing by or on behalf of the Credit Parties in connection

herewith shall survive the execution and delivery of this Agreement and the other Credit Documents, the making of the Advances or the issuance of any Letters of Credit and any investigation made by or on behalf of the Lenders, none of which investigations shall diminish any Lender's right to rely on such representations and warranties. All obligations of the Borrower or any other Credit Party provided for in Sections 2.8(c), 2.10, 2.11, 2.13(c), 9.1 and 9.2 and all of the obligations of the Lenders in Section 8.5 or Section 9.2(d) shall survive any termination of this Agreement and repayment in full of the Obligations.

Section 9.6 Binding Effect. This Agreement shall become effective when it shall have been executed by the Borrower, and the Administrative Agent, and when the Administrative Agent shall have, as to each Lender, either received a counterpart hereof executed by such Lender or been notified by such Lender that such Lender has executed it and thereafter shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent, and each Lender and their respective successors and assigns, except that neither the Borrower nor any other Credit Party shall have the right to assign its rights or delegate its duties under this Agreement or any interest in this Agreement without the prior written consent of each Lender.

Section 9.7 Lender Assignments and Participations.

(a) Each Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Advances, its Notes, if any, and its Commitments); provided, however, that (i) each such assignment shall be to an Eligible Assignee; (ii) except in the case of an assignment to another Lender or an assignment of all of a Lender's rights and obligations under this Agreement, any such partial assignment with respect to the Commitments shall be in an amount at least equal to $5,000,000.00; (iii) each assignment of a Lender's rights and obligations with respect to Revolving Advances and its Commitment shall be of an constant, and not varying percentage of all of its rights and obligations under this Agreement as a Lender and the Revolving Notes (other than rights of reimbursement and indemnity arising before the effective date of such assignment) and shall be of an equal pro rata share of the Assignor's interest in the Revolving Advances and Commitments; and (iv) the parties to such assignment shall execute and deliver to the Administrative Agent for its acceptance an Assignment and Acceptance, together with any Notes, if any, subject to such assignment and the assignor or assignee Lender shall pay a processing fee of $3,500.00 which fee may be waived by the Administrative Agent in its sole discretion. Upon execution, delivery, and acceptance of such Assignment and Acceptance and payment of the processing fee, the assignee thereunder shall be a party hereto and, to the extent of such assignment, have the obligations, rights, and benefits of a Lender hereunder and the assigning Lender shall, to the extent of such assignment, relinquish its rights and be released from its obligations under this Agreement. Upon the consummation of any assignment pursuant to this Section 9.7, the assignor, the Administrative Agent and the Borrower shall make appropriate arrangements so that, if requested, new Notes are issued to the assignor and the assignee. If the assignee is not incorporated under the laws of the United States of America or a state thereof, it shall deliver to the Borrower and the Administrative Agent certification as to exemption from deduction or withholding of Taxes in accordance with Section 2.13(e) and Section 2.13(f).

(b) The Administrative Agent, acting also as agent for the Borrower solely for this purpose, shall maintain at its address referred to in Section 9.9 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitments of, and principal amount of the Advances owing to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Credit Parties, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. Borrower hereby agrees that the Administrative Agent acting as its agent solely for the purpose set forth

above in this clause (b), shall not subject the Administrative Agent to any fiduciary or other implied duties, all of which are hereby waived by the Borrower.

(c) Upon its receipt of an Assignment and Acceptance executed by the parties thereto, together with any Notes, if any, subject to such assignment and payment of the processing fee, the Administrative Agent shall, if such Assignment and Acceptance has been completed, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register, and (iii) give prompt notice thereof to the parties thereto.

(d) Each Lender may sell participations to one or more Persons in all or a portion of its rights, obligations or rights and obligations under this Agreement (including all or a portion of its Commitments or its Advances) provided, however, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the participant shall be entitled to the benefit of the yield protection provisions contained in Sections 2.10 and 2.11 and the right of set-off contained in Section 7.4, and (iv) the Borrower shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of the Borrower relating to its Advances and its Obligations and to approve any amendment, modification, or waiver of any provision of this Agreement (other than amendments, modifications, or waivers decreasing the amount of principal of or the rate at which interest is payable on such Advances or Obligations, extending any scheduled principal payment date or date fixed for the payment of interest on such Advances or Obligations, or extending its Commitment).

(e) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Any Lender may furnish any information concerning the Borrower or any of its Subsidiaries in the possession of such Lender from time to time to assignees and participants (including prospective assignees and participants), subject, however, to the provisions of the following paragraph Section 9.8.

Section 9.8 Confidentiality. The Administrative Agent, each Swing Line Lender, each Issuing Lender, and each Lender (each a "Lending Party") agree to keep confidential any information furnished or made available to it by any Restricted Entity pursuant to this Agreement; provided that nothing herein shall prevent any Lending Party from disclosing such information (a) to any other Lending Party or any Affiliate of any Lending Party, or any officer, director, employee, agent, or advisor of any Lending Party or Affiliate of any Lending Party for purposes of administering, negotiating, considering, processing, implementing, syndicating, assigning, or evaluating the credit facilities provided herein and the transactions contemplated hereby, (b) to any other Person if directly incidental to the administration of the credit facilities provided herein, (c) as required by any Legal Requirement, (d) upon the order of any court or administrative agency, (e) upon the request or demand of any regulatory agency or authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (f) that is or becomes available to the public or that is or becomes available to any Lending Party other than as a result of a disclosure by any other Lending Party prohibited by this Agreement, (g) in connection with any litigation relating to this Agreement or any other Credit Document to which such Lending Party or any of its Affiliates may be a party, (h) to the extent necessary in connection with the exercise of any right or remedy under this Agreement or any other Credit Document, and (i) to any actual or proposed participant or assignee, in each case, subject to provisions similar to those contained in this

Section 9.8. **NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, nothing in this Agreement shall (a) restrict any Lending Party from providing information to any bank or other regulatory or governmental authorities, including the Federal Reserve Board and its supervisory staff; (b) require or permit any Lending Party to disclose to any Credit Party that any information will be or was provided to the Federal Reserve Board or any of its supervisory staff; or (c) require or permit any Lending Party to inform any Credit Party of a current or upcoming Federal Reserve Board examination or any nonpublic Federal Reserve Board supervisory initiative or action.**

Section 9.9 Notices, Etc.

(a) Standard Application. All notices and other communications (other than Notices of Borrowing and Notices of Continuation or Conversion, which are governed by Article 2 of this Agreement and other than as provided in clause (b) below) shall be in writing and hand delivered with written receipt, telecopied, sent by facsimile (with a hard copy sent as otherwise permitted in this Section 9.9), sent by a nationally recognized overnight courier, or sent by certified mail, return receipt requested as follows: if to a Credit Party, as specified on Schedule II, if to Wells Fargo as a Swing Line Lender or the Administrative Agent, at its credit contact specified under its name on Schedule II, if to any other Swing Line Lender, at its credit contact specified in writing at the time such Swing Line Lender agrees to be a Swing Line Lender hereunder, and if to any Lender or any Issuing Lender at is credit contact specified in its Administrative Questionnaire. Each party may change its notice address by written notification to the other parties. All such notices and communications shall be effective when delivered, except that notices and communications to any Lender, any Swing Line Lender, or any Issuing Lender pursuant to Article 2 shall not be effective until received and, in the case of telecopy, such receipt is confirmed by such Lender, such Swing Line Lender or such Issuing Lender, as applicable, verbally or in writing.

(b) Electronic Communications. Notices and other communications to the Lenders and the Issuing Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or any Issuing Lender pursuant to Article 2 if such Lender or such Issuing Lender, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

Section 9.10 Usury Not Intended. It is the intent of each Credit Party and each Lender in the execution and performance of this Agreement and the other Credit Documents to contract in strict compliance with applicable usury laws, including conflicts of law concepts, governing the Advances of each Lender including such applicable laws of the State of New York, if any, and the United States of America from time to time in effect. In furtherance thereof, the Lenders and the Credit Parties stipulate

and agree that none of the terms and provisions contained in this Agreement or the other Credit Documents shall ever be construed to create a contract to pay, as consideration for the use, forbearance or detention of money, interest at a rate in excess of the Maximum Rate and that for purposes of this Agreement "interest" shall include the aggregate of all charges which constitute interest under such laws that are contracted for, charged or received under this Agreement; and in the event that, notwithstanding the foregoing, under any circumstances the aggregate amounts taken, reserved, charged, received or paid on the Advances, include amounts which by applicable law are deemed interest which would exceed the Maximum Rate, then such excess shall be deemed to be a mistake and each Lender receiving same shall credit the same on the principal of its Obligations (or if such Obligations shall have been paid in full, refund said excess to the Borrower). In the event that the maturity of the Obligations are accelerated by reason of any election of the holder thereof resulting from any Event of Default under this Agreement or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest may never include more than the Maximum Rate, and excess interest, if any, provided for in this Agreement or otherwise shall be canceled automatically as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited on the applicable Obligations (or, if the applicable Obligations shall have been paid in full, refunded to the Borrower of such interest). In determining whether or not the interest paid or payable under any specific contingencies exceeds the Maximum Rate, the Credit Parties and the Lenders shall to the maximum extent permitted under applicable law amortize, prorate, allocate and spread in equal parts during the period of the full stated term of the Obligations all amounts considered to be interest under applicable law at any time contracted for, charged, received or reserved in connection with the Obligations. The provisions of this Section shall control over all other provisions of this Agreement or the other Credit Documents which may be in apparent conflict herewith.

Section 9.11 Usury Recapture. In the event the rate of interest chargeable under this Agreement at any time is greater than the Maximum Rate, the unpaid principal amount of the Advances shall bear interest at the Maximum Rate until the total amount of interest paid or accrued on the Advances equals the amount of interest which would have been paid or accrued on the Advances if the stated rates of interest set forth in this Agreement had at all times been in effect. In the event, upon payment in full of the Advances, the total amount of interest paid or accrued under the terms of this Agreement and the Advances is less than the total amount of interest which would have been paid or accrued if the rates of interest set forth in this Agreement had, at all times, been in effect, then the Borrower shall, to the extent permitted by applicable law, pay the Administrative Agent for the account of the Lenders an amount equal to the difference between (i) the lesser of (A) the amount of interest which would have been charged on its Advances if the Maximum Rate had, at all times, been in effect and (B) the amount of interest which would have accrued on its Advances if the rates of interest set forth in this Agreement had at all times been in effect and (ii) the amount of interest actually paid under this Agreement on its Advances. In the event the Lenders ever receive, collect or apply as interest any sum in excess of the Maximum Rate, such excess amount shall, to the extent permitted by law, be applied to the reduction of the principal balance of the Advances, and if no such principal is then outstanding, such excess or part thereof remaining shall be paid to the Borrower.

Section 9.12 Judgment Currency. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from the Borrower hereunder in the currency expressed to be payable herein (the "specified currency") into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with usual and customary banking procedures the Administrative Agent could purchase the specified currency with such other currency at any of the Administrative Agent's offices in the United States of America on the Business Day preceding that on which final judgment is given. The obligations of the Borrower in respect of any sum due to any Lending Party hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Business Day following receipt by such Lender, such Issuing Lender or the Administrative Agent (as the case may be) of any sum

adjudged to be so due in such other currency such Lender, such Issuing Lender or the Administrative Agent (as the case may be) may in accordance with normal, reasonable banking procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to such Lender, such Issuing Lender or the Administrative Agent, as the case may be, in the specified currency, the Borrower agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender, such Issuing Lender or the Administrative Agent, as the case may be, against such loss, and if the amount of the specified currency so purchased exceeds (a) the sum originally due to any Lender, such Issuing Lender or the Administrative Agent, as the case may be, in the specified currency and (b) any amounts shared with other Lenders as a result of allocations of such excess as a disproportionate payment to such Lender under Section 2.12, each Lender, each Issuing Lender or Administrative Agent, as the case may be, agrees to promptly remit such excess to the Borrower.

Section 9.13 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent, any Issuing Lender or any Lender, or the Administrative Agent, any Issuing Lender or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, any Issuing Lender or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any bankruptcy or other laws for the relief of debtors or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and each Issuing Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate in effect from time to time, in the applicable currency of such recovery or payment. The obligations of the Lenders and the Issuing Lenders under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

Section 9.14 Governing Law. This Agreement and the other Credit Documents (unless otherwise expressly provided therein) shall be deemed a contract under, and shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, applicable to contracts made and to be performed entirely within such state, including without regard to conflicts of laws principles. Each Letter of Credit shall be governed by either (i) the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600, or (ii) the International Standby Practices (ISP98), International Chamber of Commerce Publication No. 590, in either case, including any subsequent revisions thereof approved by a Congress of the International Chamber of Commerce.

Section 9.15 Submission to Jurisdiction. EACH PARTY TO THIS AGREEMENT IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES

THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AGAINST ANY OTHER PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

Section 9.16 Waiver of Venue. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY COURT REFERRED TO IN SECTION 9.15. EACH OF THE PARTIES HERETO HEREBY AGREES THAT SECTIONS 5-1401 AND 4-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK SHALL APPLY TO THIS AGREEMENT AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

Section 9.17 Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 9.9. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

Section 9.18 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or by e-mail “PDF” copy shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 9.19 Electronic Execution of Assignments. The words “execution,” “signed,” “signature,” and words of like import in any Assignment and Acceptance shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 9.20 Waiver of Jury. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS Section.

Section 9.21 USA Patriot Act. Each Lender that is subject to the Patriot Act and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies each Credit Party that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies such Credit Party, which information includes the name and address of such Credit Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Credit Party in accordance with the Patriot Act.

Section 9.22 **Integration. THIS AGREEMENT AND THE CREDIT DOCUMENTS, AS DEFINED IN THIS AGREEMENT, REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES WITH RESPECT TO THE SUBJECT MATTERS SET FORTH HEREIN AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.**

[Remainder of this page intentionally left blank. Signature pages follow.]

EXECUTED as of the date first above written.

BORROWER:

FORUM ENERGY TECHNOLOGIES, INC.

By: /s/ James W. Harris
Name: James W. Harris
Title: Senior Vice President, Chief Financial Officer and Secretary

ADMINISTRATIVE AGENT/LENDERS:

WELLS FARGO BANK,
NATIONAL ASSOCIATION
as Administrative Agent, Swing Line Lender,
Issuing Lender, and Lender

By: /s/ J.C. Hernandez
Name: J.C. Hernandez
Title: Vice President

JPMORGAN CHASE BANK, N.A.
as an Issuing Lender, a Lender and a Swing Line Lender

By: /s/ Thomas Okamoto
Name: Thomas Okamoto
Title: Vice President

BANK OF AMERICA, N.A.
as an Issuing Lender and a Lender

By: /s/ Julie Castano
Name: Julie Castano
Title: Vice President

CITIBANK, N.A.
as a Lender

By: /s/ John F. Miller
Name: John F. Miller
Title: Attorney-in-Fact

DEUTSCHE BANK TRUST COMPANY AMERICAS, as a Lender

By: /s/ Paul O'Leary
Name: Paul O'Leary
Title: Director

By: /s/ Evelyn Thierry
Name: Evelyn Thierry
Title: Director

AMEGY BANK NATIONAL ASSOCIATION
as a Lender and a Swing Line Lender

By: /s/ James Ross Canion
Name: James Ross Canion
Title: Assistant Vice President

HSBC BANK USA, N.A.
as a Lender

By: /s/ Dale Wilson
Name: Dale Wilson
Title: Senior Vice President

By: /s/ Anil Chandy
Name: Anil Chandy
Title: Assistant Vice President

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as a Lender

By: /s/ Mikhail Faybusovich
Name: Mikhail Faybusovich
Title: Vice President

By: /s/ Vipul Dhadda
Name: Vipul Dhadda
Title: Associate

EXHIBIT A
FORM OF ASSIGNMENT AND ACCEPTANCE

This Assignment and Acceptance (the "Assignment and Acceptance") is dated as of the Effective Date set forth below and is entered into by and between [the][each][1] Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each][2] Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees][3] hereunder are several and not joint.][4] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Acceptance as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including without limitation any letters of credit and guarantees included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Acceptance, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

_____

[1] For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

[2] For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

[3] Select as appropriate.

[4] Include bracketed language if there are either multiple Assignors or multiple Assignees.

2. Assignee[s]: _____

_____

[for each Assignee, indicate [Affiliate][Approved Fund] of [*identify Lender*]

3. Borrower: FORUM ENERGY TECHNOLOGIES, INC.

4. Administrative Agent: WELLS FARGO BANK, NATIONAL ASSOCIATION, as administrative agent under the Credit Agreement

5. Credit Agreement: Credit Agreement dated August 2, 2010 among Borrower, the Lenders party thereto from time to time, the Issuing Lenders, and Wells Fargo Bank, National Association, as a Swing Line Lender and as Administrative Agent.

6. Assigned Interest[s]:

Assignor[s]	Assignee[s]	Facility Assigned	Aggregate Amount of Commitments /Advances for all Lenders	Amount of Commitment / Advances Assigned[5]	Percentage Assigned of Commitment / Advances[6]	CUSIP Number
			$	$	%	
			$	$	%	
			$	$	%	

7. Trade Date: _____ [7]

Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

[5] Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

[6] Set forth, to at least 9 decimals, as a percentage of the Commitment / Advances of all Lenders thereunder.

[7] To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

The terms set forth in this Assignment and Acceptance are hereby agreed to:

ASSIGNOR[S][8]
[NAME OF ASSIGNOR]

By: _____
Name: _____
Title: _____

ASSIGNEE[S]
[NAME OF ASSIGNEE]

By: _____
Name: _____
Title: _____

[8] Add additional signature blocks as needed.

[Consented to and][9] Accepted:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Swing Line Lender, Issuing Lender and as Administrative Agent

By: _____
Name: _____
Title: _____

[Consented to:][10]

FORUM ENERGY TECHNOLOGIES, INC.

By: _____
Name: _____
Title: _____

[Consented to:] [11]

ISSUING LENDERS:

JPMORGAN CHASE BANK, N.A.,

By: _____
Name: _____
Title: _____

BANK OF AMERICA, N.A.,

By: _____
Name: _____
Title: _____

[9] To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.
[10] To be added only if the consent of the Borrower is required by the terms of the Credit Agreement.
[11] To be added only if the consent of the Issuing Lenders is required by the terms of the Credit Agreement.

AMEGY BANK NATIONAL ASSOCIATION,

By: _____
Name: _____
Title: _____

[ADDITIONAL ISSUING LENDER(S)]

By: _____
Name: _____
Title: _____

[Consented to:][12]

AMEGY BANK NATIONAL ASSOCIATION,
as Swing Line Lender

By: _____
Name: _____
Title: _____

[12] To be added only if the consent of the Swing Line Lenders is required by the terms of the Credit Agreement.

**STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ACCEPTANCE**

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Credit Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Documents or any collateral thereunder, (iii) the financial condition of the Borrower, its Subsidiaries or Affiliates or any other Person obligated in respect of any Credit Document or (iv) the performance or observance by the Borrower, its Subsidiaries or Affiliates or any other Person of any of its obligations under any Credit Document.

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 9.7 of the Credit Agreement (subject to such consents, if any, as may be required under Section 9.7 of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.2 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase [the][such] Assigned Interest, and (vii) if it is not incorporated under the laws of the United States of America or a state thereof, attached to the Assignment and Acceptance is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor[s] and the Assignee[s] shall make all appropriate adjustments in

by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

3. General Provisions. This Assignment and Acceptance shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Acceptance by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT B
FORM OF COMPLIANCE CERTIFICATE

FOR THE PERIOD FROM _____, 201__ TO _____, 201__

This certificate dated as of _____, _____ is prepared pursuant to the Credit Agreement dated as of August 2, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") among Forum Energy Technologies, Inc., a Delaware corporation ("Borrower"), the lenders party thereto from time to time (the "Lenders"), the Issuing Lenders (as defined in the Credit Agreement) and Wells Fargo Bank, National Association, as administrative agent for such Lenders (in such capacity, the "Administrative Agent") and as a swing line lender. Unless otherwise defined in this certificate, capitalized terms that are defined in the Credit Agreement shall have the meanings assigned to them by the Credit Agreement.

The undersigned, on behalf of the Borrower, certifies that:

(a) all of the representations and warranties made by any Credit Party or any officer of any Credit Party contained in the Credit Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as if made on this date, except that any representation and warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) only as of such specified date;

(b) attached hereto in Schedule A is a reasonably detailed spreadsheet reflecting the calculations of, as of the date and for the periods covered by this certificate, Balance Sheet Debt, Borrower's consolidated Total Capitalization, Funded Debt, Adjusted EBITDA, Borrower's consolidated EBITDA, Borrower's consolidated Interest Expense, Capital Expenditures expended by Borrower or any Restricted Subsidiary and Equity Funded Capital Expenditures;

[(c) no Default or Event of Default has occurred or is continuing as of the date hereof; and]

—or—

[(c) the following Default[s] or Event[s] of Default exist[s] as of the date hereof, if any, and the actions set forth below are being taken to remedy such circumstances:

_____; and]

(d) as of the date hereof for the periods set forth below the following statements, amounts, and calculations included herein and in Schedule A, were true and correct in all material respects:

I. Section 6.17 Total Capitalization Ratio.[13] :

(a) All Balance Sheet Debt as of the last day of such fiscal quarter $ _____

(b) Borrower's consolidated Total Capitalization as of the last day of such fiscal quarter $ _____

(c) Capitalization Ratio = (a) divided by (b) _____

Maximum Capitalization Ratio Covenant = 0.65 to 1.00

Compliance **Yes** **No**

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Compliance Certificate continues on following pages.]

[13] Calculated as of the last day of each fiscal quarter, commencing with the quarter ending September 30, 2010

[use this page for Compliance Certificate delivered for fiscal quarter ending September 30, 2010]

II. Section 6.18 Leverage Ratio for fiscal quarter ending September 30, 2010 -

(a)	Funded Debt as of the last day of such fiscal quarter	$ _____
(b)	Subject Companies' combined (but not duplicative) consolidated EBITDA* for the period from July 1, 2010 to the Effective Date	$ _____
(c)	Borrower's consolidated EBITDA* for the period from the Effective Date to September 30, 2010	$ _____
(d)	Subject Companies' combined (but not duplicative) consolidated EBITDA* for the three fiscal quarter period ended June 30, 2010	$ _____
(e)	Adjusted EBITDA* = (b) + (c) + (d) =	$ _____

Leverage Ratio = (a) to (e) = _____

Maximum Leverage Ratio 3.75 to 1.00

Compliance **Yes** **No**

III. Section 6.19 Interest Coverage Ratio for fiscal quarter ending September 30, 2010 -

(a)	Adjusted EBITDA *(See II.(e) above)* =	$ _____
(b)	Borrower's consolidated Interest Expense for such fiscal quarter multiplied by 4 =	$ _____

Interest Coverage Ratio =

(a) to (b) = _____

Minimum Interest Coverage Ratio 3.00 to 1.00

Compliance **Yes** **No**

[Remainder of this page intentionally left blank.
Compliance Certificate continues on following pages.]

* In accordance with the Credit Agreement, EBITDA shall be subject to pro forma adjustments for Acquisitions and Nonordinary Course Asset Sales assuming that such transactions had occurred on the first day of the determination period, which adjustments shall be made in accordance with the guidelines for pro forma presentations set forth by the SEC or in a manner otherwise reasonably acceptable to the Administrative Agent.

[use this page for Compliance Certificate delivered for fiscal quarter ending December 31, 2010]

II. Section 6.18 Leverage Ratio for fiscal quarter ending December 31, 2010 -

(a)	Funded Debt as of the last day of such fiscal quarter	$ _____
(b)	Subject Companies' combined (but not duplicative) consolidated EBITDA* for the period from July 1, 2010 to the Effective Date	$ _____
(c)	Borrower's consolidated EBITDA* for the period from the Effective Date to September 30, 2010	$ _____
(d)	Borrower's consolidated EBITDA* for the such fiscal quarter ending December 31, 2010	$ _____
(e)	Subject Companies' combined (but not duplicative) consolidated EBITDA* for the two fiscal quarter period ended June 30, 2010	$ _____
(f)	Adjusted EBITDA* = (b) + (c) + (d) + (e) =	$ _____

Leverage Ratio = (a) to (f) = _____

Maximum Leverage Ratio 3.75 to 1.00

Compliance **Yes** **No**

III. Section 6.19 Interest Coverage Ratio for fiscal quarter ending December 31, 2010 -

(a)	Adjusted EBITDA *(See II.(f) above)* =	$ _____
(b)	Borrower's consolidated Interest Expense for the two fiscal quarter period then ended multiplied by 2 =	$ _____

Interest Coverage Ratio =

(a) to (b) = _____

Minimum Interest Coverage Ratio 3.00 to 1.00

Compliance **Yes** **No**

[Remainder of this page intentionally left blank.
Compliance Certificate continues on following pages.]

* In accordance with the Credit Agreement, EBITDA shall be subject to pro forma adjustments for Acquisitions and Nonordinary Course Asset Sales assuming that such transactions had occurred on the first day of the determination period, which adjustments shall be made in accordance with the guidelines for pro forma presentations set forth by the SEC or in a manner otherwise reasonably acceptable to the Administrative Agent.

[use this page for Compliance Certificate delivered for fiscal quarter ending March 31, 2011]

II. Section 6.18 Leverage Ratio for fiscal quarter ending March 31, 2011 -

(a)	Funded Debt as of the last day of such fiscal quarter	$ _____
(b)	Subject Companies' combined (but not duplicative) consolidated EBITDA* for the period from July 1, 2010 to the Effective Date	$ _____
(c)	Borrower's consolidated EBITDA* for the period from the Effective Date to September 30, 2010	$ _____
(d)	Borrower's consolidated EBITDA* for the two fiscal quarter period ending March 31, 2011	$ _____
(e)	Subject Companies' combined (but not duplicative) consolidated EBITDA* for the fiscal quarter ended June 30, 2010	$ _____
(f)	Adjusted EBITDA* = (b) + (c) + (d) + (e) =	$ _____
	Leverage Ratio = (a) to (f) =	_____
	Maximum Leverage Ratio	3.75 to 1.00
	Compliance	**Yes** **No**

III. Section 6.19 Interest Coverage Ratio for fiscal quarter ending March 31, 2011 -

(a)	Adjusted EBITDA *(See II.(f) above)* =	$ _____
(b)	Borrower's consolidated Interest Expense for the three fiscal quarter period then ended multiplied by 4/3 =	$ _____
	Interest Coverage Ratio =	
	(a) to (b) = _____	
	Minimum Interest Coverage Ratio	3.00 to 1.00
	Compliance	**Yes** **No**

[Remainder of this page intentionally left blank.
Compliance Certificate continues on following pages.]

* In accordance with the Credit Agreement, EBITDA shall be subject to pro forma adjustments for Acquisitions and Nonordinary Course Asset Sales assuming that such transactions had occurred on the first day of the determination period, which adjustments shall be made in accordance with the guidelines for pro forma presentations set forth by the SEC or in a manner otherwise reasonably acceptable to the Administrative Agent.

[use this page for Compliance Certificate delivered for fiscal quarter ending June 30, 2011]

II. Section 6.18 Leverage Ratio for fiscal quarter ending June 30, 2011 -

(a)	Funded Debt as of the last day of such fiscal quarter	$ _____
(b)	Subject Companies' combined (but not duplicative) consolidated EBITDA* for the period from July 1, 2010 to the Effective Date	$ _____
(c)	Borrower's consolidated EBITDA* for the period from the Effective Date to September 30, 2010	$ _____
(d)	Borrower's consolidated EBITDA* for the three fiscal quarter period ending June 30, 2011	$ _____
(e)	Adjusted EBITDA* = (b) + (c) + (d) =	$ _____
	Leverage Ratio = (a) to (e) =	_____
	Maximum Leverage Ratio	3.75 to 1.00
	Compliance	**Yes** **No**

III. Section 6.19 Interest Coverage Ratio for fiscal quarter ending June 30, 2011 -

(a)	Adjusted EBITDA *(See II.(e) above)* =	$ _____
(b)	Borrower's consolidated Interest Expense for the four fiscal quarter period then ended =	$ _____
	Interest Coverage Ratio =	
	(a) to (b) = _____	
	Minimum Interest Coverage Ratio	3.00 to 1.00
	Compliance	**Yes** **No**

[Remainder of this page intentionally left blank.
Compliance Certificate continues on following pages.]

* In accordance with the Credit Agreement, EBITDA shall be subject to pro forma adjustments for Acquisitions and Nonordinary Course Asset Sales assuming that such transactions had occurred on the first day of the determination period, which adjustments shall be made in accordance with the guidelines for pro forma presentations set forth by the SEC or in a manner otherwise reasonably acceptable to the Administrative Agent.

[use this page for Compliance Certificate delivered for fiscal quarters ending on or after September 30, 2011]

II. Section 6.18 Leverage Ratio for fiscal quarter ending on or after September 30, 2011 -

(a)	Funded Debt as of the last day of such fiscal quarter	$ _____
(b)	Borrower's consolidated EBITDA* for the four fiscal quarter period then ended	$ _____
	Leverage Ratio = (a) to (b) =	_____
	Maximum Leverage Ratio	[3.50 to 1.00][3.25 to 1.00] [3.00 to 1.00]**
	Compliance	**Yes** **No**

III. Section 6.19 Interest Coverage Ratio for fiscal quarter ending on or after September 30, 2011 -

(a)	EBITDA *(See II.(b) above)* =	$ _____
(b)	Borrower's consolidated Interest Expense for the four fiscal quarter period then ended =	$ _____
	Interest Coverage Ratio =	
	(a) to (b) = _____	
	Minimum Interest Coverage Ratio	3.00 to 1.00
	Compliance	**Yes** **No**

[Remainder of this page intentionally left blank.
Compliance Certificate continues on following pages.]

* In accordance with the Credit Agreement, EBITDA shall be subject to pro forma adjustments for Acquisitions and Nonordinary Course Asset Sales assuming that such transactions had occurred on the first day of the determination period, which adjustments shall be made in accordance with the guidelines for pro forma presentations set forth by the SEC or in a manner otherwise reasonably acceptable to the Administrative Agent.

** Use (a) 3.50 to 1.00 for each fiscal quarter ending on or after September 30, 2011 but on or prior to June 30, 2012, (b) 3.25 to 1.00 for each fiscal quarter ending after June 30, 2012 but on or prior to June 30, 2013 and (c) 3.00 to 1.00 for each fiscal quarter ending after June 30, 2013.

V. Section 6.20 Capital Expenditures:***

(a)	Capital Expenditures expended by the Borrower or any Restricted Subsidiary for the fiscal year ended immediately prior to the date hereof**** =	$	_____
(b)	Equity Funded Capital Expenditures for the fiscal year ended immediately prior to the date hereof =	$	_____
(c)	Borrower's consolidated EBITDA* for the fiscal year ended immediately prior to the date hereof**** =	$	_____
(d)	50% of IV(c) =	$	_____
	Capital Expenditure Covenant:	[(a) – (b)] £ (d)	
	Compliance	**Yes** **No**	

IN WITNESS THEREOF, I have hereto signed my name to this Compliance Certificate as of _____, _____.

FORUM ENERGY TECHNOLOGIES, INC.

By: _____
Name: _____
Title: _____

*** Only calculated for the compliance certificate delivered with the year end financials.

**** With respect to any Restricted Subsidiary acquired during the fiscal year, calculated for the portion of such fiscal year that such Restricted Subsidiary was a Restricted Subsidiary.

* In accordance with the Credit Agreement, EBITDA shall be subject to pro forma adjustments for Acquisitions and Nonordinary Course Asset Sales assuming that such transactions had occurred on the first day of the determination period, which adjustments shall be made in accordance with the guidelines for pro forma presentations set forth by the SEC or in a manner otherwise reasonably acceptable to the Administrative Agent.

EXHIBIT C
FORM OF GUARANTY AGREEMENT

This Guaranty Agreement dated as of August 2, 2010 (as amended, supplemented, amended and restated or otherwise modified from time to time, this "Guaranty") is executed by each of the undersigned (individually a "Guarantor" and collectively, the "Guarantors"), in favor of Wells Fargo Bank, National Association, as Administrative Agent (as defined below) for the ratable benefit of the Secured Parties (as defined in the Credit Agreement referred to herein).

INTRODUCTION

A. This Guaranty is given in connection with that certain Credit Agreement dated as of August 2, 2010 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Credit Agreement"), by and among Forum Energy Technologies, Inc., a Delaware corporation (the "Borrower"), the lenders party thereto from time to time, (the "Lenders"), the Issuing Lenders (as defined in the Credit Agreement) and Wells Fargo Bank, National Association, as the administrative agent (in such capacity, the "Administrative Agent") and as a swing line lender (in such capacity and together with such other swing line lender named therein, collectively, the "Swing Line Lenders").

B. Each Guarantor is a Wholly-Owned Domestic Restricted Subsidiary (as defined in the Credit Agreement) of the Borrower and (i) the transactions contemplated by the Credit Agreement and the other Credit Documents (as defined in the Credit Agreement), (ii) the Hedging Arrangements (as defined in the Credit Agreement) entered into by any Restricted Entity with a Swap Counterparty (as defined in the Credit Agreement, and (iii) the Banking Services provided by any Lender or any Affiliate of a Lender to any Restricted Entity, each are (a) in furtherance of such Wholly-Owned Domestic Restricted Subsidiary's corporate purposes, (b) necessary or convenient to the conduct, promotion or attainment of such Wholly-Owned Domestic Restricted Subsidiary's business, and (c) for such Wholly-Owned Domestic Restricted Subsidiary's direct or indirect benefit.

C. The Borrower is a party to this Guaranty in order to guarantee the Secured Obligations (as defined in the Credit Agreement) to the extent that the Secured Obligations were directly incurred by a Credit Party other than the Borrower.

Each Guarantor is executing and delivering this Guaranty (i) to induce the Lenders to provide and to continue to provide Advances under the Credit Agreement, (ii) to induce the Issuing Lenders to provide and to continue to provide Letters of Credit under the Credit Agreement, and (iii) intending it to be a legal, valid, binding, enforceable and continuing obligation of such Guarantor.

NOW, THEREFORE, in consideration of the premises, each Guarantor hereby agrees as follows:

Section 1. Definitions. All capitalized terms not otherwise defined in this Guaranty that are defined in the Credit Agreement shall have the meanings assigned to such terms by the Credit Agreement.

Section 2. Guaranty.

(a) Each Guarantor hereby absolutely, unconditionally and irrevocably guarantees the punctual payment and performance, when due, whether at stated maturity, by acceleration or otherwise, of all Secured Obligations, whether absolute or contingent and whether for principal, interest (including, without limitation, interest that but for the existence of a bankruptcy, reorganization or similar proceeding would accrue), fees, amounts owing in respect of Letter of Credit Obligations, amounts required to be provided as collateral, indemnities, expenses or otherwise (collectively, the "Guaranteed

Obligations"). Without limiting the generality of the foregoing, each Guarantor's liability shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by the Borrower or any Wholly-Owned Domestic Restricted Subsidiary of the Borrower to the Administrative Agent, the Issuing Lenders, the Swing Line Lenders or any Lender under the Credit Documents and by the Borrower or any Wholly-Owned Domestic Restricted Subsidiary of the Borrower to the Swap Counterparty but for the fact that they are unenforceable or not allowable due to insolvency or the existence of a bankruptcy, reorganization or similar proceeding involving the Borrower or any Wholly-Owned Domestic Restricted Subsidiary of the Borrower.

(b) In order to provide for just and equitable contribution among the Guarantors, the Guarantors agree that in the event a payment shall be made on any date under this Guaranty by any Guarantor (the "Funding Guarantor"), each other Guarantor (each a "Contributing Guarantor") shall indemnify the Funding Guarantor in an amount equal to the amount of such payment, in each case multiplied by a fraction the numerator of which shall be the net worth of the Contributing Guarantor as of such date and the denominator of which shall be the aggregate net worth of all the Contributing Guarantors together with the net worth of the Funding Guarantor as of such date. Any Contributing Guarantor making any payment to a Funding Guarantor pursuant to this Section 2(b) shall be subrogated to the rights of such Funding Guarantor to the extent of such payment.

(c) Anything contained in this Guaranty to the contrary notwithstanding, the obligations of each Guarantor under this Guaranty on any date shall be limited to a maximum aggregate amount equal to the largest amount that would not, on such date, render its obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of the Bankruptcy Code of the United States or any applicable provisions of comparable laws relating to bankruptcy, insolvency, or reorganization, or relief of debtors (collectively, the "Fraudulent Transfer Laws"), but only to the extent that any Fraudulent Transfer Law has been found in a final non-appealable judgment of a court of competent jurisdiction to be applicable to such obligations as of such date, in each case:

(i) after giving effect to all liabilities of such Guarantor, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws, but specifically excluding:

(A) any liabilities of such Guarantor in respect of intercompany indebtedness to the Borrower or other affiliates of the Borrower to the extent that such indebtedness would be discharged in an amount equal to the amount paid by such Guarantor hereunder;

(B) any liabilities of such Guarantor under this Guaranty; and

(C) any liabilities of such Guarantor under each of its other guarantees of and joint and several co-borrowings of Debt, in each case entered into on the date this Guaranty becomes effective, which contain a limitation as to maximum amount substantially similar to that set forth in this Section 2(c) (each such other guarantee and joint and several co-borrowing entered into on the date this Guaranty becomes effective, a "Competing Guaranty") to the extent such Guarantor's liabilities under such Competing Guaranty exceed an amount equal to (1) the aggregate principal amount of such Guarantor's obligations under such Competing Guaranty (notwithstanding the operation of that limitation contained in such Competing Guaranty that is substantially similar to this Section 2(c)), multiplied by (2) a fraction (i) the numerator of which is the aggregate principal amount of such Guarantor's obligations under such Competing Guaranty (notwithstanding the operation of that limitation contained in such Competing Guaranty that is substantially similar to this Section 2(c)), and (ii) the denominator of which is the

sum of (x) the aggregate principal amount of the obligations of such Guarantor under all other Competing Guaranties (notwithstanding the operation of those limitations contained in such other Competing Guaranties that are substantially similar to this Section 2(c)), (y) the aggregate principal amount of the obligations of such Guarantor under this Guaranty (notwithstanding the operation of this Section 2(c)), and (z) the aggregate principal amount of the obligations of such Guarantor under such Competing Guaranty (notwithstanding the operation of that limitation contained in such Competing Guaranty that is substantially similar to this Section 2(c)); and

(d) (ii) after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation, reimbursement, indemnification or contribution of such Guarantor pursuant to applicable law or pursuant to the terms of any agreement (including any such right of contribution under Section 2(b)).

Section 3. Guaranty Absolute. Until the date that all Guaranteed Obligations have been paid in full in cash, all Letters of Credit have been terminated or expired (or been cash collateralized to the reasonable satisfaction of the respective Issuing Lender), all Hedging Arrangements with Swap Counterparties have been terminated or novated to a counterparty that is not a Secured Party, and all Commitments shall have terminated (such date being the "Termination Date"), each Guarantor guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of the Credit Documents, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Administrative Agent, the Issuing Lenders, the Swing Line Lenders, any Lender, any Banking Service Provider or any Swap Counterparty with respect thereto but subject to Section 2(b) above. The obligations of each Guarantor under this Guaranty are independent of the Guaranteed Obligations or any other obligations of any other Person under the Credit Documents or in connection with any Hedging Arrangement, and a separate action or actions may be brought and prosecuted against a Guarantor to enforce this Guaranty, irrespective of whether any action is brought against any Guarantor or any other Person or whether any Guarantor or any other Person is joined in any such action or actions. The liability of each Guarantor under this Guaranty shall be irrevocable, absolute and unconditional irrespective of, and each Guarantor, to the extent not prohibited by applicable law, hereby irrevocably waives any defenses it may now or hereafter have in any way relating to, any or all of the following:

(a) any lack of validity or enforceability of any Credit Document or any agreement or instrument relating thereto or any part of the Guaranteed Obligations being irrecoverable;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations or any other obligations of any Person under the Credit Documents or any agreement or instrument relating to Hedging Arrangements with a Swap Counterparty, or any other amendment or waiver of or any consent to departure from any Credit Document or any agreement or instrument relating to Hedging Arrangements with a Swap Counterparty, including, without limitation, any increase in the Guaranteed Obligations resulting from the extension of additional credit to the Borrower or otherwise;

(c) any taking, exchange, release or non-perfection of any Collateral, or any taking, release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;

(d) any manner of application of Collateral, or proceeds thereof, to all or any of the Guaranteed Obligations, or any manner of sale or other disposition of any Collateral for all or any of the

Guaranteed Obligations or any other obligations of any other Person under the Credit Documents or any other assets of any Guarantor;

(e) any change, restructuring or termination of the corporate structure or existence of any Guarantor;

(f) any failure of any Lender, the Administrative Agent, the Issuing Lenders, the Swing Line Lenders or any other Secured Party to disclose to any Guarantor any information relating to the business, condition (financial or otherwise), operations, properties or prospects of any Person now or in the future known to the Administrative Agent, the Issuing Lenders, the Swing Line Lenders, any Lender or any other Secured Party (and each Guarantor hereby irrevocably waives any duty on the part of any Secured Party to disclose such information);

(g) any signature of any officer of any Guarantor being mechanically reproduced in facsimile or otherwise; or

(h) any other circumstance or any existence of or reliance on any representation by any Secured Party that might otherwise constitute a defense available to, or a discharge of, any Guarantor or any other guarantor, surety or other Person.

Section 4. Continuation and Reinstatement, Etc. Each Guarantor agrees that, to the extent that payments of any of the Guaranteed Obligations are made, or any Secured Party receives any proceeds of Collateral, and such payments or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, or otherwise required to be repaid, then to the extent of such repayment the Guaranteed Obligations shall be reinstated and continued in full force and effect as of the date such initial payment or collection of proceeds occurred. **EACH GUARANTOR SHALL DEFEND AND INDEMNIFY EACH SECURED PARTY FROM AND AGAINST ANY CLAIM, DAMAGE, LOSS, LIABILITY, COST, OR EXPENSE UNDER THIS SECTION 4 (INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES) IN THE DEFENSE OF ANY SUCH ACTION OR SUIT, INCLUDING SUCH CLAIM, DAMAGE, LOSS, LIABILITY, COST, OR EXPENSE ARISING AS A RESULT OF THE INDEMNIFIED SECURED PARTY'S OWN NEGLIGENCE BUT EXCLUDING SUCH CLAIM, DAMAGE, LOSS, LIABILITY, COST, OR EXPENSE THAT IS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH INDEMNIFIED SECURED PARTY'S GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT; PROVIDED, HOWEVER, THAT IT IS THE INTENTION OF THE PARTIES HERETO THAT EACH INDEMNIFIED SECURED PARTY BE INDEMNIFIED IN THE CASE OF ITS OWN NEGLIGENCE (OTHER THAN GROSS NEGLIGENCE), REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE OR CONTRIBUTORY, ACTIVE OR PASSIVE, IMPUTED, JOINT OR TECHNICAL.**

Section 5. Waivers and Acknowledgments.

(a) Each Guarantor, to the extent not prohibited by applicable law, hereby waives promptness, diligence, presentment, notice of acceptance and any other notice with respect to any of the Guaranteed Obligations and this Guaranty and any requirement that any Secured Party protect, secure, perfect or insure any Lien or any property or exhaust any right or take any action against the Borrower or any other Person or any collateral.

(b) Each Guarantor, to the extent not prohibited by applicable law, hereby irrevocably waives any right to revoke this Guaranty, and acknowledges that this Guaranty is continuing in nature and applies to all Guaranteed Obligations, whether existing now or in the future.

(c) Each Guarantor acknowledges that it will receive substantial direct and indirect benefits from (i) the financing arrangements involving any Guarantor contemplated by the Credit Documents, (ii) the Hedging Arrangements entered into by a Restricted Entity with a Swap Counterparty, and (iii) the Bank Services provided to any Restricted Entity, and that the waivers set forth in this Guaranty are knowingly made in contemplation of such benefits.

Section 6. Subrogation and Subordination.

(a) No Guarantor will exercise any rights that it may now have or hereafter acquire against any Restricted Entity to the extent that such rights arise from the existence, payment, performance or enforcement of such Guarantor's obligations under this Guaranty or any other Credit Document, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of any Secured Party against any Restricted Entity, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Restricted Entity, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right, until after the Termination Date. If any amount shall be paid to a Guarantor in violation of the preceding sentence at any time prior to or on the Termination Date, such amount shall be held in trust for the benefit of the Secured Parties and shall forthwith be paid to the Administrative Agent to be credited and applied to the Guaranteed Obligations and any and all other amounts payable by the Guarantors under this Guaranty, whether matured or unmatured, in accordance with the terms of the Credit Documents.

(b) Each Guarantor agrees that all Subordinated Guarantor Obligations (as hereinafter defined) are and shall be subordinate and inferior in rank, preference and priority to all obligations of such Guarantor in respect of the Guaranteed Obligations hereunder, and such Guarantor shall, if requested by the Administrative Agent, execute a subordination agreement reasonably satisfactory to the Administrative Agent to more fully set out the terms of such subordination. Each Guarantor agrees that none of the Subordinated Guarantor Obligations shall be secured by a lien or security interest on any assets of such Guarantor or any ownership interests in any Subsidiary of such Guarantor. "Subordinated Guarantor Obligations" means any and all obligations and liabilities of a Guarantor owing to any other Guarantor, direct or contingent, due or to become due, now existing or hereafter arising, including, without limitation, all future advances, with interest, attorneys' fees, expenses of collection and costs.

Section 7. Representations and Warranties. Each Guarantor hereby represents and warrants as follows:

(a) There are no conditions precedent to the effectiveness of this Guaranty. Such Guarantor benefits from executing this Guaranty.

(b) Such Guarantor has, independently and without reliance upon the Administrative Agent or any Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Guaranty, and such Guarantor has established adequate means of obtaining from each Restricted Entity on a continuing basis information pertaining to,

and is now and on a continuing basis will be completely familiar with, the business, condition (financial and otherwise), operations, properties and prospects of each Restricted Entity.

(c) The obligations of such Guarantor under this Guaranty are the valid, binding and legally enforceable obligations of such Guarantor, (except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws at the time in effect affecting the rights of creditors generally and (ii) general principles of equity whether applied by a court of law or equity), and the execution and delivery of this Guaranty by such Guarantor has been duly and validly authorized in all respects by all requisite corporate, limited liability company or partnership actions on the part of such Guarantor, and the Person who is executing and delivering this Guaranty on behalf of such Guarantor has full power, authority and legal right to so do, and to observe and perform all of the terms and conditions of this Guaranty on such Guarantor's part to be observed or performed.

Section 8. Right of Set-Off. Upon the occurrence and during the continuance of any Event of Default, any Lender or the Administrative Agent, the Issuing Lenders, the Swing Line Lenders and any other Secured Party is hereby authorized at any time, to the fullest extent permitted by law, to set-off and apply any deposits (general or special, time or demand, provisional or final) and other indebtedness owing by such Secured Party to the account of each Guarantor against any and all of the obligations of the Guarantors under this Guaranty, irrespective of whether or not such Secured Party shall have made any demand under this Guaranty and although such obligations may be contingent and unmatured. Such Secured Party shall promptly notify the affected Guarantor after any such set-off and application is made, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Secured Parties under this Section 8 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which any Secured Party may have.

Section 9. Amendments, Etc. No amendment or waiver of any provision of this Guaranty and no consent to any departure by any Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by the affected Guarantor and the Administrative Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 10. Notices, Etc. All notices and other communications provided for hereunder shall be sent in the manner provided for in Section 9.9 of the Credit Agreement, in writing and hand delivered with written receipt, telecopied, sent by facsimile, sent by a nationally recognized overnight courier, or sent by certified mail, return receipt requested, if to a Guarantor, at its address for notices specified in Schedule II to the Security Agreement, and if to the Administrative Agent, the Issuing Lenders or any Lender, at its address specified in or pursuant to the Credit Agreement. All such notices and communications shall be effective when delivered.

Section 11. No Waiver: Remedies. No failure on the part of the Administrative Agent or any other Secured Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 12. Continuing Guaranty: Assignments under the Credit Agreement. This Guaranty is a continuing guaranty and shall (a) remain in full force and effect until the Termination Date, (b) be binding upon each Guarantor and its successors and assigns, (c) inure to the benefit of and be enforceable by the Administrative Agent, each Lender, the Issuing Lenders, and the Swing Line Lenders and their respective successors, and, in the case of transfers and assignments made in accordance with the Credit Agreement, transferees and assigns, and (d) inure to the benefit of and be enforceable by a Swap

Counterparty and each of its successors, transferees and assigns to the extent such successor, transferee or assign is a Lender or an Affiliate of a Lender. Without limiting the generality of the foregoing clause (c), subject to Section 9.7 of the Credit Agreement, any Lender may assign or otherwise transfer all or any portion of its rights and obligations under the Credit Agreement (including, without limitation, all or any portion of its Commitment, the Advances owing to it and the Note or Notes held by it) to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise, subject, however, in all respects to the provisions of the Credit Agreement. Each Guarantor acknowledges that upon any Person becoming a Lender, the Administrative Agent, the Issuing Lenders or the Swing Line Lenders in accordance with the Credit Agreement, such Person shall be entitled to the benefits hereof.

Section 13. Governing Law. This Guaranty shall be deemed a contract under, and shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, applicable to contracts made and to be performed entirely within such state, including without regard to conflicts of laws principles.

Section 14. Submission to Jurisdiction. EACH GUARANTOR PARTY TO THIS GUARANTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE GUARANTORS PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE GUARANTORS PARTY HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS GUARANTY SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS GUARANTY AGAINST ANY OTHER PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

Section 15. Waiver of Venue. EACH GUARANTOR PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY IN ANY COURT REFERRED TO IN SECTION 13. EACH OF THE PARTIES HERETO HEREBY AGREES THAT SECTIONS 5-1401 AND 4-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK SHALL APPLY TO THIS GUARANTY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

Section 16. Service of Process. Each Guarantor party hereto irrevocably consents to service of process in the manner provided for notices in Section 9.9 of the Credit Agreement. Nothing in this Guaranty will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

Section 17. Waiver of Jury. EACH GUARANTOR PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH GUARANTOR PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 18. **INDEMNIFICATION**. **EACH GUARANTOR HEREBY INDEMNIFIES AND HOLDS HARMLESS THE ADMINISTRATIVE AGENT, EACH SECURED PARTY AND EACH OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS (THE "INDEMNITEES") FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, LIABILITIES, COSTS, AND EXPENSES OF ANY KIND OR NATURE WHATSOEVER TO WHICH ANY OF THEM MAY BECOME SUBJECT RELATING TO OR ARISING OUT OF THIS GUARANTY, INCLUDING SUCH INDEMNITEE'S OWN NEGLIGENCE, EXCEPT TO THE EXTENT SUCH CLAIMS, LOSSES OR LIABILITIES ARE FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH INDEMNITEE'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.**

Section 19. Additional Guarantors. Pursuant to Section 5.8 of the Credit Agreement, Wholly-Owned Domestic Restricted Subsidiaries of the Borrower that were not in existence on the date of the Credit Agreement are required to enter into this Guaranty as a Guarantor within 14 days after becoming a Wholly-Owned Domestic Restricted Subsidiary. Upon execution and delivery after the date hereof by the Administrative Agent and such Wholly-Owned Domestic Restricted Subsidiary of an instrument in the form of Annex 1, such Wholly-Owned Domestic Restricted Subsidiary shall become a Guarantor hereunder with the same force and effect as if originally named as a Guarantor herein. The execution and delivery of any instrument adding an additional Guarantor as a party to this Guaranty shall not require the consent of any other Guarantor hereunder. The rights and obligations of each Guarantor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor as a party to this Guaranty.

Section 20. USA Patriot Act. Each Secured Party that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any other Secured Party) hereby notifies each Guarantor that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001))(the "Act"), it is required to obtain, verify and record information that identifies such Guarantor, which information includes the name and address of such Guarantor and other information that will allow such Secured Party or the Administrative Agent, as applicable, to identify such Guarantor in accordance with the Act. Following a request by any Secured Party, each Guarantor shall promptly furnish all documentation and other information that such Secured Party reasonably requests in order to comply with its ingoing obligations under the applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

Section 21. **NOTICE OF FINAL AGREEMENT. PURSUANT TO SECTION 26.02 OF THE TEXAS BUSINESS AND COMMERCE CODE, AN AGREEMENT IN WHICH THE AMOUNT INVOLVED IN AGREEMENT EXCEEDS $50,000 IN VALUE IS NOT**

ENFORCEABLE UNLESS THE AGREEMENT IS IN WRITING AND SIGNED BY THE PARTY TO BE BOUND OR THAT PARTY'S AUTHORIZED REPRESENTATIVE.

THIS GUARANTY AND THE CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

[Remainder of this page intentionally left blank.]

The Administrative Agent and each Guarantor has caused this Guaranty to be duly executed as of the date first above written.

GUARANTORS:

[_____]

By: _____
Name: _____
Title: _____

FORUM ENERGY TECHNOLOGIES, INC.

By: _____
Name: _____
Title: _____

ADMINISTRATIVE AGENT:
WELLS FARGO BANK,
NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

SUPPLEMENT NO. ____ dated as of _____ (the "*Supplement*"), to the Guaranty Agreement dated as of August 2, 2010 (as amended, supplemented or otherwise modified from time to time, the "*Guaranty Agreement*"), among Forum Energy Technologies, Inc., a Delaware corporation (the "*Borrower*"), each Wholly-Owned Domestic Restricted Subsidiary of Borrower party thereto (together with Borrower, individually, a "*Guarantor*" and collectively, the "*Guarantors*") and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent (the "*Administrative Agent*") for the benefit of the Secured Parties (as defined in the Credit Agreement referred to herein).

A. Reference is made to the Credit Agreement dated as of August 2, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among the Borrower, the lenders from time to time party thereto (the "*Lenders*"), the Issuing Lenders (as defined in the Credit Agreement), and Wells Fargo Bank, N.A., as Administrative Agent and as a swing line lender.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Guaranty Agreement and the Credit Agreement.

C. The Guarantors have entered into the Guaranty Agreement in order to induce the Lenders to make Advances and the Issuing Lenders to issue Letters of Credit. Section 18 of the Guaranty Agreement provides that additional Wholly-Owned Domestic Restricted Subsidiaries of the Borrower may become Guarantors under the Guaranty Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Wholly-Owned Domestic Restricted Subsidiary of the Borrower (the "*New Guarantor*") is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Guarantor under the Guaranty Agreement in order to induce the Lenders to make additional Advances and the Issuing Lenders to issue additional Letters of Credit and as consideration for Advances previously made and Letters of Credit previously issued.

Accordingly, the Administrative Agent and the New Guarantor agree as follows:

SECTION 1. In accordance with Section 18 of the Guaranty Agreement, the New Guarantor by its signature below becomes a Guarantor under the Guaranty Agreement with the same force and effect as if originally named therein as a Guarantor and the New Guarantor hereby (a) agrees to all the terms and provisions of the Guaranty Agreement applicable to it as a Guarantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Guarantor thereunder are true and correct in all material respects on and as of the date hereof. Each reference to a "Guarantor" in the Guaranty Agreement shall be deemed to include the New Guarantor. The Guaranty Agreement is hereby incorporated herein by reference.

SECTION 2. The New Guarantor represents and warrants to the Administrative Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it by all requisite corporate, limited liability company or partnership action and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

SECTION 3. This Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Administrative Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of the New Guarantor and the Administrative Agent.

Delivery of an executed signature page to this Supplement by fax transmission shall be as effective as delivery of a manually executed counterpart of this Supplement.

SECTION 4. Except as expressly supplemented hereby, the Guaranty Agreement shall remain in full force and effect.

SECTION 5. Governing Law. This Supplement shall be deemed a contract under, and shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, applicable to contracts made and to be performed entirely within such state, including without regard to conflicts of laws principles.

SECTION 6. Submission to Jurisdiction. NEW GUARANTOR IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND NEW GUARANTOR IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. NEW GUARANTOR AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS SUPPLEMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS SUPPLEMENT AGAINST ANY OTHER PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

SECTION 7. Waiver of Venue. NEW GUARANTOR IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENT IN ANY COURT REFERRED TO IN SECTION 8. NEW GUARANTOR HEREBY AGREES THAT SECTIONS 5-1401 AND 4-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK SHALL APPLY TO THIS SUPPLEMENT AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

SECTION 8. Service of Process. New Guarantor irrevocably consents to service of process in the manner provided for notices in Section 9.9 of the Credit Agreement. Nothing in this Supplement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

SECTION 9. Waiver of Jury. NEW GUARANTOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS SUPPLEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). NEW GUARANTOR (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER

PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS SUPPLEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 10. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Guaranty Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision hereof in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 11. All communications and notices hereunder shall be in writing and given as provided in Section 10 of the Guaranty Agreement.

THIS SUPPLEMENT, THE GUARANTY AGREEMENT AND THE OTHER CREDIT DOCUMENTS, AS DEFINED IN THE CREDIT AGREEMENT REFERRED TO IN THIS SUPPLEMENT, REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES HERETO.

IN WITNESS WHEREOF, the New Guarantor and the Administrative Agent have duly executed this Supplement to the Guaranty Agreement as of the day and year first above written.

[Name of New Guarantor]

By: _____
Name: _____
Title: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent

By: _____
Name: _____
Title: _____

EXHIBIT D
FORM OF NOTICE OF BORROWING

[Date]

Wells Fargo Bank, National Association, as Administrative Agent
1525 W WT Harris Blvd.
Mail Code NC0680
Charlotte, North Carolina 28262
Attn: Syndication/Agency Services
Telephone: (704) 590-2760
Facsimile: (704) 590-2790

With a copy to:

Wells Fargo Bank, National Association
1000 Louisiana, 9th Floor, MAC T5002-090
Houston, Texas 77002
Attn: J.C. Hernandez
Telephone: 713-319-1913
Facsimile: 713-739-1087

Ladies and Gentlemen:

The undersigned, Forum Energy Technologies, Inc., a Delaware corporation ("Borrower"), (**a**) refers to the Credit Agreement dated as of August 2, 2010 (as amended, restated or otherwise modified from time-to-time, the "Credit Agreement"; the defined terms of which are used in this Notice of Borrowing unless otherwise defined in this Notice of Borrowing) among the Borrower, the lenders party thereto from time to time (the "Lenders"), the Issuing Lenders, and Wells Fargo Bank, N.A., as administrative agent and as a Swing Line Lender, and (b) certifies that it is authorized to execute and deliver this Notice of Borrowing.

The Borrower hereby gives you irrevocable notice pursuant to Section 2.4(a) of the Credit Agreement that the undersigned hereby requests a [Revolving][Swing Line] Borrowing (the "Proposed Borrowing"), and in connection with that request sets forth below the information relating to the Proposed Borrowing as required by the Credit Agreement:

(a) The Business Day of the Proposed Borrowing is _____, _____.

(b) The Proposed Borrowing will be composed of [Base Rate Advances] [Eurodollar Rate Advances] [Swing Line Advances].

(c) The aggregate amount of the Proposed Borrowing is $_____.

(d) [The Interest Period for each Eurodollar Rate Advance made as part of the Proposed Borrowing is [_____ month[s]].]

The Borrower hereby further certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(a) the representations and warranties made by any Credit Party or any officer of any Credit Party contained in the Credit Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date of the Proposed Borrowing as though made on and as of such date (except that any representation and warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) only as of such specified date); and

(b) no Default has occurred and is continuing or would result from the Proposed Borrowing or from the application of the proceeds therefrom.

Very truly yours,

FORUM ENERGY TECHNOLOGIES, INC.
a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT E
FORM OF NOTICE OF CONTINUATION OR CONVERSION

_____ ____, 201__

Wells Fargo Bank, National Association, as Administrative Agent
1525 W WT Harris Blvd
Mail Code NC0680
Charlotte, North Carolina 28262
Attn: Syndication/Agency Services
Telephone: (704) 590-2760
Facsimile: (704) 590-2790

With a copy to:

Wells Fargo Bank, National Association
1000 Louisiana, 9th Floor, MAC T5002-090
Houston, Texas 77002
Attn: J.C. Hernandez
Telephone: 713-319-1913
Facsimile: 713-739-1087

Ladies and Gentlemen:

The undersigned, Forum Energy Technologies, Inc., a Delaware corporation (the "Borrower"), refers to the Credit Agreement dated as of August 2, 2010 (as the same may be amended, restated, supplement or otherwise modified from time-to-time, the "Credit Agreement", the defined terms of which are used in this Notice of Conversion or Continuation as defined therein unless otherwise defined in this Notice of Conversion or Continuation) by and among the Borrower, the lenders party thereto ("Lenders"), the Issuing Lenders, and Wells Fargo Bank, National Association, as administrative agent ("Administrative Agent") for the Lenders and as a Swing Line Lender, and hereby gives you irrevocable notice pursuant to Section 2.4(b) of the Credit Agreement that the undersigned hereby requests a [Conversion] [Continuation] of outstanding Revolving Advances, and in connection with that request sets forth below the information relating to such [Conversion/Continuation] (the "Proposed [Conversion/Continuation]") as required by Section 2.4(b) of the Credit Agreement:

1. The Business Day of the Proposed [Conversion/Continuation] is _____, ____.

2. The aggregate amount of the existing Revolving Advances to be [Converted][Continued] is $ _____ and is comprised of [Base Rate Advances][Eurodollar Rate Advances] ("Existing Advances").

3. The Proposed [Conversion/Continuation] consists of [a Conversion of the Existing Advances to [Base Rate Advances] [Eurodollar Rate Advances]] [a Continuation of the Existing Advances].

[(4) The Interest Period for the Proposed [Conversion/Continuation] is [__ month[s]].

The Borrower hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed [Conversion/Continuation]:

A. the representations and warranties made by any Credit Party or any officer of any Credit Party contained in the Credit Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date of the Proposed [Conversion/Continuation], as though made on and as of such date (except that any representation and warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) only as of such specified date); and

B. no Default has occurred and is continuing or would result from such Proposed [Conversion/Continuation] or from the application of the proceeds therefrom.

Very truly yours,

FORUM ENERGY TECHNOLOGIES, INC.

By: _____
Printed Name: _____
Title: _____

EXHIBIT F
FORM OF REVOLVING NOTE

$ _____ _____, ____

For value received, the undersigned **FORUM ENERGY TECHNOLOGIES, INC.**, a Delaware corporation ("Borrower"), hereby promises to pay to the order of _____ ("Payee") the principal amount of _____ No/100 Dollars ($_____) or, if less, the aggregate outstanding principal amount of the Revolving Advances (as defined in the Credit Agreement referred to below) made by the Payee (or predecessor in interest) to the Borrower, together with interest on the unpaid principal amount of the Revolving Advances from the date of such Revolving Advances until such principal amount is paid in full, at such interest rates, and at such times, as are specified in the Credit Agreement (as hereunder defined). The Borrower may make prepayments on this Revolving Note in accordance with the terms of the Credit Agreement.

This Revolving Note is one of the Revolving Notes referred to in, and is entitled to the benefits of, and is subject to the terms of, the Credit Agreement dated as of August 2, 2010 (as the same may be amended, restated, supplement or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the lenders party thereto (the "Lenders"), the Issuing Lenders (as defined in the Credit Agreement), and Wells Fargo Bank, N.A., as administrative agent (the "Administrative Agent") and as a Swing Line Lender. Capitalized terms used in this Revolving Note that are defined in the Credit Agreement and not otherwise defined in this Revolving Note have the meanings assigned to such terms in the Credit Agreement. The Credit Agreement, among other things, (a) provides for the making of the Revolving Advances by the Payee to the Borrower in an aggregate amount not to exceed at any time outstanding the Dollar amount first above mentioned, the indebtedness of the Borrower resulting from each such Revolving Advance being evidenced by this Revolving Note, and (b) contains provisions for acceleration of the maturity of this Revolving Note upon the happening of certain events stated in the Credit Agreement and for prepayments of principal prior to the maturity of this Revolving Note upon the terms and conditions specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United States of America to the Administrative Agent at the location or address specified by the Administrative Agent to the Borrower in same day funds. The Payee shall record payments of principal made under this Revolving Note, but no failure of the Payee to make such recordings shall affect the Borrower's repayment obligations under this Revolving Note.

This Revolving Note is secured by the Security Documents and guaranteed pursuant to the terms of the Guaranties.

This Revolving Note is made expressly subject to the terms of Section 9.11 and Section 9.12 of the Credit Agreement.

Except as specifically provided in the Credit Agreement, the Borrower hereby waives presentment, demand, protest, notice of intent to accelerate, notice of acceleration, and any other notice of any kind. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder of this Revolving Note shall operate as a waiver of such rights.

THIS REVOLVING NOTE SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

THIS REVOLVING NOTE AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND SUPERSEDE ALL PRIOR UNDERSTANDINGS AND AGREEMENTS, WHETHER WRITTEN OR ORAL, RELATING TO THE TRANSACTIONS PROVIDED FOR HEREIN AND THEREIN. ADDITIONALLY, THIS REVOLVING NOTE AND THE CREDIT DOCUMENTS MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

FORUM ENERGY TECHNOLOGIES, INC.

By: _____
Name: _____
Title: _____

EXHIBIT G
FORM OF PLEDGE AND SECURITY AGREEMENT

This PLEDGE AND SECURITY AGREEMENT, dated as of August 2, 2010 (as amended, supplemented, amended and restated or otherwise modified from time to time, this "Security Agreement"), is by and among FORUM ENERGY TECHNOLOGIES, INC., a Delaware corporation (the "Borrower"), each subsidiary of the Borrower party hereto from time to time (collectively with the Borrower, the "Grantors" and individually, a "Grantor"), and WELLS FARGO BANK, NATIONAL ASSOCIATION., as administrative agent (the "Administrative Agent") for the ratable benefit of the Secured Parties (as defined in the Credit Agreement referred to herein).

W I T N E S S E T H:

WHEREAS, this Security Agreement is entered into in connection with that certain Credit Agreement, dated as of August 2, 2010 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the lenders party thereto from time to time (the "Lenders"), the Issuing Lenders (as defined in the Credit Agreement), and Wells Fargo Bank, National Association, as the Administrative Agent and as a swing line lender; and

WHEREAS, pursuant to the terms of the Credit Agreement, and in consideration of the credit extended by the Lenders to the Borrower and the letters of credit issued by the Issuing Lenders for the account of the Borrower or any subsidiary of the Borrower, certain Grantors have executed and delivered that certain Guaranty Agreement dated as of the date hereof (the "Guaranty"), guaranteeing the Secured Obligations (as defined in the Credit Agreement); and

WHEREAS, as a condition precedent to the initial extension of credit under the Credit Agreement, each Grantor is required to execute and deliver this Security Agreement; and

WHEREAS, it is in the best interests of each Grantor to execute this Security Agreement inasmuch as each Grantor will derive substantial direct and indirect benefits from (i) the transactions contemplated by the Credit Agreement, (ii) the Hedging Arrangements (as defined in the Credit Agreement) entered into by the Borrower or any other Restricted Entity (as defined in the Credit Agreement) with a Swap Counterparty (as defined in the Credit Agreement), and (iii) the Banking Services (as defined in the Credit Agreement) provided by any of the Lenders or their Affiliates to the Borrower or any other Restricted Entity, and each Grantor is willing to execute, deliver and perform its obligations under this Security Agreement to secure the Secured Obligations (as defined herein).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor agrees, for the benefit of each Secured Party, as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1. Certain Terms. The following terms (whether or not underscored) when used in this Security Agreement, including its preamble and recitals, shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"Administrative Agent" has the meaning set forth in the preamble.

"Borrower" has the meaning set forth in the preamble.

"Certificated Equipment" means any Equipment the ownership of which is evidenced by, or under applicable Legal Requirement, is required to be evidenced by a certificate of title.

"Collateral" has the meaning set forth in Section 2.1(a).

"Collateral Account" has the meaning set forth in Section 4.3(b).

"Computer Hardware and Software Collateral" means (a) all computer and other electronic data processing hardware, integrated computer systems, central processing units, memory units, display terminals, printers, features, computer elements, card readers, tape drives, hard and soft disk drives, cables, electrical supply hardware, generators, power equalizers, accessories and all peripheral devices and other related computer hardware, including all operating system software, utilities and application programs in whatsoever form, (b) software programs (including both source code, object code and all related applications and data files), designed for use on the computers and electronic data processing hardware described in clause (a) above, (c) all firmware associated therewith, (d) all documentation (including flow charts, logic diagrams, manuals, guides, specifications, training materials, charts and pseudo codes) with respect to such hardware, software and firmware described in the preceding clauses (a) through (c), and (e) all rights with respect to all of the foregoing, including copyrights, licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications and any substitutions, replacements, improvements, error corrections, updates, additions or model conversions of any of the foregoing.

"Control Agreement" means an authenticated record in form and substance reasonably satisfactory to the Administrative Agent, that provides for the Administrative Agent (for the ratable benefit of the Secured Parties) to have "control" (as defined in the UCC) over certain Collateral.

"Copyright Collateral" means all copyrights of any Grantor, registered or unregistered and whether published or unpublished, now or hereafter in force throughout the world including all of such Grantor's rights, titles and interests in and to all copyrights registered in the United States Copyright Office or anywhere else in the world, including without limitation those copyrights referred to in Item C of Schedule III hereto, and registrations and recordings thereof and all applications for registration thereof, whether pending or in preparation, all copyright licenses, the right to sue for past, present and future infringements of any of the foregoing, all rights corresponding thereto, all extensions and renewals of any thereof and all proceeds of the foregoing, including licenses, royalties, income, payments, claims, damages and Proceeds of suit, which are owned or licensed by such Grantor.

"Credit Agreement" has the meaning set forth in the first recital.

"Distributions" means all cash, cash dividends, stock dividends, other distributions, liquidating dividends, shares of stock resulting from (or in connection with the exercise of) stock splits, reclassifications, warrants, options, non-cash dividends, and all other distributions or payments (whether similar or dissimilar to the foregoing) on or with respect to, or on account of, any Pledged Share or Pledged Interest or other rights or interests constituting Collateral.

"Equipment" has the meaning set forth in Section 2.1(a)(i).

"Excluded Collateral" has the meaning set forth in Section 2.1(b).

"Excluded Contract" means any contract (and any contract rights arising thereunder) to which any of the Grantors is a party on the date hereof or which is entered into by any Grantor after the date hereof which complies with Section 6.5 of the Credit Agreement, in any case to the extent (but only to the extent) that a Grantor is prohibited from granting a security interest in, pledge of, or charge, mortgage or lien upon any such Property by reason of (a) a negative pledge, anti-assignment provision or other contractual restriction in existence on the date hereof or, as to contracts entered into after the date hereof, in existence in compliance with Section 6.5 of the Credit Agreement, or (b) applicable Legal Requirement to which such Grantor or such Property is subject; provided, however, to the extent that (i) either of the prohibitions discussed in clause (a) and (b) above is ineffective or subsequently rendered ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the UCC or under any other Legal Requirement or is otherwise no longer in effect or enforceable, or (ii) the applicable Grantor has obtained the consent of the other parties to such Excluded Contract to the creation of a lien and security interest in, such Excluded Contract, then such contract (and any contract rights arising thereunder) shall cease to be an "Excluded Contract" and shall automatically be subject to the lien and security interests granted hereby and to the terms and provisions of this Security Agreement as a "Collateral"; provided further, that any proceeds received by any Grantor from the sale, transfer or other disposition of Excluded Contracts shall constitute Collateral unless any Property constituting such proceeds are themselves subject to the exclusions set forth above or otherwise constitute Excluded Collateral.

"Excluded Governmental Approvals" means any Governmental Approval to the extent (but only to the extent) that a Grantor is prohibited from granting a security interest in, pledge of, or charge, mortgage or lien upon any such Property by reason of (a) a negative pledge, anti-assignment provision or other contractual restriction or (b) applicable Legal Requirement to which such Grantor or such Property is subject; provided, however, to the extent that (i) either of the prohibitions discussed in clause (a) and (b) above is ineffective or subsequently rendered ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the UCC or under any other Legal Requirement or is otherwise no longer in effect or enforceable, or (ii) the applicable Grantor has obtained the consent of the applicable Governmental Authority to the creation of a lien and security interest in, such Excluded Governmental Approval, then such Governmental Approval shall cease to be an "Excluded Governmental Approval" and shall automatically be subject to the lien and security interests granted hereby and to the terms and provisions of this Security Agreement as a "Collateral"; provided further, that any proceeds received by any Grantor from the sale, transfer or other disposition of Excluded Governmental Approval shall constitute Collateral unless any Property constituting such proceeds are themselves subject to the exclusions set forth above or otherwise constitute Excluded Collateral

"Excluded JV Equity Interests" means the Equity Interests owned by any Grantor in a Joint Venture to the extent (but only to the extent) (a) the organizational documents of such Joint Venture prohibits the granting of Lien on such Equity Interests or (b) such Equity Interests of such Joint Venture are otherwise pledged as collateral to secure (i) obligations to the other holders of the Equity Interests in such Joint Venture (other than a holder that is a Subsidiary of the Borrower) or (ii) Debt of such Joint Venture that is non-recourse to any of the Credit Parties or to any of the Credit Parties' Properties; provided however, if any of the foregoing conditions cease to be in effect for any reason, then the Equity Interest in such Joint Venture shall cease to be an "Excluded JV Equity Interest" and shall automatically be subject to the lien and security interest granted hereby and to the terms and provisions of this Security Agreement as a "Collateral"; provided further, that any proceeds received by any Grantor from the sale, transfer or other disposition of Excluded JV Equity Interest shall constitute Collateral unless any Property constituting such proceeds are themselves subject to the exclusions set forth above.

"Excluded Perfection Collateral" shall mean, unless otherwise elected by the Administrative Agent during the continuance of an Event of Default, collectively (a) Certificated Equipment, (b) deposit accounts, commodities accounts and securities accounts other than the Cash Collateral Account, and (c)

any other Property (i) in which a security interest cannot be perfected by the filing of a financing statement under the UCC and (ii) with respect to which the Administrative Agent has determined, in its reasonable discretion that the cost of perfecting a security interest in such Property are excessive in relation to the value of the Lien to be afforded thereby.

"Excluded PMSI Collateral" means any Property and proceeds thereof (including insurance proceeds) of a Grantor that is now or hereafter subject to a Lien securing purchase money debt or a Capital Lease obligation to the extent (and only to the extent) that (a) the Debt associated with such Lien is permitted under Section 6.1(f), (m) or (o) of the Credit Agreement, and (b) the documents evidencing such purchase money debt or Capital Lease obligation prohibit or restrict the granting of a Lien in such Property; provided, however, to the extent that either of the prohibitions discussed in clause (a) and (b) above is ineffective or subsequently rendered ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the UCC or under any other Legal Requirement or is otherwise no longer in effect, then such Property and proceeds thereof shall cease to be "Excluded PMSI Collateral" and shall automatically be subject to the lien and security interests granted hereby and to the terms and provisions of this Security Agreement as "Collateral"; provided further, that any proceeds received by any Grantor from the sale, transfer or other disposition of Excluded PMSI Collateral shall constitute Collateral unless any Property constituting such proceeds are themselves subject to the exclusions set forth above or otherwise constitute Excluded Collateral.

"Excluded Real Property" means all fee owned and leased real property (including all leases related thereto) of any Credit Party and all insurance proceeds thereof.

"Excluded Foreign Stock" means the Equity Interests issued by Foreign Subsidiaries other than 66% of the Voting Securities issued by a First Tier Foreign Subsidiary.

"First-Tier Foreign Subsidiary" means any Foreign Subsidiary the Equity Interests of which are held directly by the Borrower or a Wholly Owned Domestic Restricted Subsidiary.

"Foreign Subsidiary" means any Subsidiary of the Borrower that is not a United States Person within the meaning of Section 7701(a)(30) of the Code.

"General Intangibles" means all "general intangibles" and all "payment intangibles", each as defined in the UCC, and shall include all interest rate or currency protection or hedging arrangements, all tax refunds, all licenses, permits, concessions and authorizations and all Intellectual Property Collateral (in each case, regardless of whether characterized as general intangibles under the UCC).

"Governmental Approval" has the meaning set forth in Section 2.1(a)(vi).

"Grantor" has the meaning set forth in the preamble.

"Indemnified Parties" has the meaning set forth in Section 6.3(a).

"Intellectual Property Collateral" means, collectively, the Computer Hardware and Software Collateral, the Copyright Collateral, the Patent Collateral, the Trademark Collateral and the Trade Secrets Collateral.

"Inventory" has the meaning set forth in Section 2.1(a)(ii).

"Joint Venture" means, with respect to any Person (the "holder") at any date, any incorporated, formed or organized corporation, limited liability company, partnership, association or other entity, a less

than a majority of whose outstanding Voting Securities shall at any time be owned by the holder or one more Subsidiaries of the holder. Unless expressly provided otherwise, all references herein to any "Joint Venture" or "Joint Ventures" means a Joint Venture or Joint Ventures of a Grantor.

"Lenders" has the meaning set forth in the first recital.

"Patent Collateral" means (a) all inventions and discoveries, whether patentable or not, all letters patent and applications for letters patent throughout the world, including without limitation those patents referred to in Item A of Schedule III hereto, and any patent applications in preparation for filing, (b) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in clause (a), (c) all patent licenses, and other agreements providing any Grantor with the right to use any items of the type referred to in clauses (a) and (b) above, and (d) all proceeds of, and rights associated with, the foregoing (including licenses, royalties income, payments, claims, damages and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, and for breach or enforcement of any patent license.

"Pledged Interests" means all Equity Interests or other ownership interests of any Pledged Interests Issuer described in Item A of Schedule I hereto; all registrations, certificates, articles, by-laws, regulations, limited liability company agreements or constitutive agreements governing or representing any such interests; all options and other rights, contractual or otherwise, at any time existing with respect to such interests, as such interests are amended, modified, or supplemented from time to time, and together with any interests in any Pledged Interests Issuer taken in extension or renewal thereof or substitution therefor.

"Pledged Interests Issuer" means each Person identified in Item A of Schedule I hereto as the issuer of the Pledged Shares or the Pledged Interests identified opposite the name of such Person.

"Pledged Note Issuer" means each Person identified in Item B of Schedule I hereto as the issuer of the Pledged Notes identified opposite the name of such Person.

"Pledged Notes" means all promissory notes of any Pledged Note Issuer evidencing Debt incurred pursuant to Section 6.1(d) of the Credit Agreement in form and substance reasonably satisfactory to the Administrative Agent delivered by any Grantor to the Administrative Agent as Pledged Property hereunder, as such promissory notes, in accordance with Section 7.3, are amended, modified or supplemented from time to time and together with any promissory note of any Pledged Note Issuer taken in extension or renewal thereof or substitution therefor.

"Pledged Property" means all Pledged Notes, Pledged Interests, Pledged Shares, all assignments of any amounts due or to become due with respect to the Pledged Interests or the Pledged Shares, all other instruments which are now being delivered by any Grantor to the Administrative Agent or may from time to time hereafter be delivered by any Grantor to the Administrative Agent for the purpose of pledging under this Security Agreement or any other Credit Document, and all proceeds of any of the foregoing.

"Pledged Shares" means all Equity Interests of any Pledged Interests Issuer identified under Item A of Schedule I which are delivered by any Grantor to the Administrative Agent as Pledged Property hereunder.

"Receivables" has the meaning set forth in Section 2.1(a)(iii).

"Related Contracts" has the meaning set forth in Section 2.1(a)(iii).

"Secured Obligations" has the meaning set forth in Section 2.2(a).

"Secured Parties" has the meaning set forth in the Credit Agreement.

"Security Agreement" has the meaning set forth in the preamble.

"Termination Date" means the date that all Secured Obligations have been paid in full in cash, all Letters of Credit have been terminated or expired (or been cash collateralized to the reasonable satisfaction of the respective Issuing Lender), all Hedging Arrangements with Swap Counterparties have been terminated or novated to a counterparty that is not a Secured Party, and all Commitments shall have terminated.

"Trademark Collateral" means (a) (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, certification marks, collective marks, logos and other source or business identifiers, and all goodwill of the business associated therewith, now existing or hereafter adopted or acquired, including without limitation those trademarks referred to in Item B of Schedule III hereto, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America, or any State thereof or any other country or political subdivision thereof or otherwise, and all common-law rights relating to the foregoing, and (ii) the right to obtain all reissues, extensions or renewals of the foregoing (collectively referred to as the "Trademark"), (b) all trademark licenses for the grant by or to any Grantor of any right to use any trademark, (c) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clause (a), and to the extent applicable clause (b), (d) the right to sue third parties for past, present and future infringements of any Trademark Collateral described in clause (a) and, to the extent applicable, clause (b), and (e) all Proceeds of, and rights associated with, the foregoing, including any claim by any Grantor against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license and all rights corresponding thereto throughout the world.

"Trade Secrets Collateral" means all common law and statutory trade secrets and all other confidential, proprietary or useful information and all know-how obtained by or used in or contemplated at any time for use in the business of any Grantor, (all of the foregoing being collectively called a "Trade Secret"), including all Documents and things embodying, incorporating or referring in any way to such Trade Secret, all Trade Secret licenses, and including the right to sue for and to enjoin and to collect damages for the actual or threatened misappropriation of any Trade Secret and for the breach or enforcement of any such Trade Secret license.

"UCC" means the Uniform Commercial Code, as in effect in the State of New York, as the same may be amended from time to time.

SECTION 1.2. Credit Agreement Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Security Agreement, including its preamble and recitals, have the meanings provided in the Credit Agreement.

SECTION 1.3. UCC Definitions. Unless otherwise defined herein or the context otherwise requires, terms for which meanings are provided in the UCC are used in this Security Agreement, including its preamble and recitals, with such meanings.

SECTION 1.4. Miscellaneous. Article, Section, Schedule, and Exhibit references are to Articles and Sections of and Schedules and Exhibits to this Security Agreement, unless otherwise specified. All references to instruments, documents, contracts, and agreements (including this Security Agreement) are references to such instruments, documents, contracts, and agreements as the same may be amended, supplemented, and otherwise modified from time to time, unless otherwise specified and shall include all schedules and exhibits thereto unless otherwise specified. The words "hereof", "herein", and "hereunder" and words of similar import when used in this Security Agreement shall refer to this Security Agreement as a whole and not to any particular provision of this Security Agreement. The term "including" means "including, without limitation,". Paragraph headings have been inserted in this Security Agreement as a matter of convenience for reference only and it is agreed that such paragraph headings are not a part of this Security Agreement and shall not be used in the interpretation of any provision of this Security Agreement.

ARTICLE II
SECURITY INTEREST

SECTION 2.1. Grant of Security Interest.

(a) Each Grantor hereby pledges, hypothecates, assigns, charges, mortgages, delivers, and transfers to the Administrative Agent, for the ratable benefit of each Secured Party, and hereby grants to the Administrative Agent, for the ratable benefit of each Secured Party, a continuing security interest in all of such Grantor's right, title and interest in, to and under, all of the following, whether now owned or hereafter acquired by such Grantor, and wherever located and whether now owned or hereafter existing or arising (collectively, the "Collateral"):

(i) all equipment in all of its forms (including, but not limited to, all drilling platforms and rigs and remotely operated vehicles, trenchers, and other equipment used by any Grantor, vehicles, motor vehicles, rolling stock, vessels, aircraft) of such Grantor, wherever located, and all surface or subsurface machinery, equipment, facilities, supplies, or other tangible personal property, including tubing, rods, pumps, pumping units and engines, pipe, pipelines, meters, apparatus, boilers, compressors, liquid extractors, connectors, valves, fittings, power plants, poles, lines, cables, wires, transformers, starters and controllers, machine shops, tools, machinery and parts, storage yards and equipment stored therein, buildings and camps, telegraph, telephone, and other communication systems, loading docks, loading racks, and shipping facilities, and any manuals, instructions, blueprints, computer software (including software that is imbedded in and part of the equipment), and similar items which relate to the above, and any and all additions, substitutions and replacements of any of the foregoing, wherever located together with all improvements thereon and all attachments, components, parts, equipment and accessories installed thereon or affixed thereto (any and all of the foregoing being the "Equipment");

(ii) all inventory in all of its forms of such Grantor, wherever located, including (A) all oil, gas, or other hydrocarbons and all products and substances derived therefrom, all raw materials and work in process therefore, finished goods thereof, and materials used or consumed in the manufacture or production thereof, (B) all documents of title covering any inventory, including, without limitation, work in process, materials used or consumed in any Grantor's business, now owned or hereafter acquired or manufactured by any Grantor and held for sale in the ordinary course of its business (C) all goods in which such Grantor has an interest in mass or a joint or other interest or right of any kind (including goods in which such Grantor has an interest or right as consignee), (D) all goods which are returned to or repossessed by such Grantor, and all accessions thereto, products thereof and documents therefore, and (E) any other item constituting

"inventory" under the UCC (any and all such inventory, materials, goods, accessions, products and documents being the "Inventory");

(iii) all accounts, money, payment intangibles, deposit accounts (including the Collateral Accounts and all amounts on deposit therein and all cash equivalent investments carried therein and all proceeds thereof), contracts, contract rights, all rights constituting a right to the payment of money, chattel paper, documents, documents of title, instruments, and General Intangibles of such Grantor, whether or not earned by performance or arising out of or in connection with the sale or lease of goods or the rendering of services, including all moneys due or to become due in repayment of any loans or advances, and all rights of such Grantor now or hereafter existing in and to all security agreements, guaranties, leases, agreements and other contracts securing or otherwise relating to any such accounts, money, payment intangibles, deposit accounts, contracts, contract rights, rights to the payment of money, chattel paper, documents, documents of title, instruments, and General Intangibles (any and all such accounts, money, payment intangibles, deposit accounts, contracts, contract rights, rights to the payment of money, chattel paper, documents, documents of title, instruments, and General Intangibles being the "Receivables", and any and all such security agreements, guaranties, leases, agreements and other contracts being the "Related Contracts");

(iv) all Intellectual Property Collateral of such Grantor;

(v) all books, correspondence, credit files, records, invoices, tapes, cards, computer runs, writings, data bases, information in all forms, paper and documents and other property relating to, used or useful in connection with, evidencing, embodying, incorporating or referring to, any of the foregoing in this Section 2.1;

(vi) all governmental approvals, permits, licenses, authorizations, consents, rulings, tariffs, rates, certifications, waivers, exemptions, filings, claims, orders, judgments and decrees and other Legal Requirements (each a "Governmental Approval");

(vii) all interest rate swap agreements, interest rate cap agreements and interest rate collar agreements, and all other agreements or arrangements designed to protect such Grantor against fluctuations in interest rates or currency exchange rates and all commodity hedge, commodity swap, exchange, forward, future, floor, collar or cap agreements, fixed price agreements and all other agreements or arrangements designed to protect such Grantor against fluctuations in commodity prices (including any Hedging Arrangement);

(viii) to the extent not included in the foregoing, all bank accounts, investment property, fixtures, supporting obligations, and goods;

(ix) all Pledged Interests, Pledged Notes, Pledged Shares and any other Pledged Property and all Distributions, interest, and other payments and rights with respect to such Pledged Property;

(x) (A) all policies of insurance now or hereafter held by or on behalf of such Grantor, including casualty, liability, key man life insurance, business interruption, foreign credit insurance, and any title insurance, (B) all proceeds of insurance, and (C) all rights, now or hereafter held by such Grantor to any warranties of any manufacturer or contractor of any other Person;

(xi) all accessions, substitutions, replacements, products, offspring, rents, issues, profits, returns, income and proceeds of and from any and all of the foregoing Collateral (including proceeds which constitute property of the types described in sub-clauses (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix) and (x) and proceeds deposited from time to time in any lock boxes of such Grantor, and, to the extent not otherwise included, all payments and proceeds under insurance (whether or not the Administrative Agent is the loss payee thereof), or any condemnation award, indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the Collateral);

(xii) any and all Liens and security interests (together with the documents evidencing such security interests) granted to such Grantor by an obligor to secure such obligor's obligations owing under any Instrument, Chattel Paper, or contract that is pledged hereunder or with respect to which a security interest in such Grantor's rights in such Instrument, Chattel Paper, or contract is granted hereunder;

(xiii) any and all guaranties given by any Person for the benefit of such Grantor which guarantees the obligations of an obligor under any instrument, chattel paper, or contract, which are pledged hereunder; and

(xiv) all of such Grantor's other property and rights of every kind and description and interests therein, including without limitation, all other "Accounts", "Certificated Securities", "Chattel Paper", "Commodity Accounts", "Commodity Contracts", "Deposit Accounts", "Documents", "Equipment", "Fixtures", "General Intangibles", "Goods", "Instruments", "Inventory", "Investment Property", "Letters of Credit", "Money", "Payment Intangibles", "Proceeds", "Securities", "Securities Account", "Security Entitlements", "Supporting Obligations" and "Uncertificated Securities" as each such terms are defined in the UCC;

(b) Notwithstanding anything to the contrary contained in Section 2(a) and other than to the extent set forth in this Section 2(b), the following property shall be excluded from the lien and security interest granted hereunder (and shall, as applicable, not be included as "Accounts", "Certificated Securities", "Chattel Paper", "Collateral", "Commodity Accounts", "Commodity Contracts", "Deposit Accounts", "Documents", "Equipment", "Fixtures", "General Intangibles", "Goods", "Instruments", "Inventory", "Investment Property", "Money", "Payment Intangibles", "Proceeds", "Securities", "Securities Account", "Security Entitlements", "Supporting Obligations" or "Uncertificated Securities" for purposes of this Agreement) (collectively, the "Excluded Collateral"):

(i) commercial tort claims;

(ii) letter of credit rights;

(iii) Excluded Contracts;

(iv) Excluded JV Equity Interests;

(v) Excluded Governmental Approvals;

(vi) Excluded PMSI Collateral;

(vii) Excluded Real Property; and

(viii) Excluded Foreign Stock;

provided, however, that (x) the exclusion from the Lien and security interest granted by any Grantor hereunder of any Excluded Collateral shall not limit, restrict or impair the grant by such Grantor of the Lien and security interest in any accounts or receivables arising under any such Excluded Collateral or any payments due or to become due thereunder unless the conditions in effect which qualify such Property as Excluded Collateral applies with respect to such accounts and receivables and (y) any proceeds received by any Grantor from the sale, transfer or other disposition of Excluded Collateral shall constitute Collateral unless the conditions in effect which qualify such Property as an Excluded Collateral applies with respect to such proceeds.

SECTION 2.2. Security for Obligations.

(i) This Security Agreement, and the Collateral in which the Administrative Agent for the benefit of the Secured Parties is granted a security interest hereunder by each Grantor, secures the prompt and payment in full in cash and performance of all Secured Obligations (as defined in the Credit Agreement) of each other Grantor and each other Credit Party now or hereafter existing, whether for principal, interest, costs, fees, expenses or otherwise, howsoever created, arising or evidenced, whether direct or indirect, primary or secondary, fixed or absolute or contingent, joint or several, or now or hereafter existing under this Security Agreement and each other Credit Document to which it is or may become a party (all such Secured Obligations being the "Secured Obligations").

(ii) Notwithstanding anything contained herein to the contrary, it is the intention of each Grantor, the Administrative Agent and the other Secured Parties that the amount of the Secured Obligation secured by each Grantor's interests in any of its Property shall be in, but not in excess of, the maximum amount permitted by fraudulent conveyance, fraudulent transfer and other similar law, rule or regulation of any Governmental Authority applicable to such Grantor. Accordingly, notwithstanding anything to the contrary contained in this Security Agreement or in any other agreement or instrument executed in connection with the payment of any of the Secured Obligations, the amount of the Secured Obligations secured by each Grantor's interests in any of its Property pursuant to this Security Agreement shall be limited to an aggregate amount equal to the largest amount that would not render such Grantor's obligations hereunder or the Liens and security interest granted to the Administrative Agent hereunder subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provision of any other applicable law.

SECTION 2.3. Continuing Security Interest; Transfer of Advances; **Reinstatement**. This Security Agreement shall create continuing security interests in the Collateral and shall (a) except as otherwise provided in the Credit Agreement, remain in full force and effect until the Termination Date, (b) be binding upon each Grantor and its successors, transferees and assigns, and (c) inure, together with the rights and remedies of the Administrative Agent hereunder, to the benefit of the Administrative Agent and each other Secured Party and its respective permitted successors, transferees and assigns, subject to the limitations as set forth in the Credit Agreement. Without limiting the generality of the foregoing clause (c), any Lender may assign or otherwise transfer (in whole or in part) any Note or any Advance held by it as provided in Section 9.7 of the Credit Agreement, and any successor or assignee thereof shall thereupon become vested with all the rights and benefits in respect thereof granted to such Secured Party under any Credit Document (including this Security Agreement), or otherwise, subject, however, to any contrary provisions in such assignment or transfer, and as applicable to the provisions of Section 9.7 and Article 8 of the Credit Agreement. **If at any time all or any part of any payment theretofore applied by the Administrative Agent or any other Secured Party to any of the Secured Obligations is or must be rescinded or returned by the Administrative Agent or any such Secured Party for any reason whatsoever (including, without limitation, the insolvency, bankruptcy, reorganization or**

other similar proceeding of any Grantor or any other Person), such Secured Obligations shall, for purposes of this Security Agreement, to the extent that such payment is or must be rescinded or returned, be deemed to have continued to be in existence, notwithstanding any application by the Administrative Agent or such Secured Party or any termination agreement or release provided to any Grantor, and this Security Agreement shall continue to be effective or reinstated, as the case may be, as to such Secured Obligations, all as though such application by the Administrative Agent or such Secured Party had not been made.

SECTION 2.4. Grantors Remain Liable. Anything herein to the contrary notwithstanding, (a) each Grantor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein, and will perform all of its duties and obligations under such contracts and agreements to the same extent as if this Security Agreement had not been executed, (b) the exercise by the Administrative Agent of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under any such contracts or agreements included in the Collateral, and (c) neither the Administrative Agent nor any other Secured Party shall have any obligation or liability under any contracts or agreements included in the Collateral by reason of this Security Agreement, nor shall the Administrative Agent nor any Secured Party be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 2.5. Delivery of Pledged Property; Instruments and Tangible Chattel Paper. Other than as provided in the last sentence of Section 4.5 below, all certificates or instruments representing or evidencing (i) all Pledged Shares, Pledged Interests and Pledged Notes and (ii) other Collateral consisting of Instruments and Tangible Chattel Paper individually, or collectively, evidencing amounts payable in excess of $2,000,000, shall be delivered to and held by or on behalf of (or in the case of the Pledged Notes, endorsed to the order of) the Administrative Agent pursuant hereto, shall be in suitable form for transfer by delivery, and shall be accompanied by all necessary endorsements or instruments of transfer or assignment, duly executed in blank.

SECTION 2.6. Distributions on Pledged Shares. In the event that any Distribution with respect to any Pledged Shares or Pledged Interests pledged hereunder is permitted to be paid (in accordance with Section 6.9 of the Credit Agreement), such Distribution or payment may be paid directly to the applicable Grantor. If any Distribution is made in contravention of Section 6.9 of the Credit Agreement, the applicable Grantor shall hold the same segregated and in trust for the Administrative Agent until paid to the Administrative Agent in accordance with Section 4.1(e).

SECTION 2.7. Security Interest Absolute, etc. This Security Agreement shall in all respects be a continuing, absolute, unconditional and irrevocable grant of security interest, and shall remain in full force and effect until the Termination Date. All rights of the Secured Parties and the security interests granted to the Administrative Agent (for its benefit and the ratable benefit of each other Secured Party) hereunder, and all obligations of each Grantor hereunder, shall, in each case, be absolute, unconditional and irrevocable irrespective of (a) any lack of validity, legality or enforceability of any Credit Document, (b) the failure of any Secured Party (i) to assert any claim or demand or to enforce any right or remedy against any Grantor or any other Person under the provisions of any Credit Document or otherwise, or (ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any Secured Obligations, (c) any change in the time, manner or place of payment of, or in any other term of, all or any part of the Secured Obligations, or any other extension, compromise or renewal of any Secured Obligations, (d) any reduction, limitation, impairment or termination of any Secured Obligations (except in the case of the occurrence of the Termination Date) for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and each Grantor hereby waives any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by

reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, any Secured Obligations or otherwise, (e) any amendment to, rescission, waiver, or other modification of, or any consent to or departure from, any of the terms of any Credit Document, (f) any addition, exchange or release of any Collateral of the Secured Obligations, or any surrender or non-perfection of any collateral, or any amendment to or waiver or release or addition to, or consent to or departure from, any other guaranty held by any Secured Party securing any of the Secured Obligations, or (g) any other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of, any Grantor or any other Credit Party, any surety or any guarantor.

SECTION 2.8. Waiver of Subrogation. Until 91 days after the Termination Date, each Grantor hereby irrevocably waives any claim or other rights which it may now or hereafter acquire against any Credit Party that arise from the existence, payment, performance or enforcement of such Grantor's obligations under this Security Agreement or any other Credit Document, including any right of subrogation, reimbursement, exoneration or indemnification, any right to participate in any claim or remedy of any Secured Party against any Credit Party or any collateral which any Secured Party now has or hereafter acquires, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law, including the right to take or receive from any Credit Party, directly or indirectly, in cash or other property or by set-off or in any manner, payment or security on account of such claim or other rights. If any amount shall be paid to any Grantor in violation of the preceding sentence and the Termination Date shall not have occurred, then such amount shall be deemed to have been paid to such Grantor for the benefit of, and held in trust for, the Administrative Agent (on behalf of the Secured Parties), and shall forthwith be paid to the Administrative Agent to be credited and applied upon the Secured Obligations, whether matured or unmatured. Each Grantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Credit Agreement and that the waiver set forth in this Section 2.8 is knowingly made in contemplation of such benefits.

SECTION 2.9. Election of Remedies. Except as otherwise provided in the Credit Agreement, if any Secured Party may, under applicable law, proceed to realize its benefits under any of this Security Agreement or the other Credit Documents giving any Secured Party a Lien upon any Collateral, either by judicial foreclosure or by non-judicial sale or enforcement, such Secured Party may, at its sole option, determine which of its remedies or rights it may pursue without affecting any of its rights and remedies under this Security Agreement. If, in the exercise of any of its rights and remedies, any Secured Party shall forfeit any of its rights or remedies, including its right to enter a deficiency judgment against any Credit Party or any other Person, whether because of any applicable laws pertaining to "election of remedies" or the like, each Grantor hereby consents to such action by such Secured Party and waives any claim based upon such action, even if such action by such Secured Party shall result in a full or partial loss of any rights of subrogation that such Grantor might otherwise have had but for such action by such Secured Party.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

In order to induce the Secured Parties to enter into the Credit Agreement and make Advances thereunder and for the Issuing Lenders to issue Letters of Credit thereunder (or be deemed to have issued Existing Letters of Credit), and to induce the Secured Parties to enter into Hedging Arrangements and Banking Services, each Grantor represents and warrants unto each Secured Party as set forth in this Article.

SECTION 3.1. [Reserved].

SECTION 3.2. Ownership, No Liens, etc. Such Grantor is the legal and beneficial owner of, and has title to (and has full right and authority to pledge, grant and assign) the Collateral, free and clear of all Liens, except for any Lien that is a Permitted Lien. No effective UCC financing statement or other filing similar in effect covering all or any part of the Collateral is on file in any recording office, except those filed in favor of the Administrative Agent relating to this Security Agreement, Permitted Liens or as to which a duly authorized termination statement relating to such UCC financing statement or other instrument has been delivered to the Administrative Agent on the Effective Date. This Security Agreement creates a valid security interest in the Collateral, securing the payment of the Secured Obligations, and, except for the proper filing of the applicable filing statements with the filing offices listed on Item A-1 of Schedule II attached hereto, all filings and other actions necessary to perfect and protect such security interest in the Collateral (other than, as to perfection, Excluded Perfection Collateral) have been duly taken and, subject to Permitted Liens, such security interest shall be a first priority security interest.

SECTION 3.3. As to Equity Interests of the Subsidiaries, Investment Property.

(a) With respect to the Pledged Shares, all such Pledged Shares are duly authorized and validly issued, fully paid and non-assessable, and represented by a certificate.

(b) With respect to the Pledged Interests, no such Pledged Interests (i) are dealt in or traded on securities exchanges or in securities markets, or (ii) are held in a Securities Account, except, with respect to this clause (b), Pledged Interests (A) for which the Administrative Agent is the registered owner or (B) with respect to which the Pledged Interests Issuer has agreed in an authenticated record with such Grantor and the Administrative Agent to comply with any instructions of the Administrative Agent without the consent of such Grantor.

(c) Such Grantor has delivered all Certificated Securities constituting Collateral held by such Grantor on the Effective Date to the Administrative Agent, together with duly executed undated blank stock powers, or other equivalent instruments of transfer reasonably acceptable to the Administrative Agent.

(d) With respect to Uncertificated Securities constituting Collateral owned by such Grantor on the Effective Date, such Grantor has caused the Pledged Interests Issuer or other issuer thereof either (i) to register the Administrative Agent as the registered owner of such security, or (ii) to agree in an authenticated record with such Grantor and the Administrative Agent that such Pledged Interests Issuer or other issuer will comply with instructions with respect to such security originated by the Administrative Agent without further consent of such Grantor.

(e) The percentage of the issued and outstanding Pledged Shares and Pledged Interests of each Pledged Interests Issuer pledged by such Grantor hereunder is as set forth on Schedule I and the percentage of the total membership, partnership and/or other Equity Interests in the Pledged Interests Issuer is indicated on Schedule I. All of the Pledged Shares and Pledged Interests constitute one hundred percent (100%) of such Grantor's interest in the applicable Pledged Interests Issuer, except in the case of the Pledged Shares and Pledged Interests that are issued by First-Tier Foreign Subsidiaries with respect to which such Grantor has pledged up to sixty-six percent (66%) of the outstanding Equity Interest issued by such First-Tier Foreign Subsidiaries as indicated on Schedule I.

(f) There are no outstanding rights, rights to subscribe, options, warrants or convertible securities outstanding or any other rights outstanding whereby any Person would be entitled to acquire shares, member interests or units of any Pledged Interests Issuer other than (i) as to Pledged Interests Issuers that are not Wholly Owned Subsidiaries or (ii) such rights that constitute Collateral.

(g) In the case of each Pledged Note made by a Subsidiary of the Borrower, all of such Pledged Notes have been duly authorized, executed, endorsed, issued and delivered, and are the legal, valid and binding obligation of the issuers thereof, and are not in default.

SECTION 3.4. Grantor's Name, Location, etc.

(a) Other than as otherwise permitted pursuant to any Credit Document, (i) the jurisdiction in which such Grantor is located for purposes of Sections 9-301 and 9-307 of the UCC is set forth in Item A-1 of Schedule II hereto, (ii) the place of business of such Grantor or, if such Grantor has more than one place of business, the chief executive office of such Grantor and the office where such Grantor keeps its records concerning the Receivables, is set forth in Item A-2 of Schedule II hereto, and (iii) such Grantor's federal taxpayer identification number is set forth in Item A-3 of Schedule II hereto.

(b) Within the past five years, such Grantor has not been known by any legal name different from the one set forth on the signature page hereto, nor has such Grantor been the subject of any merger or other corporate reorganization, except as set forth in Item B of Schedule II hereto.

(c) [Reserved.]

(d) None of the Receivables in excess of $2,000,000 is evidenced by a promissory note or other instrument other than a promissory note or instrument that has been delivered to the Administrative Agent (with appropriate endorsements).

(e) The name set forth on the signature page attached hereto is the true and correct legal name (as defined in the UCC) of such Grantor.

(f) Such Grantor has not consented to, and is otherwise unaware of, any Person (other than, if applicable, the Administrative Agent pursuant to Section 4.3(b) or Section 4.1(b)(i) hereof) having control (within the meaning of Section 9-104 or Section 8-106 of the UCC) over any Collateral, or any other interest in any of such Grantor's rights in respect thereof other than as to Liens permitted under Section 6.2(h) of the Credit Agreement.

SECTION 3.5. Possession of Inventory. Such Grantor has exclusive possession and control, subject to Permitted Liens, of the Equipment and Inventory, except as otherwise required, necessary or customary in the ordinary course of its business.

SECTION 3.6. Pledged Property, Instruments and Tangible Chattel Paper. Such Grantor has, contemporaneously herewith, delivered to the Administrative Agent possession of all originals of all certificates or instruments representing or evidencing (i) any Pledged Shares, Pledged Interests and Pledged Notes, and (ii) other Collateral consisting of Instruments and Tangible Chattel Paper individually, or collectively, evidencing amounts payable in excess of $2,000,000, owned or held by such Grantor (duly endorsed, in blank, if requested by the Administrative Agent).

SECTION 3.7. Intellectual Property Collateral. Such Grantor represents that except for any Patent Collateral, Trademark Collateral, and Copyright Collateral specified in Item A, Item B and Item C, respectively, of Schedule III hereto, and any and all Trade Secrets Collateral, as of the date hereof, such Grantor does not own and has no interests in any other Intellectual Property Collateral material to the operations or business of such Grantor, other than the Computer Hardware and Software Collateral. Such Grantor further represents and warrants that, with respect to all Intellectual Property Collateral material to the conduct of such Grantor's business (a) such Intellectual Property Collateral is valid, subsisting, unexpired and enforceable and has not been abandoned or adjudged invalid or unenforceable, in whole or

in part, (b) such Grantor is the sole and exclusive owner of the right, title and interest in and to such Intellectual Property Collateral, subject to Permitted Liens, and, to such Grantor's knowledge, no claim has been made that the use of such Intellectual Property Collateral does or may, conflict with, infringe, misappropriate, dilute, misuse or otherwise violate any of the rights of any third party in any material respects, (c) such Grantor has made all necessary filings and recordations to protect its interest in such Intellectual Property Collateral, including recordations of any of its interests in the Patent Collateral and Trademark Collateral in the United States Patent and Trademark Office and, if requested by the Administrative Agent, in corresponding offices throughout the world, and its claims to the Copyright Collateral in the United States Copyright Office and, if requested by the Administrative Agent, in corresponding offices throughout the world, (d) such Grantor has taken all reasonable steps to safeguard its material Trade Secrets and to its knowledge none of such Trade Secrets of such Grantor has been used, divulged, disclosed or appropriated for the benefit of any other Person other than such Grantor, the Borrower or any Subsidiary thereof, (e) to such Grantor's knowledge, no third party is infringing upon any such Intellectual Property Collateral owned or used by such Grantor in any material respect, or any of its respective licensees, (f) no settlement or consents, covenants not to sue, nonassertion assurances, or releases have been entered into by such Grantor or to which such Grantor is bound that adversely affects its rights to own or use any such Intellectual Property Collateral, and (g) the consummation of the transactions contemplated by the Credit Agreement and this Security Agreement will not result in the termination or material impairment of any material portion of such Intellectual Property Collateral.

SECTION 3.8. Authorization, Approval, etc. Except as have been obtained or made and are in full force and effect, no Governmental Approval, authorization, approval or other action by, and no notice to or filing with, any Governmental Authority or any other third party is required either (a) for the grant by such Grantor of the security interest granted hereby, (b) except with respect to Excluded Perfection Collateral, for the perfection or maintenance of the security interests hereunder including the first priority (subject to Permitted Liens) nature of such security interest (except with respect to the financing statements or, with respect to Intellectual Property Collateral, the recordation of any agreements with the U.S. Patent and Trademark Office or the U.S. Copyright Office) or the exercise by the Administrative Agent of its rights and remedies hereunder, or (c) for the exercise by the Administrative Agent of the voting or other rights provided for in this Security Agreement, except (i) with respect to any Pledged Shares or Pledged Interests, as may be required in connection with a disposition of such Pledged Shares or Pledged Interests by laws affecting the offering and sale of securities generally, the remedies in respect of the Collateral pursuant to this Security Agreement and (ii) any "change of control" or similar filings required by state licensing agencies.

SECTION 3.9. Best Interests. It is in the best interests of each Grantor to execute this Security Agreement in as much as such Grantor will, as a result of being the Borrower, or a Restricted Subsidiary of the Borrower, derive substantial direct and indirect benefits from (a) the Advances and other extensions of credit (including Letters of Credit) made from time to time to the Borrower or any other Grantor by the Lenders and the Issuing Lenders pursuant to the Credit Agreement, (b) the Hedging Arrangements entered into with the Swap Counterparties, and (c) the Banking Services provided by the Lenders or their Affiliates, and each Grantor agrees that the Secured Parties are relying on this representation in agreeing to make such Advances and other extensions of credit pursuant to the Credit Agreement to the Borrower. Furthermore, such extensions of credit, Hedging Arrangements and Banking Services are (i) in furtherance of each Grantor's corporate purposes, and (ii) necessary or convenient to the conduct, promotion or attainment of each Grantor's business.

ARTICLE IV
COVENANTS

Each Grantor covenants and agrees that, until the Termination Date, it will perform, comply with and be bound by the obligations set forth below.

SECTION 4.1. As to Investment Property, etc.

(a) Equity Interests of Subsidiaries. No Grantor shall allow or permit any of its Subsidiaries (i) that is a corporation, business trust, joint stock company or similar Person, to issue Uncertificated Securities, unless such Person promptly takes the actions set forth in Section 4.1(b)(ii) with respect to any such Uncertificated Securities, (ii) that is a partnership or limited liability company, to (A) issue Equity Interests that are to be dealt in or traded on securities exchanges or in securities markets, (B) amend its organizational documents to expressly provide that its Equity Interests are securities governed by Article 8 of the UCC, or (C) place such Subsidiary's Equity Interests in a Securities Account, unless such Person promptly takes the actions set forth in Section 4.1(b)(ii) with respect to any such Equity Interests, and (iii) to issue Equity Interests in addition to or in substitution for the Pledged Property or any other Equity Interests pledged hereunder, except for additional Equity Interests issued to such Grantor; provided that (A) such Equity Interests are pledged and delivered to the Administrative Agent within 10 Business Days, and (B) such Grantor delivers a supplement to Schedule I to the Administrative Agent identifying such new Equity Interests as Pledged Property, in each case pursuant to the terms of this Security Agreement. No Grantor shall permit any of its Subsidiaries to issue any warrants, options, contracts or other commitments or other securities that are convertible to any of the foregoing (except as to Equity Interests issued by Subsidiaries that are not Wholly-Owned) or that entitle any Person to purchase any of the foregoing, and except for this Security Agreement or any other Credit Document, shall not, and shall not permit any of its Subsidiaries to, enter into any agreement creating any restriction or condition upon the transfer, voting or control of any Pledged Property.

(b) Investment Property (other than Certificated Securities).

(i) With respect to any Deposit Accounts, Securities Accounts, Commodity Accounts, Commodity Contracts or Security Entitlements constituting Investment Property owned or held by any Grantor, such Grantor will, following (A) the occurrence and continuance of an Event of Default and (B) the request of the Administrative Agent, either (1) cause the intermediary maintaining such Investment Property to execute a Control Agreement relating to such Investment Property pursuant to which such intermediary agrees to comply with the Administrative Agent's instructions with respect to such Investment Property without further consent by such Grantor, or (2) transfer such Investment Property to intermediaries that have or will agree to execute such Control Agreements.

(ii) With respect to any Uncertificated Securities or Security Entitlement (other than Uncertificated Securities or Security Entitlements credited to a Securities Account) owned or held by any Grantor, such Grantor will (y) cause the Pledged Interests Issuer or other issuer of such securities to either (A) register the Administrative Agent as the registered owner thereof on the books and records of the issuer, or (B) execute a Control Agreement relating to such Investment Property pursuant to which the Pledged Interests Issuer or other issuer agrees to comply with the Administrative Agent's instructions with respect to such Uncertificated Securities without further consent by such Grantor following the occurrence and during the continuance of an Event of Default, and (z) take and cause the appropriate Person (including any issuer, entitlement holder or securities intermediary thereof) to take all other actions necessary to

grant “control” (as defined in 8-106 of the UCC) to the Administrative Agent (for the ratable benefit of the Secured Parties) over such Collateral.

(c) Certificated Securities (Stock Powers). Each Grantor agrees that all Pledged Shares (and all other certificated shares of Equity Interests constituting Collateral) delivered by such Grantor pursuant to this Security Agreement will be accompanied by duly endorsed undated blank stock powers, or other equivalent instruments of transfer reasonably acceptable to the Administrative Agent. Each Grantor will, from time to time upon the reasonable request of the Administrative Agent, promptly deliver to the Administrative Agent such stock powers, instruments and similar documents, reasonably satisfactory in form and substance to the Administrative Agent, with respect to the Collateral and will, from time to time upon the request of the Administrative Agent during the continuance of any Event of Default, promptly transfer any Pledged Shares, Pledged Interests or other shares of Equity Interests constituting Collateral into the name of any nominee designated by the Administrative Agent.

(d) Continuous Pledge. Each Grantor will (subject to the terms of the Credit Agreement and this Agreement) at all times keep pledged to the Administrative Agent pursuant hereto, on a first-priority, perfected basis all Pledged Property and all Dividends and Distributions with respect thereto, and all Proceeds and rights from time to time received by or distributable to such Grantor in respect of any of the foregoing Collateral (other than, as to perfection, Excluded Perfection Collateral). Each Grantor agrees that it will, no later than ten (10) Business Days following receipt thereof, deliver to the Administrative Agent possession of all originals of Pledged Property that it acquires following the Effective Date and shall deliver to the Administrative Agent a supplement to Schedule I identifying any such new Pledged Property.

(e) Voting Rights; Dividends, etc. Each Grantor agrees:

(i) that promptly upon receipt of notice of the occurrence and continuance of an Event of Default from the Administrative Agent and without any request therefor by the Administrative Agent, so long as such Event of Default shall continue, to deliver (properly endorsed where required hereby or requested by the Administrative Agent) to the Administrative Agent all Distributions with respect to Investment Property, all interest principal and other cash payments on Payment Intangibles, the Pledged Property and all Proceeds of the Pledged Property or any other Collateral, in case thereafter received by such Grantor, all of which shall be held by the Administrative Agent as additional Collateral; and

(ii) if an Event of Default shall have occurred and be continuing and the Administrative Agent has notified such Grantor of the Administrative Agent’s intention to exercise its voting power under this Section 4.1(e)(ii),

(A) the Administrative Agent may exercise (to the exclusion of such Grantor) the voting power and all other incidental rights of ownership with respect to any Pledged Shares, Investment Property or other Equity Interests constituting Collateral. **EACH GRANTOR HEREBY GRANTS THE ADMINISTRATIVE AGENT AN IRREVOCABLE PROXY (WHICH IRREVOCABLE PROXY SHALL CONTINUE IN EFFECT UNTIL SUCH DEFAULT SHALL HAVE BEEN CURED OR WAIVED) EXERCISABLE UNDER SUCH CIRCUMSTANCES, TO VOTE THE PLEDGED SHARES, PLEDGED INTERESTS, INVESTMENT PROPERTY AND SUCH OTHER COLLATERAL; AND**

(B) promptly to deliver to the Administrative Agent such additional proxies and other documents as may be necessary to allow the Administrative Agent to exercise such voting power.

All Distributions, interest, principal, cash payments, Payment Intangibles and Proceeds that may at any time and from time to time be held by any Grantor but which such Grantor is then obligated to deliver to the Administrative Agent, shall, until delivery to the Administrative Agent, be held by such Grantor separate and apart from its other property in trust for the Administrative Agent. The Administrative Agent agrees that unless an Event of Default shall have occurred and be continuing and the Administrative Agent shall have given the notice referred to in Section 4.1 (e), each Grantor shall be entitled to receive and retain all Distributions and shall have the exclusive voting power, and is granted a proxy, with respect to any Equity Interests (including any of the Pledged Shares) constituting Collateral. Administrative Agent shall, upon the written request of any Grantor, promptly deliver such proxies and other documents, if any, as shall be reasonably requested by such Grantor which are necessary to allow such Grantor to exercise that voting power with respect to any such Equity Interests (including any of the Pledged Shares) constituting Collateral; provided, however, that no vote shall be cast, or consent, waiver, or ratification given, or action taken by such Grantor that would violate any provision of the Credit Agreement or any other Credit Document (including this Security Agreement).

SECTION 4.2. [Reserved].

SECTION 4.3. As to Accounts.

(a) Each Grantor shall have the right to collect all Accounts so long as no Event of Default shall have occurred and be continuing.

(b) Upon (i) the occurrence and continuance of an Event of Default and (ii) the delivery of notice by the Administrative Agent to each Grantor, all Proceeds of Collateral received by any Grantor shall be delivered in kind to the Administrative Agent for deposit in a Deposit Account of such Grantor (A) maintained with the Administrative Agent or (B) maintained at a depositary bank other than the Administrative Agent to which such Grantor, the Administrative Agent and the depositary bank have entered into a Control Agreement in form and substance acceptable to the Administrative Agent in its sole discretion providing that the depositary bank will comply with the instructions originated by the Administrative Agent directing disposition of the funds in the account without further consent by such Grantor (any such Deposit Accounts, together with any other Accounts pursuant to which any portion of the Collateral is deposited with the Administrative Agent, a "Collateral Account," and collectively, the "Collateral Accounts"), and such Grantor shall not commingle any such Proceeds, and shall hold separate and apart from all other property, all such Proceeds in express trust for the benefit of the Administrative Agent until delivery thereof is made to the Administrative Agent.

(c) Following the delivery of notice pursuant to clause (b)(ii) during the continuance of an Event of Default, the Administrative Agent shall have the right to apply any amount in the Collateral Account to the payment of any Secured Obligations which are due and payable or in accordance with Section 7.6 of the Credit Agreement.

(d) With respect to each of the Collateral Accounts, it is hereby confirmed and agreed that (i) deposits in such Collateral Account are subject to a security interest as contemplated hereby, (ii) such Collateral Account shall be under the control of the Administrative Agent after the occurrence and during the continuance of an Event of Default (unless otherwise agreed to by the Borrower and the Majority Lenders), and (iii) the Administrative Agent shall have the sole right of

withdrawal over such Collateral Account; provided that such withdrawals shall only be made during the existence of an Event of Default.

(e) No Grantor shall adjust, settle, or compromise the amount or payment of any Receivable, nor release wholly or partly any account debtor or obligor thereof, nor allow any credit or discount thereon; provided that, a Grantor may make such adjustments, settlements or compromises and release wholly or partly any account debtor or obligor thereof and allow any credit or discounts thereon so long as (i) such action is taken in the ordinary course of business, and (ii) such action is, in such Grantor's good faith business judgment, advisable.

SECTION 4.4. As to Grantor's Use of Collateral.

(a) Subject to clause (b), each Grantor (i) may in the ordinary course of its business, at its own expense, sell, lease or furnish under the contracts of service any of the Inventory held by such Grantor for such purpose, and use and consume any raw materials, work in process or materials held by such Grantor for such purpose, (ii) following the occurrence and during the continuance of an Event of Default, shall, at its own expense, endeavor to collect, as and when due, all amounts due with respect to any of the Collateral, including the taking of such action with respect to such collection as the Administrative Agent may request or, in the absence of such request, as such Grantor may deem advisable, and (iii) may grant, in the ordinary course of business, to any party obligated on any of the Collateral, any rebate, refund or allowance to which such party may be lawfully entitled, and may accept, in connection therewith, the return of Goods, the sale or lease of which shall have given rise to such Collateral.

(b) At any time following the occurrence and during the continuance of an Event of Default, whether before or after the maturity of any of the Secured Obligations, the Administrative Agent may (i) revoke any or all of the rights of any Grantor set forth in clause (a), (ii) notify any parties obligated on any of the Collateral to make payment to the Administrative Agent of any amounts due or to become due thereunder, and (iii) enforce collection of any of the Collateral by suit or otherwise and surrender, release, or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby.

(c) Upon request of the Administrative Agent following the occurrence and during the continuance of an Event of Default, each Grantor will, at its own expense, notify any parties obligated on any of the Collateral to make payment to the Administrative Agent of any amounts due or to become due thereunder.

(d) At any time following the occurrence and during the continuation of an Event of Default, the Administrative Agent may endorse, in the name of the applicable Grantor, any item, howsoever received by the Administrative Agent, representing any payment on or other Proceeds of any of the Collateral.

SECTION 4.5. As to Equipment and Inventory and Goods. Upon the occurrence and during the continuance of an Event of Default and if requested by the Administrative Agent, each Grantor agrees to take such action (or cause its Restricted Subsidiaries that are also Credit Parties to take such action), including endorsing certificates of title or executing applications for transfer of title, as is reasonably required by the Administrative Agent to enable it to properly perfect and protect its Lien on all Certificated Equipment and to transfer the same. Each Grantor agrees to take such action (or cause its Restricted Subsidiaries that are also Credit Parties to take such action) as is reasonably requested by the Administrative Agent to enable it to properly perfect and protect its Lien on Equipment and Inventory and Goods (other than, as to perfection, Excluded Perfection Collateral) that such Grantor has transferred

from a jurisdiction within the United States of America or its offshore waters to a jurisdiction outside of the United States of America or its offshore waters.

SECTION 4.6. As to Intellectual Property Collateral. Each Grantor covenants and agrees to comply with the following provisions as such provisions relate to any Intellectual Property Collateral material to the operations or business of such Grantor:

(a) such Grantor will not (i) do or fail to perform any act whereby any such Patent Collateral may lapse or become abandoned or dedicated to the public or unenforceable, (ii) permit any of its licensees to (A) fail to continue to use any of such Trademark Collateral in order to maintain all of such Trademark Collateral in full force free from any claim of abandonment for non-use, (B) fail to employ all of such Trademark Collateral registered with any federal or state, or if requested by the Administrative Agent, foreign authority with an appropriate notice of such registration, (C) knowingly adopt or use any other Trademark which is confusingly similar or a colorable imitation of any such Trademark Collateral, (D) use any such Trademark Collateral registered with any federal, state or if requested by the Administrative Agent, foreign authority except for the uses for which registration or application for registration of all of the Trademark Collateral has been made, or (E) do or permit any act or knowingly omit to do any act whereby any such Trademark Collateral may lapse or become invalid or unenforceable, or (iii) do or permit any act or knowingly omit to do any act whereby any such Copyright Collateral or any such Trade Secrets Collateral may lapse or become invalid or unenforceable or placed in the public domain except upon expiration of the end of an unrenewable term of a registration thereof, unless, in the case of any of the foregoing requirements in clauses (i), (ii) and (iii), such Grantor shall reasonably and in good faith determine that any of such Intellectual Property Collateral is of immaterial economic value to such Grantor;

(b) such Grantor shall promptly notify the Administrative Agent if it knows that any application or registration relating to any material item of such Intellectual Property Collateral may become abandoned or dedicated to the public or placed in the public domain or invalid or unenforceable, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or if requested by the Administrative Agent, any foreign counterpart thereof or any court) regarding such Grantor's ownership of any such Intellectual Property Collateral, its right to register the same or to keep and maintain and enforce the same;

(c) following the filing of an application for the registration of any such material Intellectual Property Collateral with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, such Grantor shall promptly inform the Administrative Agent of the same, and upon reasonable request of the Administrative Agent (subject to the terms of the Credit Agreement), execute and deliver all agreements, instruments and documents as the Administrative Agent may reasonably request to evidence the Administrative Agent's security interest in such Intellectual Property Collateral;

(d) such Grantor will take all necessary steps, including in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or (subject to the terms of the Credit Agreement), if requested by the Administrative Agent, any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue any application (and to obtain the relevant registration) filed with respect to, and to maintain any registration of, each such Intellectual Property Collateral, including the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings and the payment of fees and taxes (except to the extent that dedication, abandonment or invalidation is permitted under the foregoing

clause (a) or (b) or to the extent such Grantor shall reasonably and in good faith determine is of immaterial economic value to such Grantor);

(e) following the obtaining of an interest in any such Intellectual Property by such Grantor, such Grantor shall deliver a supplement to Schedule II identifying such new Intellectual Property; and

(f) following the obtaining of an interest in any such Intellectual Property by such Grantor or, following the occurrence and during the continuance of an Event of Default, upon the request of the Administrative Agent, such Grantor shall deliver all agreements, instruments and documents the Administrative Agent may reasonably request to evidence the Administrative Agent's security interest in such Intellectual Property Collateral and as may otherwise be required to acknowledge or register or perfect the Administrative Agent's interest in any part of such item of Intellectual Property Collateral unless such Grantor shall determine in good faith (and if an Event of Default has occurred and is continuing, with the consent of the Administrative Agent) that any Intellectual Property Collateral is of immaterial economic value to such Grantor.

SECTION 4.7. As to Electronic Chattel Paper and Transferable Records. If any Grantor at any time holds or acquires an interest in any electronic chattel paper or any "transferable record," as that term is defined in Section 201 of the U.S. Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the U.S. Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, with a value in excess of $2,000,000, such Grantor shall promptly notify the Administrative Agent thereof and, at the reasonable request of the Administrative Agent, shall take such action as the Administrative Agent may reasonably request to vest in the Administrative Agent control (for the ratable benefit of Secured Parties) under Section 9-105 of the UCC of such electronic chattel paper or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Administrative Agent agrees with each Grantor that the Administrative Agent will arrange, pursuant to procedures reasonably satisfactory to the Administrative Agent and so long as such procedures will not result in the Administrative Agent's loss of control, for such Grantor to make alterations to the electronic chattel paper or transferable record permitted under Section 9-105 of the UCC or, as the case may be, Section 201 of the U.S. Federal Electronic Signatures in Global and National Commerce Act or Section 16 of the U.S. Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Grantor with respect to such electronic chattel paper or transferable record.

SECTION 4.8. As to Certificated Equipment. Until the Administrative Agent exercises remedies upon the occurrence and during the continuance of an Event of Default and following the request of the Administrative Agent, the certificates of title with respect to Certificated Equipment shall be maintained at the applicable Grantor's offices.

SECTION 4.9. [Reserved].

SECTION 4.10. [Reserved].

SECTION 4.11. Further Assurances, etc. Each Grantor shall warrant and defend the right and title herein granted unto the Administrative Agent in and to the Collateral (and all right, title and interest represented by the Collateral) against the claims and demands of all Persons whomsoever. Each Grantor agrees that, from time to time at its own expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or that the Administrative

Agent may reasonably request, in order to perfect, preserve and protect any security interest granted or purported to be granted hereby or to enable the Administrative Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral (other than, as to perfection, Excluded Perfection Collateral) subject to the terms hereof. Each Grantor agrees that, upon the acquisition after the date hereof by such Grantor of any Collateral, with respect to which the security interest granted hereunder is not perfected automatically upon such acquisition, to take such actions with respect to such Collateral (other than, as to perfection, Excluded Perfection Collateral) or any part thereof as required by the Credit Documents. Without limiting the generality of the foregoing, each Grantor will:

(a) from time to time upon the request of the Administrative Agent, promptly deliver to the Administrative Agent such stock powers, instruments and similar documents, reasonably satisfactory in form and substance to the Administrative Agent, with respect to such Collateral as the Administrative Agent may reasonably request and will, from time to time upon the request of the Administrative Agent, after the occurrence and during the continuance of any Event of Default, (i) promptly transfer any securities constituting Collateral into the name of any nominee designated by the Administrative Agent and (ii) if any Collateral shall be evidenced by an Instrument, negotiable Document, promissory note or tangible Chattel Paper, deliver and pledge to the Administrative Agent hereunder such Instrument, negotiable Document, promissory note, Pledged Note or tangible Chattel Paper duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Administrative Agent;

(b) file (and hereby authorize the Administrative Agent to file) such filing statements or continuation statements, or amendments thereto, and such other instruments or notices (including any assignment of claim form under or pursuant to the federal assignment of claims statute, 31 U.S.C. § 3726, any successor or amended version thereof or any regulation promulgated under or pursuant to any version thereof), as may be necessary or that the Administrative Agent may reasonably request in order to perfect and preserve the security interests and other rights granted or purported to be granted to the Administrative Agent hereby;

(c) [Reserved];

(d) [Reserved]; and

(e) furnish to the Administrative Agent, from time to time at the Administrative Agent's reasonable request, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Administrative Agent may reasonably request, all in reasonable detail.

The authorization contained in Section 4.11 (b) above shall be irrevocable and continuing until the Termination Date. Each Grantor agrees that a carbon, photographic or other reproduction of this Security Agreement or any UCC financing statement covering the Collateral or any part thereof shall be sufficient as a UCC financing statement where permitted by law. Each Grantor hereby authorizes the Administrative Agent to file financing statements describing as the collateral covered thereby "all of the debtor's personal property or assets" or words to that effect, notwithstanding that such wording may be broader in scope than the Collateral described in this Security Agreement.

ARTICLE V
THE ADMINISTRATIVE AGENT

SECTION 5.1. Administrative Agent Appointed Attorney-in-Fact. Each Grantor hereby irrevocably appoints the Administrative Agent its attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, from time to time in the Administrative Agent's discretion, following the occurrence and during the continuance of an Event of Default, to take any action and to execute any instrument which the Administrative Agent may deem necessary or advisable to accomplish the purposes of this Security Agreement, including (a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral, (b) to receive, endorse, and collect any drafts or other Instruments, Documents and Chattel Paper, in connection with clause (a) above, (c) to file any claims or take any action or institute any proceedings which the Administrative Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Administrative Agent with respect to any of the Collateral, and (d) to perform the affirmative obligations of such Grantor hereunder. **EACH GRANTOR HEREBY ACKNOWLEDGES, CONSENTS AND AGREES THAT THE POWER OF ATTORNEY GRANTED PURSUANT TO THIS SECTION 5.1 IS IRREVOCABLE AND COUPLED WITH AN INTEREST AND SHALL BE EFFECTIVE UNTIL THE TERMINATION DATE.**

SECTION 5.2. Administrative Agent May Perform. If any Grantor fails to perform any agreement contained herein, the Administrative Agent may, during the continuance of any Event of Default, itself perform, or cause performance of, such agreement, and the expenses of the Administrative Agent incurred in connection therewith shall be payable by such Grantor pursuant to Section 6.3 hereof and Section 9.1 of the Credit Agreement and the Administrative Agent may from time to time take any other action which the Administrative Agent reasonably deems necessary for the maintenance, preservation or protection of any of the Collateral or of its security interest therein.

SECTION 5.3. Administrative Agent Has No Duty. The powers conferred on the Administrative Agent hereunder are solely to protect its interest (on behalf of the Secured Parties) in the Collateral and shall not impose any duty on it to exercise any such powers. Except for reasonable care of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Administrative Agent shall have no duty as to any Collateral or responsibility for (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Investment Property and any other Pledged Property, whether or not the Administrative Agent has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

SECTION 5.4. Reasonable Care. The Administrative Agent is required to exercise reasonable care in the custody and preservation of any of the Collateral in its possession; provided, that the Administrative Agent shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral (a) if such Collateral is accorded treatment substantially equal to that which the Administrative Agent accords its own personal property, or (b) if the Administrative Agent takes such action for that purpose as any Grantor reasonably requests in writing at times other than upon the occurrence and during the continuance of an Event of Default; provided, further, that failure of the Administrative Agent to comply with any such request at any time shall not in itself be deemed a failure to exercise reasonable care.

ARTICLE VI
REMEDIES

SECTION 6.1. Certain Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Administrative Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the UCC (whether or not the UCC applies to the affected Collateral) and also may (i) take possession of any Collateral not already in its possession without demand and without legal process, (ii) require any Grantor to, and each Grantor hereby agrees that it will, at its expense and upon request of the Administrative Agent forthwith, assemble all or part of the Collateral as directed by the Administrative Agent and make it available to the Administrative Agent at a place to be designated by the Administrative Agent that is reasonably convenient to both parties, (iii) subject to applicable law or agreements with landlords, bailees, or warehousemen, enter onto the property where any Collateral is located and take possession thereof without demand and without legal process, (iv) without notice except as specified below, lease, license, sell or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Administrative Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Administrative Agent may deem commercially reasonable. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' prior notice to the applicable Grantor of the time and place of any public sale or the time of any private sale is to be made shall constitute reasonable notification; provided, however, that with respect to Collateral that is (x) perishable or threatens to decline speedily in value, or (y) is of a type customarily sold on a recognized market (including but not limited to, Investment Property), no notice of sale or disposition need be given. For purposes of this Article VI, notice of any intended sale or disposition of any Collateral may be given by first-class mail, hand-delivery (through a delivery service or otherwise), facsimile or email, and shall be deemed to have been "sent" upon deposit in the U.S. Mails with adequate postage properly affixed, upon delivery to an express delivery service or upon electronic submission through telephonic or internet services, as applicable. The Administrative Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Administrative Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Each Grantor agrees and acknowledges that a commercially reasonable disposition of Inventory, Equipment, Goods, Computer Hardware and Software Collateral, or Intellectual Property may be by lease or license of, in addition to the sale of, such Collateral. Each Grantor further agrees and acknowledges that the following shall be deemed a reasonable commercial disposition: (i) a disposition made in the usual manner on any recognized market, (ii) a disposition at the price current in any recognized market at the time of disposition, and (iii) a disposition in conformity with reasonable commercial practices among dealers in the type of property subject to the disposition.

(c) All cash Proceeds received by the Administrative Agent in respect of any sale of, collection from, or other realization upon, all or any part of the Collateral shall be applied by the Administrative Agent against, all or any part of the Obligations as set forth in Section 7.6 of the Credit Agreement. The Administrative Agent shall not be obligated to apply or pay over for application noncash proceeds of collection or enforcement unless (i) the failure to do so would be commercially unreasonable, and (ii) the affected party has provided the Administrative Agent with a written demand to apply or pay over such noncash proceeds on such basis.

(d) The Administrative Agent may do any or all of the following: (i) transfer all or any part of the Collateral into the name of the Administrative Agent or its nominee, with or without disclosing that such Collateral is subject to the Lien hereunder, (ii) notify the parties obligated on any of the Collateral to make payment to the Administrative Agent of any amount due or to become due thereunder, (iii) withdraw, or cause or direct the withdrawal, of all funds with respect to the Collateral Account, (iv) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto, (v) endorse any checks, drafts, or other writings in the applicable Grantor's name to allow collection of the Collateral, (vi) take control of any Proceeds of the Collateral, or (vii) execute (in the name, place and stead of the applicable Grantor) endorsements, assignments, stock powers and other instruments of conveyance or transfer with respect to all or any of the Collateral.

SECTION 6.2. Compliance with Restrictions. Each Grantor agrees that in any sale of any of the Collateral whenever an Event of Default shall have occurred and be continuing, the Administrative Agent is hereby authorized to comply with any limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to avoid any violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications, and restrict such prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Collateral), or in order to obtain any required approval of the sale or of the purchaser by any Governmental Authority or official, and each Grantor further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall the Administrative Agent be liable nor accountable to such Grantor for any discount allowed by the reason of the fact that such Collateral is sold in compliance with any such limitation or restriction.

SECTION 6.3. Indemnity and Expenses.

(a) **WITHOUT LIMITING THE GENERALITY OF THE PROVISIONS OF SECTION 9.2 OF THE CREDIT AGREEMENT, EACH GRANTOR HEREBY INDEMNIFIES AND HOLDS HARMLESS THE ADMINISTRATIVE AGENT, EACH SECURED PARTY AND EACH OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS (THE "INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES AND LIABILITIES ARISING OUT OF OR RESULTING FROM THIS SECURITY AGREEMENT OR ANY OTHER CREDIT DOCUMENT (INCLUDING, WITHOUT LIMITATION, ENFORCEMENT OF THIS SECURITY AGREEMENT), EXCEPT CLAIMS, LOSSES OR LIABILITIES THAT ARE FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH INDEMNIFIED PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT; PROVIDED, HOWEVER, THAT IT IS THE INTENTION OF THE PARTIES HERETO THAT EACH INDEMNIFIED PARTY BE INDEMNIFIED IN THE CASE OF ITS OWN NEGLIGENCE (OTHER THAN GROSS NEGLIGENCE), REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE OR CONTRIBUTORY, ACTIVE OR PASSIVE, IMPUTED, JOINT OR TECHNICAL.** If and to the extent that the foregoing undertaking may be unenforceable for any reason, each Grantor hereby agrees to make the maximum contribution to the payment and satisfaction of each of the foregoing which is permissible under applicable law.

(b) Other than as set forth in clause (c) below, each Grantor will upon demand pay to the Administrative Agent and any legal counsel the amount of any and all expenses, including the reasonable fees and disbursements of its counsel and of any experts and agents, which the Administrative Agent and any legal counsel may incur in connection herewith, including without limitation in connection

with the administration of this Security Agreement and the custody, preservation, use or operation of, any of the Collateral.

(c) Each Grantor will upon demand pay to the Administrative Agent and any legal counsel the amount of any and all expenses, including the fees and disbursements of its counsel and of any experts and agents, which the Administrative Agent and any legal counsel may incur in connection (i) the sale of, collection from, or other realization upon, any of the Collateral, (ii) the exercise or enforcement of any of the rights of the Administrative Agent and any legal counsel or any of the Secured Parties hereunder, or (iii) the failure by any Grantor to perform or observe any of the provisions hereof.

SECTION 6.4. Warranties. The Administrative Agent may sell the Collateral without giving any warranties or representations as to the Collateral. The Administrative Agent may disclaim any warranties of title or the like. Each Grantor agrees that this procedure will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

ARTICLE VII
MISCELLANEOUS PROVISIONS

SECTION 7.1. Credit Document. This Security Agreement is a Credit Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof, including Article 9 thereof.

SECTION 7.2. Binding on Successors, Transferees and Assigns; Assignment. This Security Agreement shall remain in full force and effect until the Termination Date has occurred, shall be binding upon each Grantor and its successors, transferees and assigns and, subject to the limitations set forth in the Credit Agreement, shall inure to the benefit of and be enforceable by each Secured Party and its successors, transferees and assigns; provided that, no Grantor shall assign any of its obligations hereunder (unless otherwise permitted under the terms of the Credit Agreement or this Security Agreement).

SECTION 7.3. Amendments, etc. No amendment to or waiver of any provision of this Security Agreement, nor consent to any departure by any Grantor from its obligations under this Security Agreement, shall in any event be effective unless the same shall be in writing and signed by the Administrative Agent (on behalf of the Lenders or the Majority Lenders, as the case may be, pursuant to Section 9.3 of the Credit Agreement) and such Grantor and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 7.4. Notices. Except as otherwise provided in this Security Agreement, all notices and other communications provided for hereunder shall be in writing and hand delivered with written receipt, telecopied, sent by facsimile (with a hard copy sent as otherwise permitted pursuant to the Credit Agreement), sent by a nationally recognized overnight courier, or sent by certified mail, return receipt requested to the appropriate party at the address or facsimile number of such party specified in the Credit Agreement, on the signature pages of this Security Agreement or at such other address or facsimile number as may be designated by such party in a notice to the other party. Except as otherwise provided in this Security Agreement, all such notices and communications shall be effective when delivered.

SECTION 7.5. No Waiver; Remedies. In addition to, and not in limitation of Section 2.7, no failure on the part of any Secured Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any

other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 7.6. Headings. The various headings of this Security Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Security Agreement or any provisions thereof.

SECTION 7.7. Severability. Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Security Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 7.8. Counterparts. This Security Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery of an executed counterpart of a signature page to this Security Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Security Agreement.

SECTION 7.9. Consent as Holder of Equity and as Pledged Interests Issuer. Each Grantor hereby (a) consents to the execution by each other Grantor of this Security Agreement and grant by each other Grantor of a security interest, encumbrance, pledge and hypothecation in all Pledged Interests and other Collateral of such other Grantor to the Administrative Agent pursuant hereto, (b) without limiting the generality of the foregoing, consents to the transfer of any Pledged Interest to the Administrative Agent or its nominee pursuant to the terms of this Security Agreement following the occurrence and during the continuance of an Event of Default and to the substitution of the Administrative Agent or its nominee as a partner under the limited partnership agreement or as a member under the limited liability company agreement, in any case, as heretofore and hereafter amended, and (c) to the extent such Grantor is also a Pledged Interests Issuer, agrees to comply with instructions with respect to the applicable Pledged Interests originated by the Administrative Agent without further consent of any other Grantor if an Event of Default has occurred and is continuing. Furthermore, each Grantor as the holder of any Equity Interests in a Pledged Interests Issuer, hereby (i) waives all rights of first refusal, rights to purchase, and rights to consent to transfer (to any Secured Party or to any purchaser resulting from the exercise of a Secured Party's remedy provided hereunder or under applicable law) and (ii) if required by the organizational documents of such Pledged Interests Issuer, agrees to cause such Pledged Interests Issuer to register the Lien granted hereunder and encumbering such Equity Interests in the registry books of such Pledged Interests Issuer.

SECTION 7.10. Additional Grantors. Additional Wholly-Owned Domestic Restricted Subsidiaries of Borrower may from time to time enter into this Security Agreement as a Grantor. Upon execution and delivery after the date hereof by the Administrative Agent and such Wholly-Owned Domestic Restricted Subsidiary of an instrument in the form of Annex 1, such Wholly-Owned Domestic Restricted Subsidiary shall become a Grantor hereunder with the same force and effect as if originally named as a Grantor herein. The execution and delivery of any instrument adding an additional Grantor as a party to this Security Agreement shall not require the consent of any other Grantor hereunder. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Security Agreement.

SECTION 7.11. Conflicts with Credit Agreement. To the fullest extent possible, the terms and provisions of the Credit Agreement shall be read together with the terms and provisions of this Security Agreement so that the terms and provisions of this Security Agreement do not conflict with the terms and provisions of the Credit Agreement; provided, however, notwithstanding the foregoing, in the event that

any of the terms or provisions of this Security Agreement conflict with any terms or provisions of the Credit Agreement, the terms or provisions of the Credit Agreement shall govern and control for all purposes; provided that the inclusion in this Security Agreement of terms and provisions, supplemental rights or remedies in favor of the Administrative Agent not addressed in the Credit Agreement shall not be deemed to be in conflict with the Credit Agreement and all such additional terms, provisions, supplemental rights or remedies contained herein shall be given full force and effect.

SECTION 7.12. Governing Law. This Security Agreement shall be deemed a contract under, and shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, applicable to contracts made and to be performed entirely within such state, including without regard to conflicts of laws principles.

SECTION 7.13. Submission to Jurisdiction. EACH GRANTOR PARTY TO THIS SECURITY AGREEMENT IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE GRANTORS PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE GRANTORS PARTY HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS SECURITY AGREEMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS SECURITY AGREEMENT AGAINST ANY OTHER PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

SECTION 7.14. Waiver of Venue. EACH GRANTOR PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT IN ANY COURT REFERRED TO IN SECTION 7.13. EACH OF THE PARTIES HERETO HEREBY AGREES THAT SECTIONS 5-1401 AND 4-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK SHALL APPLY TO THIS SECURITY AGREEMENT AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

SECTION 7.15. Service of Process. Each Grantor party hereto irrevocably consents to service of process in the manner provided for notices in Section 9.9 of the Credit Agreement. Nothing in this Security Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

SECTION 7.16. Waiver of Jury. EACH GRANTOR PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY

OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH GRANTOR PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

THIS SECURITY AGREEMENT AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND SUPERSEDE ALL PRIOR UNDERSTANDINGS AND AGREEMENTS, WHETHER WRITTEN OR ORAL, RELATING TO THE TRANSACTIONS PROVIDED FOR HEREIN AND THEREIN. ADDITIONALLY, THIS AGREEMENT AND THE CREDIT DOCUMENTS MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[Remainder of this page intentionally left blank. Signature pages to follow.]

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be duly executed and delivered by its Responsible Officer as of the date first above written.

GRANTORS

FORUM ENERGY TECHNOLOGIES, INC.

By: _____
Name: _____
Title: _____

[_____]

By: _____
Name: _____
Title: _____

ADMINISTRATIVE AGENT:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

ITEM A – PLEDGED INTERESTS

[Company to Provide]

Common Stock

Pledged Interests Issuer (corporate)	Cert. #	# of Shares	Authorized Shares	% of Shares Pledged

Limited Liability Company Interests

Pledged Interests Issuer (limited liability company)	% of Limited Liability Company Interests Pledged	Type of Limited Liability Company Interests Pledged

Partnership Interests

Pledged Interests Issuer (partnership)	% of Partnership Interests Owned	% of Partnership Interests Pledged
N/A		

ITEM B – PLEDGED NOTES

[Company to Provide]

1. Pledged Note Issuer Description:

Item A-1. Location of Grantor for purposes of UCC.

[Company to Provide]

Forum Energy Technologies, Inc.: Delaware

[Other Grantors]: [_____]

Item A-2. Grantor's place of business or principal office.

[Company to Provide]

Forum Energy Technologies, Inc.
[Address]

[Other Grantors]
[Address]

Item A-3. Taxpayer ID number.

[Company to Provide]

Forum Energy Technologies, Inc.: [_____]

[Other Grantors]: [_____]

Item B. Merger or other corporate reorganization.

[Company to Provide]

SCHEDULE III – A
to Pledge and Security
Agreement

INTELLECTUAL PROPERTY COLLATERAL

Item A. Patent Collateral.

[Company to Provide]

Issued Patents

Country	Serial No.	Issued Date	Inventor(s)	Title

Pending Patent Applications

Country	Serial No.	Filing Date	Inventor(s)	Title

Patent Applications in Preparation

SCHEDULE III – B
to Pledge and Security
Agreement

Item B. Trademark Collateral

[Company to Provide]

Trademarks, Service Marks, Trademark Licenses

Item C. Copyright Collateral.

[Company to Provide]

SUPPLEMENT NO. _____ dated as of _____, 20__ (the "Supplement"), to the Pledge and Security Agreement dated as of August 2, 2010 (as amended, supplemented, restated, or otherwise modified from time to time, the "Security Agreement"), among FORUM OILFIELD TECHNOLOGIES, INC., a Delaware corporation (the "Borrower") and each subsidiary of the Borrower party hereto from time to time (collectively with the Borrower, the "Grantors" and individually, a "Grantor"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Wells Fargo"), as administrative agent (the "Administrative Agent") for the ratable benefit of the Secured Parties (as defined in the Credit Agreement referred to herein).

D. Reference is made to that certain Credit Agreement, dated as of August 2, 2010 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the lenders party thereto from time to time (the "Lenders"), the Issuing Lenders (as defined in the Credit Agreement) and Wells Fargo Bank, National Association, as the Administrative Agent and as the swing line lender.

E. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement and the Credit Agreement.

F. Section 7.10 of the Security Agreement provides that additional Wholly-Owned Domestic Restricted Subsidiaries of the Borrower may become Grantors under the Security Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Wholly-Owned Domestic Restricted Subsidiary of the Borrower (the "New Grantor") is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Grantor under the Security Agreement.

Accordingly, the Administrative Agent and the New Grantor agree as follows:

(e) In accordance with Section 7.10 of the Security Agreement, the New Grantor by its signature below becomes a Grantor under the Security Agreement with the same force and effect as if originally named therein as a Grantor and the New Grantor hereby agrees (a) to all the terms and provisions of the Security Agreement applicable to it as a Grantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Grantor thereunder are true and correct on and as of the date hereof. In furtherance of the foregoing, the New Grantor, as security for the payment and performance in full of the Secured Obligations (as defined in the Security Agreement), does hereby create and grant to the Administrative Agent, its successors and assigns, for the benefit of the Secured Parties, their successors and assigns as provided in the Security Agreement, a continuing security interest in and Lien on all of the New Grantor's right, title and interest in and to the Collateral (as defined in the Security Agreement) of the New Grantor. Each reference to a "Grantor" in the Security Agreement shall be deemed to include the New Grantor. The Security Agreement is hereby incorporated herein by reference.

(f) The New Grantor represents and warrants to the Administrative Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(g) This Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Administrative Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of the New Grantor and the Administrative Agent. Delivery of an executed signature page to this Supplement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

(h) The New Grantor hereby agrees that the schedules attached to the Security Agreement are hereby supplemented by the corresponding schedules attached to this Supplement. The New Grantor hereby represents and warrants that the information provided in the schedules attached hereto are true and correct as of the date hereof.

(i) The New Grantor hereby expressly acknowledges and agrees to the terms of Section 6.3. (Indemnity and Expenses) of the Security Agreement and expressly acknowledges the irrevocable proxy provided in Section 4.1(e) of the Security Agreement. In furtherance thereof, **NEW GRANTOR HEREBY GRANTS THE ADMINISTRATIVE AGENT AN IRREVOCABLE PROXY (WHICH IRREVOCABLE PROXY SHALL CONTINUE IN EFFECT UNTIL THE TERMINATION DATE) EXERCISABLE UNDER THE CIRCUMSTANCES PROVIDED IN SECTION 4.1 OF THE SECURITY AGREEMENT, TO VOTE THE PLEDGED SHARES, PLEDGED INTERESTS, INVESTMENT PROPERTY AND SUCH OTHER COLLATERAL**.

(j) Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect.

(k) Governing Law. This Supplement shall be deemed a contract under, and shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, applicable to contracts made and to be performed entirely within such state, including without regard to conflicts of laws principles., except to the extent that the validity or perfection of the security interests hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of New York.

(l) In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, neither party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the Security Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

(m) All communications and notices hereunder shall be in writing and given as provided in the Security Agreement. All communications and notices hereunder to the New Grantor shall be given to it at the address set forth under its signature hereto.

(n) The New Grantor agrees to reimburse the Administrative Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for the Administrative Agent.

(o) Submission to Jurisdiction. NEW GRANTOR IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK

COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND NEW GRANTOR IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. NEW GRANTOR AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS SUPPLEMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS SUPPLEMENT AGAINST ANY OTHER PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(p) Waiver of Venue. NEW GRANTOR IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENT IN ANY COURT REFERRED TO IN SECTION 11. NEW GRANTOR HEREBY AGREES THAT SECTIONS 5-1401 AND 4-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK SHALL APPLY TO THIS SUPPLEMENT AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(q) Service of Process. New Grantor irrevocably consents to service of process in the manner provided for notices in Section 9.9 of the Credit Agreement. Nothing in this Supplement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

(r) Waiver of Jury. NEW GRANTOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS SUPPLEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). NEW GRANTOR (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS SUPPLEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

THIS SUPPLEMENT, THE SECURITY AGREEMENT AND THE OTHER CREDIT DOCUMENTS, AS DEFINED IN THE CREDIT AGREEMENT REFERRED TO IN THIS SUPPLEMENT, REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES HERETO.

IN WITNESS WHEREOF, the New Grantor and the Administrative Agent have duly executed this Supplement to the Security Agreement as of the day and year first above written.

[Name of New Grantor],

By: _____
Name: _____
Title: _____

Address: _____
_____
_____

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent

By: _____
Name: _____
Title: _____

SCHEDULES TO SUPPLEMENT NO. 1

[AS APPROPRIATE]

EXHIBIT H
FORM OF SWING LINE NOTE

$_____ ____, __

For value received, the undersigned **FORUM ENERGY TECHNOLOGIES, INC.**, a Delaware corporation ("Borrower"), hereby promises to pay to the order of _____ ("Payee") the principal amount of _____ No/100 Dollars ($_____) or, if less, the aggregate outstanding principal amount of the Swing Line Advances (as defined in the Credit Agreement referred to below) made by the Payee (or predecessor in interest) to the Borrower, together with interest on the unpaid principal amount of the Swing Line Advances from the date of such Swing Line Advances until such principal amount is paid in full, at such interest rates, and at such times, as are specified in the Credit Agreement (as hereunder defined). The Borrower may make prepayments on this Swing Line Note in accordance with the terms of the Credit Agreement.

This Swing Line Note is the Swing Line Note referred to in, and is entitled to the benefits of, and is subject to the terms of, the Credit Agreement dated as of August 2, 2010 (as the same may be amended, restated, supplement or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the lenders party thereto (the "Lenders"), the Issuing Lenders (as defined in the Credit Agreement), and Wells Fargo Bank, N.A., as administrative agent (the "Administrative Agent") and as a Swing Line Lender. Capitalized terms used in this Swing Line Note that are defined in the Credit Agreement and not otherwise defined in this Swing Line Note have the meanings assigned to such terms in the Credit Agreement. The Credit Agreement, among other things, (a) provides for the making of the Swing Line Advances by the Payee to the Borrower in an aggregate amount not to exceed at any time outstanding the Dollar amount first above mentioned, the indebtedness of the Borrower resulting from each such Swing Line Advance being evidenced by this Swing Line Note, and (b) contains provisions for acceleration of the maturity of this Swing Line Note upon the happening of certain events stated in the Credit Agreement and for prepayments of principal prior to the maturity of this Swing Line Note upon the terms and conditions specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United States of America to the Administrative Agent at the location or address specified by the Administrative Agent to the Borrower in same day funds. The Payee shall record payments of principal made under this Swing Line Note, but no failure of the Payee to make such recordings shall affect the Borrower's repayment obligations under this Swing Line Note.

This Swing Line Note is secured by the Security Documents and guaranteed pursuant to the terms of the Guaranties.

This Swing Line Note is made expressly subject to the terms of Section 9.11 and Section 9.12 of the Credit Agreement.

Except as specifically provided in the Credit Agreement, the Borrower hereby waives presentment, demand, protest, notice of intent to accelerate, notice of acceleration, and any other notice of any kind. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder of this Swing Line Note shall operate as a waiver of such rights.

THIS SWING LINE NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

THIS SWING LINE NOTE AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND SUPERSEDE ALL PRIOR UNDERSTANDINGS AND AGREEMENTS, WHETHER WRITTEN OR ORAL, RELATING TO THE TRANSACTIONS PROVIDED FOR HEREIN AND THEREIN. ADDITIONALLY, THIS SWING LINE NOTE AND THE CREDIT DOCUMENTS MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

FORUM ENERGY TECHNOLOGIES, INC.

By: _____
Name: _____
Title: _____

SCHEDULE I
Pricing Schedule

The Applicable Margin with respect to Commitment Fee, Revolving Advances, and, if applicable, Swing Line Advances shall be determined in accordance with the following Table based on the Borrower's Leverage Ratio as reflected in the Compliance Certificate delivered in connection with the financial statements most recently delivered pursuant to Section 5.2. Adjustments, if any, to such Applicable Margin shall be effective on the date the Administrative Agent receives the applicable financial statements and corresponding Compliance Certificate as required by the terms of this Agreement. If the Borrower fails to deliver the financial statements and corresponding Compliance Certificate to the Administrative Agent at the time required pursuant to Section 5.2, then effective as of the date such financial statements and Compliance Certificate were required to the delivered pursuant to Section 5.2, the Applicable Margin with respect to Commitment Fee, Revolving Advances, and, if applicable, Swing Line Advances shall be determined at Level I and shall remain at such level until the date such financial statements and corresponding Compliance Certificate are so delivered by the Borrower. Notwithstanding the foregoing, the Borrower shall be deemed to be at Level IV described below until delivery of its unaudited financial statements and corresponding Compliance Certificate for the fiscal quarter ending September 30, 2010. Notwithstanding anything to the contrary contained herein, the determination of the Applicable Margin for any period shall be subject to the provisions of Section 2.8(c).

Applicable Margin	Leverage Ratio	Base Rate Advances	Eurodollar Advances	Commitment Fee
Level I	Is greater than or equal 3.50	2.25%	3.75%	0.50%
Level II	Is less than 3.50 but greater than or equal to 3.00	2.00%	3.50%	0.50%
Level III	Is less than 3.00 but greater than or equal to 2.50	1.50%	3.00%	0.50%
Level IV	Is less than 2.50 but greater than or equal to 2.00	1.25%	2.75%	0.50%
Level V	Is less than 2.00 but greater than or equal to 1.50	1.00%	2.50%	0.375%
Level VI	Is less than 1.50 but greater than or equal to 1.00	0.75%	2.25%	0.375%
Level VII	Is less than 1.00	0.50%	2.00%	0.375%

SCHEDULE II

Commitments, Contact Information

ADMINISTRATIVE AGENT/ISSUING LENDER/SWING LINE LENDER

Wells Fargo Bank, National Association

Address: 1525 W WT Harris Blvd.
Mail Code NC0680
Charlotte, NC 28262
Attn: Syndication/Agency Services
Telephone: (704) 590 2760
Facsimile: (704) 590 2790

with a copy to:
Address: 1000 Louisiana, 9th Floor
MAC T5002-090
Houston, Texas 77002
Attn: J.C. Hernandez
Telephone: 713-319-1913
Facsimile: 713-739-1087

CREDIT PARTIES

Borrower/Guarantors

Address for Notices:
8807 W. Sam Houston Pkwy N, Suite 200
Houston, TX 77040
Attn: James Harris
Telephone: 713-351-7999
Facsimile: 713-351-7997

Lender	Commitment
Wells Fargo Bank, National Association	$ 70,000,000
JPMorgan Chase Bank, N.A.	$ 70,000,000
Bank of America, N.A.	$ 70,000,000
Citibank, N.A.	$ 60,000,000
Deustche Bank Trust Company Americas	$ 60,000,000
Amegy Bank National Association	$ 60,000,000
HSBC Bank USA, N.A.	$ 40,000,000
Credit Suisse AG, Cayman Islands Branch	$ 20,000,000
TOTAL:	**$450,000,000**

Schedule 1.1

Existing Letters of Credit

1. Letter of Credit issued by Amegy Bank National Association to McDermott Australia for Kipper Tuna project (Subsea) issued June 22, 2010 in the amount of $400,000 with expiry date of May 31, 2012.
2. Irrevocable Standby Letter of Credit issued by JPMorgan Chase Bank on behalf of Global Flow Technologies, Inc. for the benefit of Petroquimicasuape (Brazil) issued September 17, 2009 in the amount of USD $23,060.82 with expiry date of February 23, 2012.
3. Irrevocable Standby Letter of Credit issued by JPMorgan Chase Bank on behalf of Global Flow Technologies, Inc. for the benefit of Petroquimicasuape (Brazil) issued September 17, 2009 in the amount of USD $27,439.37 with expiry date of February 23, 2012.
4. Letters of Credit on behalf of Forum Energy Technologies, Inc. issued by JP Morgan Chase Bank:

REF NUMBER	CURRENCY	LC FACE AMOUNT	OUTSTANDING USD EQUIVALENT	Expiry	BENEFICIARY NAME	BENEFICIARY COUNTRY
LOC - UK 4L4S-715827	USD	99,859.00	99,859.00	02/28/11	JPMORGAN CHASE BANK N.A.	US
LOC - UK 4L4S-715828	USD	95,000.00	95,000.00	05/31/11	JPMORGAN CHASE BANK N.A.	US
LOC - UK 4L4S-715829	USD	95,000.00	95,000.00	10/31/11	JPMORGAN CHASE BANK N.A.	US
LOC - UK 4L4S-718402	USD	260,100.00	260,100.00	06/15/11	SAIPEM (PORTUGAL) COMERCIO	PT
LOC - Mexico 628485	USD	28,446.51	28,446.51	06/16/11	Parque Industrial Avante	Mexico
LOC - SING 712614	SGD	126,248.87	90,255.32	08/30/11	Hayer Engineering Pte Ltd	Singapore
LOC - SING 708092	USD	36,901.70	36,901.70	03/01/11	PPL Shipyard Pte Ltd	Singapore
LOC - SING 803638	USD	28,276.94	28,276.94	02/15/11	JPMORGAN CHASE BANK N.A.	Singapore
LOC - SING 838868	USD	192,082.50	192,082.50	03/08/11	JPMORGAN CHASE BANK N.A.	Singapore
LOC - SING 838870	USD	126,300.00	126,300.00	01/29/11	JPMORGAN CHASE BANK N.A.	Singapore
LOC - SING 838866	USD	222,600.00	222,600.00	01/29/11	JPMORGAN CHASE BANK N.A.	Singapore
LOC - CPCS 856396	USD	92,390.00	92,390.00	05/31/11	JPMORGAN CHASE BANK N.A.	Singapore
LOC - SING 850547	USD	124,861.46	124,861.46	08/11/10	JPMORGAN CHASE BANK N.A.	Phillipines
			1,492,073.43			

Schedule 4.1

Organizational Information

	Entity Name	Type of Organization	State of Formation
1.	**A.B.Z. Manufacturing, Inc.**	Corporation	Kansas
2.	**Allied Production Services, Inc.**	Corporation	Delaware
3.	**Allied Production Solutions GP, LLC**	Limited Liability Company	Texas
4.	**Allied Productions Solutions, LP**	Limited Partnership	Texas
5.	**C&L Pipeline Equipment, Inc.**	Corporation	Delaware
6.	**Certified Technical Services, L.P.**	Limited Partnership	Texas
7.	**CREVCO, L.P.**	Limited Partnership	Texas
8.	**DPS Offshore, Inc.**	Corporation	Texas
9.	**Forum Energy Technologies, Inc.**	Corporation	Delaware
10.	**Forum International Holdings, Inc.**	Corporation	Delaware
11.	**Forum Oilfield Technologies US, Inc.**	Corporation	Delaware
12.	**Geoscience Earth & Marine Services, Inc.**	Corporation	Texas
13.	**Global Flow Equipment, Inc.**	Corporation	Delaware
14.	**Global Flow Technologies, Inc.**	Corporation	Delaware
15.	**M-CO GP, LLC**	Limited Liability Company	Texas
16.	**M-Co, Ltd.**	Corporation	Texas
17.	**MIDCO Fabricators, Inc.**	Corporation	Oklahoma
18.	**Offshore Joint Services, Inc.**	Corporation	Texas
19.	**Perry Slingsby Systems, Inc.**	Corporation	Delaware
20.	**Perry Slingsby Systems, Inc.**	Corporation	Texas
21.	**Quadrant Valve & Actuator, L.L.C.**	Limited Liability Company	Louisiana

	Entity Name	Type of Organization	State of Formation
22.	**Seafloor Geoservices Inc.**	Corporation	Delaware
23.	**Sub-Atlantic, Inc.**	Corporation	Texas
24.	**Subsea Services International, Inc.**	Corporation	Delaware
25.	**TGH (US) Inc.**	Corporation	Delaware
26.	**Titan Tanks and Vessels, LLC**	Limited Liability Company	Texas
27.	**Triton Group Holdings LLC**	Limited Liability Company	Delaware
28.	**UKPS, Inc.**	Corporation	Texas
29.	**VMAX Technologies Inc.**	Corporation	Delaware
30.	**Z Explorations, Inc.**	Corporation	Delaware
31.	**Z Resources, Inc.**	Corporation	Delaware
32.	**Zy-Tech Global Industries, Inc.**	Corporation	Delaware

Schedule 4.10

Environmental Conditions

1. Global Flow Technologies, Inc. has been named as one of many defendants in a number of product liability claims for alleged exposure to asbestos. These lawsuits are typically filed on behalf of plaintiffs, who allege exposure to some asbestos, against numerous defendants, often 40 or more, who may have manufactured or distributed valve products containing asbestos. Asbestos gaskets were commonly used in valves from the 1960's until the early 1980's. The injuries alleged by plaintiffs in these cases range from mesothelioma to other cancers to asbestosis. The earliest claims against Global Flow Technologies, Inc. were filed in New Jersey in 1998, and Global Flow Technologies, Inc. currently has active cases in New Jersey, New York and Illinois. Approximately 80% of Global Flow Technologies, Inc.'s defense and settlement costs are being paid by insurance pursuant to historical policies that provided occurrence-based product liability coverage during the time periods when the asbestos-containing valves were manufactured.

2. In May 2009, a subsidiary of Global Flow Technologies, Inc., Z Explorations, Inc. (which is presently a dormant company with nominal assets except for rights under insurance policies), was named along with many defendants in a suit filed by the Port of Portland, Oregon seeking reimbursement of costs related to a five-year study of contaminated sediments at the port. In March 2010, Z Explorations, Inc. also received a notice letter from the EPA indicating that it had been identified as a potentially responsible party with respect to environmental contamination in the "study area" for the Portland Harbor Superfund Site. Under a 1997 indemnity agreement between Z Explorations, Inc. and ZRZ Realty Co. (a former affiliate to Z Explorations, Inc. and an owner of real property located upstream of the "study area"), Global Flow Technologies, Inc. is indemnified with respect to losses relating to environmental contamination. As required under the indemnity agreement, Z Explorations, Inc. provided notice of these claims to ZRZ Realty, and ZRZ Realty has assumed responsibility and is providing a defense of the claims.

Schedule 4.11

Subsidiaries

	Entity Name	State of Formation	Wholly Owned Domestic Subsidiary
1.	**A.B.Z. Manufacturing, Inc.**	Kansas	ü
2.	**Allied Production Services, Inc.**	Delaware	ü
3.	**Allied Production Solutions GP, LLC**	Texas	ü
4.	**Allied Productions Solutions, LP**	Texas	ü
5.	**C&L Pipeline Equipment, Inc.**	Delaware	ü
6.	**Certified Technical Services, L.P.**	Texas	ü
7.	**CREVCO, L.P.**	Texas	ü
8.	**DPS Offshore, Inc.**	Texas	ü
9.	**DPS Offshore Ltd.**	UK - Scotland	
10.	**Dynamic Positioning Services (Holding Company) Ltd.**	UK - England	
11.	**Forum Canada ULC**	Alberta, Canada	
12.	**Forum Energy Technologies, Inc.**	Delaware	ü
13.	**Forum International Holdings, Inc.**	Delaware	ü
14.	**Forum Middle East Limited**	British Virgin Islands	
15.	**Forum Oilfield Asia Pacific Pte. Ltd.**	Singapore	
16.	**Forum Oilfield Europe Limited**	UK - Scotland	
17.	**Forum Oilfield Technologies US, Inc.**	Delaware	ü
18.	**Geoscience Earth & Marine Services, Inc.**	Texas	ü
19.	**Global Flow Equipment, Inc.**	Delaware	ü
20.	**Global Flow Technologies, Inc.**	Delaware	ü
21.	**Kerloch Associates Ltd.**	UK – England	
22.	**M-CO GP, LLC**	Texas	ü

23.	**M-Co, Ltd.**	Texas	ü
24.	**MIDCO Fabricators, Inc.**	Oklahoma	ü
25.	**Offshore Joint Services, Inc.**	Texas	ü
26.	**Oilfield Bearing International Limited (UK)**	UK - Scotland	
27.	**OJS Coatings UK, Ltd.**	UK	
28.	**Perry Slingsby Systems Ltd.**	UK – England	
29.	**Perry Slingsby Systems, Inc.**	Delaware	ü
30.	**Perry Slingsby Systems, Inc.**	Texas	ü
31.	**Pro-Tech Valve Sales, Inc.**	Canada	
32.	**PT Subsea Services Indonesia**	Indonesia	
33.	**Quadrant Valve & Actuator, L.L.C.**	Louisiana	ü
34.	**RB (GB) Limited**	UK – England	
35.	**RB Pipetech Limited**	UK - England	
36.	**Seafloor Geoservices Inc.**	Delaware	ü
37.	**Sub-Atlantic Ltd.**	UK – Scotland	
38.	**Sub-Atlantic, Inc.**	Texas	ü
39.	**Subco Underwater Equipment Ltd.**	UK	
40.	**Subsea Services International, Inc.**	Delaware	ü
41.	**TGH (AP) Pte Ltd.**	Singapore	
42.	**TGH (UK) Ltd.**	UK – England	
43.	**TGH (US) Inc.**	Delaware	ü
44.	**Titan Tanks and Vessels, LLC**	Texas	ü
45.	**Triton Group Holdings LLC**	Delaware	ü
46.	**UK Project Support Ltd.**	UK – Scotland	
47.	**UKPS, Inc.**	Texas	ü
48.	**VisualSoft Ltd.**	UK	

49.	**VMAX Technologies Inc.**	Delaware	ü
50.	**Z Explorations, Inc.**	Delaware	ü
51.	**Z Resources, Inc.**	Delaware	ü
52.	**Zy-Tech de Venezuela, S.A.**	Venezuela	
53.	**Zy-Tech Global Industries, Inc.**	Delaware	ü
54.	**Zy-Tech Valvestock Africa (Pty) Ltd.**	South Africa	

Schedule 5.8

Requirements for New Subsidiaries

Within 14 days of creating a new Subsidiary or acquiring a new Subsidiary, the Administrative Agent shall have received each of the following to the extent applicable:

(a) Guaranty. A joinder and supplement to the Guaranty executed by such Subsidiary if such Subsidiary is a Wholly-Owned Domestic Restricted Subsidiary;

(b) Security Agreement. A joinder and/or supplement to the Security Agreement (i) if such Subsidiary is a Wholly-Owned Domestic Restricted Subsidiary, executed by such new Subsidiary and (ii) if such new Subsidiary is a Domestic Subsidiary or a First Tier Foreign Subsidiary, executed by the Borrower and any other Credit Party that owns Equity Interests in such new Subsidiary, together with stock certificates, stock powers executed in blank, UCC-1 financing statements, and any other documents, agreements, or instruments necessary to create and perfect an Acceptable Security Interest in the Collateral described in the Security Agreement, as so supplemented, which joinder and/or supplement will grant a Lien in, among other things, 100% of the Equity Interests of such new Subsidiary owned by the Borrower or any other Credit Party (but in the case of any First Tier Foreign Subsidiary limited to no greater than 66% of the Voting Securities issued by such First Tier Foreign Subsidiary);

(c) Corporate Documents –Wholly-Owned Domestic Subsidiary. A secretary's certificate from such new Wholly-Owned Domestic Restricted Subsidiary certifying such Subsidiary's (i) officers' incumbency, (ii) authorizing resolutions, (iii) organizational documents, (iv) necessary governmental approvals, and (v) certificate of good standing in such Restricted Subsidiary's state of organization dated a date not earlier than 30 days prior to date of delivery or otherwise in effect on the date of delivery;

(d) Patriot Act. All documentation and other information that is required by regulatory authorities under applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act; and

(e) Opinion of Counsel. If reasonably requested by the Administrative Agent, an opinion of counsel in form and substance reasonably acceptable to the Administrative Agent related to such new Restricted Subsidiary and substantially similar to the legal opinions delivered at the Effective Date with respect to the other Restricted Subsidiaries in existence on the Effective Date.

Schedule 6.1

Permitted Debt

1. Irrevocable Standby Letter of Credit available with First Community Bank of Emporia, KS, on behalf of A.B.Z. Manufacturing, Inc. for the benefit of Madison Telephone, LLC issued August 20, 2009, in the amount of USD $429,092.53 with expiry date of August 20, 2010.

Schedule 6.2

Permitted Liens

None

Schedule 6.3

Permitted Investments

1. Shareholder Agreement between Zy-Tech Global Industries, Inc., Zy-Tech Valvestock Africa (Pty) Ltd., Ken West, Gary Cooper and Yonke Engineering Investments (Proprietary) Limited. In the event of death or termination of employment, then such person or company is deemed to have offered to sell the relevant interests in Zy-Tech Valvestock Africa (Pty) Ltd. to Zy-Tech Global Industries, Inc. at the net book value of the shares on the date the relevant event occurred.
2. At the time of acquisition of May 1, 2005, Zy-Tech advanced Zy-Tech Valvestock Africa (Pty) Ltd., $600,000 on loan account as part of the financing to acquire majority interest in the Company.
3. Investment by Forum International Holdings, Inc. in Forum Oilfield Asia Pacific Pte. Ltd. in the amount of USD$8,500,225.
4. Investment by Forum International Holdings, Inc. in Forum Canada ULC in the amount of USD$24,546,400.
5. Investment by Forum International Holdings, Inc. in Forum Middle East Limited in the amount of USD$5,700,000.
6. Investment by Forum International Holdings, Inc. in Forum Oilfield Europe Limited in the amount of USD$17,308,507.
7. Investment by Zy-Tech Global Industries, Inc. in Pro-Tech Valve Sales, Inc. in the amount of USD$5,764,333.60.
8. Investment by Subsea Services International, Inc. in PT Subsea Services Indonesia in the amount of USD$100,000.
9. Investment by Triton Group Holdings LLC in TGH (UK) Limited in the amount of USD$57,061,000.
10. Investment by TGH (UK) Limited in Perry Slingsby Systems Limited in the amount of GBP 17,825,820.
11. Investment by TGH (UK) Limited in Sub-Atlantic Limited in the amount of GBP 14,804,727.
12. Investment by TGH (UK) Limited in UK Project Support Limited in the amount of GBP 6,628,128.
13. Investment by TGH (UK) Limited in Subco Underwater Equipment Limited in the amount of GBP 506,364.

14. Investment by TGH (UK) Limited in TGH AP Pte. Limited in the amount of GBP Nil.

15. Investment by TGH (UK) Limited in DPS Offshore Limited in the amount of GBP 42,054,145.

16. Investment by TGH (UK) Limited in Visualsoft Limited in the amount of GBP 7,202,955.

Schedule 6.10

Permitted Affiliate Transactions

1. Commercial Lease Agreement made and effective May 1, 2010, by and between W&A Enterprises, LLC (Landlord) and Quadrant Valve & Actuator, L.L.C. (Tenant). Building lease for #105 Bluffwood Drive, Broussard, Louisiana beginning May 1, 2010 and ending April 30, 2015 for $3,250 per month.
2. Commercial Lease Agreement made and effective May 1, 2010, by and between W&A Enterprises, LLC (Landlord) and Quadrant Valve & Actuator, L.L.C. (Tenant). Building lease for #108 Bluffwood Drive, Broussard, Louisiana beginning May 1 , 2010 and ending April 30, 2015 for $3,250 per month.
3. Commercial Lease Agreement made and effective May 1, 2010, by and between W&A Enterprises, LLC (Landlord) and Quadrant Valve & Actuator, L.L.C. (Tenant). Building lease for #110 Bluffwood Drive, Broussard, Louisiana beginning May 1, 2010 and ending April 30, 2015 for $6,000 per month.
4. Commercial Lease Agreement, effective January 1, 2008, between M &Z Investments, LLC and A.B.Z. Manufacturing, Inc.(Tenant). Building lease for 420 S Vine in Madison, Kansas for a 10 year period for $1,500.00 per month.
5. Commercial Lease Agreement, effective January 1, 2008, between Amy & Jason McClelland and A.B.Z. Manufacturing, Inc.(Tenant). Building lease for 112 – 114 W. Main N., Madison, KS for a 10 year period for $250.00 per month.
6. Commercial Lease Agreement, effective January 1, 2008, between M & M Rentals, LLC, and A.B.Z. Manufacturing, Inc.(Tenant). Building lease for 119 W Main in Madison, Kansas for a 10 year period for $5,900.00 per month.
7. Shareholder Agreement between Zy-Tech Global Industries, Inc., Zy-Tech Valvestock Africa (Pty) Ltd., Ken West, Gary Cooper and Yonke Engineering Investments (Proprietary) Limited. In the event of death or termination of employment, then such person or company is deemed to have offered to sell the relevant interests in Zy-Tech Valvestock Africa (Pty) Ltd. to Zy-Tech Global Industries, Inc. at the net book value of the shares on the date the relevant event occurred.
8. At the time of acquisition of May 1, 2005, Zy-Tech Global Industries, Inc. advanced Zy-Tech Valvestock Africa (Pty) Ltd., $600,000 on loan account as part of the financing to acquire majority interest in the Company.

Exhibit 10.2

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("***Agreement***") is made by and between Forum Energy Technologies, Inc., a Delaware corporation (the "***Company***"), and C. Christopher Gaut ("***Executive***").

W I T N E S S E T H:

WHEREAS, the Company desires to employ Executive on the terms and conditions, and for the consideration, hereinafter set forth and Executive desires to be employed by the Company on such terms and conditions and for such consideration.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, the Company and Executive agree as follows:

ARTICLE I
DEFINITIONS

In addition to the terms defined in the body of this Agreement, for purposes of this Agreement, the following capitalized words shall have the meanings indicated below:

1.1 "***Acquiring Person***" shall mean any individual, entity or group (within the meaning of section 13(d)(3) or 14(d)(2) of the Exchange Act) other than the Initial Stockholders.

1.2 "***Board***" shall mean the Board of Directors of the Company.

1.3 "***Cause***" shall mean a determination by the Company that Executive (a) has engaged in gross negligence or willful misconduct in the performance of Executive's duties with respect to the Company or any of its affiliates, (b) has materially breached any material provision of this Agreement or any written agreement or corporate policy or code of conduct established by the Company or any of its affiliates, (c) has willfully engaged in conduct that is materially injurious to the Company or any of its affiliates, or (d) has been convicted of, pleaded no contest to or received adjudicated probation or deferred adjudication in connection with a felony involving fraud, dishonesty or moral turpitude (or a crime of similar import in a foreign jurisdiction).

1.4 "***Change in Control***" shall mean, as applicable:

(a) Prior to the common stock of the Company becoming Public Stock (including any transaction pursuant to which the common stock of the Company first becomes Public Stock), a "Change in Control" of the Company shall mean, in one transaction or a series of related transactions, (A) a Corporate Transaction or a sale of capital stock of the Company by stockholders of the Company (other than in connection with an Initial Public Offering) with the result immediately after such Corporate Transaction or sale that a single Acquiring Person, together with its affiliates, owns, directly or indirectly, either a greater number of shares of common stock of the Company (calculated on a fully-diluted basis assuming that all shares of capital stock of the Company that are convertible into common stock of the Company at the then applicable

conversion ratio are so converted) than the Initial Stockholders then own or, in the context of a Corporate Transaction in which the Company is not the surviving entity, more voting stock generally entitled to elect directors of such surviving entity (or in the case of a triangular merger, of the parent entity of such surviving entity) than the Initial Stockholders then own, or (B) the Company sells, leases or exchanges all or substantially all of its assets to any Acquiring Person or the dissolution or liquidation of the Company other than, in either case, pursuant to a transaction that complies with clause (b)(iii)(1) of this definition.

(b) After the common stock of the Company becomes Public Stock, a "Change in Control" of the Company shall mean:

(i) The acquisition by any Acquiring Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either (1) the then outstanding shares of common stock of the Company (the ***"Outstanding Company Common Stock"***) or (2) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the ***"Outstanding Company Voting Securities"***); provided, however, that for purposes of this subsection (i) any acquisition by any Acquiring Person pursuant to a transaction which complies with clause (b)(iii)(1) of this definition shall not constitute a Change in Control; or

(ii) Individuals, who, immediately following the time when the common stock of the Company becomes Public Stock, constitute the Board (the ***"Incumbent Board"***) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the time when the common stock of the Company becomes Public Stock whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered for purposes of this definition as though such individual was a member of the Incumbent Board, but excluding, for these purposes, any such individual whose initial assumption of office as a director occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of an Acquiring Person other than the Board; or

(iii) The consummation of a Corporate Transaction unless, following such Corporate Transaction, (1) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the Company (if it be the ultimate parent entity following such Corporate Transaction) or the corporation resulting from such Corporate Transaction (or the ultimate parent entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries), and (2) at least a majority of the members of the board of directors

of the ultimate parent entity resulting from such Corporate Transaction were members of the Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Corporate Transaction. For purposes of the foregoing sentence, only (A) shares of common stock and voting securities of the Company, assuming the Company is the ultimate parent entity following such Corporate Transaction, held by a beneficial owner immediately prior to such Corporate Transaction and any additional shares of common stock and voting securities of the Company issuable to such beneficial owner in connection with such Corporate Transaction in respect of the shares of common stock and voting securities of the Company held by such beneficial owner immediately prior to such Corporate Transaction, or (B) shares of common stock and voting securities of the ultimate parent entity following such Corporate Transaction, assuming the Company is not the ultimate parent entity following such Corporate Transaction, issuable to a beneficial owner in respect of the shares of common stock and voting securities of the Company held by such beneficial owner immediately prior to such Corporate Transaction, in either case shall be included in determining whether or not the fifty percent (50%) ownership test in this subsection (iii) has been satisfied.

1.5 "***Code***" shall mean the Internal Revenue Code of 1986, as amended.

1.6 "***Corporate Transaction***" shall mean a reorganization, merger or consolidation of the Company, any of its subsidiaries or sale, lease or other disposition of all or substantially all of the assets of the Company and its subsidiaries, taken as a whole (other than to an entity wholly owned, directly or indirectly, by the Company) or the liquidation or dissolution of the Company.

1.7 "***Date of Termination***" shall mean the date Executive's employment with the Company is considered to have terminated pursuant to Section 3.5.

1.8 "***Exchange Act***" shall mean the Securities Exchange Act of 1934, as amended.

1.9 "***Good Reason***" shall mean the occurrence of any of the following events:

(a) a material diminution in Executive's Base Salary, other than as part of a decrease of up to 10% for all of the Company's executive officers; or

(b) Executive ceases to be employed in the position of Chief Executive Officer of the Company; or

(c) the involuntary relocation of the geographic location of Executive's principal place of employment by more than 75 miles from the location of Executive's principal place of employment as of the Effective Date.

Notwithstanding the foregoing provisions of this Section 1.9 or any other provision in this Agreement to the contrary, any assertion by Executive of a termination of employment for "***Good Reason***" shall not be effective unless all of the following requirements are satisfied: (i) the condition described in Section 1.9(a), (b) or (c) giving rise to Executive's termination of employment must have arisen without Executive's consent; (ii) Executive must provide written notice to the Company of such condition in accordance with Section 11.1 within 45 days of the

initial existence of the condition; (iii) the condition specified in such notice must remain uncorrected for 30 days after receipt of such notice by the Company; and (iv) the date of Executive's termination of employment must occur within 90 days after the initial existence of the condition specified in such notice.

1.10 "***Initial Public Offering***" shall mean the initial underwritten public offering and sale of common stock of the Company on a firm commitment basis after which the common stock of the Company is listed for trading on a national securities exchange registered under section 6(a) of the Exchange Act.

1.11 "***Initial Stockholders***" shall mean the stockholders of the Company as of the date of the Stockholders Agreement and their respective affiliates and Persons who are permitted transferees in accordance with Section 2.2 of the Stockholders Agreement.

1.12 "***Notice of Termination***" shall mean a written notice delivered to the other party indicating the specific termination provision in this Agreement relied upon for termination of Executive's employment and the intended Date of Termination and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

1.13 *"Person"* shall mean any natural person, limited liability company, corporation, limited partnership, general partnership, joint stock company, joint venture, association, company, trust, bank trust company, land trust, business trust, or other organization, whether or not a legal entity, and any government or agency or political subdivision thereof.

1.14 *"Public Stock"* shall mean shares of capital stock (including depositary receipts or depositary shares related to common stock or similar ordinary shares) of any Person that are registered under section 12 of the Exchange Act and listed for trading on a national securities exchange registered under section 6(a) of the Exchange Act.

1.15 "***Section 409A Payment Date***" shall mean the earlier of (a) the date of Executive's death or (b) the date that is six months after the date of termination of Executive's employment with the Company.

1.16 *"Severance Multiple"* shall mean two; provided, however, that the Severance Multiple shall mean three if Executive's employment hereunder shall terminate on or within two years after the occurrence of a Change in Control.

1.17 "***Stockholders Agreement***" shall mean that certain Amended and Restated Stockholders Agreement dated as of August 2, 2010, among the Company and certain of its stockholders, as the same may be amended or restated from time to time.

ARTICLE II
EMPLOYMENT AND DUTIES

2.1 Employment; Effective Date. The Company agrees to employ Executive, and Executive agrees to be employed by the Company, pursuant to the terms of this Agreement beginning as of August 2, 2010 (the "***Effective Date***") and continuing for the period of time set forth in Article III of this Agreement, subject to the terms and conditions of this Agreement.

2.2 Positions. From and after the Effective Date, the Company shall employ Executive in the position of Chief Executive Officer of the Company or in such other position or positions as the parties mutually may agree. On the Effective Date, the Company and SCF (as such term is defined in the Stockholders Agreement) shall cause Executive to continue to serve on the Board as a full member and to be elected to serve as Chairman thereof. Thereafter, the Company and, prior to an Initial Public Offering, SCF shall use reasonable efforts to continue to cause Executive to be nominated to serve on the Board and, prior to an Initial Public Offering, as Chairman of the Board. It is the intention of the parties that Executive will be elected to and will serve on the Board while serving hereunder as President and Chief Executive Officer of the Company.

2.3 Duties and Services. Executive agrees to serve in the position(s) referred to in Section 2.2 and to perform diligently and to the best of Executive's abilities the duties and services appertaining to such position(s), as well as such additional duties and services appropriate to such position(s) which the parties mutually may agree upon from time to time.

2.4 Other Interests. Executive agrees, during the period of Executive's employment by the Company, to devote substantially all of Executive's business time, energy and best efforts to the business and affairs of the Company and its affiliates. Notwithstanding the foregoing, the parties acknowledge and agree that Executive may (a) engage in and manage Executive's passive personal investments, (b) engage in charitable and civic activities, (c) serve on the board of directors of L. E. Simmons & Associates, Inc. ("***LESA***"), or on the board of directors or similar governing body of any affiliate of LESA and (d) serve on the board of directors or similar governing body of those entities set forth on Appendix A hereto and any other entity otherwise approved by the Board (or a committee thereof); provided, however, that such activities set forth in Section 2.4(a), (b), (c) and (d) shall be permitted so long as such activities do not conflict with the business and affairs of the Company or interfere with Executive's performance of Executive's duties hereunder.

2.5 Duty of Loyalty. Executive acknowledges and agrees that Executive owes a fiduciary duty of loyalty, fidelity and allegiance to act in the best interests of the Company and to do no act that would injure the business, interests, or reputation of the Company or any of its affiliates. In keeping with these duties, Executive shall make full disclosure to the Company of all business opportunities pertaining to the Company's business and shall not appropriate for Executive's own benefit business opportunities concerning the subject matter of the fiduciary relationship.

ARTICLE III
TERM AND TERMINATION OF EMPLOYMENT

3.1 Term. Unless sooner terminated pursuant to other provisions hereof, the Company agrees to employ Executive for the period beginning on the Effective Date and ending on the second anniversary of the Effective Date (the "***Initial Expiration Date***"); provided, however, that beginning on the Initial Expiration Date, and on each anniversary of the Initial

Expiration Date thereafter, if Executive's employment under this Agreement has not been terminated pursuant to Sections 3.2 or 3.3, then said term of employment shall automatically be extended for an additional one-year period unless on or before the date that is 60 days prior to the first day of any such extension period either party gives written notice to the other that no such automatic extension shall occur, in which case the term of employment shall terminate as of the Initial Expiration Date or the anniversary of the Initial Expiration Date immediately following the giving of such notice, as applicable.

3.2 Company's Right to Terminate. Notwithstanding the provisions of Section 3.1, the Company may terminate Executive's employment under this Agreement at any time for any of the following reasons by providing Executive with a Notice of Termination:

(a) upon Executive being unable to perform Executive's duties or fulfill Executive's obligations under this Agreement by reason of any physical or mental impairment for a continuous period of not less than three months as determined by the Company and certified in writing by a competent medical physician selected by the Company; or

(b) Executive's death; or

(c) for Cause; or

(d) for any other reason whatsoever or for no reason at all, in the sole discretion of the Company.

3.3 Executive's Right to Terminate. Notwithstanding the provisions of Section 3.1, Executive shall have the right to terminate Executive's employment under this Agreement for Good Reason or for any other reason whatsoever or for no reason at all, in the sole discretion of Executive, by providing the Company with a Notice of Termination. In the case of a termination of employment by Executive pursuant to this Section 3.3, the Date of Termination specified in the Notice of Termination shall not be less than 15 nor more than 60 days from the date such Notice of Termination is given, and the Company may require a Date of Termination earlier than that specified in the Notice of Termination (and, if such earlier Date of Termination is so required, it shall not change the basis for Executive's termination nor be construed or interpreted as a termination of employment pursuant to Section 3.1 or Section 3.2).

3.4 Deemed Resignations. Unless otherwise agreed to in writing by the Company and Executive prior to the termination of Executive's employment, any termination of Executive's employment shall constitute (a) an automatic resignation of Executive as an officer of the Company and each affiliate of the Company and (b) an automatic resignation of Executive from the Board (if applicable), from the board of directors of any affiliate of the Company and from the board of directors or similar governing body of any corporation, limited liability entity or other entity in which the Company or any affiliate holds an equity interest and with respect to which board or similar governing body Executive serves as the Company's or such affiliate's designee or other representative.

3.5 Meaning of Termination of Employment. For all purposes of this Agreement, Executive shall be considered to have terminated employment with the Company when Executive incurs a "separation from service" with the Company within the meaning of section 409A(a)(2)(A)(i) of the Code and applicable administrative guidance issued thereunder; provided, however, that whether such a separation from service has occurred shall be determined based upon a reasonably anticipated permanent reduction in the level of bona fide services to be performed to no more than 49% of the average level of bona fide services provided in the immediately preceding 36 months.

ARTICLE IV
COMPENSATION AND BENEFITS

4.1 Base Salary. During the term of this Agreement, Executive shall receive a minimum, annualized base salary of $625,000 (the "***Base Salary***"). Executive's annualized base salary shall be reviewed at least annually by the Company and, in the sole discretion of the Company, such annualized base salary may be increased (but not decreased) effective as of any date determined by the Company; provided, however, the Company may decrease Executive's Base Salary by up to 10% as part of similar reductions applicable to all of the Company's executive officers. Executive's Base Salary shall be paid in substantially equal installments in accordance with the Company's standard policy regarding payment of compensation to executives but no less frequently than monthly.

4.2 Bonuses. For calendar year 2010, Executive shall receive such annual cash incentive bonus as may be determined by the Board in its sole discretion. For calendar years after 2010, Executive shall be eligible to participate in the Company's annual cash incentive bonus program, which will provide for a potential annual, calendar-year bonus based on criteria determined in the discretion of the Company (the "***Annual Bonus***"), it being understood that the target bonus at planned or targeted levels of performance and the actual amount of each Annual Bonus shall be determined in the discretion of the Company. The Company shall use commercially reasonable efforts to pay each Annual Bonus with respect to a calendar year on or before March 15 of the following calendar year (and in no event shall an Annual Bonus be paid after December 31 of the following calendar year); provided, however, that (except as otherwise provided in Section 7.1(b)) Executive will be entitled to receive payment of such Annual Bonus only if Executive is employed by the Company on such date of payment.

4.3 Stock Options. In connection with and on the date of the consummation of the mergers described in the Combination Agreement dated as of July 16, 2010, by and among Forum Oilfield Technologies, Inc., Allied Production Services, Inc., Allied Merger Sub, LLC, Global Flow Technologies, Inc., Global Flow Merger Sub, LLC, Subsea Services International, Inc., Subsea Merger Sub, LLC, Triton Group Holdings LLC, Triton Merger Sub, LLC and SCF-VII, L.P., the Company shall cause Executive to be granted options to purchase 61,557 shares of Company common stock (the ***"Options"***) under the Company's 2010 Stock Incentive Plan (the ***"Plan"***) with an exercise price of $284.29 per share. The Options shall have a ten-year term and become exercisable in cumulative installments of 25% on each anniversary of the date of grant. The agreement evidencing the Options shall contain the terms described in the preceding sentence and such other terms as the committee administering the Plan shall determine in its sole discretion.

4.4 Other Benefits. During Executive's employment hereunder, Executive shall be eligible to participate in all benefit plans and programs of the Company, including improvements or modifications of the same, which are now, or may hereafter be, available to other senior executives of the Company. The Company shall not, however, by reason of this Section 4.4, be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any such benefit plan or program, so long as such changes are similarly applicable to other senior executives generally.

4.5 Expenses. The Company shall reimburse Executive for all reasonable business expenses incurred by Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company; provided, in each case, that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company. Any such reimbursement of expenses shall be made by the Company upon or as soon as practicable following receipt of supporting documentation reasonably satisfactory to the Company (but in any event not later than the close of Executive's taxable year following the taxable year in which the expense is incurred by Executive); provided, however, that, upon Executive's termination of employment with the Company, in no event shall any additional reimbursement be made prior to the Section 409A Payment Date to the extent such payment delay is required under section 409A(a)(2)(B)(i) of the Code. In no event shall any reimbursement be made to Executive for such fees and expenses after the later of (a) the first anniversary of the date of Executive's death or (b) the date that is five years after the date of Executive's termination of employment with the Company (other than by reason of Executive's death).

4.6 Vacation and Sick Leave. During Executive's employment hereunder, Executive shall be entitled to (a) sick leave in accordance with the Company's policies applicable to its senior executives and (b) four weeks paid vacation each calendar year (none of which may be carried forward to a succeeding year).

4.7 Offices. Subject to Articles II, III, and IV hereof, Executive agrees to serve without additional compensation, if elected or appointed thereto, as a director of the Company or any of the Company's affiliates and as a member of any committees of the board of directors of any such entities, and in one or more executive positions of any of the Company's affiliates.

ARTICLE V
PROTECTION OF INFORMATION

5.1 Disclosure to and Property of the Company. For purposes of this Article V, the term "the Company" shall include the Company and any of its affiliates, and any reference to "employment" or similar terms shall include a director and/or consulting relationship. All information, trade secrets, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed, disclosed to or acquired by Executive, individually or in conjunction with others, during the period of Executive's employment by the Company (whether during business hours or otherwise and whether on the Company's premises or otherwise) that relate to the Company's or any of its affiliates' businesses, trade secrets, products or services (including, without limitation, all such information relating to corporate opportunities, strategies, business plans, product specifications,

compositions, manufacturing and distribution methods and processes, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or production, marketing and merchandising techniques, prospective names and marks) and all writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "***Confidential Information***") shall be disclosed to the Company and are and shall be the sole and exclusive property of the Company or its affiliates, as applicable. Moreover, all documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, E-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "***Work Product***") are and shall be the sole and exclusive property of the Company (or its affiliates). Executive agrees to perform all actions reasonably requested by the Company or its affiliates to establish and confirm such exclusive ownership. Upon termination of Executive's employment with the Company, for any reason, Executive promptly shall deliver such Confidential Information and Work Product, and all copies thereof, to the Company.

5.2 Disclosure to Executive. The Company shall disclose to Executive and place Executive in a position to have access to or develop Confidential Information and Work Product of the Company (or its affiliates); and shall entrust Executive with business opportunities of the Company (or its affiliates); and shall place Executive in a position to develop business good will on behalf of the Company (or its affiliates).

5.3 No Unauthorized Use or Disclosure. Executive agrees to preserve and protect the confidentiality of all Confidential Information and Work Product of the Company and its affiliates. Executive agrees that Executive will not, at any time during or after Executive's employment with the Company, make any unauthorized disclosure of, and Executive shall not remove from the Company premises, Confidential Information or Work Product of the Company or its affiliates, or make any use thereof, except, in each case, in the carrying out of Executive's responsibilities hereunder. Executive shall use all reasonable efforts to cause all persons or entities to whom any Confidential Information shall be disclosed by Executive hereunder to preserve and protect the confidentiality of such Confidential Information. Executive shall have no obligation hereunder to keep confidential any Confidential Information if and to the extent disclosure thereof is specifically required by law; provided, however, that in the event disclosure is required by applicable law, Executive shall provide the Company with prompt notice of such requirement prior to making any such disclosure, so that the Company may seek an appropriate protective order. At the request of the Company at any time, Executive agrees to deliver to the Company all Confidential Information that Executive may possess or control. Executive agrees that all Confidential Information of the Company (whether now or hereafter existing) conceived, discovered or made by Executive during the period of Executive's employment by the Company exclusively belongs to the Company (and not to Executive), and upon request by the Company for specified Confidential Information, Executive will promptly disclose such Confidential Information to the Company and perform all actions reasonably requested by the Company to establish and confirm such exclusive ownership. Affiliates of the Company shall be third party

beneficiaries of Executive's obligations under this Article V. As a result of Executive's employment by the Company, Executive may also from time to time have access to, or knowledge of, Confidential Information or Work Product of third parties, such as customers, suppliers, partners, joint venturers, and the like, of the Company and its affiliates. Executive also agrees to preserve and protect the confidentiality of such third party Confidential Information and Work Product.

5.4 Ownership by the Company. If, during Executive's employment by the Company, Executive creates any work of authorship fixed in any tangible medium of expression that is the subject matter of copyright (such as videotapes, written presentations, or acquisitions, computer programs, E-mail, voice mail, electronic databases, drawings, maps, architectural renditions, models, manuals, brochures, or the like) relating to the Company's business, products, or services, whether such work is created solely by Executive or jointly with others (whether during business hours or otherwise and whether on the Company's premises or otherwise), including any Work Product, the Company shall be deemed the author of such work if the work is prepared by Executive in the scope of Executive's employment; or, if the work relating to the Company's business, products, or services is not prepared by Executive within the scope of Executive's employment but is specially ordered by the Company as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, or as an instructional text, then the work shall be considered to be work made for hire and the Company shall be the author of the work. If the work relating to the Company's business, products, or services is neither prepared by Executive within the scope of Executive's employment nor a work specially ordered that is deemed to be a work made for hire during Executive's employment by the Company, then Executive hereby agrees to assign, and by these presents does assign, to the Company all of Executive's worldwide right, title, and interest in and to such work and all rights of copyright therein.

5.5 Assistance by Executive. During the period of Executive's employment by the Company, Executive shall assist the Company and its nominee, at any time, in the protection of the Company's or its affiliates' worldwide right, title and interest in and to Confidential Information and Work Product and the execution of all formal assignment documents requested by the Company or its nominee(s) and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries. After Executive's employment with the Company terminates, at the request from time to time and expense of the Company or its affiliates, Executive shall assist the Company or its nominee(s) in the protection of the Company's or its affiliates' worldwide right, title and interest in and to Confidential Information and Work Product and the execution of all formal assignment documents requested by the Company or its nominee and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries.

5.6 Remedies. Executive acknowledges that money damages would not be a sufficient remedy for any breach of this Article V by Executive, and the Company or its affiliates shall be entitled to enforce the provisions of this Article V by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article V but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive's agents.

However, if it is determined that Executive has not committed a breach of this Article V, then the Company shall resume the payments and benefits due under this Agreement and pay to Executive and Executive's spouse, if applicable, all payments and benefits that had been suspended pending such determination.

ARTICLE VI
STATEMENTS CONCERNING THE COMPANY

6.1 Statements Concerning the Company. Executive shall refrain, both during and after the termination of the employment relationship, from publishing any oral or written statements about the Company, any of its affiliates or any of the Company's or such affiliates' directors, officers, employees, consultants, agents or representatives that (a) are slanderous, libelous or defamatory, (b) disclose Confidential Information of the Company, any of its affiliates or any of the Company's or any such affiliates' business affairs, directors, officers, employees, consultants, agents or representatives, or (c) place the Company, any of its affiliates, or any of the Company's or any such affiliates' directors, officers, employees, consultants, agents or representatives in a false light before the public. A violation or threatened violation of this prohibition may be enjoined by the courts. The rights afforded the Company and its affiliates under this provision are in addition to any and all rights and remedies otherwise afforded by law.

ARTICLE VII
EFFECT OF TERMINATION OF EMPLOYMENT ON COMPENSATION

7.1 Effect of Termination of Employment on Compensation.

(a) If Executive's employment hereunder shall terminate at the expiration of the term provided in Section 3.1 because Executive provided written notice of non-renewal to the Company, for any reason described in Section 3.2(a), 3.2(b), or 3.2(c) or pursuant to Executive's resignation for other than Good Reason, then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that Executive shall be entitled to (i) payment of all accrued and unpaid Base Salary to the Date of Termination, (ii) reimbursement for all incurred but unreimbursed expenses for which Executive is entitled to reimbursement in accordance with Section 4.5, (iii) payment of all accrued and unused paid vacation for the calendar year in which the Date of Termination occurs, and (iv) benefits to which Executive is entitled under the terms of any applicable benefit plan or program.

(b) If Executive's employment hereunder shall terminate at expiration of the term provided in Section 3.1 because the Company provided written notice of non-renewal to Executive, pursuant to Executive's resignation for Good Reason or by action of the Company pursuant to Section 3.2 for any reason other than those encompassed by Section 3.2(a), 3.2(b), or 3.2(c), then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that (i) Executive shall be entitled to receive the compensation and benefits described in clauses (i) through (iv) of Section 7.1(a) and (ii) if, on the Date of Termination, the Company does not have a right to terminate Executive's employment under Section 3.2(a), 3.2(b), or 3.2(c) and subject to Executive's delivery, within 50 days

after the Date of Termination, and non-revocation of an executed release substantially in the form of the release contained at Appendix B (the "***Release***"), Executive shall receive the following additional compensation and benefits from the Company (but no other additional compensation or benefits after such termination):

(A) the Company shall pay to Executive any unpaid Annual Bonus for the calendar year ending prior to the Date of Termination, which amount shall be payable in a lump-sum on the date such annual bonuses are paid to executives who have continued employment with the Company (but in no event earlier than 60 days after the Date of Termination (or, if earlier, the December 31 next following such calendar year) nor later than the December 31 next following such calendar year);

(B) the Company shall pay to Executive a bonus for the calendar year in which the Date of Termination occurs in an amount equal to the Annual Bonus for such year as determined in good faith by the Board in accordance with the criteria established pursuant to Section 4.2 and based on the Company's performance for such year, which amount shall be prorated through and including the Date of Termination (based on the ratio of the number of days Executive was employed by the Company during such year to the number of days in such year), payable in a lump-sum on or before the date such annual bonuses are paid to executives who have continued employment with the Company (but in no event earlier than 60 days after the Date of Termination nor later than the May 15 next following such calendar year);

(C) the Company shall pay to Executive an amount equal to the Severance Multiple times the sum of (i) Executive's Base Salary as of the Date of Termination and (ii) 125% of Executive's Base Salary as of the Date of Termination, which amount shall be paid in a lump sum payment on the date that is 60 days after the Date of Termination occurs; and

(D) during the portion, if any, of the 18-month period following the Date of Termination that Executive elects to continue coverage for Executive and Executive's spouse and eligible dependents, if any, under the Company's group health plans under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA), and/or sections 601 through 608 of the Employee Retirement Income Security Act of 1974, as amended, the Company shall promptly reimburse Executive on a monthly basis for the difference between the amount Executive pays to effect and continue such coverage and the employee contribution amount that active senior executive employees of the Company pay for the same or similar coverage under such group health plans.

Notwithstanding the time of payment provisions of Section 7.1(b)(ii)(B) above, if Executive is a specified employee (as such term is defined in section 409A of the Code and as determined by the Company in accordance with any method permitted under section 409A of the Code) and the payment of the amount described in such Section would be subject to additional taxes and interest under section 409A of the Code because

the timing of such payment is not delayed as provided in section 409A(a)(2)(B)(i) of the Code and the regulations thereunder, then such amount (together with interest on a non-compounded basis, from the date such payment would have been made had this payment delay not applied to the actual date of payment, at the prime rate of interest announced by Wells Fargo Bank, National Association (or any successor thereto) at its principal office in Charlotte, North Carolina on the date of Executive's termination of employment (or the first business day following such date if such termination does not occur on a business day)) shall be paid within five business days after the Section 409A Payment Date.

ARTICLE VIII
NON-COMPETITION AGREEMENT

8.1 Definitions. As used in this Article VIII, the following terms shall have the following meanings:

"***Business***" means (a) during the period of Executive's employment by the Company, the design, manufacture and supply of products and services for the oil and gas industry provided by the Company and its subsidiaries during such period and other products and services that are functionally equivalent to the foregoing, and (b) during the portion of the Prohibited Period that begins on the termination of Executive's employment with the Company, the design, manufacture and supply of products and services for the oil and gas industry provided by the Company and its subsidiaries at the time of such termination of employment (or, if earlier, at the time immediately preceding the date upon which a Change in Control occurs) and other products and services that are functionally equivalent to the foregoing.

"***Competing Business***" means any business, individual, partnership, firm, corporation or other entity (other than an affiliate of the Company, LESA and its affiliates, or another entity in which SCF-V, L.P., a Delaware limited partnership, SCF-VI, L.P., a Delaware limited partnership, SCF-VII, L.P., a Delaware limited partnership, or any future limited partnership established by an affiliate of LESA has an ownership interest) which wholly or in any significant part engages in any business competing with the Business in the Restricted Area. In no event will the Company or any of its subsidiaries be deemed a Competing Business.

"***Governmental Authority***" means any governmental, quasi-governmental, state, county, city or other political subdivision of the United States or any other country, or any agency, court or instrumentality, foreign or domestic, or statutory or regulatory body thereof.

"***Legal Requirement***" means any law, statute, code, ordinance, order, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, authorization, or other directional requirement (including, without limitation, any of the foregoing that relates to environmental standards or controls, energy regulations and occupational, safety and health standards or controls including those arising under environmental laws) of any Governmental Authority.

"***Prohibited Period***" means the period during which Executive is employed by the Company hereunder and a period of two years following the end of Executive's employment with the Company.

"***Restricted Area***" means any geographical area within 100 miles in which the Company and its subsidiaries engage in the Business during the period during which Executive is employed hereunder, which such area includes, without limitation, the parishes in Louisiana set forth on Appendix C hereto.

8.2 Non-Competition; Non-Solicitation. Executive and the Company agree to the non-competition and non-solicitation provisions of this Article VIII in consideration for the Confidential Information provided by the Company to Executive pursuant to Article V of this Agreement, to protect the trade secrets and confidential information of the Company or its affiliates disclosed or entrusted to Executive by the Company or its affiliates or created or developed by Executive for the Company or its affiliates, to protect the business goodwill of the Company or its affiliates developed through the efforts of Executive and/or the business opportunities disclosed or entrusted to Executive by the Company or its affiliates and as an additional incentive for the Company to enter into this Agreement.

(a) Subject to the exceptions set forth in Section 8.2(b) below, Executive expressly covenants and agrees that during the Prohibited Period (i) Executive will refrain from carrying on or engaging in, directly or indirectly, any Competing Business in the Restricted Area and (ii) Executive will not, and Executive will cause Executive's affiliates not to, directly or indirectly, own, manage, operate, join, become an employee of, partner in, owner or member of (or an independent contractor to), control or participate in, be connected with or loan money to, sell or lease equipment or property to, or otherwise be affiliated with any business, individual, partnership, firm, corporation or other entity which engages in a Competing Business in the Restricted Area, as Executive expressly agrees that each of the foregoing activities would represent carrying on or engaging in a Competitive Business, as prohibited by this Section 8.2(a).

(b) Notwithstanding the restrictions contained in Section 8.2(a), Executive or any of Executive's affiliates may own an aggregate of not more than 2% of the outstanding stock of any class of any corporation engaged in a Competing Business, if such stock is listed on a national securities exchange or regularly traded in the over-the-counter market by a member of a national securities exchange, without violating the provisions of Section 8.2(a), provided that neither Executive nor any of Executive's affiliates has the power, directly or indirectly, to control or direct the management or affairs of any such corporation and is not involved in the management of such corporation.

(c) Executive further expressly covenants and agrees that during the Prohibited Period, Executive will not, and Executive will cause Executive's affiliates not to (i) engage or employ, solicit or contact with a view to the engagement or employment of, or recommend or refer to any person or entity (other than the Company or one of its affiliates) for engagement or employment any person who is an officer or employee of the Company or any of its affiliates or (ii) canvass, solicit, approach or entice away or cause to be canvassed, solicited, approached or enticed away from the Company or any of its affiliates any person or entity who or which is a customer of any of such entities during the period during which Executive is employed by the Company.

(d) The restrictions contained in Section 8.2 shall not apply to any product or service that the Company provided during Executive's employment but that the Company no longer provides at the Date of Termination. Further, notwithstanding the other provisions of this Section 8.2, within the State of Oklahoma, the restrictions of Sections 8.2(a) and 8.2(c)(ii) shall be limited to preventing Executive from directly soliciting the sale of goods, services or a combination of goods and services from any established customer of the Company, as may exist from time-to-time.

(e) Before accepting employment with any other person or entity while employed by the Company or during the Prohibited Period, the Executive will inform such person or entity of the restrictions contained in this Article VIII.

8.3 Relief. Executive and the Company agree and acknowledge that the limitations as to time, geographical area and scope of activity to be restrained as set forth in Section 8.2 are reasonable and do not impose any greater restraint than is necessary to protect the legitimate business interests of the Company. Executive and the Company also acknowledge that money damages would not be sufficient remedy for any breach of this Article VIII by Executive, and the Company or its affiliates shall be entitled to enforce the provisions of this Article VIII by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article VIII but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive's agents. However, if it is determined that Executive has not committed a breach of this Article VIII, then the Company shall resume the payments and benefits due under this Agreement and pay to Executive all payments and benefits that had been suspended pending such determination.

8.4 Reasonableness; Enforcement. Executive hereby represents to the Company that Executive has read and understands, and agrees to be bound by, the terms of this Article VIII. Executive acknowledges that the geographic scope and duration of the covenants contained in this Article VIII are the result of arm's-length bargaining and are fair and reasonable in light of (a) the nature and wide geographic scope of the operations of the Business, (b) Executive's level of control over and contact with the Business in all jurisdictions in which it is conducted, (c) the fact that the Business is conducted throughout the Restricted Area and (d) the amount of Confidential Information that Executive is receiving in connection with the performance of Executive's duties hereunder. It is the desire and intent of the parties that the provisions of this Article VIII be enforced to the fullest extent permitted under applicable Legal Requirements, whether now or hereafter in effect and therefore, to the extent permitted by applicable Legal Requirements, Executive and the Company hereby waive any provision of applicable Legal Requirements that would render any provision of this Article VIII invalid or unenforceable.

8.5 Reformation. The Company and Executive agree that the foregoing restrictions are reasonable under the circumstances and that any breach of the covenants contained in this Article VIII would cause irreparable injury to the Company. Executive understands that the foregoing restrictions may limit Executive's ability to engage in certain businesses anywhere in the Restricted Area during the Prohibited Period, but acknowledges that Executive will receive sufficient consideration from the Company to justify such restriction. Further, Executive acknowledges that Executive's skills are such that Executive can be gainfully employed in non-competitive employment, and that the agreement not to compete will not prevent Executive from earning a living. Nevertheless, if any of the aforesaid restrictions are found by a court of competent jurisdiction to be unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, the parties intend for the restrictions herein set forth to be modified by the court making such determination so as to be reasonable and enforceable and, as so modified, to be fully enforced. By agreeing to this contractual modification prospectively at this time, the Company and Executive intend to make this provision enforceable under the law or laws of all applicable States, Provinces and other jurisdictions so that the entire agreement not to compete and this Agreement as prospectively modified shall remain in full force and effect and shall not be rendered void or illegal. Such modification shall not affect the payments made to Executive under this Agreement.

ARTICLE IX
DISPUTE RESOLUTION

9.1 Arbitration. All claims or disputes between Executive and the Company or its parents, subsidiaries and affiliates (including, without limitation, claims relating to the validity, scope, and enforceability of this Article IX and claims arising under any federal, state or local law regarding the terms and conditions of employment or prohibiting discrimination in employment or governing the employment relationship in any way) shall be submitted for final and binding arbitration in Houston, Texas in accordance with the then-applicable rules for resolution of employment disputes of the American Arbitration Association ("***AAA***"). The arbitration shall be conducted by a single arbitrator chosen pursuant to the then-applicable rules for resolution of employment disputes of the AAA, and the Company shall bear the costs of such arbitration. For the avoidance of doubt, the Company's assumption of costs referenced in the previous sentence applies to the costs of the AAA only, and does not include attorney or expert fees or other fees or costs incurred by Executive. The arbitrator shall apply the substantive law of the State of Texas (excluding Texas choice-of-law principles that might call for the application of some other state's law), or federal law, or both as applicable to the claims asserted. The results of the arbitration and the decision of the arbitrator will be final and binding on the parties and each party agrees and acknowledges that these results shall be enforceable in a court of law. No demand for arbitration may be made after the date when the institution of legal or equitable proceedings based on such claim or dispute would be barred by the applicable statute(s) of limitations. In the event either party must resort to the judicial process to enforce the provisions of this Agreement, the award of an arbitrator or equitable relief granted by an arbitrator, the party successfully seeking enforcement shall be entitled to recover from the other party all costs of such litigation including, but not limited to, reasonable attorneys fees and court costs. To the fullest extent permitted by law, all proceedings conducted pursuant to this agreement to arbitrate, including any order, decision or award of the arbitrator, shall be kept confidential by all parties. Notwithstanding the foregoing, Executive and the Company further

acknowledge and agree that a court of competent jurisdiction residing in Houston, Texas shall have the power to maintain the status quo pending the arbitration of any dispute under this Article IX, and this Article IX shall not require the arbitration of any application for emergency, temporary or preliminary injunctive relief (including temporary restraining orders) by either party pending arbitration, including, without limitation, any application for emergency, temporary or preliminary injunctive relief for any claim arising out of Article V or Article VIII of this Agreement; provided, however, that the remainder of any such dispute beyond the application for such emergency, temporary or preliminary injunctive relief shall be subject to arbitration under this Article IX. **THE PARTIES ACKNOWLEDGE THAT, BY SIGNING THIS AGREEMENT, THEY ARE KNOWINGLY AND VOLUNTARILY WAIVING ANY RIGHTS THAT THEY MAY HAVE TO A JURY TRIAL OR, EXCEPT AS EXPRESSLY PROVIDED HEREIN, A COURT TRIAL OF ANY CLAIM THAT IS SUBJECT TO THIS ARTICLE IX.**

ARTICLE X
CERTAIN EXCISE TAXES

10.1 Certain Excise Taxes. Notwithstanding anything to the contrary in this Agreement, if Executive is a "disqualified individual" (as defined in section 280G(c) of the Code), and the payments and benefits provided for in this Agreement, together with any other payments and benefits which Executive has the right to receive from the Company or any of its affiliates, would constitute a "parachute payment" (as defined in section 280G(b)(2) of the Code), then the payments and benefits provided for in this Agreement shall be either (a) reduced (but not below zero) so that the present value of such total amounts and benefits received by Executive from the Company and its affiliates will be one dollar ($1.00) less than three times Executive's "base amount" (as defined in section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Executive shall be subject to the excise tax imposed by section 4999 of the Code or (b) paid in full, whichever produces the better net after-tax position to Executive (taking into account any applicable excise tax under section 4999 of the Code and any other applicable taxes). The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in-kind hereunder in a similar order. The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by the Company in good faith. If a reduced payment or benefit is made or provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company (or its affiliates) used in determining if a "parachute payment" exists, exceeds one dollar ($1.00) less than three times Executive's base amount, then Executive shall immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 10.1 shall require the Company to be responsible for, or have any liability or obligation with respect to, Executive's excise tax liabilities under section 4999 of the Code. Notwithstanding the foregoing, if shareholder approval (obtained in a manner that satisfies the requirements of section 280G(b)(5) of the Code) of a payment or benefit to be provided to Executive by the Company or any other person (whether under this Agreement or otherwise) would prevent Executive from receiving a "parachute payment" (as defined in section

280G(b)(2) of the Code), then, upon the request of Executive and his agreement (to the extent necessary) to subject his entitlement to the receipt of such payment or benefit to shareholder approval, the Company shall seek such approval in a manner that satisfies the requirements of section 280G of the Code and the regulations thereunder.

ARTICLE XI
MISCELLANEOUS

11.1 Notices. For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given (a) when received if delivered personally or by courier, (b) on the date receipt is acknowledged if delivered by certified mail, postage prepaid, return receipt requested or (c) one day after transmission if sent by facsimile transmission with confirmation of transmission, as follows:

If to Executive, addressed to:

C. Christopher Gaut
805 Kuhlman Road
Houston, Texas 77024

If to the Company, addressed to:

Forum Energy Technologies, Inc.
8807 West Sam Houston Parkway North
Suite 200
Houston, Texas 77040
Attention: Chief Executive Officer

Facsimile: _____

or to such other address as either party may furnish to the other in writing in accordance herewith, except that notices or changes of address shall be effective only upon receipt.

11.2 Applicable Law; Submission to Jurisdiction.

(a) This Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Texas, without regard to conflicts of laws principles thereof.

(b) With respect to any claim or dispute related to or arising under this Agreement, the parties hereto hereby consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Harris County, Texas.

11.3 No Waiver. No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

11.4 Severability. If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect.

11.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

11.6 Withholding of Taxes and Other Employee Deductions. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city and other taxes and withholdings as may be required pursuant to any law or governmental regulation or ruling and all other customary deductions made with respect to the Company's employees generally.

11.7 Headings. The Section headings have been inserted for purposes of convenience and shall not be used for interpretive purposes.

11.8 Gender and Plurals. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely.

11.9 Affiliate and Subsidiary. As used in this Agreement, (a) the term "***affiliate***" as used with respect to a particular person or entity shall mean any other person or entity which owns or controls, is owned or controlled by, or is under common ownership or control with, such particular person or entity and (b) the term ***"subsidiary"*** as used with respect to a particular entity shall mean a direct or indirect subsidiary of such entity.

11.10 Successors. This Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company. Except as provided in the preceding sentence, this Agreement, and the rights and obligations of the parties hereunder, are personal and neither this Agreement, nor any right, benefit or obligation of either party hereto, shall be subject to voluntary or involuntary assignment, alienation or transfer, whether by operation of law or otherwise, without the prior written consent of the other party. In addition, any payment owed to Executive hereunder after the date of Executive's death shall be paid to Executive's estate.

11.11 Term. Termination of this Agreement shall not affect any right or obligation of any party which is accrued or vested prior to such termination. Without limiting the scope of the preceding sentence, the provisions of Articles V, VI, VII, VIII and IX shall survive any termination of the employment relationship and/or of this Agreement.

11.12 Entire Agreement. Except as provided in any signed written agreement contemporaneously or hereafter executed by the Company and Executive, this Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to employment of Executive by the Company. Without limiting the scope of the preceding sentence, all understandings and agreements preceding the date of execution of this Agreement and relating to the subject matter hereof including, without limitation, any prior employment agreement between Executive and the Company or an affiliate, are hereby null and void and of no further force and effect.

11.13 Modification; Waiver. Any modification to or waiver of this Agreement will be effective only if it is in writing and signed by the parties to this Agreement.

11.14 Actions by the Board. Any and all determinations or other actions required of the Board hereunder that relate specifically to Executive's employment by the Company or the terms and conditions of such employment shall be made by the members of the Board other than Executive if Executive is a member of the Board, and Executive shall not have any right to vote or decide upon any such matter.

11.15 Executive's Representations and Warranties. Executive represents and warrants to the Company that (a) Executive does not have any agreements with Executive's prior employer that will prohibit Executive from working for the Company or fulfilling Executive's duties and obligations to the Company pursuant to this Agreement and (b) Executive has complied with all duties imposed on Executive with respect to Executive's former employer, e.g., Executive does not possess any tangible property belonging to Executive's former employer.

11.16 Delayed Payment Restriction. Notwithstanding any provision in this Agreement to the contrary, if any payment or benefit provided for herein would be subject to additional taxes and interest under section 409A of the Code if Executive's receipt of such payment or benefit is not delayed until the Section 409A Payment Date, then such payment or benefit shall not be provided to Executive (or Executive's estate, if applicable) until the Section 409A Payment Date.

[Signatures begin on next page.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of August 2, 2010.

FORUM ENERGY TECHNOLOGIES, INC.

By: /s/ James Harris
James Harris
Senior Vice President and Chief Financial Officer

C. CHRISTOPHER GAUT

/s/ C. Christopher Gaut

APPENDIX A

PERMITTED ACTIVITIES

As of the Effective Date, Executive is serving on the board of directors or similar governing body of the following entities:

ENSCO PLC

APPENDIX B

RELEASE AGREEMENT

This Release Agreement (this "***Agreement***") constitutes the release referred to in that certain Employment Agreement (the "***Employment Agreement***") dated as of _____, 20__, by and between C. Christopher Gaut ("***Executive***") and Forum Energy Technologies, Inc., a Delaware corporation (the "***Company***").

1. **General Release**.

(a) For good and valuable consideration, including the Company's provision of certain payments and benefits to Executive in accordance with Section 7.1(b)(ii) of the Employment Agreement, Executive hereby releases, discharges and forever acquits the Company, its affiliates and subsidiaries, the past, present and future stockholders, members, partners, directors, managers, employees, agents, attorneys, heirs, legal representatives, successors and assigns of the foregoing, as well as all employee benefit plans maintained by the Company or any of its affiliates or subsidiaries and all fiduciaries and administrators of any such plan, in their personal and representative capacities (collectively, the "***Company Parties***"), from liability for, and hereby waives, any and all claims, rights, damages, or causes of action of any kind related to Executive's employment with any Company Party, the termination of such employment, and any other acts or omissions related to any matter on or prior to the date of this Agreement (collectively, the "***Released Claims***").

(b) The Released Claims include without limitation those arising under or related to: (i) the Age Discrimination in Employment Act of 1967; (ii) Title VII of the Civil Rights Act of 1964; (iii) the Civil Rights Act of 1991; (iv) sections 1981 through 1988 of Title 42 of the United States Code; (v) the Employee Retirement Income Security Act of 1974, including, but not limited to, sections 502(a)(1)(A), 502(a)(1)(B), 502(a)(2), and 502(a)(3) to the extent the release of such claims is not prohibited by applicable law; (vi) the Immigration Reform Control Act; (vii) the Americans with Disabilities Act of 1990; (viii) the National Labor Relations Act; (ix) the Occupational Safety and Health Act; (x) the Family and Medical Leave Act of 1993; (xi) any state or federal anti-discrimination law; (xii) any state or federal wage and hour law; (xiii) any other local, state or federal law, regulation or ordinance; (xiv) any public policy, contract, tort, or common law; (xv) costs, fees, or other expenses including attorneys' fees incurred in these matters; (xvi) any employment contract, incentive compensation plan or stock option plan with any Company Party or to any ownership interest in any Company Party except as expressly provided in the Employment Agreement and any stock option or other equity compensation agreement between Executive and the Company; and (xvii) compensation or benefits of any kind not expressly set forth in the Employment Agreement or any such stock option or other equity compensation agreement.

(c) In no event shall the Released Claims include (i) any claim which arises after the date of this Agreement, or (ii) any claims for the payments and benefits payable to Executive under Section 7.1(b)(ii) of the Employment Agreement.

(d) Notwithstanding this release of liability, nothing in this Agreement prevents Executive from filing any non-legally waivable claim (including a challenge to the validity of this Agreement) with the Equal Employment Opportunity Commission ("***EEOC***") or comparable state or local agency or participating in any investigation or proceeding conducted by the EEOC or comparable state or local agency; however, Executive understands and agrees that Executive is waiving any and all rights to recover any monetary or personal relief or recovery as a result of such EEOC, or comparable state or local agency proceeding or subsequent legal actions.

(e) This Agreement is not intended to indicate that any such claims exist or that, if they do exist, they are meritorious. Rather, Executive is simply agreeing that, in exchange for the consideration recited in the first sentence of Section 1(a) of this Agreement, any and all potential claims of this nature that Executive may have against the Company Parties, regardless of whether they actually exist, are expressly settled, compromised and waived.

(f) By signing this Agreement, Executive is bound by it. Anyone who succeeds to Executive's rights and responsibilities, such as heirs or the executor of Executive's estate, is also bound by this Agreement. This release also applies to any claims brought by any person or agency or class action under which Executive may have a right or benefit. **THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF THE COMPANY PARTIES.**

2. **Covenant Not to Sue; Executive's Representation**. Executive agrees not to bring or join any lawsuit against any of the Company Parties in any court relating to any of the Released Claims. Executive represents that Executive has not brought or joined any claim, lawsuit or arbitration against any of the Company Parties in any court or before any administrative agency or arbitral authority and has made no assignment of any rights Executive has asserted or may have against any of the Company Parties to any person or entity, in each case, with respect to any Released Claims. Executive expressly represents that, as of the date Executive executes this Agreement, Executive has been provided all leaves (paid and unpaid) and paid all wages and compensation owed to Executive by the Company Parties with the exception of all payments owed as a condition of Executive's executing (and not revoking) this Agreement.

3. **Acknowledgments**. By executing and delivering this Agreement, Executive acknowledges that:

(a) Executive has carefully read this Agreement;

(b) Executive has had at least [twenty-one (21)] [forty-five (45)] days to consider this Agreement before the execution and delivery hereof to the Company [Add if 45 days applies: , and Executive acknowledges that attached to this Agreement is a list of (i) the job titles and ages of all employees selected for participation in the employment termination or exit incentive program pursuant to which Executive is being offered this Agreement, (ii) the job titles and ages of all employees in the same job classification or organizational unit who were not selected for participation in the program, and (iii) information about the unit affected by the program, including any eligibility factors for such program and any time limits applicable to such program];

(c) Executive has been and hereby is advised in writing that Executive may, at Executive's option, discuss this Agreement with an attorney of Executive's choice and that Executive has had adequate opportunity to do so; and

(d) Executive fully understands the final and binding effect of this Agreement; the only promises made to Executive to sign this Agreement are those stated in the Employment Agreement and herein; and Executive is signing this Agreement voluntarily and of Executive's own free will, and that Executive understands and agrees to each of the terms of this Agreement.

4. **Revocation Right**. Executive may revoke this Agreement within the seven day period beginning on the date Executive signs this Agreement (such seven day period being referred to herein as the "***Release Revocation Period***"). To be effective, such revocation must be in writing signed by Executive and must be delivered to the Chief Executive Officer of the Company before 11:59 p.m., Houston, Texas time, on the last day of the Release Revocation Period. This Agreement is not effective, and no consideration shall be paid to Executive, until the expiration of the Release Revocation Period without Executive's revocation. If an effective revocation is delivered in the foregoing manner and timeframe, this Agreement shall be of no force or effect and shall be null and void ab initio.

Executed on this __ day of _____, _____.

C. CHRISTOPHER GAUT

STATE OF_____ §

§

COUNTY OF_____ §

BEFORE ME, the undersigned authority personally appeared C. Christopher Gaut, by me known or who produced valid identification as described below, who executed the foregoing instrument and acknowledged before me that he subscribed to such instrument on this __ day of _____, _____.

NOTARY PUBLIC in and for the

State of_____

My Commission Expires:_____

Identification produced:

APPENDIX C

RESTRICTED AREA

The following parishes in the State of Louisiana:

Caddo
Iberia
Lafayette
St. Martin

Exhibit 10.3

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("***Agreement***") is made by and between Forum Energy Technologies, Inc., a Delaware corporation (the "***Company***"), and Charles E. Jones ("***Executive***").

W I T N E S S E T H:

WHEREAS, the Company and Executive have heretofore entered into an Employment Agreement dated as of October 1, 2007; and

WHEREAS, the Company desires to employ Executive on the terms and conditions, and for the consideration, hereinafter set forth and Executive desires to be employed by the Company on such terms and conditions and for such consideration.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, the Company and Executive agree as follows:

ARTICLE I
DEFINITIONS

In addition to the terms defined in the body of this Agreement, for purposes of this Agreement, the following capitalized words shall have the meanings indicated below:

1.1 "***Acquiring Person***" shall mean any individual, entity or group (within the meaning of section 13(d)(3) or 14(d)(2) of the Exchange Act) other than the Initial Stockholders.

1.2 "***Board***" shall mean the Board of Directors of the Company.

1.3 "***Cause***" shall mean a determination by the Company that Executive (a) has engaged in gross negligence or willful misconduct in the performance of Executive's duties with respect to the Company or any of its affiliates, (b) has materially breached any material provision of this Agreement or any written agreement or corporate policy or code of conduct established by the Company or any of its affiliates, (c) has willfully engaged in conduct that is materially injurious to the Company or any of its affiliates, or (d) has been convicted of, pleaded no contest to or received adjudicated probation or deferred adjudication in connection with a felony involving fraud, dishonesty or moral turpitude (or a crime of similar import in a foreign jurisdiction).

1.4 "***Change in Control***" shall mean, as applicable:

(a) Prior to the common stock of the Company becoming Public Stock (including any transaction pursuant to which the common stock of the Company first becomes Public Stock), a "Change in Control" of the Company shall mean, in one transaction or a series of related transactions, (A) a Corporate Transaction or a sale of capital stock of the Company by stockholders of the Company (other than in connection with an Initial Public Offering) with the result immediately after such Corporate Transaction or sale that a single Acquiring Person, together with its affiliates, owns,

directly or indirectly, either a greater number of shares of common stock of the Company (calculated on a fully-diluted basis assuming that all shares of capital stock of the Company that are convertible into common stock of the Company at the then applicable conversion ratio are so converted) than the Initial Stockholders then own or, in the context of a Corporate Transaction in which the Company is not the surviving entity, more voting stock generally entitled to elect directors of such surviving entity (or in the case of a triangular merger, of the parent entity of such surviving entity) than the Initial Stockholders then own, or (B) the Company sells, leases or exchanges all or substantially all of its assets to any Acquiring Person or the dissolution or liquidation of the Company other than, in either case, pursuant to a transaction that complies with clause (b)(iii)(1) of this definition.

(b) After the common stock of the Company becomes Public Stock, a "Change in Control" of the Company shall mean:

(i) The acquisition by any Acquiring Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either (1) the then outstanding shares of common stock of the Company (the ***"Outstanding Company Common Stock"***) or (2) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the ***"Outstanding Company Voting Securities"***); provided, however, that for purposes of this subsection (i) any acquisition by any Acquiring Person pursuant to a transaction which complies with clause (b)(iii)(1) of this definition shall not constitute a Change in Control; or

(ii) Individuals, who, immediately following the time when the common stock of the Company becomes Public Stock, constitute the Board (the ***"Incumbent Board"***) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the time when the common stock of the Company becomes Public Stock whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered for purposes of this definition as though such individual was a member of the Incumbent Board, but excluding, for these purposes, any such individual whose initial assumption of office as a director occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of an Acquiring Person other than the Board; or

(iii) The consummation of a Corporate Transaction unless, following such Corporate Transaction, (1) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the Company (if it be the ultimate parent entity following such Corporate Transaction) or the corporation resulting from such Corporate

Transaction (or the ultimate parent entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries), and (2) at least a majority of the members of the board of directors of the ultimate parent entity resulting from such Corporate Transaction were members of the Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Corporate Transaction. For purposes of the foregoing sentence, only (A) shares of common stock and voting securities of the Company, assuming the Company is the ultimate parent entity following such Corporate Transaction, held by a beneficial owner immediately prior to such Corporate Transaction and any additional shares of common stock and voting securities of the Company issuable to such beneficial owner in connection with such Corporate Transaction in respect of the shares of common stock and voting securities of the Company held by such beneficial owner immediately prior to such Corporate Transaction, or (B) shares of common stock and voting securities of the ultimate parent entity following such Corporate Transaction, assuming the Company is not the ultimate parent entity following such Corporate Transaction, issuable to a beneficial owner in respect of the shares of common stock and voting securities of the Company held by such beneficial owner immediately prior to such Corporate Transaction, in either case shall be included in determining whether or not the fifty percent (50%) ownership test in this subsection (iii) has been satisfied.

1.5 "***Code***" shall mean the Internal Revenue Code of 1986, as amended.

1.6 "***Corporate Transaction***" shall mean a reorganization, merger or consolidation of the Company, any of its subsidiaries or sale, lease or other disposition of all or substantially all of the assets of the Company and its subsidiaries, taken as a whole (other than to an entity wholly owned, directly or indirectly, by the Company) or the liquidation or dissolution of the Company.

1.7 "***Date of Termination***" shall mean the date Executive's employment with the Company is considered to have terminated pursuant to Section 3.5.

1.8 "***Exchange Act***" shall mean the Securities Exchange Act of 1934, as amended.

1.9 "***Good Reason***" shall mean the occurrence of any of the following events:

(a) a material diminution in Executive's Base Salary, other than as part of a decrease of up to 10% for all of the Company's executive officers; or

(b) a material diminution in Executive's authority, duties, or responsibilities, excluding a change in management structure primarily affecting reporting responsibility; or

(c) the involuntary relocation of the geographic location of Executive's principal place of employment by more than 75 miles from the location of Executive's principal place of employment as of the Effective Date.

Notwithstanding the foregoing provisions of this Section 1.9 or any other provision in this Agreement to the contrary, any assertion by Executive of a termination of employment for

"***Good Reason***" shall not be effective unless all of the following requirements are satisfied: (i) the condition described in Section 1.9(a), (b) or (c) giving rise to Executive's termination of employment must have arisen without Executive's consent; (ii) Executive must provide written notice to the Company of such condition in accordance with Section 11.1 within 45 days of the initial existence of the condition; (iii) the condition specified in such notice must remain uncorrected for 30 days after receipt of such notice by the Company; and (iv) the date of Executive's termination of employment must occur within 90 days after the initial existence of the condition specified in such notice.

1.10 "***Initial Public Offering***" shall mean the initial underwritten public offering and sale of common stock of the Company on a firm commitment basis after which the common stock of the Company is listed for trading on a national securities exchange registered under section 6(a) of the Exchange Act.

1.11 "***Initial Stockholders***" shall mean the stockholders of the Company as of the date of the Stockholders Agreement and their respective affiliates and Persons who are permitted transferees in accordance with Section 2.2 of the Stockholders Agreement.

1.12 "***Notice of Termination***" shall mean a written notice delivered to the other party indicating the specific termination provision in this Agreement relied upon for termination of Executive's employment and the intended Date of Termination and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

1.13 *"Person"* shall mean any natural person, limited liability company, corporation, limited partnership, general partnership, joint stock company, joint venture, association, company, trust, bank trust company, land trust, business trust, or other organization, whether or not a legal entity, and any government or agency or political subdivision thereof.

1.14 *"Public Stock"* shall mean shares of capital stock (including depositary receipts or depositary shares related to common stock or similar ordinary shares) of any Person that are registered under section 12 of the Exchange Act and listed for trading on a national securities exchange registered under section 6(a) of the Exchange Act.

1.15 "***Section 409A Payment Date***" shall mean the earlier of (a) the date of Executive's death or (b) the date that is six months after the date of termination of Executive's employment with the Company.

1.16 *"Severance Multiple"* shall mean two; provided, however, that the Severance Multiple shall mean three if Executive's employment hereunder shall terminate on or within two years after the occurrence of a Change in Control.

1.17 "***Stockholders Agreement***" shall mean that certain Amended and Restated Stockholders Agreement dated as of August 2, 2010, among the Company and certain of its stockholders, as the same may be amended or restated from time to time.

ARTICLE II
EMPLOYMENT AND DUTIES

2.1 Employment; Effective Date. The Company agrees to employ Executive, and Executive agrees to be employed by the Company, pursuant to the terms of this Agreement beginning as of August 2, 2010 (the "***Effective Date***") and continuing for the period of time set forth in Article III of this Agreement, subject to the terms and conditions of this Agreement.

2.2 Positions. From and after the Effective Date, the Company shall employ Executive in the position of President - Drilling and Subsea of the Company or in such other position or positions as the parties mutually may agree.

2.3 Duties and Services. Executive agrees to serve in the position(s) referred to in Section 2.2 and to perform diligently and to the best of Executive's abilities the duties and services appertaining to such position(s), as well as such additional duties and services appropriate to such position(s) which the parties mutually may agree upon from time to time.

2.4 Other Interests. Executive agrees, during the period of Executive's employment by the Company, to devote substantially all of Executive's business time, energy and best efforts to the business and affairs of the Company and its affiliates. Notwithstanding the foregoing, the parties acknowledge and agree that Executive may (a) engage in and manage Executive's passive personal investments, (b) engage in charitable and civic activities and (c) serve on the board of directors or similar governing body of those entities set forth on Appendix A hereto and any other entity otherwise approved by the Board (or a committee thereof); provided, however, that such activities set forth in Section 2.4(a), (b) and (c) shall be permitted so long as such activities do not conflict with the business and affairs of the Company or interfere with Executive's performance of Executive's duties hereunder.

2.5 Duty of Loyalty. Executive acknowledges and agrees that Executive owes a fiduciary duty of loyalty, fidelity and allegiance to act in the best interests of the Company and to do no act that would injure the business, interests, or reputation of the Company or any of its affiliates. In keeping with these duties, Executive shall make full disclosure to the Company of all business opportunities pertaining to the Company's business and shall not appropriate for Executive's own benefit business opportunities concerning the subject matter of the fiduciary relationship.

ARTICLE III
TERM AND TERMINATION OF EMPLOYMENT

3.1 Term. Unless sooner terminated pursuant to other provisions hereof, the Company agrees to employ Executive for the period beginning on the Effective Date and ending on the second anniversary of the Effective Date (the "***Initial Expiration Date***"); provided, however, that beginning on the Initial Expiration Date, and on each anniversary of the Initial Expiration Date thereafter, if Executive's employment under this Agreement has not been terminated pursuant to Sections 3.2 or 3.3, then said term of employment shall automatically be extended for an additional one-year period unless on or before the date that is 60 days prior to the first day of any such extension period either party gives written notice to the other that no such

automatic extension shall occur, in which case the term of employment shall terminate as of the Initial Expiration Date or the anniversary of the Initial Expiration Date immediately following the giving of such notice, as applicable.

3.2 Company's Right to Terminate. Notwithstanding the provisions of Section 3.1, the Company may terminate Executive's employment under this Agreement at any time for any of the following reasons by providing Executive with a Notice of Termination:

(a) upon Executive being unable to perform Executive's duties or fulfill Executive's obligations under this Agreement by reason of any physical or mental impairment for a continuous period of not less than three months as determined by the Company and certified in writing by a competent medical physician selected by the Company; or

(b) Executive's death; or

(c) for Cause; or

(d) for any other reason whatsoever or for no reason at all, in the sole discretion of the Company.

3.3 Executive's Right to Terminate. Notwithstanding the provisions of Section 3.1, Executive shall have the right to terminate Executive's employment under this Agreement for Good Reason or for any other reason whatsoever or for no reason at all, in the sole discretion of Executive, by providing the Company with a Notice of Termination. In the case of a termination of employment by Executive pursuant to this Section 3.3, the Date of Termination specified in the Notice of Termination shall not be less than 15 nor more than 60 days from the date such Notice of Termination is given, and the Company may require a Date of Termination earlier than that specified in the Notice of Termination (and, if such earlier Date of Termination is so required, it shall not change the basis for Executive's termination nor be construed or interpreted as a termination of employment pursuant to Section 3.1 or Section 3.2).

3.4 Deemed Resignations. Unless otherwise agreed to in writing by the Company and Executive prior to the termination of Executive's employment, any termination of Executive's employment shall constitute (a) an automatic resignation of Executive as an officer of the Company and each affiliate of the Company and (b) an automatic resignation of Executive from the Board (if applicable), from the board of directors of any affiliate of the Company and from the board of directors or similar governing body of any corporation, limited liability entity or other entity in which the Company or any affiliate holds an equity interest and with respect to which board or similar governing body Executive serves as the Company's or such affiliate's designee or other representative.

3.5 Meaning of Termination of Employment. For all purposes of this Agreement, Executive shall be considered to have terminated employment with the Company when Executive incurs a "separation from service" with the Company within the meaning of section 409A(a)(2)(A)(i) of the Code and applicable administrative guidance issued thereunder.

ARTICLE IV
COMPENSATION AND BENEFITS

4.1 Base Salary. During the term of this Agreement, Executive shall receive a minimum, annualized base salary of $475,000 (the "***Base Salary***"). Executive's annualized base salary shall be reviewed at least annually by the Company and, in the sole discretion of the Company, such annualized base salary may be increased (but not decreased) effective as of any date determined by the Company; provided, however, the Company may decrease Executive's Base Salary by up to 10% as part of similar reductions applicable to all of the Company's executive officers. Executive's Base Salary shall be paid in substantially equal installments in accordance with the Company's standard policy regarding payment of compensation to executives but no less frequently than monthly.

4.2 Bonuses. For calendar year 2010, Executive shall participate in the annual cash incentive bonus program in which he was participating as of the Effective Date, subject to the terms and conditions of that program as may exist from time to time. For calendar years after 2010, Executive shall be eligible to participate in the Company's annual cash incentive bonus program, which will provide for a potential annual, calendar-year bonus based on criteria determined in the discretion of the Company (the "***Annual Bonus***"), it being understood that the target bonus at planned or targeted levels of performance and the actual amount of each Annual Bonus shall be determined in the discretion of the Company. The Company shall use commercially reasonable efforts to pay each Annual Bonus with respect to a calendar year on or before March 15 of the following calendar year (and in no event shall an Annual Bonus be paid after December 31 of the following calendar year); provided, however, that (except as otherwise provided in Section 7.1(b)) Executive will be entitled to receive payment of such Annual Bonus only if Executive is employed by the Company on such date of payment.

4.3 Other Benefits. During Executive's employment hereunder, Executive shall be eligible to participate in all benefit plans and programs of the Company, including improvements or modifications of the same, which are now, or may hereafter be, available to other senior executives of the Company. The Company shall not, however, by reason of this Section 4.3, be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any such benefit plan or program, so long as such changes are similarly applicable to other senior executives generally.

4.4 Expenses. The Company shall reimburse Executive for all reasonable business expenses incurred by Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company; provided, in each case, that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company. Any such reimbursement of expenses shall be made by the Company upon or as soon as practicable following receipt of supporting documentation reasonably satisfactory to the Company (but in any event not later than the close of Executive's taxable year following the taxable year in which the expense is incurred by Executive); provided, however, that, upon Executive's termination of employment with the Company, in no event shall any additional reimbursement be made prior to the Section 409A Payment Date to the extent such payment delay is required under section 409A(a)(2)(B)(i) of the Code. In no event shall any reimbursement be made to Executive for

such fees and expenses after the later of (a) the first anniversary of the date of Executive's death or (b) the date that is five years after the date of Executive's termination of employment with the Company (other than by reason of Executive's death).

4.5 Vacation and Sick Leave. During Executive's employment hereunder, Executive shall be entitled to (a) sick leave in accordance with the Company's policies applicable to its senior executives and (b) 25 days paid vacation each calendar year (none of which may be carried forward to a succeeding year).

4.6 Offices. Subject to Articles II, III, and IV hereof, Executive agrees to serve without additional compensation, if elected or appointed thereto, as a director of the Company or any of the Company's affiliates and as a member of any committees of the board of directors of any such entities, and in one or more executive positions of any of the Company's affiliates.

ARTICLE V
PROTECTION OF INFORMATION

5.1 Disclosure to and Property of the Company. For purposes of this Article V, the term "the Company" shall include the Company and any of its affiliates, and any reference to "employment" or similar terms shall include a director and/or consulting relationship. All information, trade secrets, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed, disclosed to or acquired by Executive, individually or in conjunction with others, during the period of Executive's employment by the Company (whether during business hours or otherwise and whether on the Company's premises or otherwise) that relate to the Company's or any of its affiliates' businesses, trade secrets, products or services (including, without limitation, all such information relating to corporate opportunities, strategies, business plans, product specifications, compositions, manufacturing and distribution methods and processes, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or production, marketing and merchandising techniques, prospective names and marks) and all writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "***Confidential Information***") shall be disclosed to the Company and are and shall be the sole and exclusive property of the Company or its affiliates, as applicable. Moreover, all documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, E-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "***Work Product***") are and shall be the sole and exclusive property of the Company (or its affiliates). Executive agrees to perform all actions reasonably requested by the Company or its affiliates to establish and confirm such exclusive ownership. Upon termination of Executive's employment with the Company, for any reason, Executive promptly shall deliver such Confidential Information and Work Product, and all copies thereof, to the Company.

5.2 Disclosure to Executive. The Company shall disclose to Executive and place Executive in a position to have access to or develop Confidential Information and Work Product of the Company (or its affiliates); and shall entrust Executive with business opportunities of the Company (or its affiliates); and shall place Executive in a position to develop business good will on behalf of the Company (or its affiliates).

5.3 No Unauthorized Use or Disclosure. Executive agrees to preserve and protect the confidentiality of all Confidential Information and Work Product of the Company and its affiliates. Executive agrees that Executive will not, at any time during or after Executive's employment with the Company, make any unauthorized disclosure of, and Executive shall not remove from the Company premises, Confidential Information or Work Product of the Company or its affiliates, or make any use thereof, except, in each case, in the carrying out of Executive's responsibilities hereunder. Executive shall use all reasonable efforts to cause all persons or entities to whom any Confidential Information shall be disclosed by Executive hereunder to preserve and protect the confidentiality of such Confidential Information. Executive shall have no obligation hereunder to keep confidential any Confidential Information if and to the extent disclosure thereof is specifically required by law; provided, however, that in the event disclosure is required by applicable law, Executive shall provide the Company with prompt notice of such requirement prior to making any such disclosure, so that the Company may seek an appropriate protective order. At the request of the Company at any time, Executive agrees to deliver to the Company all Confidential Information that Executive may possess or control. Executive agrees that all Confidential Information of the Company (whether now or hereafter existing) conceived, discovered or made by Executive during the period of Executive's employment by the Company exclusively belongs to the Company (and not to Executive), and upon request by the Company for specified Confidential Information, Executive will promptly disclose such Confidential Information to the Company and perform all actions reasonably requested by the Company to establish and confirm such exclusive ownership. Affiliates of the Company shall be third party beneficiaries of Executive's obligations under this Article V. As a result of Executive's employment by the Company, Executive may also from time to time have access to, or knowledge of, Confidential Information or Work Product of third parties, such as customers, suppliers, partners, joint venturers, and the like, of the Company and its affiliates. Executive also agrees to preserve and protect the confidentiality of such third party Confidential Information and Work Product.

5.4 Ownership by the Company. If, during Executive's employment by the Company, Executive creates any work of authorship fixed in any tangible medium of expression that is the subject matter of copyright (such as videotapes, written presentations, or acquisitions, computer programs, E-mail, voice mail, electronic databases, drawings, maps, architectural renditions, models, manuals, brochures, or the like) relating to the Company's business, products, or services, whether such work is created solely by Executive or jointly with others (whether during business hours or otherwise and whether on the Company's premises or otherwise), including any Work Product, the Company shall be deemed the author of such work if the work is prepared by Executive in the scope of Executive's employment; or, if the work relating to the Company's business, products, or services is not prepared by Executive within the scope of Executive's employment but is specially ordered by the Company as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, or as an instructional text, then the work shall be

considered to be work made for hire and the Company shall be the author of the work. If the work relating to the Company's business, products, or services is neither prepared by Executive within the scope of Executive's employment nor a work specially ordered that is deemed to be a work made for hire during Executive's employment by the Company, then Executive hereby agrees to assign, and by these presents does assign, to the Company all of Executive's worldwide right, title, and interest in and to such work and all rights of copyright therein.

5.5 Assistance by Executive. During the period of Executive's employment by the Company, Executive shall assist the Company and its nominee, at any time, in the protection of the Company's or its affiliates' worldwide right, title and interest in and to Confidential Information and Work Product and the execution of all formal assignment documents requested by the Company or its nominee(s) and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries. After Executive's employment with the Company terminates, at the request from time to time and expense of the Company or its affiliates, Executive shall assist the Company or its nominee(s) in the protection of the Company's or its affiliates' worldwide right, title and interest in and to Confidential Information and Work Product and the execution of all formal assignment documents requested by the Company or its nominee and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries.

5.6 Remedies. Executive acknowledges that money damages would not be a sufficient remedy for any breach of this Article V by Executive, and the Company or its affiliates shall be entitled to enforce the provisions of this Article V by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article V but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive's agents. However, if it is determined that Executive has not committed a breach of this Article V, then the Company shall resume the payments and benefits due under this Agreement and pay to Executive and Executive's spouse, if applicable, all payments and benefits that had been suspended pending such determination.

ARTICLE VI
STATEMENTS CONCERNING THE COMPANY

6.1 Statements Concerning the Company. Executive shall refrain, both during and after the termination of the employment relationship, from publishing any oral or written statements about the Company, any of its affiliates or any of the Company's or such affiliates' directors, officers, employees, consultants, agents or representatives that (a) are slanderous, libelous or defamatory, (b) disclose Confidential Information of the Company, any of its affiliates or any of the Company's or any such affiliates' business affairs, directors, officers, employees, consultants, agents or representatives, or (c) place the Company, any of its affiliates, or any of the Company's or any such affiliates' directors, officers, employees, consultants, agents or representatives in a false light before the public. A violation or threatened violation of this prohibition may be enjoined by the courts. The rights afforded the Company and its affiliates under this provision are in addition to any and all rights and remedies otherwise afforded by law.

ARTICLE VII
EFFECT OF TERMINATION OF EMPLOYMENT ON COMPENSATION

7.1 Effect of Termination of Employment on Compensation.

(a) If Executive's employment hereunder shall terminate at the expiration of the term provided in Section 3.1 because Executive provided written notice of non-renewal to the Company, for any reason described in Section 3.2(a), 3.2(b), or 3.2(c) or pursuant to Executive's resignation for other than Good Reason, then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that Executive shall be entitled to (i) payment of all accrued and unpaid Base Salary to the Date of Termination, (ii) reimbursement for all incurred but unreimbursed expenses for which Executive is entitled to reimbursement in accordance with Section 4.4, (iii) payment of all accrued and unused paid vacation for the calendar year in which the Date of Termination occurs, and (iv) benefits to which Executive is entitled under the terms of any applicable benefit plan or program.

(b) If Executive's employment hereunder shall terminate at expiration of the term provided in Section 3.1 because the Company provided written notice of non-renewal to Executive, pursuant to Executive's resignation for Good Reason or by action of the Company pursuant to Section 3.2 for any reason other than those encompassed by Section 3.2(a), 3.2(b), or 3.2(c), then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that (i) Executive shall be entitled to receive the compensation and benefits described in clauses (i) through (iv) of Section 7.1(a) and (ii) if, on the Date of Termination, the Company does not have a right to terminate Executive's employment under Section 3.2(a), 3.2(b), or 3.2(c) and subject to Executive's delivery, within 50 days after the Date of Termination, and non-revocation of an executed release substantially in the form of the release contained at Appendix B (the "***Release***"), Executive shall receive the following additional compensation and benefits from the Company (but no other additional compensation or benefits after such termination):

(A) the Company shall pay to Executive any unpaid Annual Bonus for the calendar year ending prior to the Date of Termination, which amount shall be payable in a lump-sum on the date such annual bonuses are paid to executives who have continued employment with the Company (but in no event earlier than 60 days after the Date of Termination (or, if earlier, the December 31 next following such calendar year) nor later than the December 31 next following such calendar year);

(B) the Company shall pay to Executive a bonus for the calendar year in which the Date of Termination occurs in an amount equal to the Annual Bonus for such year as determined in good faith by the Board in accordance with the criteria established pursuant to Section 4.2 and based on the Company's performance for such year, which amount shall be prorated through and including the Date of Termination (based on the ratio of the number of days Executive was employed by the Company during such year to the number of days

in such year), payable in a lump-sum on or before the date such annual bonuses are paid to executives who have continued employment with the Company (but in no event earlier than 60 days after the Date of Termination nor later than the May 15 next following such calendar year);

(C) the Company shall pay to Executive an amount equal to the Severance Multiple times the sum of (i) Executive's Base Salary as of the Date of Termination and (ii) 100% of Executive's Base Salary as of the Date of Termination, which amount shall be paid in a lump sum payment on the date that is 60 days after the Date of Termination occurs; and

(D) during the portion, if any, of the 18-month period following the Date of Termination that Executive elects to continue coverage for Executive and Executive's spouse and eligible dependents, if any, under the Company's group health plans under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA), and/or sections 601 through 608 of the Employee Retirement Income Security Act of 1974, as amended, the Company shall promptly reimburse Executive on a monthly basis for the difference between the amount Executive pays to effect and continue such coverage and the employee contribution amount that active senior executive employees of the Company pay for the same or similar coverage under such group health plans.

Notwithstanding the time of payment provisions of Section 7.1(b)(ii)(B) above, if Executive is a specified employee (as such term is defined in section 409A of the Code and as determined by the Company in accordance with any method permitted under section 409A of the Code) and the payment of the amount described in such Section would be subject to additional taxes and interest under section 409A of the Code because the timing of such payment is not delayed as provided in section 409A(a)(2)(B)(i) of the Code and the regulations thereunder, then such amount (together with interest on a non-compounded basis, from the date such payment would have been made had this payment delay not applied to the actual date of payment, at the prime rate of interest announced by Wells Fargo Bank, National Association (or any successor thereto) at its principal office in Charlotte, North Carolina on the date of Executive's termination of employment (or the first business day following such date if such termination does not occur on a business day)) shall be paid within five business days after the Section 409A Payment Date.

ARTICLE VIII
NON-COMPETITION AGREEMENT

8.1 Definitions. As used in this Article VIII, the following terms shall have the following meanings:

"***Business***" means (a) during the period of Executive's employment by the Company, the design, manufacture and supply of products and services for the oil and gas industry provided by the Company and its subsidiaries during such period and other products and services that are functionally equivalent to the foregoing, and (b) during the portion of the Prohibited Period that

begins on the termination of Executive's employment with the Company, the design, manufacture and supply of products and services for the oil and gas industry provided by the Company and its subsidiaries at the time of such termination of employment (or, if earlier, at the time immediately preceding the date upon which a Change in Control occurs) and other products and services that are functionally equivalent to the foregoing.

"***Competing Business***" means any business, individual, partnership, firm, corporation or other entity (other than an affiliate of the Company, L. E. Simmons & Associates, Inc. ("***LESA***") and its affiliates, or another entity in which SCF-V, L.P., a Delaware limited partnership, SCF-VI, L.P., a Delaware limited partnership, and SCF-VII, L.P., a Delaware limited partnership, or any future limited partnership established by an affiliate of LESA has an ownership interest) which wholly or in any significant part engages in any business competing with the Business in the Restricted Area. In no event will the Company or any of its subsidiaries be deemed a Competing Business.

"***Governmental Authority***" means any governmental, quasi-governmental, state, county, city or other political subdivision of the United States or any other country, or any agency, court or instrumentality, foreign or domestic, or statutory or regulatory body thereof.

"***Legal Requirement***" means any law, statute, code, ordinance, order, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, authorization, or other directional requirement (including, without limitation, any of the foregoing that relates to environmental standards or controls, energy regulations and occupational, safety and health standards or controls including those arising under environmental laws) of any Governmental Authority.

"***Prohibited Period***" means the period during which Executive is employed by the Company hereunder and a period of two years following the end of Executive's employment with the Company.

"***Restricted Area***" means any geographical area within 100 miles in which the Company and its subsidiaries engage in the Business during the period during which Executive is employed hereunder, which such area includes, without limitation, the parishes in Louisiana set forth on Appendix C hereto.

8.2 Non-Competition; Non-Solicitation. Executive and the Company agree to the non-competition and non-solicitation provisions of this Article VIII in consideration for the Confidential Information provided by the Company to Executive pursuant to Article V of this Agreement, to protect the trade secrets and confidential information of the Company or its affiliates disclosed or entrusted to Executive by the Company or its affiliates or created or developed by Executive for the Company or its affiliates, to protect the business goodwill of the Company or its affiliates developed through the efforts of Executive and/or the business opportunities disclosed or entrusted to Executive by the Company or its affiliates and as an additional incentive for the Company to enter into this Agreement.

(a) Subject to the exceptions set forth in Section 8.2(b) below, Executive expressly covenants and agrees that during the Prohibited Period (i) Executive will

refrain from carrying on or engaging in, directly or indirectly, any Competing Business in the Restricted Area and (ii) Executive will not, and Executive will cause Executive's affiliates not to, directly or indirectly, own, manage, operate, join, become an employee of, partner in, owner or member of (or an independent contractor to), control or participate in, be connected with or loan money to, sell or lease equipment or property to, or otherwise be affiliated with any business, individual, partnership, firm, corporation or other entity which engages in a Competing Business in the Restricted Area, as Executive expressly agrees that each of the foregoing activities would represent carrying on or engaging in a Competitive Business, as prohibited by this Section 8.2(a).

(b) Notwithstanding the restrictions contained in Section 8.2(a), Executive or any of Executive's affiliates may own an aggregate of not more than 2% of the outstanding stock of any class of any corporation engaged in a Competing Business, if such stock is listed on a national securities exchange or regularly traded in the over-the-counter market by a member of a national securities exchange, without violating the provisions of Section 8.2(a), provided that neither Executive nor any of Executive's affiliates has the power, directly or indirectly, to control or direct the management or affairs of any such corporation and is not involved in the management of such corporation. Further, if Executive's employment hereunder shall terminate at the expiration of the term provided in Section 3.1 because Executive provided written notice of non-renewal to the Company, and if such termination shall occur on or before the fourth anniversary of the Effective Date, then the restrictions contained in Section 8.2(a) shall not apply following such termination of Executive's employment.

(c) Executive further expressly covenants and agrees that during the Prohibited Period, Executive will not, and Executive will cause Executive's affiliates not to (i) engage or employ, or solicit or contact with a view to the engagement or employment of, or recommend or refer to any person or entity (other than the Company or one of its affiliates) for engagement or employment any person who is an officer or employee of the Company or any of its affiliates or (ii) canvass, solicit, approach or entice away or cause to be canvassed, solicited, approached or enticed away from the Company or any of its affiliates any person or entity who or which is a customer of any of such entities during the period during which Executive is employed by the Company.

(d) The restrictions contained in Section 8.2 shall not apply to any product or service that the Company provided during Executive's employment but that the Company no longer provides at the Date of Termination. Further, notwithstanding the other provisions of this Section 8.2, within the State of Oklahoma, the restrictions of Sections 8.2(a) and 8.2(c)(ii) shall be limited to preventing Executive from directly soliciting the sale of goods, services or a combination of goods and services from any established customer of the Company, as may exist from time-to-time.

(e) Before accepting employment with any other person or entity while employed by the Company or during the Prohibited Period, the Executive will inform such person or entity of the restrictions contained in this Article VIII.

8.3 Relief. Executive and the Company agree and acknowledge that the limitations as to time, geographical area and scope of activity to be restrained as set forth in Section 8.2 are reasonable and do not impose any greater restraint than is necessary to protect the legitimate business interests of the Company. Executive and the Company also acknowledge that money damages would not be sufficient remedy for any breach of this Article VIII by Executive, and the Company or its affiliates shall be entitled to enforce the provisions of this Article VIII by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article VIII but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive's agents. However, if it is determined that Executive has not committed a breach of this Article VIII, then the Company shall resume the payments and benefits due under this Agreement and pay to Executive all payments and benefits that had been suspended pending such determination.

8.4 Reasonableness; Enforcement. Executive hereby represents to the Company that Executive has read and understands, and agrees to be bound by, the terms of this Article VIII. Executive acknowledges that the geographic scope and duration of the covenants contained in this Article VIII are the result of arm's-length bargaining and are fair and reasonable in light of (a) the nature and wide geographic scope of the operations of the Business, (b) Executive's level of control over and contact with the Business in all jurisdictions in which it is conducted, (c) the fact that the Business is conducted throughout the Restricted Area and (d) the amount of Confidential Information that Executive is receiving in connection with the performance of Executive's duties hereunder. It is the desire and intent of the parties that the provisions of this Article VIII be enforced to the fullest extent permitted under applicable Legal Requirements, whether now or hereafter in effect and therefore, to the extent permitted by applicable Legal Requirements, Executive and the Company hereby waive any provision of applicable Legal Requirements that would render any provision of this Article VIII invalid or unenforceable.

8.5 Reformation. The Company and Executive agree that the foregoing restrictions are reasonable under the circumstances and that any breach of the covenants contained in this Article VIII would cause irreparable injury to the Company. Executive understands that the foregoing restrictions may limit Executive's ability to engage in certain businesses anywhere in the Restricted Area during the Prohibited Period, but acknowledges that Executive will receive sufficient consideration from the Company to justify such restriction. Further, Executive acknowledges that Executive's skills are such that Executive can be gainfully employed in non-competitive employment, and that the agreement not to compete will not prevent Executive from earning a living. Nevertheless, if any of the aforesaid restrictions are found by a court of competent jurisdiction to be unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, the parties intend for the restrictions herein set forth to be modified by the court making such determination so as to be reasonable and enforceable and, as so modified, to be fully enforced. By agreeing to this contractual modification prospectively at this time, the Company and Executive intend to make this provision enforceable under the law or laws of all applicable States, Provinces and other jurisdictions so that the entire agreement not to compete and this Agreement as prospectively modified shall remain in full force and effect and shall not

be rendered void or illegal. Such modification shall not affect the payments made to Executive under this Agreement.

ARTICLE IX
DISPUTE RESOLUTION

9.1 Arbitration. All claims or disputes between Executive and the Company or its parents, subsidiaries and affiliates (including, without limitation, claims relating to the validity, scope, and enforceability of this Article IX and claims arising under any federal, state or local law regarding the terms and conditions of employment or prohibiting discrimination in employment or governing the employment relationship in any way) shall be submitted for final and binding arbitration in Houston, Texas in accordance with the then-applicable rules for resolution of employment disputes of the American Arbitration Association ("***AAA***"). The arbitration shall be conducted by a single arbitrator chosen pursuant to the then-applicable rules for resolution of employment disputes of the AAA, and the Company shall bear the costs of such arbitration. For the avoidance of doubt, the Company's assumption of costs referenced in the previous sentence applies to the costs of the AAA only, and does not include attorney or expert fees or other fees or costs incurred by Executive. The arbitrator shall apply the substantive law of the State of Texas (excluding Texas choice-of-law principles that might call for the application of some other state's law), or federal law, or both as applicable to the claims asserted. The results of the arbitration and the decision of the arbitrator will be final and binding on the parties and each party agrees and acknowledges that these results shall be enforceable in a court of law. No demand for arbitration may be made after the date when the institution of legal or equitable proceedings based on such claim or dispute would be barred by the applicable statute(s) of limitations. In the event either party must resort to the judicial process to enforce the provisions of this Agreement, the award of an arbitrator or equitable relief granted by an arbitrator, the party successfully seeking enforcement shall be entitled to recover from the other party all costs of such litigation including, but not limited to, reasonable attorneys fees and court costs. To the fullest extent permitted by law, all proceedings conducted pursuant to this agreement to arbitrate, including any order, decision or award of the arbitrator, shall be kept confidential by all parties. Notwithstanding the foregoing, Executive and the Company further acknowledge and agree that a court of competent jurisdiction residing in Houston, Texas shall have the power to maintain the status quo pending the arbitration of any dispute under this Article IX, and this Article IX shall not require the arbitration of any application for emergency, temporary or preliminary injunctive relief (including temporary restraining orders) by either party pending arbitration, including, without limitation, any application for emergency, temporary or preliminary injunctive relief for any claim arising out of Article V or Article VIII of this Agreement; provided, however, that the remainder of any such dispute beyond the application for such emergency, temporary or preliminary injunctive relief shall be subject to arbitration under this Article IX. **THE PARTIES ACKNOWLEDGE THAT, BY SIGNING THIS AGREEMENT, THEY ARE KNOWINGLY AND VOLUNTARILY WAIVING ANY RIGHTS THAT THEY MAY HAVE TO A JURY TRIAL OR, EXCEPT AS EXPRESSLY PROVIDED HEREIN, A COURT TRIAL OF ANY CLAIM THAT IS SUBJECT TO THIS ARTICLE IX.**

ARTICLE X
CERTAIN EXCISE TAXES AND GROSS-UP PAYMENTS

10.1 Certain Excise Taxes and Gross-Up Payments. Notwithstanding anything to the contrary in this Agreement, in the event that any payment, distribution or provision of a benefit by the Company to or for the benefit of Executive, whether paid or payable, distributed or distributable or provided or to be provided pursuant to the terms of this Agreement or otherwise (a "***Payment***"), would be subject to the excise tax imposed by section 4999 of the Code, or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest or penalties, are hereinafter collectively referred to as the "***Excise Tax***"), the Company shall pay to Executive on or as soon as practicable following the day on which the Excise Tax is remitted by or on behalf of Executive (but not later than the end of the taxable year following the year in which the Excise Tax is remitted) an additional payment (a "***Gross-up Payment***") in an amount such that after payment by Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax imposed on any Gross-up Payment, Executive retains an amount of the Gross-up Payment equal to the Excise Tax imposed upon the Payments. The Company and Executive shall make an initial determination as to whether a Gross-up Payment is required and the amount of any such Gross-up Payment. Executive shall notify the Company in writing of any claim by the Internal Revenue Service which, if successful, would require the Company to make a Gross-up Payment (or a Gross-up Payment in excess of that, if any, initially determined by the Company and Executive) within 10 days of the receipt of such claim. The Company shall notify Executive in writing at least 10 days prior to the due date of any response required with respect to such claim if it plans to contest the claim. If the Company decides to contest such claim, then Executive shall cooperate fully with the Company in such action; provided, however, the Company shall bear and pay directly or indirectly all costs and expenses (including additional interest and penalties) incurred in connection with such action and shall indemnify and hold Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of the Company's action. If, as a result of the Company's action with respect to a claim, Executive receives a refund of any amount paid by the Company with respect to such claim, then Executive shall promptly pay such refund to the Company. If the Company fails to timely notify Executive whether it will contest such claim or the Company determines not to contest such claim, then the Company shall immediately pay to Executive the portion of such claim, if any, which it has not previously paid to Executive.

ARTICLE XI
MISCELLANEOUS

11.1 Notices. For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given (a) when received if delivered personally or by courier, (b) on the date receipt is acknowledged if delivered by certified mail, postage prepaid, return receipt requested or (c) one day after transmission if sent by facsimile transmission with confirmation of transmission, as follows:

If to Executive, addressed to:	Mr. Charles E. Jones 2 Holly Ridge Drive Kingwood, Texas 77339
If to the Company, addressed to:	Forum Energy Technologies, Inc. 8807 West Sam Houston Parkway North Suite 200 Houston, Texas 77040 Attention: Chief Executive Officer Facsimile: 713-351-7997

or to such other address as either party may furnish to the other in writing in accordance herewith, except that notices or changes of address shall be effective only upon receipt.

11.2 Applicable Law; Submission to Jurisdiction.

(a) This Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Texas, without regard to conflicts of laws principles thereof.

(b) With respect to any claim or dispute related to or arising under this Agreement, the parties hereto hereby consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Harris County, Texas.

11.3 No Waiver. No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

11.4 Severability. If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect.

11.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

11.6 Withholding of Taxes and Other Employee Deductions. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city and other taxes and withholdings as may be required pursuant to any law or governmental regulation or ruling and all other customary deductions made with respect to the Company's employees generally.

11.7 Headings. The Section headings have been inserted for purposes of convenience and shall not be used for interpretive purposes.

11.8 Gender and Plurals. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely.

11.9 Affiliate and Subsidiary. As used in this Agreement, (a) the term "***affiliate***" as used with respect to a particular person or entity shall mean any other person or entity which owns or controls, is owned or controlled by, or is under common ownership or control with, such particular person or entity and (b) the term ***"subsidiary"*** as used with respect to a particular entity shall mean a direct or indirect subsidiary of such entity.

11.10 Successors. This Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company. Except as provided in the preceding sentence, this Agreement, and the rights and obligations of the parties hereunder, are personal and neither this Agreement, nor any right, benefit or obligation of either party hereto, shall be subject to voluntary or involuntary assignment, alienation or transfer, whether by operation of law or otherwise, without the prior written consent of the other party. In addition, any payment owed to Executive hereunder after the date of Executive's death shall be paid to Executive's estate.

11.11 Term. Termination of this Agreement shall not affect any right or obligation of any party which is accrued or vested prior to such termination. Without limiting the scope of the preceding sentence, the provisions of Articles V, VI, VII, VIII and IX shall survive any termination of the employment relationship and/or of this Agreement.

11.12 Entire Agreement. Except as provided in any signed written agreement contemporaneously or hereafter executed by the Company and Executive, this Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to employment of Executive by the Company. Without limiting the scope of the preceding sentence, all understandings and agreements preceding the date of execution of this Agreement and relating to the subject matter hereof including, without limitation, any prior employment agreement between Executive and the Company or an affiliate, are hereby null and void and of no further force and effect.

11.13 Modification; Waiver. Any modification to or waiver of this Agreement will be effective only if it is in writing and signed by the parties to this Agreement.

11.14 Actions by the Board. Any and all determinations or other actions required of the Board hereunder that relate specifically to Executive's employment by the Company or the terms and conditions of such employment shall be made by the members of the Board other than Executive if Executive is a member of the Board, and Executive shall not have any right to vote or decide upon any such matter.

11.15 Executive's Representations and Warranties. Executive represents and warrants to the Company that (a) Executive does not have any agreements with Executive's prior employer that will prohibit Executive from working for the Company or fulfilling Executive's duties and obligations to the Company pursuant to this Agreement and (b) Executive has complied with all duties imposed on Executive with respect to Executive's former employer,

e.g., Executive does not possess any tangible property belonging to Executive's former employer.

11.16 Delayed Payment Restriction. Notwithstanding any provision in this Agreement to the contrary, if any payment or benefit provided for herein would be subject to additional taxes and interest under section 409A of the Code if Executive's receipt of such payment or benefit is not delayed until the Section 409A Payment Date, then such payment or benefit shall not be provided to Executive (or Executive's estate, if applicable) until the Section 409A Payment Date.

[Signatures begin on next page.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of August 2, 2010.

FORUM ENERGY TECHNOLOGIES, INC.

By: /s/ C. Christopher Gaut
Name: C. Christopher Gaut
Title: President and Chief Executive Officer

CHARLES E. JONES

/s/ Charles E. Jones

APPENDIX A

PERMITTED ACTIVITIES

As of the Effective Date, Executive is serving on the board of directors or similar governing body of the following entities:

None.

APPENDIX B

RELEASE AGREEMENT

This Release Agreement (this "***Agreement***") constitutes the release referred to in that certain Employment Agreement (the "***Employment Agreement***") dated as of August 2, 2010, by and between Charles E. Jones ("***Executive***") and Forum Energy Technologies, Inc., a Delaware corporation (the "***Company***").

1. **General Release**.

(a) For good and valuable consideration, including the Company's provision of certain payments and benefits to Executive in accordance with Section 7.1(b)(ii) of the Employment Agreement, Executive hereby releases, discharges and forever acquits the Company, its affiliates and subsidiaries, the past, present and future stockholders, members, partners, directors, managers, employees, agents, attorneys, heirs, legal representatives, successors and assigns of the foregoing, as well as all employee benefit plans maintained by the Company or any of its affiliates or subsidiaries and all fiduciaries and administrators of any such plan, in their personal and representative capacities (collectively, the "***Company Parties***"), from liability for, and hereby waives, any and all claims, rights, damages, or causes of action of any kind related to Executive's employment with any Company Party, the termination of such employment, and any other acts or omissions related to any matter on or prior to the date of this Agreement (collectively, the "***Released Claims***").

(b) The Released Claims include without limitation those arising under or related to: (i) the Age Discrimination in Employment Act of 1967; (ii) Title VII of the Civil Rights Act of 1964; (iii) the Civil Rights Act of 1991; (iv) sections 1981 through 1988 of Title 42 of the United States Code; (v) the Employee Retirement Income Security Act of 1974, including, but not limited to, sections 502(a)(1)(A), 502(a)(1)(B), 502(a)(2), and 502(a)(3) to the extent the release of such claims is not prohibited by applicable law; (vi) the Immigration Reform Control Act; (vii) the Americans with Disabilities Act of 1990; (viii) the National Labor Relations Act; (ix) the Occupational Safety and Health Act; (x) the Family and Medical Leave Act of 1993; (xi) any state or federal anti-discrimination law; (xii) any state or federal wage and hour law; (xiii) any other local, state or federal law, regulation or ordinance; (xiv) any public policy, contract, tort, or common law; (xv) costs, fees, or other expenses including attorneys' fees incurred in these matters; (xvi) any employment contract, incentive compensation plan or stock option plan with any Company Party or to any ownership interest in any Company Party except as expressly provided in the Employment Agreement and any stock option or other equity compensation agreement between Executive and the Company; and (xvii) compensation or benefits of any kind not expressly set forth in the Employment Agreement or any such stock option or other equity compensation agreement.

(c) In no event shall the Released Claims include (i) any claim which arises after the date of this Agreement, or (ii) any claims for the payments and benefits payable to Executive under Section 7.1(b)(ii) of the Employment Agreement.

(d) Notwithstanding this release of liability, nothing in this Agreement prevents Executive from filing any non-legally waivable claim (including a challenge to the validity of this Agreement) with the Equal Employment Opportunity Commission ("***EEOC***") or comparable state or local agency or participating in any investigation or proceeding conducted by the EEOC or comparable state or local agency; however, Executive understands and agrees that Executive is waiving any and all rights to recover any monetary or personal relief or recovery as a result of such EEOC, or comparable state or local agency proceeding or subsequent legal actions.

(e) This Agreement is not intended to indicate that any such claims exist or that, if they do exist, they are meritorious. Rather, Executive is simply agreeing that, in exchange for the consideration recited in the first sentence of Section 1(a) of this Agreement, any and all potential claims of this nature that Executive may have against the Company Parties, regardless of whether they actually exist, are expressly settled, compromised and waived.

(f) By signing this Agreement, Executive is bound by it. Anyone who succeeds to Executive's rights and responsibilities, such as heirs or the executor of Executive's estate, is also bound by this Agreement. This release also applies to any claims brought by any person or agency or class action under which Executive may have a right or benefit. **THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF THE COMPANY PARTIES.**

2. **Covenant Not to Sue; Executive's Representation**. Executive agrees not to bring or join any lawsuit against any of the Company Parties in any court relating to any of the Released Claims. Executive represents that Executive has not brought or joined any claim, lawsuit or arbitration against any of the Company Parties in any court or before any administrative agency or arbitral authority and has made no assignment of any rights Executive has asserted or may have against any of the Company Parties to any person or entity, in each case, with respect to any Released Claims. Executive expressly represents that, as of the date Executive executes this Agreement, Executive has been provided all leaves (paid and unpaid) and paid all wages and compensation owed to Executive by the Company Parties with the exception of all payments owed as a condition of Executive's executing (and not revoking) this Agreement.

3. **Acknowledgments**. By executing and delivering this Agreement, Executive acknowledges that:

(a) Executive has carefully read this Agreement;

(b) Executive has had at least [twenty-one (21)] [forty-five (45)] days to consider this Agreement before the execution and delivery hereof to the Company [Add if 45 days applies: , and Executive acknowledges that attached to this Agreement is a list of (i) the job titles and ages of all employees selected for participation in the employment termination or exit incentive program pursuant to which Executive is being offered this Agreement, (ii) the job titles and ages of all employees in the same job classification or organizational unit who were not selected for participation in the program, and (iii) information about the unit affected by the

program, including any eligibility factors for such program and any time limits applicable to such program];

(c) Executive has been and hereby is advised in writing that Executive may, at Executive's option, discuss this Agreement with an attorney of Executive's choice and that Executive has had adequate opportunity to do so; and

(d) Executive fully understands the final and binding effect of this Agreement; the only promises made to Executive to sign this Agreement are those stated in the Employment Agreement and herein; and Executive is signing this Agreement voluntarily and of Executive's own free will, and that Executive understands and agrees to each of the terms of this Agreement.

4. **Revocation Right**. Executive may revoke this Agreement within the seven day period beginning on the date Executive signs this Agreement (such seven day period being referred to herein as the "***Release Revocation Period***"). To be effective, such revocation must be in writing signed by Executive and must be delivered to the Chief Executive Officer of the Company before 11:59 p.m., Houston, Texas time, on the last day of the Release Revocation Period. This Agreement is not effective, and no consideration shall be paid to Executive, until the expiration of the Release Revocation Period without Executive's revocation. If an effective revocation is delivered in the foregoing manner and timeframe, this Agreement shall be of no force or effect and shall be null and void ab initio.

Executed on this __ day of _____, ____.

CHARLES E. JONES

STATE OF _____ §
§
COUNTY OF _____ §

BEFORE ME, the undersigned authority personally appeared Charles E. Jones, by me known or who produced valid identification as described below, who executed the foregoing instrument and acknowledged before me that he subscribed to such instrument on this __ day of _____, ____.

NOTARY PUBLIC in and for the

State of _____

My Commission Expires: _____

Identification produced:

APPENDIX C

RESTRICTED AREA

The following parishes in the State of Louisiana:

Caddo
Iberia
Lafayette
St. Martin

Exhibit 10.4

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("***Agreement***") is made by and between Global Flow Technologies, Inc., a Delaware corporation (the "***Company***"), and Steven William Twellman ("***Executive***").

W I T N E S S E T H:

WHEREAS, the Company and Executive have heretofore entered into an Employment Agreement dated as of January 1, 2009; and

WHEREAS, the Company desires to employ Executive on the terms and conditions, and for the consideration, hereinafter set forth and Executive desires to be employed by the Company on such terms and conditions and for such consideration.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, the Company and Executive agree as follows:

ARTICLE I
DEFINITIONS

In addition to the terms defined in the body of this Agreement, for purposes of this Agreement, the following capitalized words shall have the meanings indicated below:

1.1 "***Acquiring Person***" shall mean any individual, entity or group (within the meaning of section 13(d)(3) or 14(d)(2) of the Exchange Act) other than the Initial Stockholders.

1.2 "***Board***" shall mean the Board of Directors of Forum.

1.3 "***Cause***" shall mean a determination by the Company that Executive (a) has engaged in gross negligence or willful misconduct in the performance of Executive's duties with respect to the Company or any of its affiliates, (b) has materially breached any material provision of this Agreement or any written agreement or corporate policy or code of conduct established by the Company or any of its affiliates, (c) has willfully engaged in conduct that is materially injurious to the Company or any of its affiliates, or (d) has been convicted of, pleaded no contest to or received adjudicated probation or deferred adjudication in connection with a felony involving fraud, dishonesty or moral turpitude (or a crime of similar import in a foreign jurisdiction).

1.4 "***Change in Control***" shall mean, as applicable:

(a) Prior to the common stock of Forum becoming Public Stock (including any transaction pursuant to which the common stock of Forum first becomes Public Stock), a "Change in Control" shall mean, in one transaction or a series of related transactions, (A) a Corporate Transaction or a sale of capital stock of Forum by stockholders of Forum (other than in connection with an Initial Public Offering) with the result immediately after such Corporate Transaction or sale that a single Acquiring Person, together with its affiliates, owns, directly or indirectly, either a greater number of

shares of common stock of Forum (calculated on a fully-diluted basis assuming that all shares of capital stock of Forum that are convertible into common stock of Forum at the then applicable conversion ratio are so converted) than the Initial Stockholders then own or, in the context of a Corporate Transaction in which Forum is not the surviving entity, more voting stock generally entitled to elect directors of such surviving entity (or in the case of a triangular merger, of the parent entity of such surviving entity) than the Initial Stockholders then own, or (B) Forum sells, leases or exchanges all or substantially all of its assets to any Acquiring Person or the dissolution or liquidation of Forum other than, in either case, pursuant to a transaction that complies with clause (b)(iii)(1) of this definition.

(b) After the common stock of Forum becomes Public Stock, a "Change in Control" shall mean:

(i) The acquisition by any Acquiring Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either (1) the then outstanding shares of common stock of Forum (the ***"Outstanding Forum Common Stock"***) or (2) the combined voting power of the then outstanding voting securities of Forum entitled to vote generally in the election of directors (the ***"Outstanding Forum Voting Securities"***); provided, however, that for purposes of this subsection (i) any acquisition by any Acquiring Person pursuant to a transaction which complies with clause (b)(iii)(1) of this definition shall not constitute a Change in Control; or

(ii) Individuals, who, immediately following the time when the common stock of Forum becomes Public Stock, constitute the Board (the ***"Incumbent Board"***) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the time when the common stock of Forum becomes Public Stock whose election, or nomination for election by Forum's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered for purposes of this definition as though such individual was a member of the Incumbent Board, but excluding, for these purposes, any such individual whose initial assumption of office as a director occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of an Acquiring Person other than the Board; or

(iii) The consummation of a Corporate Transaction unless, following such Corporate Transaction, (1) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Forum Common Stock and Outstanding Forum Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of Forum (if it be the ultimate parent entity following such Corporate Transaction) or the corporation resulting from such Corporate Transaction (or the ultimate parent entity which as a result of such transaction owns Forum or all or

substantially all of Forum's assets either directly or through one or more subsidiaries), and (2) at least a majority of the members of the board of directors of the ultimate parent entity resulting from such Corporate Transaction were members of the Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Corporate Transaction. For purposes of the foregoing sentence, only (A) shares of common stock and voting securities of Forum, assuming Forum is the ultimate parent entity following such Corporate Transaction, held by a beneficial owner immediately prior to such Corporate Transaction and any additional shares of common stock and voting securities of Forum issuable to such beneficial owner in connection with such Corporate Transaction in respect of the shares of common stock and voting securities of Forum held by such beneficial owner immediately prior to such Corporate Transaction, or (B) shares of common stock and voting securities of the ultimate parent entity following such Corporate Transaction, assuming Forum is not the ultimate parent entity following such Corporate Transaction, issuable to a beneficial owner in respect of the shares of common stock and voting securities of Forum held by such beneficial owner immediately prior to such Corporate Transaction, in either case shall be included in determining whether or not the fifty percent (50%) ownership test in this subsection (iii) has been satisfied.

1.5 "***Code***" shall mean the Internal Revenue Code of 1986, as amended.

1.6 "***Corporate Transaction***" shall mean a reorganization, merger or consolidation of Forum, any of its subsidiaries or sale, lease or other disposition of all or substantially all of the assets of Forum and its subsidiaries, taken as a whole (other than to an entity wholly owned, directly or indirectly, by Forum) or the liquidation or dissolution of Forum.

1.7 "***Date of Termination***" shall mean the date Executive's employment with the Company is considered to have terminated pursuant to Section 3.5.

1.8 "***Exchange Act***" shall mean the Securities Exchange Act of 1934, as amended.

1.9 "***Forum***" shall mean Forum Energy Technologies, Inc., a Delaware corporation.

1.10 "***Good Reason***" shall mean the occurrence of any of the following events:

(a) a material diminution in Executive's Base Salary, other than as part of a decrease of up to 10% for all of Forum's executive officers; or

(b) a material diminution in Executive's authority, duties, or responsibilities, excluding a change in management structure primarily affecting reporting responsibility; or

(c) the involuntary relocation of the geographic location of Executive's principal place of employment by more than 75 miles from the location of Executive's principal place of employment as of the Effective Date.

Notwithstanding the foregoing provisions of this Section 1.10 or any other provision in this Agreement to the contrary, any assertion by Executive of a termination of employment for "***Good Reason***" shall not be effective unless all of the following requirements are satisfied: (i) the condition described in Section 1.10(a), (b) or (c) giving rise to Executive's termination of employment must have arisen without Executive's consent; (ii) Executive must provide written notice to the Company of such condition in accordance with Section 11.1 within 45 days of the initial existence of the condition; (iii) the condition specified in such notice must remain uncorrected for 30 days after receipt of such notice by the Company; and (iv) the date of Executive's termination of employment must occur within 90 days after the initial existence of the condition specified in such notice.

1.11 "***Initial Public Offering***" shall mean the initial underwritten public offering and sale of common stock of Forum on a firm commitment basis after which the common stock of Forum is listed for trading on a national securities exchange registered under section 6(a) of the Exchange Act.

1.12 "***Initial Stockholders***" shall mean the stockholders of Forum as of the date of the Stockholders Agreement and their respective affiliates and Persons who are permitted transferees in accordance with Section 2.2 of the Stockholders Agreement.

1.13 "***Notice of Termination***" shall mean a written notice delivered to the other party indicating the specific termination provision in this Agreement relied upon for termination of Executive's employment and the intended Date of Termination and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

1.14 *"Person"* shall mean any natural person, limited liability company, corporation, limited partnership, general partnership, joint stock company, joint venture, association, company, trust, bank trust company, land trust, business trust, or other organization, whether or not a legal entity, and any government or agency or political subdivision thereof.

1.15 *"Public Stock"* shall mean shares of capital stock (including depositary receipts or depositary shares related to common stock or similar ordinary shares) of any Person that are registered under section 12 of the Exchange Act and listed for trading on a national securities exchange registered under section 6(a) of the Exchange Act.

1.16 "***Section 409A Payment Date***" shall mean the earlier of (a) the date of Executive's death or (b) the date that is six months after the date of termination of Executive's employment with the Company.

1.17 *"Severance Multiple"* shall mean two; provided, however, that the Severance Multiple shall mean three if Executive's employment hereunder shall terminate on or within two years after the occurrence of a Change in Control.

1.18 "***Stockholders Agreement***" shall mean that certain Amended and Restated Stockholders Agreement dated as of August 2, 2010, among Forum and certain of its stockholders, as the same may be amended or restated from time to time.

ARTICLE II
EMPLOYMENT AND DUTIES

2.1 Employment; Effective Date. The Company agrees to employ Executive, and Executive agrees to be employed by the Company, pursuant to the terms of this Agreement beginning as of August 2, 2010 (the "***Effective Date***") and continuing for the period of time set forth in Article III of this Agreement, subject to the terms and conditions of this Agreement.

2.2 Positions. From and after the Effective Date, the Company shall employ Executive in the position of President and Chief Executive Officer of the Company or in such other position or positions as the parties mutually may agree.

2.3 Duties and Services. Executive agrees to serve in the position(s) referred to in Section 2.2 and to perform diligently and to the best of Executive's abilities the duties and services appertaining to such position(s), as well as such additional duties and services appropriate to such position(s) which the parties mutually may agree upon from time to time.

2.4 Other Interests. Executive agrees, during the period of Executive's employment by the Company, to devote substantially all of Executive's business time, energy and best efforts to the business and affairs of the Company and its affiliates. Notwithstanding the foregoing, the parties acknowledge and agree that Executive may (a) engage in and manage Executive's passive personal investments, (b) engage in charitable and civic activities and (c) serve on the board of directors or similar governing body of those entities set forth on Appendix A hereto and any other entity otherwise approved by the Board (or a committee thereof); provided, however, that such activities set forth in Section 2.4(a), (b) and (c) shall be permitted so long as such activities do not conflict with the business and affairs of Forum or interfere with Executive's performance of Executive's duties hereunder.

2.5 Duty of Loyalty. Executive acknowledges and agrees that Executive owes a fiduciary duty of loyalty, fidelity and allegiance to act in the best interests of the Company and to do no act that would injure the business, interests, or reputation of the Company or any of its affiliates. In keeping with these duties, Executive shall make full disclosure to the Company of all business opportunities pertaining to Forum's business and shall not appropriate for Executive's own benefit business opportunities concerning the subject matter of the fiduciary relationship.

ARTICLE III
TERM AND TERMINATION OF EMPLOYMENT

3.1 Term. Unless sooner terminated pursuant to other provisions hereof, the Company agrees to employ Executive for the period beginning on the Effective Date and ending on the second anniversary of the Effective Date (the "***Initial Expiration Date***"); provided, however, that beginning on the Initial Expiration Date, and on each anniversary of the Initial Expiration Date thereafter, if Executive's employment under this Agreement has not been terminated pursuant to Sections 3.2 or 3.3, then said term of employment shall automatically be extended for an additional one-year period unless on or before the date that is 60 days prior to the first day of any such extension period either party gives written notice to the other that no such automatic extension shall occur, in which case the term of employment shall terminate as of the Initial Expiration Date or the anniversary of the Initial Expiration Date immediately following the giving of such notice, as applicable.

3.2 Company's Right to Terminate. Notwithstanding the provisions of Section 3.1, the Company may terminate Executive's employment under this Agreement at any time for any of the following reasons by providing Executive with a Notice of Termination:

(a) upon Executive being unable to perform Executive's duties or fulfill Executive's obligations under this Agreement by reason of any physical or mental impairment for a continuous period of not less than three months as determined by the Company and certified in writing by a competent medical physician selected by the Company; or

(b) Executive's death; or

(c) for Cause; or

(d) for any other reason whatsoever or for no reason at all, in the sole discretion of the Company.

3.3 Executive's Right to Terminate. Notwithstanding the provisions of Section 3.1, Executive shall have the right to terminate Executive's employment under this Agreement for Good Reason or for any other reason whatsoever or for no reason at all, in the sole discretion of Executive, by providing the Company with a Notice of Termination. In the case of a termination of employment by Executive pursuant to this Section 3.3, the Date of Termination specified in the Notice of Termination shall not be less than 15 nor more than 60 days from the date such Notice of Termination is given, and the Company may require a Date of Termination earlier than that specified in the Notice of Termination (and, if such earlier Date of Termination is so required, it shall not change the basis for Executive's termination nor be construed or interpreted as a termination of employment pursuant to Section 3.1 or Section 3.2).

3.4 Deemed Resignations. Unless otherwise agreed to in writing by the Company and Executive prior to the termination of Executive's employment, any termination of Executive's employment shall constitute (a) an automatic resignation of Executive as an officer of the Company and each affiliate of the Company and (b) an automatic resignation of Executive from the Company's board of directors (if applicable), from the board of directors of any affiliate of the Company and from the board of directors or similar governing body of any corporation, limited liability entity or other entity in which the Company or any affiliate holds an equity interest and with respect to which board or similar governing body Executive serves as the Company's or such affiliate's designee or other representative.

3.5 Meaning of Termination of Employment. For all purposes of this Agreement, Executive shall be considered to have terminated employment with the Company when Executive incurs a "separation from service" with the Company within the meaning of section 409A(a)(2)(A)(i) of the Code and applicable administrative guidance issued thereunder.

ARTICLE IV
COMPENSATION AND BENEFITS

4.1 Base Salary. During the term of this Agreement, Executive shall receive a minimum, annualized base salary of $355,000 (the "***Base Salary***"). Executive's annualized base salary shall be reviewed at least annually by the Company and, in the sole discretion of the Company, such annualized base salary may be increased (but not decreased) effective as of any date determined by the Company; provided, however, the Company may decrease Executive's Base Salary by up to 10% as part of similar reductions applicable to all of Forum's executive officers. Executive's Base Salary shall be paid in substantially equal installments in accordance with the Company's standard policy regarding payment of compensation to executives but no less frequently than monthly.

4.2 Bonuses. For calendar year 2010, Executive shall participate in the annual cash incentive bonus program in which he was participating as of the Effective Date, subject to the terms and conditions of that program as may exist from time to time. For calendar years after 2010, Executive shall be eligible to participate in Forum's annual cash incentive bonus program, which will provide for a potential annual, calendar-year bonus based on criteria determined in the discretion of Forum (the "***Annual Bonus***"), it being understood that the target bonus at planned or targeted levels of performance and the actual amount of each Annual Bonus shall be determined in the discretion of Forum. The Company shall use commercially reasonable efforts to pay each Annual Bonus with respect to a calendar year on or before March 15 of the following calendar year (and in no event shall an Annual Bonus be paid after December 31 of the following calendar year); provided, however, that (except as otherwise provided in Section 7.1(b)) Executive will be entitled to receive payment of such Annual Bonus only if Executive is employed by the Company on such date of payment.

4.3 Other Benefits. During Executive's employment hereunder, Executive shall be eligible to participate in all benefit plans and programs of the Company, including improvements or modifications of the same, which are now, or may hereafter be, available to other senior executives of the Company. The Company shall not, however, by reason of this Section 4.3, be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any such benefit plan or program, so long as such changes are similarly applicable to other senior executives generally.

4.4 Expenses. The Company shall reimburse Executive for all reasonable business expenses incurred by Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company; provided, in each case, that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company. Any such reimbursement of expenses shall be made by the Company upon or as soon as practicable following receipt of supporting documentation reasonably satisfactory to the Company (but in any event not later than the close of Executive's taxable year following the taxable year in which the expense is incurred by Executive); provided, however, that, upon Executive's termination of employment with the Company, in no event shall any additional reimbursement be made prior to the Section 409A Payment Date to the extent such payment delay is required under section 409A(a)(2)(B)(i) of the Code. In no event shall any reimbursement be made to Executive for such fees and expenses after the later of (a) the first anniversary of the date of Executive's death or (b) the date that is five years after the date of Executive's termination of employment with the Company (other than by reason of Executive's death).

4.5 Vacation and Sick Leave. During Executive's employment hereunder, Executive shall be entitled to (a) sick leave in accordance with the Company's policies applicable to its senior executives and (b) four weeks paid vacation each calendar year (none of which may be carried forward to a succeeding year).

4.6 Offices. Subject to Articles II, III, and IV hereof, Executive agrees to serve without additional compensation, if elected or appointed thereto, as a director of the Company or any of the Company's affiliates and as a member of any committees of the board of directors of any such entities, and in one or more executive positions of any of the Company's affiliates.

ARTICLE V
PROTECTION OF INFORMATION

5.1 Disclosure to and Property of the Company. For purposes of this Article V, the term "the Company" shall include the Company and any of its affiliates, and any reference to "employment" or similar terms shall include a director and/or consulting relationship. All information, trade secrets, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed, disclosed to or acquired by Executive, individually or in conjunction with others, during the period of Executive's employment by the Company (whether during business hours or otherwise and whether on the Company's premises or otherwise) that relate to the Company's or any of its affiliates' businesses, trade secrets, products or services (including, without limitation, all such information relating to corporate opportunities, strategies, business plans, product specifications, compositions, manufacturing and distribution methods and processes, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or production, marketing and merchandising techniques, prospective names and marks) and all writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "***Confidential Information***") shall be disclosed to the Company and are and shall be the sole and exclusive property of the Company or its affiliates, as applicable. Moreover, all documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, E-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "***Work Product***") are and shall be the sole and exclusive property of the Company (or its affiliates). Executive agrees to perform all actions reasonably requested by the Company or its affiliates to establish and confirm such exclusive ownership. Upon termination of Executive's employment with the Company, for any reason, Executive promptly shall deliver such Confidential Information and Work Product, and all copies thereof, to the Company.

5.2 Disclosure to Executive. The Company shall disclose to Executive and place Executive in a position to have access to or develop Confidential Information and Work Product of the Company (or its affiliates); and shall entrust Executive with business opportunities of the Company (or its affiliates); and shall place Executive in a position to develop business good will on behalf of the Company (or its affiliates).

5.3 No Unauthorized Use or Disclosure. Executive agrees to preserve and protect the confidentiality of all Confidential Information and Work Product of the Company and its affiliates. Executive agrees that Executive will not, at any time during or after Executive's employment with the Company, make any unauthorized disclosure of, and Executive shall not remove from the Company premises, Confidential Information or Work Product of the Company or its affiliates, or make any use thereof, except, in each case, in the carrying out of Executive's responsibilities hereunder. Executive shall use all reasonable efforts to cause all persons or entities to whom any Confidential Information shall be disclosed by Executive hereunder to preserve and protect the confidentiality of such Confidential Information. Executive shall have no obligation hereunder to keep confidential any Confidential Information if and to the extent disclosure thereof is specifically required by law; provided, however, that in the event disclosure is required by applicable law, Executive shall provide the Company with prompt notice of such requirement prior to making any such disclosure, so that the Company may seek an appropriate protective order. At the request of the Company at any time, Executive agrees to deliver to the Company all Confidential Information that Executive may possess or control. Executive agrees that all Confidential Information of the Company (whether now or hereafter existing) conceived, discovered or made by Executive during the period of Executive's employment by the Company exclusively belongs to the Company (and not to Executive), and upon request by the Company for specified Confidential Information, Executive will promptly disclose such Confidential Information to the Company and perform all actions reasonably requested by the Company to establish and confirm such exclusive ownership. Affiliates of the Company shall be third party beneficiaries of Executive's obligations under this Article V. As a result of Executive's employment by the Company, Executive may also from time to time have access to, or knowledge of, Confidential Information or Work Product of third parties, such as customers, suppliers, partners, joint venturers, and the like, of the Company and its affiliates. Executive also agrees to preserve and protect the confidentiality of such third party Confidential Information and Work Product.

5.4 Ownership by the Company. If, during Executive's employment by the Company, Executive creates any work of authorship fixed in any tangible medium of expression that is the subject matter of copyright (such as videotapes, written presentations, or acquisitions, computer programs, E-mail, voice mail, electronic databases, drawings, maps, architectural renditions, models, manuals, brochures, or the like) relating to the Company's business, products, or services, whether such work is created solely by Executive or jointly with others (whether during business hours or otherwise and whether on the Company's premises or otherwise), including any Work Product, the Company shall be deemed the author of such work if the work is prepared by Executive in the scope of Executive's employment; or, if the work relating to the Company's business, products, or services is not prepared by Executive within the scope of Executive's employment but is specially ordered by the Company as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, or as an instructional text, then the work shall be

considered to be work made for hire and the Company shall be the author of the work. If the work relating to the Company's business, products, or services is neither prepared by Executive within the scope of Executive's employment nor a work specially ordered that is deemed to be a work made for hire during Executive's employment by the Company, then Executive hereby agrees to assign, and by these presents does assign, to the Company all of Executive's worldwide right, title, and interest in and to such work and all rights of copyright therein.

5.5 Assistance by Executive. During the period of Executive's employment by the Company, Executive shall assist the Company and its nominee, at any time, in the protection of the Company's or its affiliates' worldwide right, title and interest in and to Confidential Information and Work Product and the execution of all formal assignment documents requested by the Company or its nominee(s) and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries. After Executive's employment with the Company terminates, at the request from time to time and expense of the Company or its affiliates, Executive shall assist the Company or its nominee(s) in the protection of the Company's or its affiliates' worldwide right, title and interest in and to Confidential Information and Work Product and the execution of all formal assignment documents requested by the Company or its nominee and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries.

5.6 Remedies. Executive acknowledges that money damages would not be a sufficient remedy for any breach of this Article V by Executive, and the Company or its affiliates shall be entitled to enforce the provisions of this Article V by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article V but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive's agents. However, if it is determined that Executive has not committed a breach of this Article V, then the Company shall resume the payments and benefits due under this Agreement and pay to Executive and Executive's spouse, if applicable, all payments and benefits that had been suspended pending such determination.

ARTICLE VI
STATEMENTS CONCERNING THE COMPANY

6.1 Statements Concerning the Company. Executive shall refrain, both during and after the termination of the employment relationship, from publishing any oral or written statements about the Company, any of its affiliates or any of the Company's or such affiliates' directors, officers, employees, consultants, agents or representatives that (a) are slanderous, libelous or defamatory, (b) disclose Confidential Information of the Company, any of its affiliates or any of the Company's or any such affiliates' business affairs, directors, officers, employees, consultants, agents or representatives, or (c) place the Company, any of its affiliates, or any of the Company's or any such affiliates' directors, officers, employees, consultants, agents or representatives in a false light before the public. A violation or threatened violation of this prohibition may be enjoined by the courts. The rights afforded the Company and its affiliates under this provision are in addition to any and all rights and remedies otherwise afforded by law.

ARTICLE VII
EFFECT OF TERMINATION OF EMPLOYMENT ON COMPENSATION

7.1 Effect of Termination of Employment on Compensation.

(a) If Executive's employment hereunder shall terminate at the expiration of the term provided in Section 3.1 because Executive provided written notice of non-renewal to the Company, for any reason described in Section 3.2(a), 3.2(b), or 3.2(c) or pursuant to Executive's resignation for other than Good Reason, then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that Executive shall be entitled to (i) payment of all accrued and unpaid Base Salary to the Date of Termination, (ii) reimbursement for all incurred but unreimbursed expenses for which Executive is entitled to reimbursement in accordance with Section 4.4, (iii) payment of all accrued and unused paid vacation for the calendar year in which the Date of Termination occurs, and (iv) benefits to which Executive is entitled under the terms of any applicable benefit plan or program.

(b) If Executive's employment hereunder shall terminate at expiration of the term provided in Section 3.1 because the Company provided written notice of non-renewal to Executive, pursuant to Executive's resignation for Good Reason or by action of the Company pursuant to Section 3.2 for any reason other than those encompassed by Section 3.2(a), 3.2(b), or 3.2(c), then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that (i) Executive shall be entitled to receive the compensation and benefits described in clauses (i) through (iv) of Section 7.1(a) and (ii) if, on the Date of Termination, the Company does not have a right to terminate Executive's employment under Section 3.2(a), 3.2(b), or 3.2(c) and subject to Executive's delivery, within 50 days after the Date of Termination, and non-revocation of an executed release substantially in the form of the release contained at Appendix B (the "***Release***"), Executive shall receive the following additional compensation and benefits from the Company (but no other additional compensation or benefits after such termination):

(A) the Company shall pay to Executive any unpaid Annual Bonus for the calendar year ending prior to the Date of Termination, which amount shall be payable in a lump-sum on the date such annual bonuses are paid to executives who have continued employment with the Company (but in no event earlier than 60 days after the Date of Termination (or, if earlier, the December 31 next following such calendar year) nor later than the December 31 next following such calendar year);

(B) the Company shall pay to Executive a bonus for the calendar year in which the Date of Termination occurs in an amount equal to the Annual Bonus for such year as determined in good faith by the Board in accordance with the criteria established pursuant to Section 4.2 and based on Forum's performance for such year, which amount shall be prorated through and including the Date of Termination (based on the ratio of the number of days Executive was employed by the Company during such year to the number of days

in such year), payable in a lump-sum on or before the date such annual bonuses are paid to executives who have continued employment with the Company (but in no event earlier than 60 days after the Date of Termination nor later than the May 15 next following such calendar year);

(C) the Company shall pay to Executive an amount equal to the Severance Multiple times the sum of (i) Executive's Base Salary as of the Date of Termination and (ii) 80% of Executive's Base Salary as of the Date of Termination, which amount shall be divided into 24 installments payable as follows: (1) if Executive is not a specified employee (as such term is defined in section 409A of the Code and as determined by the Company in accordance with any method permitted under section 409A of the Code), then the first two installments shall be paid on the date that is 60 days after the Date of Termination and each of the remaining installments shall be paid monthly thereafter; and (2) if Executive is such a specified employee, then on the Section 409A Payment Date Executive shall be paid a number of such installments equal to the number of full months during the period beginning on the Date of Termination and ending on the Section 409A Payment Date and each of the remaining installments shall be paid monthly thereafter; and

(D) during the portion, if any, of the 18-month period following the Date of Termination that Executive elects to continue coverage for Executive and Executive's spouse and eligible dependents, if any, under the Company's group health plans under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA), and/or sections 601 through 608 of the Employee Retirement Income Security Act of 1974, as amended, the Company shall promptly reimburse Executive on a monthly basis for the difference between the amount Executive pays to effect and continue such coverage and the employee contribution amount that active senior executive employees of the Company pay for the same or similar coverage under such group health plans.

Notwithstanding the time of payment provisions of Section 7.1(b)(ii)(B) above, if Executive is a specified employee (as such term is defined in section 409A of the Code and as determined by the Company in accordance with any method permitted under section 409A of the Code) and the payment of the amount described in such Section would be subject to additional taxes and interest under section 409A of the Code because the timing of such payment is not delayed as provided in section 409A(a)(2)(B)(i) of the Code and the regulations thereunder, then such amount (together with interest on a non-compounded basis, from the date such payment would have been made had this payment delay not applied to the actual date of payment, at the prime rate of interest announced by Wells Fargo Bank, National Association (or any successor thereto) at its principal office in Charlotte, North Carolina on the date of Executive's termination of employment (or the first business day following such date if such termination does not occur on a business day)) shall be paid within five business days after the Section 409A Payment Date.

ARTICLE VIII
NON-COMPETITION AGREEMENT

8.1 Definitions. As used in this Article VIII, the following terms shall have the following meanings:

"***Business***" means (a) during the period of Executive's employment by the Company, the design, manufacture and supply of products and services for the oil and gas industry provided by Forum and its subsidiaries during such period and other products and services that are functionally equivalent to the foregoing, and (b) during the portion of the Prohibited Period that begins on the termination of Executive's employment with the Company, the design, manufacture and supply of products and services for the oil and gas industry provided by Forum and its subsidiaries at the time of such termination of employment (or, if earlier, at the time immediately preceding the date upon which a Change in Control occurs) and other products and services that are functionally equivalent to the foregoing.

"***Competing Business***" means any business, individual, partnership, firm, corporation or other entity (other than an affiliate of the Company, L. E. Simmons & Associates, Inc. ("***LESA***") and its affiliates, or another entity in which SCF-V, L.P., a Delaware limited partnership, SCF-VI, L.P., a Delaware limited partnership, and SCF-VII, L.P., a Delaware limited partnership, or any future limited partnership established by an affiliate of LESA has an ownership interest) which wholly or in any significant part engages in any business competing with the Business in the Restricted Area. In no event will Forum or any of its subsidiaries be deemed a Competing Business.

"***Governmental Authority***" means any governmental, quasi-governmental, state, county, city or other political subdivision of the United States or any other country, or any agency, court or instrumentality, foreign or domestic, or statutory or regulatory body thereof.

"***Legal Requirement***" means any law, statute, code, ordinance, order, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, authorization, or other directional requirement (including, without limitation, any of the foregoing that relates to environmental standards or controls, energy regulations and occupational, safety and health standards or controls including those arising under environmental laws) of any Governmental Authority.

"***Prohibited Period***" means the period during which Executive is employed by the Company hereunder and a period of two years following the end of Executive's employment with the Company.

"***Restricted Area***" means any geographical area within 100 miles in which Forum and its subsidiaries engage in the Business during the period during which Executive is employed hereunder, which such area includes, without limitation, the parishes in Louisiana set forth on Appendix C hereto.

8.2 Non-Competition; Non-Solicitation. Executive and the Company agree to the non-competition and non-solicitation provisions of this Article VIII in consideration for the Confidential Information provided by the Company and its affiliates to Executive pursuant to

Article V of this Agreement, to protect the trade secrets and confidential information of the Company or its affiliates disclosed or entrusted to Executive by the Company or its affiliates or created or developed by Executive for the Company or its affiliates, to protect the business goodwill of the Company or its affiliates developed through the efforts of Executive and/or the business opportunities disclosed or entrusted to Executive by the Company or its affiliates and as an additional incentive for the Company to enter into this Agreement.

(a) Subject to the exceptions set forth in Section 8.2(b) below, Executive expressly covenants and agrees that during the Prohibited Period (i) Executive will refrain from carrying on or engaging in, directly or indirectly, any Competing Business in the Restricted Area and (ii) Executive will not, and Executive will cause Executive's affiliates not to, directly or indirectly, own, manage, operate, join, become an employee of, partner in, owner or member of (or an independent contractor to), control or participate in, be connected with or loan money to, sell or lease equipment or property to, or otherwise be affiliated with any business, individual, partnership, firm, corporation or other entity which engages in a Competing Business in the Restricted Area, as Executive expressly agrees that each of the foregoing activities would represent carrying on or engaging in a Competitive Business, as prohibited by this Section 8.2(a).

(b) Notwithstanding the restrictions contained in Section 8.2(a), Executive or any of Executive's affiliates may own an aggregate of not more than 2% of the outstanding stock of any class of any corporation engaged in a Competing Business, if such stock is listed on a national securities exchange or regularly traded in the over-the-counter market by a member of a national securities exchange, without violating the provisions of Section 8.2(a), provided that neither Executive nor any of Executive's affiliates has the power, directly or indirectly, to control or direct the management or affairs of any such corporation and is not involved in the management of such corporation.

(c) Executive further expressly covenants and agrees that during the Prohibited Period, Executive will not, and Executive will cause Executive's affiliates not to (i) engage or employ, or solicit or contact with a view to the engagement or employment of, or recommend or refer to any person or entity (other than the Company or one of its affiliates) for engagement or employment any person who is an officer or employee of the Company or any of its affiliates or (ii) canvass, solicit, approach or entice away or cause to be canvassed, solicited, approached or enticed away from the Company or any of its affiliates any person or entity who or which is a customer of any of such entities during the period during which Executive is employed by the Company.

(d) The restrictions contained in Section 8.2 shall not apply to any product or service that Forum provided during Executive's employment but that Forum no longer provides at the Date of Termination. Further, notwithstanding the other provisions of this Section 8.2, within the State of Oklahoma, the restrictions of Sections 8.2(a) and 8.2(c)(ii) shall be limited to preventing Executive from directly soliciting the sale of goods, services or a combination of goods and services from any established customer of the Company, as may exist from time-to-time.

(e) Before accepting employment with any other person or entity while employed by the Company or during the Prohibited Period, the Executive will inform such person or entity of the restrictions contained in this Article VIII.

8.3 Relief. Executive and the Company agree and acknowledge that the limitations as to time, geographical area and scope of activity to be restrained as set forth in Section 8.2 are reasonable and do not impose any greater restraint than is necessary to protect the legitimate business interests of the Company. Executive and the Company also acknowledge that money damages would not be sufficient remedy for any breach of this Article VIII by Executive, and the Company or its affiliates shall be entitled to enforce the provisions of this Article VIII by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article VIII but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive's agents. However, if it is determined that Executive has not committed a breach of this Article VIII, then the Company shall resume the payments and benefits due under this Agreement and pay to Executive all payments and benefits that had been suspended pending such determination.

8.4 Reasonableness; Enforcement. Executive hereby represents to the Company that Executive has read and understands, and agrees to be bound by, the terms of this Article VIII. Executive acknowledges that the geographic scope and duration of the covenants contained in this Article VIII are the result of arm's-length bargaining and are fair and reasonable in light of (a) the nature and wide geographic scope of the operations of the Business, (b) Executive's level of control over and contact with the Business in all jurisdictions in which it is conducted, (c) the fact that the Business is conducted throughout the Restricted Area and (d)the amount of Confidential Information that Executive is receiving in connection with the performance of Executive's duties hereunder. It is the desire and intent of the parties that the provisions of this Article VIII be enforced to the fullest extent permitted under applicable Legal Requirements, whether now or hereafter in effect and therefore, to the extent permitted by applicable Legal Requirements, Executive and the Company hereby waive any provision of applicable Legal Requirements that would render any provision of this Article VIII invalid or unenforceable.

8.5 Reformation. The Company and Executive agree that the foregoing restrictions are reasonable under the circumstances and that any breach of the covenants contained in this Article VIII would cause irreparable injury to the Company. Executive understands that the foregoing restrictions may limit Executive's ability to engage in certain businesses anywhere in the Restricted Area during the Prohibited Period, but acknowledges that Executive will receive sufficient consideration from the Company to justify such restriction. Further, Executive acknowledges that Executive's skills are such that Executive can be gainfully employed in non-competitive employment, and that the agreement not to compete will not prevent Executive from earning a living. Nevertheless, if any of the aforesaid restrictions are found by a court of competent jurisdiction to be unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, the parties intend for the restrictions herein set forth to be modified by the court making such determination so as to be reasonable and enforceable and, as so modified, to be fully enforced. By agreeing to this contractual modification prospectively at this time, the

Company and Executive intend to make this provision enforceable under the law or laws of all applicable States, Provinces and other jurisdictions so that the entire agreement not to compete and this Agreement as prospectively modified shall remain in full force and effect and shall not be rendered void or illegal. Such modification shall not affect the payments made to Executive under this Agreement.

ARTICLE IX
DISPUTE RESOLUTION

9.1 Arbitration. All claims or disputes between Executive and the Company or its parents, subsidiaries and affiliates (including, without limitation, claims relating to the validity, scope, and enforceability of this Article IX and claims arising under any federal, state or local law regarding the terms and conditions of employment or prohibiting discrimination in employment or governing the employment relationship in any way) shall be submitted for final and binding arbitration in Houston, Texas in accordance with the then-applicable rules for resolution of employment disputes of the American Arbitration Association ("***AAA***"). The arbitration shall be conducted by a single arbitrator chosen pursuant to the then-applicable rules for resolution of employment disputes of the AAA, and the Company shall bear the costs of such arbitration. For the avoidance of doubt, the Company's assumption of costs referenced in the previous sentence applies to the costs of the AAA only, and does not include attorney or expert fees or other fees or costs incurred by Executive. The arbitrator shall apply the substantive law of the State of Texas (excluding Texas choice-of-law principles that might call for the application of some other state's law), or federal law, or both as applicable to the claims asserted. The results of the arbitration and the decision of the arbitrator will be final and binding on the parties and each party agrees and acknowledges that these results shall be enforceable in a court of law. No demand for arbitration may be made after the date when the institution of legal or equitable proceedings based on such claim or dispute would be barred by the applicable statute(s) of limitations. In the event either party must resort to the judicial process to enforce the provisions of this Agreement, the award of an arbitrator or equitable relief granted by an arbitrator, the party successfully seeking enforcement shall be entitled to recover from the other party all costs of such litigation including, but not limited to, reasonable attorneys fees and court costs. To the fullest extent permitted by law, all proceedings conducted pursuant to this agreement to arbitrate, including any order, decision or award of the arbitrator, shall be kept confidential by all parties. Notwithstanding the foregoing, Executive and the Company further acknowledge and agree that a court of competent jurisdiction residing in Houston, Texas shall have the power to maintain the status quo pending the arbitration of any dispute under this Article IX, and this Article IX shall not require the arbitration of any application for emergency, temporary or preliminary injunctive relief (including temporary restraining orders) by either party pending arbitration, including, without limitation, any application for emergency, temporary or preliminary injunctive relief for any claim arising out of Article V or Article VIII of this Agreement; provided, however, that the remainder of any such dispute beyond the application for such emergency, temporary or preliminary injunctive relief shall be subject to arbitration under this Article IX. **THE PARTIES ACKNOWLEDGE THAT, BY SIGNING THIS AGREEMENT, THEY ARE KNOWINGLY AND VOLUNTARILY WAIVING ANY RIGHTS THAT THEY MAY HAVE TO A JURY TRIAL OR, EXCEPT AS EXPRESSLY PROVIDED HEREIN, A COURT TRIAL OF ANY CLAIM THAT IS SUBJECT TO THIS ARTICLE IX.**

ARTICLE X
CERTAIN EXCISE TAXES

10.1 Certain Excise Taxes. Notwithstanding anything to the contrary in this Agreement, if Executive is a "disqualified individual" (as defined in section 280G(c) of the Code), and the payments and benefits provided for in this Agreement, together with any other payments and benefits which Executive has the right to receive from the Company or any of its affiliates, would constitute a "parachute payment" (as defined in section 280G(b)(2) of the Code), then the payments and benefits provided for in this Agreement shall be either (a) reduced (but not below zero) so that the present value of such total amounts and benefits received by Executive from the Company and its affiliates will be one dollar ($1.00) less than three times Executive's "base amount" (as defined in section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Executive shall be subject to the excise tax imposed by section 4999 of the Code or (b) paid in full, whichever produces the better net after-tax position to Executive (taking into account any applicable excise tax under section 4999 of the Code and any other applicable taxes). The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in-kind hereunder in a similar order. The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by the Company in good faith. If a reduced payment or benefit is made or provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company (or its affiliates) used in determining if a "parachute payment" exists, exceeds one dollar ($1.00) less than three times Executive's base amount, then Executive shall immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 10.1 shall require the Company to be responsible for, or have any liability or obligation with respect to, Executive's excise tax liabilities under section 4999 of the Code. Notwithstanding the foregoing, if shareholder approval (obtained in a manner that satisfies the requirements of section 280G(b)(5) of the Code) of a payment or benefit to be provided to Executive by the Company or any other person (whether under this Agreement or otherwise) would prevent Executive from receiving a "parachute payment" (as defined in section 280G(b)(2) of the Code), then, upon the request of Executive and his agreement (to the extent necessary) to subject his entitlement to the receipt of such payment or benefit to shareholder approval, the Company shall seek such approval in a manner that satisfies the requirements of section 280G of the Code and the regulations thereunder.

ARTICLE XI
MISCELLANEOUS

11.1 Notices. For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given (a) when received if delivered personally or by courier, (b) on the date receipt is acknowledged if delivered by certified mail, postage prepaid, return receipt requested or (c) one day after transmission if sent by facsimile transmission with confirmation of transmission, as follows:

If to Executive, addressed to:

Steven William Twellman
179 Waterfront Drive
Montgomery, Texas 77356

Facsimile: (936) 448-4270

If to the Company, addressed to:

Global Flow Technologies, Inc.
8807 West Sam Houston Parkway North
Suite 200
Houston, Texas 77040
Attention: Chairman of the Board

Facsimile: 281-565-8499

With a copy to:

Forum Energy Technologies, Inc.
8807 Sam Houston Parkway North
Suite 200
Houston, Texas 77040
Attention: Chief Executive Officer

Facsimile: 713-351-7997

or to such other address as either party may furnish to the other in writing in accordance herewith, except that notices or changes of address shall be effective only upon receipt.

11.2 Applicable Law; Submission to Jurisdiction.

(a) This Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Texas, without regard to conflicts of laws principles thereof.

(b) With respect to any claim or dispute related to or arising under this Agreement, the parties hereto hereby consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Harris County, Texas.

11.3 No Waiver. No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

11.4 Severability. If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect.

11.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

11.6 Withholding of Taxes and Other Employee Deductions. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city and other taxes and withholdings as may be required pursuant to any law or governmental regulation or ruling and all other customary deductions made with respect to the Company's employees generally.

11.7 Headings. The Section headings have been inserted for purposes of convenience and shall not be used for interpretive purposes.

11.8 Gender and Plurals. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely.

11.9 Affiliate and Subsidiary. As used in this Agreement, (a) the term "***affiliate***" as used with respect to a particular person or entity shall mean any other person or entity which owns or controls, is owned or controlled by, or is under common ownership or control with, such particular person or entity, and (b) the term "***subsidiary***" as used with respect to a particular entity shall mean a direct or indirect subsidiary of such entity.

11.10 Successors. This Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company. Except as provided in the preceding sentence, this Agreement, and the rights and obligations of the parties hereunder, are personal and neither this Agreement, nor any right, benefit or obligation of either party hereto, shall be subject to voluntary or involuntary assignment, alienation or transfer, whether by operation of law or otherwise, without the prior written consent of the other party. In addition, any payment owed to Executive hereunder after the date of Executive's death shall be paid to Executive's estate.

11.11 Term. Termination of this Agreement shall not affect any right or obligation of any party which is accrued or vested prior to such termination. Without limiting the scope of the preceding sentence, the provisions of Articles V, VI, VII, VIII and IX shall survive any termination of the employment relationship and/or of this Agreement.

11.12 Entire Agreement. Except as provided in any signed written agreement contemporaneously or hereafter executed by the Company and Executive, this Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to employment of Executive by the Company. Without limiting the scope of the preceding sentence, all understandings and agreements preceding the date of execution of this Agreement and relating to the subject matter hereof including, without limitation, any prior employment agreement between Executive and the Company or an affiliate, are hereby null and void and of no further force and effect.

11.13 Modification; Waiver. Any modification to or waiver of this Agreement will be effective only if it is in writing and signed by the parties to this Agreement.

11.14 Actions by the Board. Any and all determinations or other actions required of the Board hereunder that relate specifically to Executive's employment by the Company or the terms and conditions of such employment shall be made by the members of the Board other than Executive if Executive is a member of the Board, and Executive shall not have any right to vote or decide upon any such matter.

11.15 Executive's Representations and Warranties. Executive represents and warrants to the Company that (a) Executive does not have any agreements with Executive's prior employer that will prohibit Executive from working for the Company or fulfilling Executive's duties and obligations to the Company pursuant to this Agreement and (b) Executive has complied with all duties imposed on Executive with respect to Executive's former employer, e.g., Executive does not possess any tangible property belonging to Executive's former employer.

11.16 Delayed Payment Restriction. Notwithstanding any provision in this Agreement to the contrary, if any payment or benefit provided for herein would be subject to additional taxes and interest under section 409A of the Code if Executive's receipt of such payment or benefit is not delayed until the Section 409A Payment Date, then such payment or benefit shall not be provided to Executive (or Executive's estate, if applicable) until the Section 409A Payment Date.

[Signatures begin on next page.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of August 2, 2010.

GLOBAL FLOW TECHNOLOGIES, INC.

By: /s/ Greg E. O'Brien
Name: Greg E. O'Brien
Title: Vice President and Chief Financial Officer

STEVEN WILLIAM TWELLMAN

/s/ Steven William Twellman

APPENDIX A

PERMITTED ACTIVITIES

As of the Effective Date, Executive is serving on the board of directors or similar governing body of the following entities:

None.

APPENDIX B

RELEASE AGREEMENT

This Release Agreement (this "***Agreement***") constitutes the release referred to in that certain Employment Agreement (the "***Employment Agreement***") dated as of August 2, 2010, by and between Steven William Twellman ("***Executive***") and Global Flow Technologies, Inc., a Delaware corporation (the "***Company***").

1. **General Release**.

(a) For good and valuable consideration, including the Company's provision of certain payments and benefits to Executive in accordance with Section 7.1(b)(ii) of the Employment Agreement, Executive hereby releases, discharges and forever acquits the Company, Forum Energy Technologies, Inc. ("***Forum***"), their affiliates and subsidiaries, the past, present and future stockholders, members, partners, directors, managers, employees, agents, attorneys, heirs, legal representatives, successors and assigns of the foregoing, as well as all employee benefit plans maintained by the Company, Forum or any of their affiliates or subsidiaries and all fiduciaries and administrators of any such plan, in their personal and representative capacities (collectively, the "***Company Parties***"), from liability for, and hereby waives, any and all claims, rights, damages, or causes of action of any kind related to Executive's employment with any Company Party, the termination of such employment, and any other acts or omissions related to any matter on or prior to the date of this Agreement (collectively, the "***Released Claims***").

(b) The Released Claims include without limitation those arising under or related to: (i) the Age Discrimination in Employment Act of 1967; (ii) Title VII of the Civil Rights Act of 1964; (iii) the Civil Rights Act of 1991; (iv) sections 1981 through 1988 of Title 42 of the United States Code; (v) the Employee Retirement Income Security Act of 1974, including, but not limited to, sections 502(a)(1)(A), 502(a)(1)(B), 502(a)(2), and 502(a)(3) to the extent the release of such claims is not prohibited by applicable law; (vi) the Immigration Reform Control Act; (vii) the Americans with Disabilities Act of 1990; (viii) the National Labor Relations Act; (ix) the Occupational Safety and Health Act; (x) the Family and Medical Leave Act of 1993; (xi) any state or federal anti-discrimination law; (xii) any state or federal wage and hour law; (xiii) any other local, state or federal law, regulation or ordinance; (xiv) any public policy, contract, tort, or common law; (xv) costs, fees, or other expenses including attorneys' fees incurred in these matters; (xvi) any employment contract, incentive compensation plan or stock option plan with any Company Party or to any ownership interest in any Company Party except as expressly provided in the Employment Agreement and any stock option or other equity compensation agreement between Executive and Forum; and (xvii) compensation or benefits of any kind not expressly set forth in the Employment Agreement or any such stock option or other equity compensation agreement.

(c) In no event shall the Released Claims include (i) any claim which arises after the date of this Agreement, or (ii) any claims for the payments and benefits payable to Executive under Section 7.1(b)(ii) of the Employment Agreement.

(d) Notwithstanding this release of liability, nothing in this Agreement prevents Executive from filing any non-legally waivable claim (including a challenge to the validity of this Agreement) with the Equal Employment Opportunity Commission ("***EEOC***") or comparable state or local agency or participating in any investigation or proceeding conducted by the EEOC or comparable state or local agency; however, Executive understands and agrees that Executive is waiving any and all rights to recover any monetary or personal relief or recovery as a result of such EEOC, or comparable state or local agency proceeding or subsequent legal actions.

(e) This Agreement is not intended to indicate that any such claims exist or that, if they do exist, they are meritorious. Rather, Executive is simply agreeing that, in exchange for the consideration recited in the first sentence of Section 1(a) of this Agreement, any and all potential claims of this nature that Executive may have against the Company Parties, regardless of whether they actually exist, are expressly settled, compromised and waived.

(f) By signing this Agreement, Executive is bound by it. Anyone who succeeds to Executive's rights and responsibilities, such as heirs or the executor of Executive's estate, is also bound by this Agreement. This release also applies to any claims brought by any person or agency or class action under which Executive may have a right or benefit. **THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF THE COMPANY PARTIES.**

2. **Covenant Not to Sue; Executive's Representation**. Executive agrees not to bring or join any lawsuit against any of the Company Parties in any court relating to any of the Released Claims. Executive represents that Executive has not brought or joined any claim, lawsuit or arbitration against any of the Company Parties in any court or before any administrative agency or arbitral authority and has made no assignment of any rights Executive has asserted or may have against any of the Company Parties to any person or entity, in each case, with respect to any Released Claims. Executive expressly represents that, as of the date Executive executes this Agreement, Executive has been provided all leaves (paid and unpaid) and paid all wages and compensation owed to Executive by the Company Parties with the exception of all payments owed as a condition of Executive's executing (and not revoking) this Agreement.

3. **Acknowledgments**. By executing and delivering this Agreement, Executive acknowledges that:

(a) Executive has carefully read this Agreement;

(b) Executive has had at least [twenty-one (21)] [forty-five (45)] days to consider this Agreement before the execution and delivery hereof to the Company [Add if 45 days applies: , and Executive acknowledges that attached to this Agreement is a list of (i) the job

titles and ages of all employees selected for participation in the employment termination or exit incentive program pursuant to which Executive is being offered this Agreement, (ii) the job titles and ages of all employees in the same job classification or organizational unit who were not selected for participation in the program, and (iii) information about the unit affected by the program, including any eligibility factors for such program and any time limits applicable to such program];

(c) Executive has been and hereby is advised in writing that Executive may, at Executive's option, discuss this Agreement with an attorney of Executive's choice and that Executive has had adequate opportunity to do so; and

(d) Executive fully understands the final and binding effect of this Agreement; the only promises made to Executive to sign this Agreement are those stated in the Employment Agreement and herein; and Executive is signing this Agreement voluntarily and of Executive's own free will, and that Executive understands and agrees to each of the terms of this Agreement.

4. **Revocation Right**. Executive may revoke this Agreement within the seven day period beginning on the date Executive signs this Agreement (such seven day period being referred to herein as the "***Release Revocation Period***"). To be effective, such revocation must be in writing signed by Executive and must be delivered to the Chairman of the Board of Directors of the Company (at the address of the Company) before 11:59 p.m., Houston, Texas time, on the last day of the Release Revocation Period. This Agreement is not effective, and no consideration shall be paid to Executive, until the expiration of the Release Revocation Period without Executive's revocation. If an effective revocation is delivered in the foregoing manner and timeframe, this Agreement shall be of no force or effect and shall be null and void ab initio.

[Signatures begin on next page.]

Executed on this __ day of ____, ____.

STEVEN WILLIAM TWELLMAN

STATE OF _____ §
§
COUNTY OF_____ §

BEFORE ME, the undersigned authority personally appeared Steven William Twellman, by me known or who produced valid identification as described below, who executed the foregoing instrument and acknowledged before me that he subscribed to such instrument on this __ day of ____, _____.

NOTARY PUBLIC in and for the

State of _____

My Commission Expires: _____

Identification produced:

APPENDIX C

RESTRICTED AREA

The following parishes in the State of Louisiana:

Caddo
Iberia
Lafayette
St. Martin

Exhibit 10.5

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("***Agreement***") is made by and between Forum Energy Technologies, Inc., a Delaware corporation (the "***Company***"), and Wendell R. Brooks ("***Executive***").

W I T N E S S E T H:

WHEREAS, Executive has heretofore entered into an Employment Agreement dated as of October 1, 2007 (the ***"Prior Employment Agreement"***), with Allied Production Services, Inc. ("***Allied***"); and

WHEREAS, the Company desires to employ Executive on the terms and conditions, and for the consideration, hereinafter set forth and Executive desires to be employed by the Company on such terms and conditions and for such consideration.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, the Company and Executive agree as follows:

ARTICLE I
DEFINITIONS

In addition to the terms defined in the body of this Agreement, for purposes of this Agreement, the following capitalized words shall have the meanings indicated below:

1.1 "***Acquiring Person***" shall mean any individual, entity or group (within the meaning of section 13(d)(3) or 14(d)(2) of the Exchange Act) other than the Initial Stockholders.

1.2 "***Board***" shall mean the Board of Directors of the Company.

1.3 "***Cause***" shall mean a determination by the Company that Executive (a) has engaged in gross negligence or willful misconduct in the performance of Executive's duties with respect to the Company or any of its affiliates, (b) has materially breached any material provision of this Agreement or any written agreement or corporate policy or code of conduct established by the Company or any of its affiliates, (c) has willfully engaged in conduct that is materially injurious to the Company or any of its affiliates, or (d) has been convicted of, pleaded no contest to or received adjudicated probation or deferred adjudication in connection with a felony involving fraud, dishonesty or moral turpitude (or a crime of similar import in a foreign jurisdiction).

1.4 "***Change in Control***" shall mean, as applicable:

(a) Prior to the common stock of the Company becoming Public Stock (including any transaction pursuant to which the common stock of the Company first becomes Public Stock), a "Change in Control" of the Company shall mean, in one transaction or a series of related transactions, (A) a Corporate Transaction or a sale of capital stock of the Company by stockholders of the Company (other than in connection with an Initial Public Offering) with the result immediately after such Corporate

Transaction or sale that a single Acquiring Person, together with its affiliates, owns, directly or indirectly, either a greater number of shares of common stock of the Company (calculated on a fully-diluted basis assuming that all shares of capital stock of the Company that are convertible into common stock of the Company at the then applicable conversion ratio are so converted) than the Initial Stockholders then own or, in the context of a Corporate Transaction in which the Company is not the surviving entity, more voting stock generally entitled to elect directors of such surviving entity (or in the case of a triangular merger, of the parent entity of such surviving entity) than the Initial Stockholders then own, or (B) the Company sells, leases or exchanges all or substantially all of its assets to any Acquiring Person or the dissolution or liquidation of the Company other than, in either case, pursuant to a transaction that complies with clause (b)(iii)(1) of this definition.

(b) After the common stock of the Company becomes Public Stock, a "Change in Control" of the Company shall mean:

(i) The acquisition by any Acquiring Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either (1) the then outstanding shares of common stock of the Company (the ***"Outstanding Company Common Stock"***) or (2) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the ***"Outstanding Company Voting Securities"***); provided, however, that for purposes of this subsection (i) any acquisition by any Acquiring Person pursuant to a transaction which complies with clause (b)(iii)(1) of this definition shall not constitute a Change in Control; or

(ii) Individuals, who, immediately following the time when the common stock of the Company becomes Public Stock, constitute the Board (the ***"Incumbent Board"***) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the time when the common stock of the Company becomes Public Stock whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered for purposes of this definition as though such individual was a member of the Incumbent Board, but excluding, for these purposes, any such individual whose initial assumption of office as a director occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of an Acquiring Person other than the Board; or

(iii) The consummation of a Corporate Transaction unless, following such Corporate Transaction, (1) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the Company (if it be the ultimate parent entity following

such Corporate Transaction) or the corporation resulting from such Corporate Transaction (or the ultimate parent entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries), and (2) at least a majority of the members of the board of directors of the ultimate parent entity resulting from such Corporate Transaction were members of the Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Corporate Transaction. For purposes of the foregoing sentence, only (A) shares of common stock and voting securities of the Company, assuming the Company is the ultimate parent entity following such Corporate Transaction, held by a beneficial owner immediately prior to such Corporate Transaction and any additional shares of common stock and voting securities of the Company issuable to such beneficial owner in connection with such Corporate Transaction in respect of the shares of common stock and voting securities of the Company held by such beneficial owner immediately prior to such Corporate Transaction, or (B) shares of common stock and voting securities of the ultimate parent entity following such Corporate Transaction, assuming the Company is not the ultimate parent entity following such Corporate Transaction, issuable to a beneficial owner in respect of the shares of common stock and voting securities of the Company held by such beneficial owner immediately prior to such Corporate Transaction, in either case shall be included in determining whether or not the fifty percent (50%) ownership test in this subsection (iii) has been satisfied.

1.5 "***Code***" shall mean the Internal Revenue Code of 1986, as amended.

1.6 "***Corporate Transaction***" shall mean a reorganization, merger or consolidation of the Company, any of its subsidiaries or sale, lease or other disposition of all or substantially all of the assets of the Company and its subsidiaries, taken as a whole (other than to an entity wholly owned, directly or indirectly, by the Company) or the liquidation or dissolution of the Company.

1.7 "***Date of Termination***" shall mean the date Executive's employment with the Company is considered to have terminated pursuant to Section 3.5.

1.8 "***Exchange Act***" shall mean the Securities Exchange Act of 1934, as amended.

1.9 "***Good Reason***" shall mean the occurrence of any of the following events:

(a) a material diminution in Executive's Base Salary, other than as part of a decrease of up to 10% for all of the Company's executive officers; or

(b) a material diminution in Executive's authority, duties, or responsibilities, excluding a change in management structure primarily affecting reporting responsibility provided Executive reports directly to the Company's Chief Executive Officer, President or Chief Operating Officer; or

(c) the involuntary relocation of the geographic location of Executive's principal place of employment by more than 75 miles from the location of Executive's principal place of employment as of the Effective Date.

Notwithstanding the foregoing provisions of this Section 1.9 or any other provision in this Agreement to the contrary, any assertion by Executive of a termination of employment for "***Good Reason***" shall not be effective unless all of the following requirements are satisfied: (i) the condition described in Section 1.9(a), (b) or (c) giving rise to Executive's termination of employment must have arisen without Executive's consent; (ii) Executive must provide written notice to the Company of such condition in accordance with Section 11.1 within 45 days of the initial existence of the condition; (iii) the condition specified in such notice must remain uncorrected for 30 days after receipt of such notice by the Company; and (iv) the date of Executive's termination of employment must occur within 90 days after the initial existence of the condition specified in such notice.

1.10 "***Initial Public Offering***" shall mean the initial underwritten public offering and sale of common stock of the Company on a firm commitment basis after which the common stock of the Company is listed for trading on a national securities exchange registered under section 6(a) of the Exchange Act.

1.11 "***Initial Stockholders***" shall mean the stockholders of the Company as of the date of the Stockholders Agreement and their respective affiliates and Persons who are permitted transferees in accordance with Section 2.2 of the Stockholders Agreement.

1.12 "***Notice of Termination***" shall mean a written notice delivered to the other party indicating the specific termination provision in this Agreement relied upon for termination of Executive's employment and the intended Date of Termination and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

1.13 *"Person"* shall mean any natural person, limited liability company, corporation, limited partnership, general partnership, joint stock company, joint venture, association, company, trust, bank trust company, land trust, business trust, or other organization, whether or not a legal entity, and any government or agency or political subdivision thereof.

1.14 *"Public Stock"* shall mean shares of capital stock (including depositary receipts or depositary shares related to common stock or similar ordinary shares) of any Person that are registered under section 12 of the Exchange Act and listed for trading on a national securities exchange registered under section 6(a) of the Exchange Act.

1.15 "***Section 409A Payment Date***" shall mean the earlier of (a) the date of Executive's death or (b) the date that is six months after the date of termination of Executive's employment with the Company.

1.16 *"Severance Multiple"* shall mean two; provided, however, that the Severance Multiple shall mean three if Executive's employment hereunder shall terminate on or within two years after the occurrence of a Change in Control.

1.17 "***Stockholders Agreement***" shall mean that certain Amended and Restated Stockholders Agreement dated as of August 2, 2010, among the Company and certain of its stockholders, as the same may be amended or restated from time to time.

ARTICLE II
EMPLOYMENT AND DUTIES

2.1 Employment; Effective Date. The Company agrees to employ Executive, and Executive agrees to be employed by the Company, pursuant to the terms of this Agreement beginning as of August 2, 2010 (the "***Effective Date***") and continuing for the period of time set forth in Article III of this Agreement, subject to the terms and conditions of this Agreement.

2.2 Positions. From and after the Effective Date, the Company shall employ Executive in the position of President - Production & Infrastructure of the Company or in such other position or positions as the parties mutually may agree.

2.3 Duties and Services. Executive agrees to serve in the position(s) referred to in Section 2.2 and to perform diligently and to the best of Executive's abilities the duties and services appertaining to such position(s), as well as such additional duties and services appropriate to such position(s) which the parties mutually may agree upon from time to time.

2.4 Other Interests. Executive agrees, during the period of Executive's employment by the Company, to devote substantially all of Executive's business time, energy and best efforts to the business and affairs of the Company and its affiliates. Notwithstanding the foregoing, the parties acknowledge and agree that Executive may (a) engage in and manage Executive's passive personal investments, (b) engage in charitable and civic activities and (c) serve on the board of directors or similar governing body of those entities set forth on Appendix A hereto and any other entity otherwise approved by the Board (or a committee thereof); provided, however, that such activities set forth in Section 2.4(a), (b) and (c) shall be permitted so long as such activities do not conflict with the business and affairs of the Company or interfere with Executive's performance of Executive's duties hereunder.

2.5 Duty of Loyalty. Executive acknowledges and agrees that Executive owes a fiduciary duty of loyalty, fidelity and allegiance to act in the best interests of the Company and to do no act that would injure the business, interests, or reputation of the Company or any of its affiliates. In keeping with these duties, Executive shall make full disclosure to the Company of all business opportunities pertaining to the Company's business and shall not appropriate for Executive's own benefit business opportunities concerning the subject matter of the fiduciary relationship.

ARTICLE III
TERM AND TERMINATION OF EMPLOYMENT

3.1 Term. Unless sooner terminated pursuant to other provisions hereof, the Company agrees to employ Executive for the period beginning on the Effective Date and ending on the second anniversary of the Effective Date (the "***Initial Expiration Date***"); provided, however, that beginning on the Initial Expiration Date, and on each anniversary of the Initial Expiration Date thereafter, if Executive's employment under this Agreement has not been terminated pursuant to Sections 3.2 or 3.3, then said term of employment shall automatically be extended for an additional one-year period unless on or before the date that is 60 days prior to the first day of any such extension period either party gives written notice to the other that no such

automatic extension shall occur, in which case the term of employment shall terminate as of the Initial Expiration Date or the anniversary of the Initial Expiration Date immediately following the giving of such notice, as applicable.

3.2 Company's Right to Terminate. Notwithstanding the provisions of Section 3.1, the Company may terminate Executive's employment under this Agreement at any time for any of the following reasons by providing Executive with a Notice of Termination:

(a) upon Executive being unable to perform Executive's duties or fulfill Executive's obligations under this Agreement by reason of any physical or mental impairment for a continuous period of not less than three months as determined by the Company and certified in writing by a competent medical physician selected by the Company; or

(b) Executive's death; or

(c) for Cause; or

(d) for any other reason whatsoever or for no reason at all, in the sole discretion of the Company.

3.3 Executive's Right to Terminate. Notwithstanding the provisions of Section 3.1, Executive shall have the right to terminate Executive's employment under this Agreement for Good Reason or for any other reason whatsoever or for no reason at all, in the sole discretion of Executive, by providing the Company with a Notice of Termination. In the case of a termination of employment by Executive pursuant to this Section 3.3, the Date of Termination specified in the Notice of Termination shall not be less than 15 nor more than 60 days from the date such Notice of Termination is given, and the Company may require a Date of Termination earlier than that specified in the Notice of Termination (and, if such earlier Date of Termination is so required, it shall not change the basis for Executive's termination nor be construed or interpreted as a termination of employment pursuant to Section 3.1 or Section 3.2).

3.4 Deemed Resignations. Unless otherwise agreed to in writing by the Company and Executive prior to the termination of Executive's employment, any termination of Executive's employment shall constitute (a) an automatic resignation of Executive as an officer of the Company and each affiliate of the Company and (b) an automatic resignation of Executive from the Board (if applicable), from the board of directors of any affiliate of the Company and from the board of directors or similar governing body of any corporation, limited liability entity or other entity in which the Company or any affiliate holds an equity interest and with respect to which board or similar governing body Executive serves as the Company's or such affiliate's designee or other representative.

3.5 Meaning of Termination of Employment. For all purposes of this Agreement, Executive shall be considered to have terminated employment with the Company when Executive incurs a "separation from service" with the Company within the meaning of section 409A(a)(2)(A)(i) of the Code and applicable administrative guidance issued thereunder.

ARTICLE IV
COMPENSATION AND BENEFITS

4.1 Base Salary. During the term of this Agreement, Executive shall receive a minimum, annualized base salary of $375,000 (the "***Base Salary***"). Executive's annualized base salary shall be reviewed at least annually by the Company and, in the sole discretion of the Company, such annualized base salary may be increased (but not decreased) effective as of any date determined by the Company; provided, however, the Company may decrease Executive's Base Salary by up to 10% as part of similar reductions applicable to all of the Company's executive officers. Executive's Base Salary shall be paid in substantially equal installments in accordance with the Company's standard policy regarding payment of compensation to executives but no less frequently than monthly.

4.2 Bonuses. For calendar year 2010, Executive shall participate in the annual cash incentive bonus program in which he was participating as of the Effective Date, subject to the terms and conditions of that program as may exist from time to time. For calendar years after 2010, Executive shall be eligible to participate in the Company's annual cash incentive bonus program, which will provide for a potential annual, calendar-year bonus based on criteria determined in the discretion of the Company (the "***Annual Bonus***"), it being understood that the target bonus at planned or targeted levels of performance and the actual amount of each Annual Bonus shall be determined in the discretion of the Company. The Company shall use commercially reasonable efforts to pay each Annual Bonus with respect to a calendar year on or before March 15 of the following calendar year (and in no event shall an Annual Bonus be paid after December 31 of the following calendar year); provided, however, that (except as otherwise provided in Section 7.1(b)) Executive will be entitled to receive payment of such Annual Bonus only if Executive is employed by the Company on such date of payment.

4.3 Other Benefits. During Executive's employment hereunder, Executive shall be eligible to participate in all benefit plans and programs of the Company, including improvements or modifications of the same, which are now, or may hereafter be, available to other senior executives of the Company. The Company shall not, however, by reason of this Section 4.3, be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any such benefit plan or program, so long as such changes are similarly applicable to other senior executives generally.

4.4 Expenses. The Company shall reimburse Executive for all reasonable business expenses incurred by Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company; provided, in each case, that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company. Any such reimbursement of expenses shall be made by the Company upon or as soon as practicable following receipt of supporting documentation reasonably satisfactory to the Company (but in any event not later than the close of Executive's taxable year following the taxable year in which the expense is incurred by Executive); provided, however, that, upon Executive's termination of employment with the Company, in no event shall any additional reimbursement be made prior to the Section 409A Payment Date to the extent such payment delay is required under section 409A(a)(2)(B)(i) of the Code. In no event shall any reimbursement be made to Executive for

such fees and expenses after the later of (a) the first anniversary of the date of Executive's death or (b) the date that is five years after the date of Executive's termination of employment with the Company (other than by reason of Executive's death).

4.5 Vacation and Sick Leave. During Executive's employment hereunder, Executive shall be entitled to (a) sick leave in accordance with the Company's policies applicable to its senior executives and (b) four weeks paid vacation each calendar year (none of which may be carried forward to a succeeding year).

4.6 Offices. Subject to Articles II, III, and IV hereof, Executive agrees to serve without additional compensation, if elected or appointed thereto, as a director of the Company or any of the Company's affiliates and as a member of any committees of the board of directors of any such entities, and in one or more executive positions of any of the Company's affiliates.

ARTICLE V
PROTECTION OF INFORMATION

5.1 Disclosure to and Property of the Company. For purposes of this Article V, the term "the Company" shall include the Company and any of its affiliates, and any reference to "employment" or similar terms shall include a director and/or consulting relationship. All information, trade secrets, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed, disclosed to or acquired by Executive, individually or in conjunction with others, during the period of Executive's employment by the Company (whether during business hours or otherwise and whether on the Company's premises or otherwise) that relate to the Company's or any of its affiliates' businesses, trade secrets, products or services (including, without limitation, all such information relating to corporate opportunities, strategies, business plans, product specifications, compositions, manufacturing and distribution methods and processes, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or production, marketing and merchandising techniques, prospective names and marks) and all writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "***Confidential Information***") shall be disclosed to the Company and are and shall be the sole and exclusive property of the Company or its affiliates, as applicable. Moreover, all documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, E-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "***Work Product***") are and shall be the sole and exclusive property of the Company (or its affiliates). Executive agrees to perform all actions reasonably requested by the Company or its affiliates to establish and confirm such exclusive ownership. Upon termination of Executive's employment with the Company, for any reason, Executive promptly shall deliver such Confidential Information and Work Product, and all copies thereof, to the Company.

5.2 Disclosure to Executive. The Company shall disclose to Executive and place Executive in a position to have access to or develop Confidential Information and Work Product of the Company (or its affiliates); and shall entrust Executive with business opportunities of the Company (or its affiliates); and shall place Executive in a position to develop business good will on behalf of the Company (or its affiliates).

5.3 No Unauthorized Use or Disclosure. Executive agrees to preserve and protect the confidentiality of all Confidential Information and Work Product of the Company and its affiliates. Executive agrees that Executive will not, at any time during or after Executive's employment with the Company, make any unauthorized disclosure of, and Executive shall not remove from the Company premises, Confidential Information or Work Product of the Company or its affiliates, or make any use thereof, except, in each case, in the carrying out of Executive's responsibilities hereunder. Executive shall use all reasonable efforts to cause all persons or entities to whom any Confidential Information shall be disclosed by Executive hereunder to preserve and protect the confidentiality of such Confidential Information. Executive shall have no obligation hereunder to keep confidential any Confidential Information if and to the extent disclosure thereof is specifically required by law; provided, however, that in the event disclosure is required by applicable law, Executive shall provide the Company with prompt notice of such requirement prior to making any such disclosure, so that the Company may seek an appropriate protective order. At the request of the Company at any time, Executive agrees to deliver to the Company all Confidential Information that Executive may possess or control. Executive agrees that all Confidential Information of the Company (whether now or hereafter existing) conceived, discovered or made by Executive during the period of Executive's employment by the Company exclusively belongs to the Company (and not to Executive), and upon request by the Company for specified Confidential Information, Executive will promptly disclose such Confidential Information to the Company and perform all actions reasonably requested by the Company to establish and confirm such exclusive ownership. Affiliates of the Company shall be third party beneficiaries of Executive's obligations under this Article V. As a result of Executive's employment by the Company, Executive may also from time to time have access to, or knowledge of, Confidential Information or Work Product of third parties, such as customers, suppliers, partners, joint venturers, and the like, of the Company and its affiliates. Executive also agrees to preserve and protect the confidentiality of such third party Confidential Information and Work Product.

5.4 Ownership by the Company. If, during Executive's employment by the Company, Executive creates any work of authorship fixed in any tangible medium of expression that is the subject matter of copyright (such as videotapes, written presentations, or acquisitions, computer programs, E-mail, voice mail, electronic databases, drawings, maps, architectural renditions, models, manuals, brochures, or the like) relating to the Company's business, products, or services, whether such work is created solely by Executive or jointly with others (whether during business hours or otherwise and whether on the Company's premises or otherwise), including any Work Product, the Company shall be deemed the author of such work if the work is prepared by Executive in the scope of Executive's employment; or, if the work relating to the Company's business, products, or services is not prepared by Executive within the scope of Executive's employment but is specially ordered by the Company as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, or as an instructional text, then the work shall be

considered to be work made for hire and the Company shall be the author of the work. If the work relating to the Company's business, products, or services is neither prepared by Executive within the scope of Executive's employment nor a work specially ordered that is deemed to be a work made for hire during Executive's employment by the Company, then Executive hereby agrees to assign, and by these presents does assign, to the Company all of Executive's worldwide right, title, and interest in and to such work and all rights of copyright therein.

5.5 Assistance by Executive. During the period of Executive's employment by the Company, Executive shall assist the Company and its nominee, at any time, in the protection of the Company's or its affiliates' worldwide right, title and interest in and to Confidential Information and Work Product and the execution of all formal assignment documents requested by the Company or its nominee(s) and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries. After Executive's employment with the Company terminates, at the request from time to time and expense of the Company or its affiliates, Executive shall assist the Company or its nominee(s) in the protection of the Company's or its affiliates' worldwide right, title and interest in and to Confidential Information and Work Product and the execution of all formal assignment documents requested by the Company or its nominee and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries.

5.6 Remedies. Executive acknowledges that money damages would not be a sufficient remedy for any breach of this Article V by Executive, and the Company or its affiliates shall be entitled to enforce the provisions of this Article V by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article V but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive's agents. However, if it is determined that Executive has not committed a breach of this Article V, then the Company shall resume the payments and benefits due under this Agreement and pay to Executive and Executive's spouse, if applicable, all payments and benefits that had been suspended pending such determination.

ARTICLE VI
STATEMENTS CONCERNING THE COMPANY

6.1 Statements Concerning the Company. Executive shall refrain, both during and after the termination of the employment relationship, from publishing any oral or written statements about the Company, any of its affiliates or any of the Company's or such affiliates' directors, officers, employees, consultants, agents or representatives that (a) are slanderous, libelous or defamatory, (b) disclose Confidential Information of the Company, any of its affiliates or any of the Company's or any such affiliates' business affairs, directors, officers, employees, consultants, agents or representatives, or (c) place the Company, any of its affiliates, or any of the Company's or any such affiliates' directors, officers, employees, consultants, agents or representatives in a false light before the public. A violation or threatened violation of this prohibition may be enjoined by the courts. The rights afforded the Company and its affiliates under this provision are in addition to any and all rights and remedies otherwise afforded by law.

ARTICLE VII
EFFECT OF TERMINATION OF EMPLOYMENT ON COMPENSATION

7.1 Effect of Termination of Employment on Compensation.

(a) If Executive's employment hereunder shall terminate at the expiration of the term provided in Section 3.1 because Executive provided written notice of non-renewal to the Company, for any reason described in Section 3.2(a), 3.2(b), or 3.2(c) or pursuant to Executive's resignation for other than Good Reason, then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that Executive shall be entitled to (i) payment of all accrued and unpaid Base Salary to the Date of Termination, (ii) reimbursement for all incurred but unreimbursed expenses for which Executive is entitled to reimbursement in accordance with Section 4.4, (iii) payment of all accrued and unused paid vacation for the calendar year in which the Date of Termination occurs, and (iv) benefits to which Executive is entitled under the terms of any applicable benefit plan or program.

(b) If Executive's employment hereunder shall terminate at expiration of the term provided in Section 3.1 because the Company provided written notice of non-renewal to Executive, pursuant to Executive's resignation for Good Reason or by action of the Company pursuant to Section 3.2 for any reason other than those encompassed by Section 3.2(a), 3.2(b), or 3.2(c), then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that (i) Executive shall be entitled to receive the compensation and benefits described in clauses (i) through (iv) of Section 7.1(a) and (ii) if, on the Date of Termination, the Company does not have a right to terminate Executive's employment under Section 3.2(a), 3.2(b), or 3.2(c) and subject to Executive's delivery, within 50 days after the Date of Termination, and non-revocation of an executed release substantially in the form of the release contained at Appendix B (the "***Release***"), Executive shall receive the following additional compensation and benefits from the Company (but no other additional compensation or benefits after such termination):

(A) the Company shall pay to Executive any unpaid Annual Bonus for the calendar year ending prior to the Date of Termination, which amount shall be payable in a lump-sum on the date such annual bonuses are paid to executives who have continued employment with the Company (but in no event earlier than 60 days after the Date of Termination (or, if earlier, the December 31 next following such calendar year) nor later than the December 31 next following such calendar year);

(B) the Company shall pay to Executive a bonus for the calendar year in which the Date of Termination occurs in an amount equal to the Annual Bonus for such year as determined in good faith by the Board in accordance with the criteria established pursuant to Section 4.2 and based on the Company's performance for such year, which amount shall be prorated through and including the Date of Termination (based on the ratio of the number of days Executive was employed by the Company during such year to the number of days

in such year), payable in a lump-sum on or before the date such annual bonuses are paid to executives who have continued employment with the Company (but in no event earlier than 60 days after the Date of Termination nor later than the May 15 next following such calendar year);

(C) the Company shall pay to Executive an amount equal to the Severance Multiple times the sum of (i) Executive's Base Salary as of the Date of Termination and (ii) 100% of Executive's Base Salary as of the Date of Termination, which amount shall be paid in a lump sum payment on the date that is 60 days after the Date of Termination occurs; and

(D) during the portion, if any, of the 18-month period following the Date of Termination that Executive elects to continue coverage for Executive and Executive's spouse and eligible dependents, if any, under the Company's group health plans under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA), and/or sections 601 through 608 of the Employee Retirement Income Security Act of 1974, as amended, the Company shall promptly reimburse Executive on a monthly basis for the difference between the amount Executive pays to effect and continue such coverage and the employee contribution amount that active senior executive employees of the Company pay for the same or similar coverage under such group health plans.

Notwithstanding the time of payment provisions of Section 7.1(b)(ii)(B) above, if Executive is a specified employee (as such term is defined in section 409A of the Code and as determined by the Company in accordance with any method permitted under section 409A of the Code) and the payment of the amount described in such Section would be subject to additional taxes and interest under section 409A of the Code because the timing of such payment is not delayed as provided in section 409A(a)(2)(B)(i) of the Code and the regulations thereunder, then such amount (together with interest on a non-compounded basis, from the date such payment would have been made had this payment delay not applied to the actual date of payment, at the prime rate of interest announced by Wells Fargo Bank, National Association (or any successor thereto) at its principal office in Charlotte, North Carolina on the date of Executive's termination of employment (or the first business day following such date if such termination does not occur on a business day)) shall be paid within five business days after the Section 409A Payment Date.

ARTICLE VIII
NON-COMPETITION AGREEMENT

8.1 Definitions. As used in this Article VIII, the following terms shall have the following meanings:

"***Business***" means (a) during the period of Executive's employment by the Company, the design, manufacture and supply of products and services for the oil and gas industry provided by the Company and its subsidiaries during such period and other products and services that are functionally equivalent to the foregoing, and (b) during the portion of the Prohibited Period that

begins on the termination of Executive's employment with the Company, the design, manufacture and supply of products and services for the oil and gas industry provided by the Company and its subsidiaries at the time of such termination of employment (or, if earlier, at the time immediately preceding the date upon which a Change in Control occurs) and other products and services that are functionally equivalent to the foregoing.

"***Competing Business***" means any business, individual, partnership, firm, corporation or other entity (other than an affiliate of the Company, L. E. Simmons & Associates, Inc. ("***LESA***") and its affiliates or another entity in which SCF-V, L.P., a Delaware limited partnership, SCF-VI, L.P., a Delaware limited partnership, and SCF-VII, L.P., a Delaware limited partnership, or any future limited partnership established by an affiliate of LESA has an ownership interest) which wholly or in any significant part engages in any business competing with the Business in the Restricted Area. In no event will the Company or any of its subsidiaries be deemed a Competing Business.

"***Governmental Authority***" means any governmental, quasi-governmental, state, county, city or other political subdivision of the United States or any other country, or any agency, court or instrumentality, foreign or domestic, or statutory or regulatory body thereof.

"***Legal Requirement***" means any law, statute, code, ordinance, order, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, authorization, or other directional requirement (including, without limitation, any of the foregoing that relates to environmental standards or controls, energy regulations and occupational, safety and health standards or controls including those arising under environmental laws) of any Governmental Authority.

"***Prohibited Period***" means the period during which Executive is employed by the Company hereunder and a period of two years following the end of Executive's employment with the Company.

"***Restricted Area***" means any geographical area within 100 miles in which the Company and its subsidiaries engage in the Business during the period during which Executive is employed hereunder, which such area includes, without limitation, the parishes in Louisiana set forth on Appendix C hereto.

8.2 Non-Competition; Non-Solicitation. Executive and the Company agree to the non-competition and non-solicitation provisions of this Article VIII in consideration for the Confidential Information provided by the Company to Executive pursuant to Article V of this Agreement, to protect the trade secrets and confidential information of the Company or its affiliates disclosed or entrusted to Executive by the Company or its affiliates or created or developed by Executive for the Company or its affiliates, to protect the business goodwill of the Company or its affiliates developed through the efforts of Executive and/or the business opportunities disclosed or entrusted to Executive by the Company or its affiliates and as an additional incentive for the Company to enter into this Agreement.

(a) Subject to the exceptions set forth in Section 8.2(b) below, Executive expressly covenants and agrees that during the Prohibited Period (i) Executive will

refrain from carrying on or engaging in, directly or indirectly, any Competing Business in the Restricted Area and (ii) Executive will not, and Executive will cause Executive's affiliates not to, directly or indirectly, own, manage, operate, join, become an employee of, partner in, owner or member of (or an independent contractor to), control or participate in, be connected with or loan money to, sell or lease equipment or property to, or otherwise be affiliated with any business, individual, partnership, firm, corporation or other entity which engages in a Competing Business in the Restricted Area, as Executive expressly agrees that each of the foregoing activities would represent carrying on or engaging in a Competitive Business, as prohibited by this Section 8.2(a).

(b) Notwithstanding the restrictions contained in Section 8.2(a), Executive or any of Executive's affiliates may own an aggregate of not more than 2% of the outstanding stock of any class of any corporation engaged in a Competing Business, if such stock is listed on a national securities exchange or regularly traded in the over-the-counter market by a member of a national securities exchange, without violating the provisions of Section 8.2(a), provided that neither Executive nor any of Executive's affiliates has the power, directly or indirectly, to control or direct the management or affairs of any such corporation and is not involved in the management of such corporation.

(c) Executive further expressly covenants and agrees that during the Prohibited Period, Executive will not, and Executive will cause Executive's affiliates not to (i) engage or employ, or solicit or contact with a view to the engagement or employment of, or recommend or refer to any person or entity (other than the Company or one of its affiliates) for engagement or employment any person who is an officer or employee of the Company or any of its affiliates or (ii) canvass, solicit, approach or entice away or cause to be canvassed, solicited, approached or enticed away from the Company or any of its affiliates any person or entity who or which is a customer of any of such entities during the period during which Executive is employed by the Company.

(d) The restrictions contained in Section 8.2 shall not apply to any product or service that the Company provided during Executive's employment but that the Company no longer provides at the Date of Termination. Further, notwithstanding the other provisions of this Section 8.2, within the State of Oklahoma, the restrictions of Sections 8.2(a) and 8.2(c)(ii) shall be limited to preventing Executive from directly soliciting the sale of goods, services or a combination of goods and services from any established customer of the Company, as may exist from time-to-time.

(e) Before accepting employment with any other person or entity while employed by the Company or during the Prohibited Period, the Executive will inform such person or entity of the restrictions contained in this Article VIII.

8.3 Relief. Executive and the Company agree and acknowledge that the limitations as to time, geographical area and scope of activity to be restrained as set forth in Section 8.2 are reasonable and do not impose any greater restraint than is necessary to protect the legitimate business interests of the Company. Executive and the Company also acknowledge that money damages would not be sufficient remedy for any breach of this Article VIII by Executive, and the

Company or its affiliates shall be entitled to enforce the provisions of this Article VIII by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article VIII but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive's agents. However, if it is determined that Executive has not committed a breach of this Article VIII, then the Company shall resume the payments and benefits due under this Agreement and pay to Executive all payments and benefits that had been suspended pending such determination.

8.4 Reasonableness; Enforcement. Executive hereby represents to the Company that Executive has read and understands, and agrees to be bound by, the terms of this Article VIII. Executive acknowledges that the geographic scope and duration of the covenants contained in this Article VIII are the result of arm's-length bargaining and are fair and reasonable in light of (a) the nature and wide geographic scope of the operations of the Business, (b) Executive's level of control over and contact with the Business in all jurisdictions in which it is conducted, (c) the fact that the Business is conducted throughout the Restricted Area and (d)the amount of Confidential Information that Executive is receiving in connection with the performance of Executive's duties hereunder. It is the desire and intent of the parties that the provisions of this Article VIII be enforced to the fullest extent permitted under applicable Legal Requirements, whether now or hereafter in effect and therefore, to the extent permitted by applicable Legal Requirements, Executive and the Company hereby waive any provision of applicable Legal Requirements that would render any provision of this Article VIII invalid or unenforceable.

8.5 Reformation. The Company and Executive agree that the foregoing restrictions are reasonable under the circumstances and that any breach of the covenants contained in this Article VIII would cause irreparable injury to the Company. Executive understands that the foregoing restrictions may limit Executive's ability to engage in certain businesses anywhere in the Restricted Area during the Prohibited Period, but acknowledges that Executive will receive sufficient consideration from the Company to justify such restriction. Further, Executive acknowledges that Executive's skills are such that Executive can be gainfully employed in non-competitive employment, and that the agreement not to compete will not prevent Executive from earning a living. Nevertheless, if any of the aforesaid restrictions are found by a court of competent jurisdiction to be unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, the parties intend for the restrictions herein set forth to be modified by the court making such determination so as to be reasonable and enforceable and, as so modified, to be fully enforced. By agreeing to this contractual modification prospectively at this time, the Company and Executive intend to make this provision enforceable under the law or laws of all applicable States, Provinces and other jurisdictions so that the entire agreement not to compete and this Agreement as prospectively modified shall remain in full force and effect and shall not be rendered void or illegal. Such modification shall not affect the payments made to Executive under this Agreement.

ARTICLE IX
DISPUTE RESOLUTION

9.1 Arbitration. All claims or disputes between Executive and the Company or its parents, subsidiaries and affiliates (including, without limitation, claims relating to the validity, scope, and enforceability of this Article IX and claims arising under any federal, state or local law regarding the terms and conditions of employment or prohibiting discrimination in employment or governing the employment relationship in any way) shall be submitted for final and binding arbitration in Houston, Texas in accordance with the then-applicable rules for resolution of employment disputes of the American Arbitration Association ("***AAA***"). The arbitration shall be conducted by a single arbitrator chosen pursuant to the then-applicable rules for resolution of employment disputes of the AAA, and the Company shall bear the costs of such arbitration. For the avoidance of doubt, the Company's assumption of costs referenced in the previous sentence applies to the costs of the AAA only, and does not include attorney or expert fees or other fees or costs incurred by Executive. The arbitrator shall apply the substantive law of the State of Texas (excluding Texas choice-of-law principles that might call for the application of some other state's law), or federal law, or both as applicable to the claims asserted. The results of the arbitration and the decision of the arbitrator will be final and binding on the parties and each party agrees and acknowledges that these results shall be enforceable in a court of law. No demand for arbitration may be made after the date when the institution of legal or equitable proceedings based on such claim or dispute would be barred by the applicable statute(s) of limitations. In the event either party must resort to the judicial process to enforce the provisions of this Agreement, the award of an arbitrator or equitable relief granted by an arbitrator, the party successfully seeking enforcement shall be entitled to recover from the other party all costs of such litigation including, but not limited to, reasonable attorneys fees and court costs. To the fullest extent permitted by law, all proceedings conducted pursuant to this agreement to arbitrate, including any order, decision or award of the arbitrator, shall be kept confidential by all parties. Notwithstanding the foregoing, Executive and the Company further acknowledge and agree that a court of competent jurisdiction residing in Houston, Texas shall have the power to maintain the status quo pending the arbitration of any dispute under this Article IX, and this Article IX shall not require the arbitration of any application for emergency, temporary or preliminary injunctive relief (including temporary restraining orders) by either party pending arbitration, including, without limitation, any application for emergency, temporary or preliminary injunctive relief for any claim arising out of Article V or Article VIII of this Agreement; provided, however, that the remainder of any such dispute beyond the application for such emergency, temporary or preliminary injunctive relief shall be subject to arbitration under this Article IX. **THE PARTIES ACKNOWLEDGE THAT, BY SIGNING THIS AGREEMENT, THEY ARE KNOWINGLY AND VOLUNTARILY WAIVING ANY RIGHTS THAT THEY MAY HAVE TO A JURY TRIAL OR, EXCEPT AS EXPRESSLY PROVIDED HEREIN, A COURT TRIAL OF ANY CLAIM THAT IS SUBJECT TO THIS ARTICLE IX.**

ARTICLE X
CERTAIN EXCISE TAXES

10.1 Certain Excise Taxes. Notwithstanding anything to the contrary in this Agreement, if Executive is a "disqualified individual" (as defined in section 280G(c) of the

Code), and the payments and benefits provided for in this Agreement, together with any other payments and benefits which Executive has the right to receive from the Company or any of its affiliates, would constitute a "parachute payment" (as defined in section 280G(b)(2) of the Code), then the payments and benefits provided for in this Agreement shall be either (a) reduced (but not below zero) so that the present value of such total amounts and benefits received by Executive from the Company and its affiliates will be one dollar ($1.00) less than three times Executive's "base amount" (as defined in section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Executive shall be subject to the excise tax imposed by section 4999 of the Code or (b) paid in full, whichever produces the better net after-tax position to Executive (taking into account any applicable excise tax under section 4999 of the Code and any other applicable taxes). The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in-kind hereunder in a similar order. The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by the Company in good faith. If a reduced payment or benefit is made or provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company (or its affiliates) used in determining if a "parachute payment" exists, exceeds one dollar ($1.00) less than three times Executive's base amount, then Executive shall immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 10.1 shall require the Company to be responsible for, or have any liability or obligation with respect to, Executive's excise tax liabilities under section 4999 of the Code. Notwithstanding the foregoing, if shareholder approval (obtained in a manner that satisfies the requirements of section 280G(b)(5) of the Code) of a payment or benefit to be provided to Executive by the Company or any other person (whether under this Agreement or otherwise) would prevent Executive from receiving a "parachute payment" (as defined in section 280G(b)(2) of the Code), then, upon the request of Executive and his agreement (to the extent necessary) to subject his entitlement to the receipt of such payment or benefit to shareholder approval, the Company shall seek such approval in a manner that satisfies the requirements of section 280G of the Code and the regulations thereunder.

ARTICLE XI
MISCELLANEOUS

11.1 Notices. For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given (a) when received if delivered personally or by courier, (b) on the date receipt is acknowledged if delivered by certified mail, postage prepaid, return receipt requested or (c) one day after transmission if sent by facsimile transmission with confirmation of transmission, as follows:

If to Executive, addressed to:

Mr. Wendell R. Brooks
23203 Meadow Cross Lane
Katy, Texas 77494

If to the Company, addressed to:

Forum Energy Technologies, Inc.
8807 West Sam Houston Parkway North
Suite 200
Houston, Texas 77040
Attention: Chief Executive Officer

Facsimile: 713-351-7997

or to such other address as either party may furnish to the other in writing in accordance herewith, except that notices or changes of address shall be effective only upon receipt.

11.2 Applicable Law; Submission to Jurisdiction.

(a) This Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Texas, without regard to conflicts of laws principles thereof.

(b) With respect to any claim or dispute related to or arising under this Agreement, the parties hereto hereby consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Harris County, Texas.

11.3 No Waiver. No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

11.4 Severability. If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect.

11.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

11.6 Withholding of Taxes and Other Employee Deductions. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city and other taxes and withholdings as may be required pursuant to any law or governmental regulation or ruling and all other customary deductions made with respect to the Company's employees generally.

11.7 Headings. The Section headings have been inserted for purposes of convenience and shall not be used for interpretive purposes.

11.8 Gender and Plurals. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely.

11.9 Affiliate and Subsidiary. As used in this Agreement, (a) the term "***affiliate***" as used with respect to a particular person or entity shall mean any other person or entity which owns or controls, is owned or controlled by, or is under common ownership or control with, such particular person or entity and (b) the term ***"subsidiary"*** as used with respect to a particular entity shall mean a direct or indirect subsidiary of such entity.

11.10 Successors. This Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company. Except as provided in the preceding sentence, this Agreement, and the rights and obligations of the parties hereunder, are personal and neither this Agreement, nor any right, benefit or obligation of either party hereto, shall be subject to voluntary or involuntary assignment, alienation or transfer, whether by operation of law or otherwise, without the prior written consent of the other party. In addition, any payment owed to Executive hereunder after the date of Executive's death shall be paid to Executive's estate.

11.11 Term. Termination of this Agreement shall not affect any right or obligation of any party which is accrued or vested prior to such termination. Without limiting the scope of the preceding sentence, the provisions of Articles V, VI, VII, VIII and IX shall survive any termination of the employment relationship and/or of this Agreement.

11.12 Entire Agreement. Except as provided in any signed written agreement contemporaneously or hereafter executed by the Company and Executive, this Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to employment of Executive by the Company. Without limiting the scope of the preceding sentence, all understandings and agreements preceding the date of execution of this Agreement and relating to the subject matter hereof including, without limitation, any prior employment agreement between Executive and the Company or an affiliate, are hereby null and void and of no further force and effect. Executive further agrees that the Prior Employment Agreement with Allied shall be terminated as of the Effective Date. The provisions of the preceding sentence are also to the benefit of and shall be enforceable by Allied.

11.13 Modification; Waiver. Any modification to or waiver of this Agreement will be effective only if it is in writing and signed by the parties to this Agreement.

11.14 Actions by the Board. Any and all determinations or other actions required of the Board hereunder that relate specifically to Executive's employment by the Company or the terms and conditions of such employment shall be made by the members of the Board other than Executive if Executive is a member of the Board, and Executive shall not have any right to vote or decide upon any such matter.

11.15 Executive's Representations and Warranties. Executive represents and warrants to the Company that (a) Executive does not have any agreements with Executive's prior employer that will prohibit Executive from working for the Company or fulfilling Executive's duties and obligations to the Company pursuant to this Agreement and (b) Executive has complied with all duties imposed on Executive with respect to Executive's former employer, e.g., Executive does not possess any tangible property belonging to Executive's former employer.

11.16 Delayed Payment Restriction. Notwithstanding any provision in this Agreement to the contrary, if any payment or benefit provided for herein would be subject to additional taxes and interest under section 409A of the Code if Executive's receipt of such payment or benefit is not delayed until the Section 409A Payment Date, then such payment or benefit shall not be provided to Executive (or Executive's estate, if applicable) until the Section 409A Payment Date.

[Signatures begin on next page.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of August 2, 2010.

FORUM ENERGY TECHNOLOGIES, INC.

By: /s/ C. Christopher Gaut
Name: C. Christopher Gaut
Title: President and Chief Executive Officer

WENDELL R. BROOKS

/s/ Wendell R. Brooks

APPENDIX A

PERMITTED ACTIVITIES

As of the Effective Date, Executive is serving on the board of directors or similar governing body of the following entities:

None.

APPENDIX B

RELEASE AGREEMENT

This Release Agreement (this "***Agreement***") constitutes the release referred to in that certain Employment Agreement (the "***Employment Agreement***") dated as of August 2, 2010, by and between Wendell R. Brooks ("***Executive***") and Forum Energy Technologies, Inc., a Delaware corporation (the "***Company***").

1. **General Release**.

(a) For good and valuable consideration, including the Company's provision of certain payments and benefits to Executive in accordance with Section 7.1(b)(ii) of the Employment Agreement, Executive hereby releases, discharges and forever acquits the Company, its affiliates and subsidiaries, the past, present and future stockholders, members, partners, directors, managers, employees, agents, attorneys, heirs, legal representatives, successors and assigns of the foregoing, as well as all employee benefit plans maintained by the Company or any of its affiliates or subsidiaries and all fiduciaries and administrators of any such plan, in their personal and representative capacities (collectively, the "***Company Parties***"), from liability for, and hereby waives, any and all claims, rights, damages, or causes of action of any kind related to Executive's employment with any Company Party, the termination of such employment, and any other acts or omissions related to any matter on or prior to the date of this Agreement (collectively, the "***Released Claims***").

(b) The Released Claims include without limitation those arising under or related to: (i) the Age Discrimination in Employment Act of 1967; (ii) Title VII of the Civil Rights Act of 1964; (iii) the Civil Rights Act of 1991; (iv) sections 1981 through 1988 of Title 42 of the United States Code; (v) the Employee Retirement Income Security Act of 1974, including, but not limited to, sections 502(a)(1)(A), 502(a)(1)(B), 502(a)(2), and 502(a)(3) to the extent the release of such claims is not prohibited by applicable law; (vi) the Immigration Reform Control Act; (vii) the Americans with Disabilities Act of 1990; (viii) the National Labor Relations Act; (ix) the Occupational Safety and Health Act; (x) the Family and Medical Leave Act of 1993; (xi) any state or federal anti-discrimination law; (xii) any state or federal wage and hour law; (xiii) any other local, state or federal law, regulation or ordinance; (xiv) any public policy, contract, tort, or common law; (xv) costs, fees, or other expenses including attorneys' fees incurred in these matters; (xvi) any employment contract, incentive compensation plan or stock option plan with any Company Party or to any ownership interest in any Company Party except as expressly provided in the Employment Agreement and any stock option or other equity compensation agreement between Executive and the Company; and (xvii) compensation or benefits of any kind not expressly set forth in the Employment Agreement or any such stock option or other equity compensation agreement.

(c) In no event shall the Released Claims include (i) any claim which arises after the date of this Agreement, or (ii) any claims for the payments and benefits payable to Executive under Section 7.1(b)(ii) of the Employment Agreement.

(d) Notwithstanding this release of liability, nothing in this Agreement prevents Executive from filing any non-legally waivable claim (including a challenge to the validity of this Agreement) with the Equal Employment Opportunity Commission ("***EEOC***") or comparable state or local agency or participating in any investigation or proceeding conducted by the EEOC or comparable state or local agency; however, Executive understands and agrees that Executive is waiving any and all rights to recover any monetary or personal relief or recovery as a result of such EEOC, or comparable state or local agency proceeding or subsequent legal actions.

(e) This Agreement is not intended to indicate that any such claims exist or that, if they do exist, they are meritorious. Rather, Executive is simply agreeing that, in exchange for the consideration recited in the first sentence of Section 1(a) of this Agreement, any and all potential claims of this nature that Executive may have against the Company Parties, regardless of whether they actually exist, are expressly settled, compromised and waived.

(f) By signing this Agreement, Executive is bound by it. Anyone who succeeds to Executive's rights and responsibilities, such as heirs or the executor of Executive's estate, is also bound by this Agreement. This release also applies to any claims brought by any person or agency or class action under which Executive may have a right or benefit. **THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF THE COMPANY PARTIES.**

2. **Covenant Not to Sue; Executive's Representation**. Executive agrees not to bring or join any lawsuit against any of the Company Parties in any court relating to any of the Released Claims. Executive represents that Executive has not brought or joined any claim, lawsuit or arbitration against any of the Company Parties in any court or before any administrative agency or arbitral authority and has made no assignment of any rights Executive has asserted or may have against any of the Company Parties to any person or entity, in each case, with respect to any Released Claims. Executive expressly represents that, as of the date Executive executes this Agreement, Executive has been provided all leaves (paid and unpaid) and paid all wages and compensation owed to Executive by the Company Parties with the exception of all payments owed as a condition of Executive's executing (and not revoking) this Agreement.

3. **Acknowledgments**. By executing and delivering this Agreement, Executive acknowledges that:

(a) Executive has carefully read this Agreement;

(b) Executive has had at least [twenty-one (21)] [forty-five (45)] days to consider this Agreement before the execution and delivery hereof to the Company [Add if 45 days applies: , and Executive acknowledges that attached to this Agreement is a list of (i) the job titles and ages of all employees selected for participation in the employment termination or exit incentive program pursuant to which Executive is being offered this Agreement, (ii) the job titles and ages of all employees in the same job classification or organizational unit who were not selected for participation in the program, and (iii) information about the unit affected by the program, including any eligibility factors for such program and any time limits applicable to such program];

(c) Executive has been and hereby is advised in writing that Executive may, at Executive's option, discuss this Agreement with an attorney of Executive's choice and that Executive has had adequate opportunity to do so; and

(d) Executive fully understands the final and binding effect of this Agreement; the only promises made to Executive to sign this Agreement are those stated in the Employment Agreement and herein; and Executive is signing this Agreement voluntarily and of Executive's own free will, and that Executive understands and agrees to each of the terms of this Agreement.

4. **Revocation Right**. Executive may revoke this Agreement within the seven day period beginning on the date Executive signs this Agreement (such seven day period being referred to herein as the "***Release Revocation Period***"). To be effective, such revocation must be in writing signed by Executive and must be delivered to the Chief Executive Officer of the Company before 11:59 p.m., Houston, Texas time, on the last day of the Release Revocation Period. This Agreement is not effective, and no consideration shall be paid to Executive, until the expiration of the Release Revocation Period without Executive's revocation. If an effective revocation is delivered in the foregoing manner and timeframe, this Agreement shall be of no force or effect and shall be null and void ab initio.

Executed on this __ day of ____, ____.

WENDELL R. BROOKS

STATE OF _____ §

§

COUNTY OF _____ §

BEFORE ME, the undersigned authority personally appeared Wendell R. Brooks, by me known or who produced valid identification as described below, who executed the foregoing instrument and acknowledged before me that he subscribed to such instrument on this __ day of _____, _____.

NOTARY PUBLIC in and for the

State of _____

My Commission Expires: _____

Identification produced:

APPENDIX C

RESTRICTED AREA

The following parishes in the State of Louisiana:

Caddo
Iberia
Lafayette
St. Martin

Exhibit 10.6

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("***Agreement***") is made by and between Forum Energy Technologies, Inc., a Delaware corporation (the "***Company***"), and James W. Harris ("***Executive***").

W I T N E S S E T H:

WHEREAS, Executive has heretofore been employed by the Company; and

WHEREAS, the Company desires to employ Executive on the terms and conditions, and for the consideration, hereinafter set forth and Executive desires to be employed by the Company on such terms and conditions and for such consideration.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, the Company and Executive agree as follows:

ARTICLE I
DEFINITIONS

In addition to the terms defined in the body of this Agreement, for purposes of this Agreement, the following capitalized words shall have the meanings indicated below:

1.1 "***Acquiring Person***" shall mean any individual, entity or group (within the meaning of section 13(d)(3) or 14(d)(2) of the Exchange Act) other than the Initial Stockholders.

1.2 "***Board***" shall mean the Board of Directors of the Company.

1.3 "***Cause***" shall mean a determination by the Company that Executive (a) has engaged in gross negligence or willful misconduct in the performance of Executive's duties with respect to the Company or any of its affiliates, (b) has materially breached any material provision of this Agreement or any written agreement or corporate policy or code of conduct established by the Company or any of its affiliates, (c) has willfully engaged in conduct that is materially injurious to the Company or any of its affiliates, or (d) has been convicted of, pleaded no contest to or received adjudicated probation or deferred adjudication in connection with a felony involving fraud, dishonesty or moral turpitude (or a crime of similar import in a foreign jurisdiction).

1.4 "***Change in Control***" shall mean, as applicable:

(a) Prior to the common stock of the Company becoming Public Stock (including any transaction pursuant to which the common stock of the Company first becomes Public Stock), a "Change in Control" of the Company shall mean, in one transaction or a series of related transactions, (A) a Corporate Transaction or a sale of capital stock of the Company by stockholders of the Company (other than in connection with an Initial Public Offering) with the result immediately after such Corporate Transaction or sale that a single Acquiring Person, together with its affiliates, owns, directly or indirectly, either a greater number of shares of common stock of the Company

(calculated on a fully-diluted basis assuming that all shares of capital stock of the Company that are convertible into common stock of the Company at the then applicable conversion ratio are so converted) than the Initial Stockholders then own or, in the context of a Corporate Transaction in which the Company is not the surviving entity, more voting stock generally entitled to elect directors of such surviving entity (or in the case of a triangular merger, of the parent entity of such surviving entity) than the Initial Stockholders then own, or (B) the Company sells, leases or exchanges all or substantially all of its assets to any Acquiring Person or the dissolution or liquidation of the Company other than, in either case, pursuant to a transaction that complies with clause (b)(iii)(1) of this definition.

(b) After the common stock of the Company becomes Public Stock, a "Change in Control" of the Company shall mean:

(i) The acquisition by any Acquiring Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either (1) the then outstanding shares of common stock of the Company (the ***"Outstanding Company Common Stock"***) or (2) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the ***"Outstanding Company Voting Securities"***); provided, however, that for purposes of this subsection (i) any acquisition by any Acquiring Person pursuant to a transaction which complies with clause (b)(iii)(1) of this definition shall not constitute a Change in Control; or

(ii) Individuals, who, immediately following the time when the common stock of the Company becomes Public Stock, constitute the Board (the ***"Incumbent Board"***) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the time when the common stock of the Company becomes Public Stock whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered for purposes of this definition as though such individual was a member of the Incumbent Board, but excluding, for these purposes, any such individual whose initial assumption of office as a director occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of an Acquiring Person other than the Board; or

(iii) The consummation of a Corporate Transaction unless, following such Corporate Transaction, (1) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the Company (if it be the ultimate parent entity following such Corporate Transaction) or the corporation resulting from such Corporate Transaction (or the ultimate parent entity which as a result of such transaction owns the

Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries), and (2) at least a majority of the members of the board of directors of the ultimate parent entity resulting from such Corporate Transaction were members of the Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Corporate Transaction. For purposes of the foregoing sentence, only (A) shares of common stock and voting securities of the Company, assuming the Company is the ultimate parent entity following such Corporate Transaction, held by a beneficial owner immediately prior to such Corporate Transaction and any additional shares of common stock and voting securities of the Company issuable to such beneficial owner in connection with such Corporate Transaction in respect of the shares of common stock and voting securities of the Company held by such beneficial owner immediately prior to such Corporate Transaction, or (B) shares of common stock and voting securities of the ultimate parent entity following such Corporate Transaction, assuming the Company is not the ultimate parent entity following such Corporate Transaction, issuable to a beneficial owner in respect of the shares of common stock and voting securities of the Company held by such beneficial owner immediately prior to such Corporate Transaction, in either case shall be included in determining whether or not the fifty percent (50%) ownership test in this subsection (iii) has been satisfied.

1.5 "***Code***" shall mean the Internal Revenue Code of 1986, as amended.

1.6 "***Corporate Transaction***" shall mean a reorganization, merger or consolidation of the Company, any of its subsidiaries or sale, lease or other disposition of all or substantially all of the assets of the Company and its subsidiaries, taken as a whole (other than to an entity wholly owned, directly or indirectly, by the Company) or the liquidation or dissolution of the Company.

1.7 "***Date of Termination***" shall mean the date Executive's employment with the Company is considered to have terminated pursuant to Section 3.5.

1.8 "***Exchange Act***" shall mean the Securities Exchange Act of 1934, as amended.

1.9 "***Good Reason***" shall mean the occurrence of any of the following events:

(a) a material diminution in Executive's Base Salary, other than as part of a decrease of up to 10% for all of the Company's executive officers; or

(b) a material diminution in Executive's authority, duties, or responsibilities, excluding a change in management structure primarily affecting reporting responsibility; or

(c) the involuntary relocation of the geographic location of Executive's principal place of employment by more than 75 miles from the location of Executive's principal place of employment as of the Effective Date.

Notwithstanding the foregoing provisions of this Section 1.9 or any other provision in this Agreement to the contrary, any assertion by Executive of a termination of employment for "***Good Reason***" shall not be effective unless all of the following requirements are satisfied: (i)

the condition described in Section 1.9(a), (b) or (c) giving rise to Executive's termination of employment must have arisen without Executive's consent; (ii) Executive must provide written notice to the Company of such condition in accordance with Section 11.1 within 45 days of the initial existence of the condition; (iii) the condition specified in such notice must remain uncorrected for 30 days after receipt of such notice by the Company; and (iv) the date of Executive's termination of employment must occur within 90 days after the initial existence of the condition specified in such notice.

1.10 "***Initial Public Offering***" shall mean the initial underwritten public offering and sale of common stock of the Company on a firm commitment basis after which the common stock of the Company is listed for trading on a national securities exchange registered under section 6(a) of the Exchange Act.

1.11 "***Initial Stockholders***" shall mean the stockholders of the Company as of the date of the Stockholders Agreement and their respective affiliates and Persons who are permitted transferees in accordance with Section 2.2 of the Stockholders Agreement.

1.12 "***Notice of Termination***" shall mean a written notice delivered to the other party indicating the specific termination provision in this Agreement relied upon for termination of Executive's employment and the intended Date of Termination and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

1.13 "***Person***" shall mean any natural person, limited liability company, corporation, limited partnership, general partnership, joint stock company, joint venture, association, company, trust, bank trust company, land trust, business trust, or other organization, whether or not a legal entity, and any government or agency or political subdivision thereof.

1.14 *"Public Stock"* shall mean shares of capital stock (including depositary receipts or depositary shares related to common stock or similar ordinary shares) of any Person that are registered under section 12 of the Exchange Act and listed for trading on a national securities exchange registered under section 6(a) of the Exchange Act.

1.15 "***Section 409A Payment Date***" shall mean the earlier of (a) the date of Executive's death or (b) the date that is six months after the date of termination of Executive's employment with the Company.

1.16 *"Severance Multiple"* shall mean two; provided, however, that the Severance Multiple shall mean three if Executive's employment hereunder shall terminate on or within two years after the occurrence of a Change in Control.

1.17 "***Stockholders Agreement***" shall mean that certain Amended and Restated Stockholders Agreement dated as of August 2, 2010, among the Company and certain of its stockholders, as the same may be amended or restated from time to time.

ARTICLE II
EMPLOYMENT AND DUTIES

2.1 Employment; Effective Date. The Company agrees to employ Executive, and Executive agrees to be employed by the Company, pursuant to the terms of this Agreement beginning as of August 2, 2010 (the "***Effective Date***") and continuing for the period of time set forth in Article III of this Agreement, subject to the terms and conditions of this Agreement.

2.2 Positions. From and after the Effective Date, the Company shall employ Executive in the position of Chief Financial Officer of the Company or in such other position or positions as the parties mutually may agree.

2.3 Duties and Services. Executive agrees to serve in the position(s) referred to in Section 2.2 and to perform diligently and to the best of Executive's abilities the duties and services appertaining to such position(s), as well as such additional duties and services appropriate to such position(s) which the parties mutually may agree upon from time to time.

2.4 Other Interests. Executive agrees, during the period of Executive's employment by the Company, to devote substantially all of Executive's business time, energy and best efforts to the business and affairs of the Company and its affiliates. Notwithstanding the foregoing, the parties acknowledge and agree that Executive may (a) engage in and manage Executive's passive personal investments, (b) engage in charitable and civic activities and (c) serve on the board of directors or similar governing body of those entities set forth on Appendix A hereto and any other entity otherwise approved by the Board (or a committee thereof); provided, however, that such activities set forth in Section 2.4(a), (b) and (c) shall be permitted so long as such activities do not conflict with the business and affairs of the Company or interfere with Executive's performance of Executive's duties hereunder.

2.5 Duty of Loyalty. Executive acknowledges and agrees that Executive owes a fiduciary duty of loyalty, fidelity and allegiance to act in the best interests of the Company and to do no act that would injure the business, interests, or reputation of the Company or any of its affiliates. In keeping with these duties, Executive shall make full disclosure to the Company of all business opportunities pertaining to the Company's business and shall not appropriate for Executive's own benefit business opportunities concerning the subject matter of the fiduciary relationship.

ARTICLE III
TERM AND TERMINATION OF EMPLOYMENT

3.1 Term. Unless sooner terminated pursuant to other provisions hereof, the Company agrees to employ Executive for the period beginning on the Effective Date and ending on the second anniversary of the Effective Date (the "***Initial Expiration Date***"); provided, however, that beginning on the Initial Expiration Date, and on each anniversary of the Initial Expiration Date thereafter, if Executive's employment under this Agreement has not been terminated pursuant to Sections 3.2 or 3.3, then said term of employment shall automatically be extended for an additional one-year period unless on or before the date that is 60 days prior to the first day of any such extension period either party gives written notice to the other that no such automatic extension shall occur, in which case the term of employment shall terminate as of the Initial Expiration Date or the anniversary of the Initial Expiration Date immediately following the giving of such notice, as applicable.

3.2 Company's Right to Terminate. Notwithstanding the provisions of Section 3.1, the Company may terminate Executive's employment under this Agreement at any time for any of the following reasons by providing Executive with a Notice of Termination:

(a) upon Executive being unable to perform Executive's duties or fulfill Executive's obligations under this Agreement by reason of any physical or mental impairment for a continuous period of not less than three months as determined by the Company and certified in writing by a competent medical physician selected by the Company; or

(b) Executive's death; or

(c) for Cause; or

(d) for any other reason whatsoever or for no reason at all, in the sole discretion of the Company.

3.3 Executive's Right to Terminate. Notwithstanding the provisions of Section 3.1, Executive shall have the right to terminate Executive's employment under this Agreement for Good Reason or for any other reason whatsoever or for no reason at all, in the sole discretion of Executive, by providing the Company with a Notice of Termination. In the case of a termination of employment by Executive pursuant to this Section 3.3, the Date of Termination specified in the Notice of Termination shall not be less than 15 nor more than 60 days from the date such Notice of Termination is given, and the Company may require a Date of Termination earlier than that specified in the Notice of Termination (and, if such earlier Date of Termination is so required, it shall not change the basis for Executive's termination nor be construed or interpreted as a termination of employment pursuant to Section 3.1 or Section 3.2).

3.4 Deemed Resignations. Unless otherwise agreed to in writing by the Company and Executive prior to the termination of Executive's employment, any termination of Executive's employment shall constitute (a) an automatic resignation of Executive as an officer of the Company and each affiliate of the Company and (b) an automatic resignation of Executive from the Board (if applicable), from the board of directors of any affiliate of the Company and from the board of directors or similar governing body of any corporation, limited liability entity or other entity in which the Company or any affiliate holds an equity interest and with respect to which board or similar governing body Executive serves as the Company's or such affiliate's designee or other representative.

3.5 Meaning of Termination of Employment. For all purposes of this Agreement, Executive shall be considered to have terminated employment with the Company when Executive incurs a "separation from service" with the Company within the meaning of section 409A(a)(2)(A)(i) of the Code and applicable administrative guidance issued thereunder; provided, however, that whether such a separation from service has occurred shall be determined based upon a reasonably anticipated permanent reduction in the level of bona fide services to be performed to no more than 49% of the average level of bona fide services provided in the immediately preceding 36 months.

ARTICLE IV
COMPENSATION AND BENEFITS

4.1 Base Salary. During the term of this Agreement, Executive shall receive a minimum, annualized base salary of $300,000 (the "***Base Salary***"). Executive's annualized base salary shall be reviewed at least annually by the Company and, in the sole discretion of the Company, such annualized base salary may be increased (but not decreased) effective as of any date determined by the Company; provided, however, the Company may decrease Executive's Base Salary by up to 10% as part of similar reductions applicable to all of the Company's executive officers. Executive's Base Salary shall be paid in substantially equal installments in accordance with the Company's standard policy regarding payment of compensation to executives but no less frequently than monthly.

4.2 Bonuses. For calendar year 2010, Executive shall participate in the annual cash incentive bonus program in which he was participating as of the Effective Date, subject to the terms and conditions of that program as may exist from time to time. For calendar years after 2010, Executive shall be eligible to participate in the Company's annual cash incentive bonus program, which will provide for a potential annual, calendar-year bonus based on criteria determined in the discretion of the Company (the "***Annual Bonus***"), it being understood that the target bonus at planned or targeted levels of performance and the actual amount of each Annual Bonus shall be determined in the discretion of the Company. The Company shall use commercially reasonable efforts to pay each Annual Bonus with respect to a calendar year on or before March 15 of the following calendar year (and in no event shall an Annual Bonus be paid after December 31 of the following calendar year); provided, however, that (except as otherwise provided in Section 7.1(b)) Executive will be entitled to receive payment of such Annual Bonus only if Executive is employed by the Company on such date of payment.

4.3 Other Benefits. During Executive's employment hereunder, Executive shall be eligible to participate in all benefit plans and programs of the Company, including improvements or modifications of the same, which are now, or may hereafter be, available to other senior executives of the Company. The Company shall not, however, by reason of this Section 4.3, be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any such benefit plan or program, so long as such changes are similarly applicable to other senior executives generally.

4.4 Expenses. The Company shall reimburse Executive for all reasonable business expenses incurred by Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company; provided, in each case, that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company. Any such reimbursement of expenses shall be made by the Company upon or as soon as practicable following receipt of supporting documentation reasonably satisfactory to the Company (but in any event not later than the close of Executive's taxable year following the taxable year in which the expense is incurred by Executive); provided, however, that, upon Executive's termination of

employment with the Company, in no event shall any additional reimbursement be made prior to the Section 409A Payment Date to the extent such payment delay is required under section 409A(a)(2)(B)(i) of the Code. In no event shall any reimbursement be made to Executive for such fees and expenses after the later of (a) the first anniversary of the date of Executive's death or (b) the date that is five years after the date of Executive's termination of employment with the Company (other than by reason of Executive's death).

4.5 Vacation and Sick Leave. During Executive's employment hereunder, Executive shall be entitled to (a) sick leave in accordance with the Company's policies applicable to its senior executives and (b) four weeks paid vacation each calendar year (none of which may be carried forward to a succeeding year).

4.6 Offices. Subject to Articles II, III, and IV hereof, Executive agrees to serve without additional compensation, if elected or appointed thereto, as a director of the Company or any of the Company's affiliates and as a member of any committees of the board of directors of any such entities, and in one or more executive positions of any of the Company's affiliates.

ARTICLE V
PROTECTION OF INFORMATION

5.1 Disclosure to and Property of the Company. For purposes of this Article V, the term "the Company" shall include the Company and any of its affiliates, and any reference to "employment" or similar terms shall include a director and/or consulting relationship. All information, trade secrets, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed, disclosed to or acquired by Executive, individually or in conjunction with others, during the period of Executive's employment by the Company (whether during business hours or otherwise and whether on the Company's premises or otherwise) that relate to the Company's or any of its affiliates' businesses, trade secrets, products or services (including, without limitation, all such information relating to corporate opportunities, strategies, business plans, product specifications, compositions, manufacturing and distribution methods and processes, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or production, marketing and merchandising techniques, prospective names and marks) and all writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "***Confidential Information***") shall be disclosed to the Company and are and shall be the sole and exclusive property of the Company or its affiliates, as applicable. Moreover, all documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, E-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "***Work Product***") are and shall be the sole and exclusive property of the Company (or its affiliates). Executive agrees to perform all actions reasonably requested by the Company or its affiliates to establish and confirm such exclusive ownership. Upon termination of Executive's employment with the Company, for any reason, Executive promptly shall deliver such Confidential Information and Work Product, and all copies thereof, to the Company.

5.2 Disclosure to Executive. The Company shall disclose to Executive and place Executive in a position to have access to or develop Confidential Information and Work Product of the Company (or its affiliates); and shall entrust Executive with business opportunities of the Company (or its affiliates); and shall place Executive in a position to develop business good will on behalf of the Company (or its affiliates).

5.3 No Unauthorized Use or Disclosure. Executive agrees to preserve and protect the confidentiality of all Confidential Information and Work Product of the Company and its affiliates. Executive agrees that Executive will not, at any time during or after Executive's employment with the Company, make any unauthorized disclosure of, and Executive shall not remove from the Company premises, Confidential Information or Work Product of the Company or its affiliates, or make any use thereof, except, in each case, in the carrying out of Executive's responsibilities hereunder. Executive shall use all reasonable efforts to cause all persons or entities to whom any Confidential Information shall be disclosed by Executive hereunder to preserve and protect the confidentiality of such Confidential Information. Executive shall have no obligation hereunder to keep confidential any Confidential Information if and to the extent disclosure thereof is specifically required by law; provided, however, that in the event disclosure is required by applicable law, Executive shall provide the Company with prompt notice of such requirement prior to making any such disclosure, so that the Company may seek an appropriate protective order. At the request of the Company at any time, Executive agrees to deliver to the Company all Confidential Information that Executive may possess or control. Executive agrees that all Confidential Information of the Company (whether now or hereafter existing) conceived, discovered or made by Executive during the period of Executive's employment by the Company exclusively belongs to the Company (and not to Executive), and upon request by the Company for specified Confidential Information, Executive will promptly disclose such Confidential Information to the Company and perform all actions reasonably requested by the Company to establish and confirm such exclusive ownership. Affiliates of the Company shall be third party beneficiaries of Executive's obligations under this Article V. As a result of Executive's employment by the Company, Executive may also from time to time have access to, or knowledge of, Confidential Information or Work Product of third parties, such as customers, suppliers, partners, joint venturers, and the like, of the Company and its affiliates. Executive also agrees to preserve and protect the confidentiality of such third party Confidential Information and Work Product.

5.4 Ownership by the Company. If, during Executive's employment by the Company, Executive creates any work of authorship fixed in any tangible medium of expression that is the subject matter of copyright (such as videotapes, written presentations, or acquisitions, computer programs, E-mail, voice mail, electronic databases, drawings, maps, architectural renditions, models, manuals, brochures, or the like) relating to the Company's business, products, or services, whether such work is created solely by Executive or jointly with others (whether during business hours or otherwise and whether on the Company's premises or otherwise), including any Work Product, the Company shall be deemed the author of such work if the work is prepared by Executive in the scope of Executive's employment; or, if the work relating to the Company's business, products, or services is not prepared by Executive within the

scope of Executive's employment but is specially ordered by the Company as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, or as an instructional text, then the work shall be considered to be work made for hire and the Company shall be the author of the work. If the work relating to the Company's business, products, or services is neither prepared by Executive within the scope of Executive's employment nor a work specially ordered that is deemed to be a work made for hire during Executive's employment by the Company, then Executive hereby agrees to assign, and by these presents does assign, to the Company all of Executive's worldwide right, title, and interest in and to such work and all rights of copyright therein.

5.5 Assistance by Executive. During the period of Executive's employment by the Company, Executive shall assist the Company and its nominee, at any time, in the protection of the Company's or its affiliates' worldwide right, title and interest in and to Confidential Information and Work Product and the execution of all formal assignment documents requested by the Company or its nominee(s) and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries. After Executive's employment with the Company terminates, at the request from time to time and expense of the Company or its affiliates, Executive shall assist the Company or its nominee(s) in the protection of the Company's or its affiliates' worldwide right, title and interest in and to Confidential Information and Work Product and the execution of all formal assignment documents requested by the Company or its nominee and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries.

5.6 Remedies. Executive acknowledges that money damages would not be a sufficient remedy for any breach of this Article V by Executive, and the Company or its affiliates shall be entitled to enforce the provisions of this Article V by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article V but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive's agents. However, if it is determined that Executive has not committed a breach of this Article V, then the Company shall resume the payments and benefits due under this Agreement and pay to Executive and Executive's spouse, if applicable, all payments and benefits that had been suspended pending such determination.

ARTICLE VI
STATEMENTS CONCERNING THE COMPANY

6.1 Statements Concerning the Company. Executive shall refrain, both during and after the termination of the employment relationship, from publishing any oral or written statements about the Company, any of its affiliates or any of the Company's or such affiliates' directors, officers, employees, consultants, agents or representatives that (a) are slanderous, libelous or defamatory, (b) disclose Confidential Information of the Company, any of its affiliates or any of the Company's or any such affiliates' business affairs, directors, officers, employees, consultants, agents or representatives, or (c) place the Company, any of its affiliates, or any of the Company's or any such affiliates' directors, officers, employees, consultants, agents or representatives in a false light before the public. A violation or threatened violation of this prohibition may be enjoined by the courts. The rights afforded the Company and its affiliates under this provision are in addition to any and all rights and remedies otherwise afforded by law.

ARTICLE VII
EFFECT OF TERMINATION OF EMPLOYMENT ON COMPENSATION

7.1 Effect of Termination of Employment on Compensation.

(a) If Executive's employment hereunder shall terminate at the expiration of the term provided in Section 3.1 because Executive provided written notice of non-renewal to the Company, for any reason described in Section 3.2(a), 3.2(b), or 3.2(c) or pursuant to Executive's resignation for other than Good Reason, then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that Executive shall be entitled to (i) payment of all accrued and unpaid Base Salary to the Date of Termination, (ii) reimbursement for all incurred but unreimbursed expenses for which Executive is entitled to reimbursement in accordance with Section 4.4, (iii) payment of all accrued and unused paid vacation for the calendar year in which the Date of Termination occurs, and (iv) benefits to which Executive is entitled under the terms of any applicable benefit plan or program.

(b) If Executive's employment hereunder shall terminate at expiration of the term provided in Section 3.1 because the Company provided written notice of non-renewal to Executive, pursuant to Executive's resignation for Good Reason or by action of the Company pursuant to Section 3.2 for any reason other than those encompassed by Section 3.2(a), 3.2(b), or 3.2(c), then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that (i) Executive shall be entitled to receive the compensation and benefits described in clauses (i) through (iv) of Section 7.1(a) and (ii) if, on the Date of Termination, the Company does not have a right to terminate Executive's employment under Section 3.2(a), 3.2(b), or 3.2(c) and subject to Executive's delivery, within 50 days after the Date of Termination, and non-revocation of an executed release substantially in the form of the release contained at Appendix B (the "***Release***"), Executive shall receive the following additional compensation and benefits from the Company (but no other additional compensation or benefits after such termination):

(A) the Company shall pay to Executive any unpaid Annual Bonus for the calendar year ending prior to the Date of Termination, which amount shall be payable in a lump-sum on the date such annual bonuses are paid to executives who have continued employment with the Company (but in no event earlier than 60 days after the Date of Termination (or, if earlier, the December 31 next following such calendar year) nor later than the December 31 next following such calendar year);

(B) the Company shall pay to Executive a bonus for the calendar year in which the Date of Termination occurs in an amount equal to the Annual Bonus for such year as determined in good faith by the Board in accordance with the criteria established pursuant to Section 4.2 and based on the

Company's performance for such year, which amount shall be prorated through and including the Date of Termination (based on the ratio of the number of days Executive was employed by the Company during such year to the number of days in such year), payable in a lump-sum on or before the date such annual bonuses are paid to executives who have continued employment with the Company (but in no event earlier than 60 days after the Date of Termination nor later than the May 15 next following such calendar year);

(C) the Company shall pay to Executive an amount equal to the Severance Multiple times the sum of (i) Executive's Base Salary as of the Date of Termination and (ii) 80% of Executive's Base Salary as of the Date of Termination, which amount shall be paid in a lump sum payment on the date that is 60 days after the Date of Termination occurs; and

(D) during the portion, if any, of the 18-month period following the Date of Termination that Executive elects to continue coverage for Executive and Executive's spouse and eligible dependents, if any, under the Company's group health plans under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA), and/or sections 601 through 608 of the Employee Retirement Income Security Act of 1974, as amended, the Company shall promptly reimburse Executive on a monthly basis for the difference between the amount Executive pays to effect and continue such coverage and the employee contribution amount that active senior executive employees of the Company pay for the same or similar coverage under such group health plans.

Notwithstanding the time of payment provisions of Section 7.1(b)(ii)(B) above, if Executive is a specified employee (as such term is defined in section 409A of the Code and as determined by the Company in accordance with any method permitted under section 409A of the Code) and the payment of the amount described in such Section would be subject to additional taxes and interest under section 409A of the Code because the timing of such payment is not delayed as provided in section 409A(a)(2)(B)(i) of the Code and the regulations thereunder, then such amount (together with interest on a non-compounded basis, from the date such payment would have been made had this payment delay not applied to the actual date of payment, at the prime rate of interest announced by Wells Fargo Bank, National Association (or any successor thereto) at its principal office in Charlotte, North Carolina on the date of Executive's termination of employment (or the first business day following such date if such termination does not occur on a business day)) shall be paid within five business days after the Section 409A Payment Date.

ARTICLE VIII
NON-COMPETITION AGREEMENT

8.1 Definitions. As used in this Article VIII, the following terms shall have the following meanings:

"***Business***" means (a) during the period of Executive's employment by the Company, the design, manufacture and supply of products and services for the oil and gas industry provided by the Company and its subsidiaries during such period and other products and services that are functionally equivalent to the foregoing, and (b) during the portion of the Prohibited Period that begins on the termination of Executive's employment with the Company, the design, manufacture and supply of products and services for the oil and gas industry provided by the Company and its subsidiaries at the time of such termination of employment (or, if earlier, at the time immediately preceding the date upon which a Change in Control occurs) and other products and services that are functionally equivalent to the foregoing.

"***Competing Business***" means any business, individual, partnership, firm, corporation or other entity (other than an affiliate of the Company, L. E. Simmons & Associates, Inc. ("***LESA***") and its affiliates, or another entity in which SCF-V, L.P., a Delaware limited partnership, SCF-VI, L.P., a Delaware limited partnership, and SCF-VII, L.P., a Delaware limited partnership, or any future limited partnership established by an affiliate of LESA has an ownership interest) which wholly or in any significant part engages in any business competing with the Business in the Restricted Area. In no event will the Company or any of its subsidiaries be deemed a Competing Business.

"***Governmental Authority***" means any governmental, quasi-governmental, state, county, city or other political subdivision of the United States or any other country, or any agency, court or instrumentality, foreign or domestic, or statutory or regulatory body thereof.

"***Legal Requirement***" means any law, statute, code, ordinance, order, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, authorization, or other directional requirement (including, without limitation, any of the foregoing that relates to environmental standards or controls, energy regulations and occupational, safety and health standards or controls including those arising under environmental laws) of any Governmental Authority.

"***Prohibited Period***" means the period during which Executive is employed by the Company hereunder and a period of two years following the end of Executive's employment with the Company.

"***Restricted Area***" means any geographical area within 100 miles in which the Company and its subsidiaries engage in the Business during the period during which Executive is employed hereunder, which such area includes, without limitation, the parishes in Louisiana set forth on Appendix C hereto.

8.2 Non-Competition; Non-Solicitation. Executive and the Company agree to the non-competition and non-solicitation provisions of this Article VIII in consideration for the Confidential Information provided by the Company to Executive pursuant to Article V of this Agreement, to protect the trade secrets and confidential information of the Company or its affiliates disclosed or entrusted to Executive by the Company or its affiliates or created or developed by Executive for the Company or its affiliates, to protect the business goodwill of the Company or its affiliates developed through the efforts of Executive and/or the business opportunities disclosed or entrusted to Executive by the Company or its affiliates and as an additional incentive for the Company to enter into this Agreement.

(a) Subject to the exceptions set forth in Section 8.2(b) below, Executive expressly covenants and agrees that during the Prohibited Period (i) Executive will refrain from carrying on or engaging in, directly or indirectly, any Competing Business in the Restricted Area and (ii) Executive will not, and Executive will cause Executive's affiliates not to, directly or indirectly, own, manage, operate, join, become an employee of, partner in, owner or member of (or an independent contractor to), control or participate in, be connected with or loan money to, sell or lease equipment or property to, or otherwise be affiliated with any business, individual, partnership, firm, corporation or other entity which engages in a Competing Business in the Restricted Area, as Executive expressly agrees that each of the foregoing activities would represent carrying on or engaging in a Competitive Business, as prohibited by this Section 8.2(a).

(b) Notwithstanding the restrictions contained in Section 8.2(a), Executive or any of Executive's affiliates may own an aggregate of not more than 2% of the outstanding stock of any class of any corporation engaged in a Competing Business, if such stock is listed on a national securities exchange or regularly traded in the over-the-counter market by a member of a national securities exchange, without violating the provisions of Section 8.2(a), provided that neither Executive nor any of Executive's affiliates has the power, directly or indirectly, to control or direct the management or affairs of any such corporation and is not involved in the management of such corporation.

(c) Executive further expressly covenants and agrees that during the Prohibited Period, Executive will not, and Executive will cause Executive's affiliates not to (i) engage or employ, or solicit or contact with a view to the engagement or employment of, or recommend or refer to any person or entity (other than the Company or one of its affiliates) for engagement or employment any person who is an officer or employee of the Company or any of its affiliates or (ii) canvass, solicit, approach or entice away or cause to be canvassed, solicited, approached or enticed away from the Company or any of its affiliates any person or entity who or which is a customer of any of such entities during the period during which Executive is employed by the Company.

(d) The restrictions contained in Section 8.2 shall not apply to any product or service that the Company provided during Executive's employment but that the Company no longer provides at the Date of Termination. Further, notwithstanding the other provisions of this Section 8.2, within the State of Oklahoma, the restrictions of Sections 8.2(a) and 8.2(c)(ii) shall be limited to preventing Executive from directly soliciting the sale of goods, services or a combination of goods and services from any established customer of the Company, as may exist from time-to-time.

(e) Before accepting employment with any other person or entity while employed by the Company or during the Prohibited Period, the Executive will inform such person or entity of the restrictions contained in this Article VIII.

8.3 Relief. Executive and the Company agree and acknowledge that the limitations as to time, geographical area and scope of activity to be restrained as set forth in Section 8.2 are reasonable and do not impose any greater restraint than is necessary to protect the legitimate business interests of the Company. Executive and the Company also acknowledge that money damages would not be sufficient remedy for any breach of this Article VIII by Executive, and the Company or its affiliates shall be entitled to enforce the provisions of this Article VIII by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article VIII but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive's agents. However, if it is determined that Executive has not committed a breach of this Article VIII, then the Company shall resume the payments and benefits due under this Agreement and pay to Executive all payments and benefits that had been suspended pending such determination.

8.4 Reasonableness; Enforcement. Executive hereby represents to the Company that Executive has read and understands, and agrees to be bound by, the terms of this Article VIII. Executive acknowledges that the geographic scope and duration of the covenants contained in this Article VIII are the result of arm's-length bargaining and are fair and reasonable in light of (a) the nature and wide geographic scope of the operations of the Business, (b) Executive's level of control over and contact with the Business in all jurisdictions in which it is conducted, (c) the fact that the Business is conducted throughout the Restricted Area and (d)the amount of Confidential Information that Executive is receiving in connection with the performance of Executive's duties hereunder. It is the desire and intent of the parties that the provisions of this Article VIII be enforced to the fullest extent permitted under applicable Legal Requirements, whether now or hereafter in effect and therefore, to the extent permitted by applicable Legal Requirements, Executive and the Company hereby waive any provision of applicable Legal Requirements that would render any provision of this Article VIII invalid or unenforceable.

8.5 Reformation. The Company and Executive agree that the foregoing restrictions are reasonable under the circumstances and that any breach of the covenants contained in this Article VIII would cause irreparable injury to the Company. Executive understands that the foregoing restrictions may limit Executive's ability to engage in certain businesses anywhere in the Restricted Area during the Prohibited Period, but acknowledges that Executive will receive sufficient consideration from the Company to justify such restriction. Further, Executive acknowledges that Executive's skills are such that Executive can be gainfully employed in non-competitive employment, and that the agreement not to compete will not prevent Executive from earning a living. Nevertheless, if any of the aforesaid restrictions are found by a court of competent jurisdiction to be unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, the parties intend for the restrictions herein set forth to be modified by the court making such determination so as to be reasonable and enforceable and, as so modified, to be fully enforced. By agreeing to this contractual modification prospectively at this time, the Company and Executive intend to make this provision enforceable under the law or laws of all applicable States, Provinces and other jurisdictions so that the entire agreement not to compete and this Agreement as prospectively modified shall remain in full force and effect and shall not be rendered void or illegal. Such modification shall not affect the payments made to Executive under this Agreement.

ARTICLE IX
DISPUTE RESOLUTION

9.1 Arbitration. All claims or disputes between Executive and the Company or its parents, subsidiaries and affiliates (including, without limitation, claims relating to the validity, scope, and enforceability of this Article IX and claims arising under any federal, state or local law regarding the terms and conditions of employment or prohibiting discrimination in employment or governing the employment relationship in any way) shall be submitted for final and binding arbitration in Houston, Texas in accordance with the then-applicable rules for resolution of employment disputes of the American Arbitration Association ("***AAA***"). The arbitration shall be conducted by a single arbitrator chosen pursuant to the then-applicable rules for resolution of employment disputes of the AAA, and the Company shall bear the costs of such arbitration. For the avoidance of doubt, the Company's assumption of costs referenced in the previous sentence applies to the costs of the AAA only, and does not include attorney or expert fees or other fees or costs incurred by Executive. The arbitrator shall apply the substantive law of the State of Texas (excluding Texas choice-of-law principles that might call for the application of some other state's law), or federal law, or both as applicable to the claims asserted. The results of the arbitration and the decision of the arbitrator will be final and binding on the parties and each party agrees and acknowledges that these results shall be enforceable in a court of law. No demand for arbitration may be made after the date when the institution of legal or equitable proceedings based on such claim or dispute would be barred by the applicable statute(s) of limitations. In the event either party must resort to the judicial process to enforce the provisions of this Agreement, the award of an arbitrator or equitable relief granted by an arbitrator, the party successfully seeking enforcement shall be entitled to recover from the other party all costs of such litigation including, but not limited to, reasonable attorneys fees and court costs. To the fullest extent permitted by law, all proceedings conducted pursuant to this agreement to arbitrate, including any order, decision or award of the arbitrator, shall be kept confidential by all parties. Notwithstanding the foregoing, Executive and the Company further acknowledge and agree that a court of competent jurisdiction residing in Houston, Texas shall have the power to maintain the status quo pending the arbitration of any dispute under this Article IX, and this Article IX shall not require the arbitration of any application for emergency, temporary or preliminary injunctive relief (including temporary restraining orders) by either party pending arbitration, including, without limitation, any application for emergency, temporary or preliminary injunctive relief for any claim arising out of Article V or Article VIII of this Agreement; provided, however, that the remainder of any such dispute beyond the application for such emergency, temporary or preliminary injunctive relief shall be subject to arbitration under this Article IX. **THE PARTIES ACKNOWLEDGE THAT, BY SIGNING THIS AGREEMENT, THEY ARE KNOWINGLY AND VOLUNTARILY WAIVING ANY RIGHTS THAT THEY MAY HAVE TO A JURY TRIAL OR, EXCEPT AS EXPRESSLY PROVIDED HEREIN, A COURT TRIAL OF ANY CLAIM THAT IS SUBJECT TO THIS ARTICLE IX.**

ARTICLE X
CERTAIN EXCISE TAXES

10.1 Certain Excise Taxes. Notwithstanding anything to the contrary in this Agreement, if Executive is a "disqualified individual" (as defined in section 280G(c) of the Code), and the payments and benefits provided for in this Agreement, together with any other payments and benefits which Executive has the right to receive from the Company or any of its affiliates, would constitute a "parachute payment" (as defined in section 280G(b)(2) of the Code), then the payments and benefits provided for in this Agreement shall be either (a) reduced (but not below zero) so that the present value of such total amounts and benefits received by Executive from the Company and its affiliates will be one dollar ($1.00) less than three times Executive's "base amount" (as defined in section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Executive shall be subject to the excise tax imposed by section 4999 of the Code or (b) paid in full, whichever produces the better net after-tax position to Executive (taking into account any applicable excise tax under section 4999 of the Code and any other applicable taxes). The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in-kind hereunder in a similar order. The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by the Company in good faith. If a reduced payment or benefit is made or provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company (or its affiliates) used in determining if a "parachute payment" exists, exceeds one dollar ($1.00) less than three times Executive's base amount, then Executive shall immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 10.1 shall require the Company to be responsible for, or have any liability or obligation with respect to, Executive's excise tax liabilities under section 4999 of the Code. Notwithstanding the foregoing, if shareholder approval (obtained in a manner that satisfies the requirements of section 280G(b)(5) of the Code) of a payment or benefit to be provided to Executive by the Company or any other person (whether under this Agreement or otherwise) would prevent Executive from receiving a "parachute payment" (as defined in section 280G(b)(2) of the Code), then, upon the request of Executive and his agreement (to the extent necessary) to subject his entitlement to the receipt of such payment or benefit to shareholder approval, the Company shall seek such approval in a manner that satisfies the requirements of section 280G of the Code and the regulations thereunder.

ARTICLE XI
MISCELLANEOUS

11.1 Notices. For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given (a) when received if delivered personally or by courier, (b) on the date receipt is acknowledged if delivered by certified mail, postage prepaid, return receipt requested or (c) one day after transmission if sent by facsimile transmission with confirmation of transmission, as follows:

If to Executive, addressed to:	James W. Harris 8807 W. Sam Houston Pkwy N, Suite 200 Houston, Texas 77040 Facsimile: 713-351-7997
If to the Company, addressed to:	Forum Energy Technologies, Inc. 8807 West Sam Houston Parkway North Suite 200 Houston, Texas 77040 Attention: Chief Executive Officer

or to such other address as either party may furnish to the other in writing in accordance herewith, except that notices or changes of address shall be effective only upon receipt.

11.2 Applicable Law; Submission to Jurisdiction.

(a) This Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Texas, without regard to conflicts of laws principles thereof.

(b) With respect to any claim or dispute related to or arising under this Agreement, the parties hereto hereby consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Harris County, Texas.

11.3 No Waiver. No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

11.4 Severability. If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect.

11.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

11.6 Withholding of Taxes and Other Employee Deductions. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city and other taxes and withholdings as may be required pursuant to any law or governmental regulation or ruling and all other customary deductions made with respect to the Company's employees generally.

11.7 Headings. The Section headings have been inserted for purposes of convenience and shall not be used for interpretive purposes.

11.8 Gender and Plurals. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely.

11.9 Affiliate and Subsidiary. As used in this Agreement, (a) the term "***affiliate***" as used with respect to a particular person or entity shall mean any other person or entity which owns or controls, is owned or controlled by, or is under common ownership or control with, such particular person or entity and (b) the term ***"subsidiary"*** as used with respect to a particular entity shall mean a direct or indirect subsidiary of such entity.

11.10 Successors. This Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company. Except as provided in the preceding sentence, this Agreement, and the rights and obligations of the parties hereunder, are personal and neither this Agreement, nor any right, benefit or obligation of either party hereto, shall be subject to voluntary or involuntary assignment, alienation or transfer, whether by operation of law or otherwise, without the prior written consent of the other party. In addition, any payment owed to Executive hereunder after the date of Executive's death shall be paid to Executive's estate.

11.11 Term. Termination of this Agreement shall not affect any right or obligation of any party which is accrued or vested prior to such termination. Without limiting the scope of the preceding sentence, the provisions of Articles V, VI, VII, VIII and IX shall survive any termination of the employment relationship and/or of this Agreement.

11.12 Entire Agreement. Except as provided in any signed written agreement contemporaneously or hereafter executed by the Company and Executive, this Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to employment of Executive by the Company. Without limiting the scope of the preceding sentence, all understandings and agreements preceding the date of execution of this Agreement and relating to the subject matter hereof including, without limitation, any prior employment agreement between Executive and the Company or an affiliate, are hereby null and void and of no further force and effect.

11.13 Modification; Waiver. Any modification to or waiver of this Agreement will be effective only if it is in writing and signed by the parties to this Agreement.

11.14 Actions by the Board. Any and all determinations or other actions required of the Board hereunder that relate specifically to Executive's employment by the Company or the terms and conditions of such employment shall be made by the members of the Board other than Executive if Executive is a member of the Board, and Executive shall not have any right to vote or decide upon any such matter.

11.15 Executive's Representations and Warranties. Executive represents and warrants to the Company that (a) Executive does not have any agreements with Executive's prior employer that will prohibit Executive from working for the Company or fulfilling Executive's duties and obligations to the Company pursuant to this Agreement and (b) Executive has complied with all duties imposed on Executive with respect to Executive's former employer, e.g., Executive does not possess any tangible property belonging to Executive's former employer.

11.16 Delayed Payment Restriction. Notwithstanding any provision in this Agreement to the contrary, if any payment or benefit provided for herein would be subject to additional taxes and interest under section 409A of the Code if Executive's receipt of such payment or benefit is not delayed until the Section 409A Payment Date, then such payment or benefit shall not be provided to Executive (or Executive's estate, if applicable) until the Section 409A Payment Date.

[Signatures begin on next page.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of August 2, 2010.

FORUM ENERGY TECHNOLOGIES, INC.

By: /s/ C. Christopher Gaut
Name: C. Christopher Gaut
Title: President and Chief Executive Officer

JAMES W. HARRIS

/s/ James W. Harris

APPENDIX A

PERMITTED ACTIVITIES

As of the Effective Date, Executive is serving on the board of directors or similar governing body of the following entities:

None.

APPENDIX B

RELEASE AGREEMENT

This Release Agreement (this "***Agreement***") constitutes the release referred to in that certain Employment Agreement (the "***Employment Agreement***") dated as of August 2, 2010, by and between James W. Harris ("***Executive***") and Forum Energy Technologies, Inc., a Delaware corporation (the "***Company***").

1. **General Release**.

(a) For good and valuable consideration, including the Company's provision of certain payments and benefits to Executive in accordance with Section 7.1(b)(ii) of the Employment Agreement, Executive hereby releases, discharges and forever acquits the Company, its affiliates and subsidiaries, the past, present and future stockholders, members, partners, directors, managers, employees, agents, attorneys, heirs, legal representatives, successors and assigns of the foregoing, as well as all employee benefit plans maintained by the Company or any of its affiliates or subsidiaries and all fiduciaries and administrators of any such plan, in their personal and representative capacities (collectively, the "***Company Parties***"), from liability for, and hereby waives, any and all claims, rights, damages, or causes of action of any kind related to Executive's employment with any Company Party, the termination of such employment, and any other acts or omissions related to any matter on or prior to the date of this Agreement (collectively, the "***Released Claims***").

(b) The Released Claims include without limitation those arising under or related to: (i) the Age Discrimination in Employment Act of 1967; (ii) Title VII of the Civil Rights Act of 1964; (iii) the Civil Rights Act of 1991; (iv) sections 1981 through 1988 of Title 42 of the United States Code; (v) the Employee Retirement Income Security Act of 1974, including, but not limited to, sections 502(a)(1)(A), 502(a)(1)(B), 502(a)(2), and 502(a)(3) to the extent the release of such claims is not prohibited by applicable law; (vi) the Immigration Reform Control Act; (vii) the Americans with Disabilities Act of 1990; (viii) the National Labor Relations Act; (ix) the Occupational Safety and Health Act; (x) the Family and Medical Leave Act of 1993; (xi) any state or federal anti-discrimination law; (xii) any state or federal wage and hour law; (xiii) any other local, state or federal law, regulation or ordinance; (xiv) any public policy, contract, tort, or common law; (xv) costs, fees, or other expenses including attorneys' fees incurred in these matters; (xvi) any employment contract, incentive compensation plan or stock option plan with any Company Party or to any ownership interest in any Company Party except as expressly provided in the Employment Agreement and any stock option or other equity compensation agreement between Executive and the Company; and (xvii) compensation or benefits of any kind not expressly set forth in the Employment Agreement or any such stock option or other equity compensation agreement.

(c) In no event shall the Released Claims include (i) any claim which arises after the date of this Agreement, or (ii) any claims for the payments and benefits payable to Executive under Section 7.1(b)(ii) of the Employment Agreement.

(d) Notwithstanding this release of liability, nothing in this Agreement prevents Executive from filing any non-legally waivable claim (including a challenge to the validity of this Agreement) with the Equal Employment Opportunity Commission ("***EEOC***") or comparable state or local agency or participating in any investigation or proceeding conducted by the EEOC or comparable state or local agency; however, Executive understands and agrees that Executive is waiving any and all rights to recover any monetary or personal relief or recovery as a result of such EEOC, or comparable state or local agency proceeding or subsequent legal actions.

(e) This Agreement is not intended to indicate that any such claims exist or that, if they do exist, they are meritorious. Rather, Executive is simply agreeing that, in exchange for the consideration recited in the first sentence of Section 1(a) of this Agreement, any and all potential claims of this nature that Executive may have against the Company Parties, regardless of whether they actually exist, are expressly settled, compromised and waived.

(f) By signing this Agreement, Executive is bound by it. Anyone who succeeds to Executive's rights and responsibilities, such as heirs or the executor of Executive's estate, is also bound by this Agreement. This release also applies to any claims brought by any person or agency or class action under which Executive may have a right or benefit. **THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF THE COMPANY PARTIES.**

2. **Covenant Not to Sue; Executive's Representation**. Executive agrees not to bring or join any lawsuit against any of the Company Parties in any court relating to any of the Released Claims. Executive represents that Executive has not brought or joined any claim, lawsuit or arbitration against any of the Company Parties in any court or before any administrative agency or arbitral authority and has made no assignment of any rights Executive has asserted or may have against any of the Company Parties to any person or entity, in each case, with respect to any Released Claims. Executive expressly represents that, as of the date Executive executes this Agreement, Executive has been provided all leaves (paid and unpaid) and paid all wages and compensation owed to Executive by the Company Parties with the exception of all payments owed as a condition of Executive's executing (and not revoking) this Agreement.

3. **Acknowledgments**. By executing and delivering this Agreement, Executive acknowledges that:

(a) Executive has carefully read this Agreement;

(b) Executive has had at least [twenty-one (21)] [forty-five (45)] days to consider this Agreement before the execution and delivery hereof to the Company [Add if 45 days applies: , and Executive acknowledges that attached to this Agreement is a list of (i) the job titles and ages of all employees selected for participation in the employment termination or exit incentive program pursuant to which Executive is being offered this Agreement, (ii) the job titles and ages of all employees in the same job classification or organizational unit who were not selected for participation in the program, and (iii) information about the unit affected by the program, including any eligibility factors for such program and any time limits applicable to such program];

(c) Executive has been and hereby is advised in writing that Executive may, at Executive's option, discuss this Agreement with an attorney of Executive's choice and that Executive has had adequate opportunity to do so; and

(d) Executive fully understands the final and binding effect of this Agreement; the only promises made to Executive to sign this Agreement are those stated in the Employment Agreement and herein; and Executive is signing this Agreement voluntarily and of Executive's own free will, and that Executive understands and agrees to each of the terms of this Agreement.

4. **Revocation Right**. Executive may revoke this Agreement within the seven day period beginning on the date Executive signs this Agreement (such seven day period being referred to herein as the "***Release Revocation Period***"). To be effective, such revocation must be in writing signed by Executive and must be delivered to the Chief Executive Officer of the Company before 11:59 p.m., Houston, Texas time, on the last day of the Release Revocation Period. This Agreement is not effective, and no consideration shall be paid to Executive, until the expiration of the Release Revocation Period without Executive's revocation. If an effective revocation is delivered in the foregoing manner and timeframe, this Agreement shall be of no force or effect and shall be null and void ab initio.

Executed on this __ day of ____, ____.

JAMES W. HARRIS

STATE OF _____ §

§

COUNTY OF _____ §

BEFORE ME, the undersigned authority personally appeared James W. Harris, by me known or who produced valid identification as described below, who executed the foregoing instrument and acknowledged before me that he subscribed to such instrument on this __ day of ____, ____.

NOTARY PUBLIC in and for the

State of _____

My Commission Expires: _____

Identification produced:

APPENDIX C

RESTRICTED AREA

The following parishes in the State of Louisiana:

Caddo
Iberia
Lafayette
St. Martin

Exhibit 10.7

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("***Agreement***") is made by and between Forum Energy Technologies, Inc., a Delaware corporation (the "***Company***"), and James McCulloch ("***Executive***").

W I T N E S S E T H:

WHEREAS, Executive has heretofore been employed by the Company; and

WHEREAS, the Company desires to employ Executive on the terms and conditions, and for the consideration, hereinafter set forth and Executive desires to be employed by the Company on such terms and conditions and for such consideration.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, the Company and Executive agree as follows:

ARTICLE I
DEFINITIONS

In addition to the terms defined in the body of this Agreement, for purposes of this Agreement, the following capitalized words shall have the meanings indicated below:

1.1 "***Acquiring Person***" shall mean any individual, entity or group (within the meaning of section 13(d)(3) or 14(d)(2) of the Exchange Act) other than the Initial Stockholders.

1.2 "***Board***" shall mean the Board of Directors of the Company.

1.3 "***Cause***" shall mean a determination by the Company that Executive (a) has engaged in gross negligence or willful misconduct in the performance of Executive's duties with respect to the Company or any of its affiliates, (b) has materially breached any material provision of this Agreement or any written agreement or corporate policy or code of conduct established by the Company or any of its affiliates, (c) has willfully engaged in conduct that is materially injurious to the Company or any of its affiliates, or (d) has been convicted of, pleaded no contest to or received adjudicated probation or deferred adjudication in connection with a felony involving fraud, dishonesty or moral turpitude (or a crime of similar import in a foreign jurisdiction).

1.4 "***Change in Control***" shall mean, as applicable:

(a) Prior to the common stock of the Company becoming Public Stock (including any transaction pursuant to which the common stock of the Company first becomes Public Stock), a "Change in Control" of the Company shall mean, in one transaction or a series of related transactions, (A) a Corporate Transaction or a sale of capital stock of the Company by stockholders of the Company (other than in connection with an Initial Public Offering) with the result immediately after such Corporate Transaction or sale that a single Acquiring Person, together with its affiliates, owns, directly or indirectly, either a greater number of shares of common stock of the Company

(calculated on a fully-diluted basis assuming that all shares of capital stock of the Company that are convertible into common stock of the Company at the then applicable conversion ratio are so converted) than the Initial Stockholders then own or, in the context of a Corporate Transaction in which the Company is not the surviving entity, more voting stock generally entitled to elect directors of such surviving entity (or in the case of a triangular merger, of the parent entity of such surviving entity) than the Initial Stockholders then own, or (B) the Company sells, leases or exchanges all or substantially all of its assets to any Acquiring Person or the dissolution or liquidation of the Company other than, in either case, pursuant to a transaction that complies with clause (b)(iii)(1) of this definition.

(b) After the common stock of the Company becomes Public Stock, a "Change in Control" of the Company shall mean:

(i) The acquisition by any Acquiring Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either (1) the then outstanding shares of common stock of the Company (the ***"Outstanding Company Common Stock"***) or (2) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the ***"Outstanding Company Voting Securities"***); provided, however, that for purposes of this subsection (i) any acquisition by any Acquiring Person pursuant to a transaction which complies with clause (b)(iii)(1) of this definition shall not constitute a Change in Control; or

(ii) Individuals, who, immediately following the time when the common stock of the Company becomes Public Stock, constitute the Board (the ***"Incumbent Board"***) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the time when the common stock of the Company becomes Public Stock whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered for purposes of this definition as though such individual was a member of the Incumbent Board, but excluding, for these purposes, any such individual whose initial assumption of office as a director occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of an Acquiring Person other than the Board; or

(iii) The consummation of a Corporate Transaction unless, following such Corporate Transaction, (1) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the Company (if it be the ultimate parent entity following such Corporate Transaction) or the corporation resulting from such Corporate Transaction (or the ultimate parent entity which as a result of such transaction owns the

Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries), and (2) at least a majority of the members of the board of directors of the ultimate parent entity resulting from such Corporate Transaction were members of the Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Corporate Transaction. For purposes of the foregoing sentence, only (A) shares of common stock and voting securities of the Company, assuming the Company is the ultimate parent entity following such Corporate Transaction, held by a beneficial owner immediately prior to such Corporate Transaction and any additional shares of common stock and voting securities of the Company issuable to such beneficial owner in connection with such Corporate Transaction in respect of the shares of common stock and voting securities of the Company held by such beneficial owner immediately prior to such Corporate Transaction, or (B) shares of common stock and voting securities of the ultimate parent entity following such Corporate Transaction, assuming the Company is not the ultimate parent entity following such Corporate Transaction, issuable to a beneficial owner in respect of the shares of common stock and voting securities of the Company held by such beneficial owner immediately prior to such Corporate Transaction, in either case shall be included in determining whether or not the fifty percent (50%) ownership test in this subsection (iii) has been satisfied.

1.5 "***Code***" shall mean the Internal Revenue Code of 1986, as amended.

1.6 "***Corporate Transaction***" shall mean a reorganization, merger or consolidation of the Company, any of its subsidiaries or sale, lease or other disposition of all or substantially all of the assets of the Company and its subsidiaries, taken as a whole (other than to an entity wholly owned, directly or indirectly, by the Company) or the liquidation or dissolution of the Company.

1.7 "***Date of Termination***" shall mean the date Executive's employment with the Company is considered to have terminated pursuant to Section 3.5.

1.8 "***Exchange Act***" shall mean the Securities Exchange Act of 1934, as amended.

1.9 "***Good Reason***" shall mean the occurrence of any of the following events:

(a) a material diminution in Executive's Base Salary, other than as part of a decrease of up to 10% for all of the Company's executive officers; or

(b) a material diminution in Executive's authority, duties, or responsibilities, excluding a change in management structure primarily affecting reporting responsibility; or

(c) the involuntary relocation of the geographic location of Executive's principal place of employment by more than 75 miles from the location of Executive's principal place of employment as of the Effective Date.

Notwithstanding the foregoing provisions of this Section 1.9 or any other provision in this Agreement to the contrary, any assertion by Executive of a termination of employment for "***Good Reason***" shall not be effective unless all of the following requirements are satisfied: (i)

the condition described in Section 1.9(a), (b) or (c) giving rise to Executive's termination of employment must have arisen without Executive's consent; (ii) Executive must provide written notice to the Company of such condition in accordance with Section 11.1 within 45 days of the initial existence of the condition; (iii) the condition specified in such notice must remain uncorrected for 30 days after receipt of such notice by the Company; and (iv) the date of Executive's termination of employment must occur within 90 days after the initial existence of the condition specified in such notice.

1.10 "***Initial Public Offering***" shall mean the initial underwritten public offering and sale of common stock of the Company on a firm commitment basis after which the common stock of the Company is listed for trading on a national securities exchange registered under section 6(a) of the Exchange Act.

1.11 "***Initial Stockholders***" shall mean the stockholders of the Company as of the date of the Stockholders Agreement and their respective affiliates and Persons who are permitted transferees in accordance with Section 2.2 of the Stockholders Agreement.

1.12 "***Notice of Termination***" shall mean a written notice delivered to the other party indicating the specific termination provision in this Agreement relied upon for termination of Executive's employment and the intended Date of Termination and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

1.13 "***Person***" shall mean any natural person, limited liability company, corporation, limited partnership, general partnership, joint stock company, joint venture, association, company, trust, bank trust company, land trust, business trust, or other organization, whether or not a legal entity, and any government or agency or political subdivision thereof.

1.14 *"Public Stock"* shall mean shares of capital stock (including depositary receipts or depositary shares related to common stock or similar ordinary shares) of any Person that are registered under section 12 of the Exchange Act and listed for trading on a national securities exchange registered under section 6(a) of the Exchange Act.

1.15 "***Section 409A Payment Date***" shall mean the earlier of (a) the date of Executive's death or (b) the date that is six months after the date of termination of Executive's employment with the Company.

1.16 *"Severance Multiple"* shall mean two; provided, however, that the Severance Multiple shall mean three if Executive's employment hereunder shall terminate on or within two years after the occurrence of a Change in Control.

1.17 "***Stockholders Agreement***" shall mean that certain Amended and Restated Stockholders Agreement dated as of August 2, 2010, among the Company and certain of its stockholders, as the same may be amended or restated from time to time.

ARTICLE II
EMPLOYMENT AND DUTIES

2.1 Employment; Effective Date. The Company agrees to employ Executive, and Executive agrees to be employed by the Company, pursuant to the terms of this Agreement beginning as of October 25, 2010 (the "***Effective Date***") and continuing for the period of time set forth in Article III of this Agreement, subject to the terms and conditions of this Agreement.

2.2 Positions. From and after the Effective Date, the Company shall employ Executive in the position of General Counsel of the Company or in such other position or positions as the parties mutually may agree.

2.3 Duties and Services. Executive agrees to serve in the position(s) referred to in Section 2.2 and to perform diligently and to the best of Executive's abilities the duties and services appertaining to such position(s), as well as such additional duties and services appropriate to such position(s) which the parties mutually may agree upon from time to time.

2.4 Other Interests. Executive agrees, during the period of Executive's employment by the Company, to devote substantially all of Executive's business time, energy and best efforts to the business and affairs of the Company and its affiliates. Notwithstanding the foregoing, the parties acknowledge and agree that Executive may (a) engage in and manage Executive's passive personal investments, (b) engage in charitable and civic activities and (c) serve on the board of directors or similar governing body of those entities set forth on Appendix A hereto and any other entity otherwise approved by the Board (or a committee thereof); provided, however, that such activities set forth in Section 2.4(a), (b) and (c) shall be permitted so long as such activities do not conflict with the business and affairs of the Company or interfere with Executive's performance of Executive's duties hereunder.

2.5 Duty of Loyalty. Executive acknowledges and agrees that Executive owes a fiduciary duty of loyalty, fidelity and allegiance to act in the best interests of the Company and to do no act that would injure the business, interests, or reputation of the Company or any of its affiliates. In keeping with these duties, Executive shall make full disclosure to the Company of all business opportunities pertaining to the Company's business and shall not appropriate for Executive's own benefit business opportunities concerning the subject matter of the fiduciary relationship.

ARTICLE III
TERM AND TERMINATION OF EMPLOYMENT

3.1 Term. Unless sooner terminated pursuant to other provisions hereof, the Company agrees to employ Executive for the period beginning on the Effective Date and ending on the second anniversary of the Effective Date (the "***Initial Expiration Date***"); provided, however, that beginning on the Initial Expiration Date, and on each anniversary of the Initial Expiration Date thereafter, if Executive's employment under this Agreement has not been terminated pursuant to Sections 3.2 or 3.3, then said term of employment shall automatically be extended for an additional one-year period unless on or before the date that is 60 days prior to the first day of any such extension period either party gives written notice to the other that no such

automatic extension shall occur, in which case the term of employment shall terminate as of the Initial Expiration Date or the anniversary of the Initial Expiration Date immediately following the giving of such notice, as applicable.

3.2 Company's Right to Terminate. Notwithstanding the provisions of Section 3.1, the Company may terminate Executive's employment under this Agreement at any time for any of the following reasons by providing Executive with a Notice of Termination:

(a) upon Executive being unable to perform Executive's duties or fulfill Executive's obligations under this Agreement by reason of any physical or mental impairment for a continuous period of not less than three months as determined by the Company and certified in writing by a competent medical physician selected by the Company; or

(b) Executive's death; or

(c) for Cause; or

(d) for any other reason whatsoever or for no reason at all, in the sole discretion of the Company.

3.3 Executive's Right to Terminate. Notwithstanding the provisions of Section 3.1, Executive shall have the right to terminate Executive's employment under this Agreement for Good Reason or for any other reason whatsoever or for no reason at all, in the sole discretion of Executive, by providing the Company with a Notice of Termination. In the case of a termination of employment by Executive pursuant to this Section 3.3, the Date of Termination specified in the Notice of Termination shall not be less than 15 nor more than 60 days from the date such Notice of Termination is given, and the Company may require a Date of Termination earlier than that specified in the Notice of Termination (and, if such earlier Date of Termination is so required, it shall not change the basis for Executive's termination nor be construed or interpreted as a termination of employment pursuant to Section 3.1 or Section 3.2).

3.4 Deemed Resignations. Unless otherwise agreed to in writing by the Company and Executive prior to the termination of Executive's employment, any termination of Executive's employment shall constitute (a) an automatic resignation of Executive as an officer of the Company and each affiliate of the Company and (b) an automatic resignation of Executive from the Board (if applicable), from the board of directors of any affiliate of the Company and from the board of directors or similar governing body of any corporation, limited liability entity or other entity in which the Company or any affiliate holds an equity interest and with respect to which board or similar governing body Executive serves as the Company's or such affiliate's designee or other representative.

3.5 Meaning of Termination of Employment. For all purposes of this Agreement, Executive shall be considered to have terminated employment with the Company when Executive incurs a "separation from service" with the Company within the meaning of section 409A(a)(2)(A)(i) of the Code and applicable administrative guidance issued thereunder; provided, however, that whether such a separation from service has occurred shall be determined based upon a reasonably anticipated permanent reduction in the level of bona fide services to be

performed to no more than 49% of the average level of bona fide services provided in the immediately preceding 36 months.

ARTICLE IV
COMPENSATION AND BENEFITS

4.1 Base Salary. During the term of this Agreement, Executive shall receive a minimum, annualized base salary of $285,000 (the "***Base Salary***"). Executive's annualized base salary shall be reviewed at least annually by the Company and, in the sole discretion of the Company, such annualized base salary may be increased (but not decreased) effective as of any date determined by the Company; provided, however, the Company may decrease Executive's Base Salary by up to 10% as part of similar reductions applicable to all of the Company's executive officers. Executive's Base Salary shall be paid in substantially equal installments in accordance with the Company's standard policy regarding payment of compensation to executives but no less frequently than monthly.

4.2 Bonuses. For calendar years beginning after the Effective Date of this Agreement Executive shall be eligible to participate in the Company's annual cash incentive bonus program, which will provide for a potential annual, calendar-year bonus based on criteria determined in the discretion of the Company (the "***Annual Bonus***"), it being understood that the target bonus at planned or targeted levels of performance and the actual amount of each Annual Bonus shall be determined in the discretion of the Company. The Company shall use commercially reasonable efforts to pay each Annual Bonus with respect to a calendar year on or before March 15 of the following calendar year (and in no event shall an Annual Bonus be paid after December 31 of the following calendar year); provided, however, that (except as otherwise provided in Section 7.1(b)) Executive will be entitled to receive payment of such Annual Bonus only if Executive is employed by the Company on such date of payment.

4.3 Other Benefits. During Executive's employment hereunder, Executive shall be eligible to participate in all benefit plans and programs of the Company, including improvements or modifications of the same, which are now, or may hereafter be, available to other senior executives of the Company. The Company shall not, however, by reason of this Section 4.3, be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any such benefit plan or program, so long as such changes are similarly applicable to other senior executives generally.

4.4 Expenses. The Company shall reimburse Executive for all reasonable business expenses incurred by Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company; provided, in each case, that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company. Any such reimbursement of expenses shall be made by the Company upon or as soon as practicable following receipt of supporting documentation reasonably satisfactory to the Company (but in any event not later than the close of Executive's taxable year following the taxable year in which the expense is incurred by Executive); provided, however, that, upon Executive's termination of employment with the Company, in no event shall any additional reimbursement be made prior to the Section 409A Payment Date to the extent such payment delay is required under section

409A(a)(2)(B)(i) of the Code. In no event shall any reimbursement be made to Executive for such fees and expenses after the later of (a) the first anniversary of the date of Executive's death or (b) the date that is five years after the date of Executive's termination of employment with the Company (other than by reason of Executive's death).

4.5 Vacation and Sick Leave. During Executive's employment hereunder, Executive shall be entitled to (a) sick leave in accordance with the Company's policies applicable to its senior executives and (b) four weeks paid vacation each calendar year (none of which may be carried forward to a succeeding year).

4.6 Offices. Subject to Articles II, III, and IV hereof, Executive agrees to serve without additional compensation, if elected or appointed thereto, as a director of the Company or any of the Company's affiliates and as a member of any committees of the board of directors of any such entities, and in one or more executive positions of any of the Company's affiliates.

ARTICLE V
PROTECTION OF INFORMATION

5.1 Disclosure to and Property of the Company. For purposes of this Article V, the term "the Company" shall include the Company and any of its affiliates, and any reference to "employment" or similar terms shall include a director and/or consulting relationship. All information, trade secrets, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed, disclosed to or acquired by Executive, individually or in conjunction with others, during the period of Executive's employment by the Company (whether during business hours or otherwise and whether on the Company's premises or otherwise) that relate to the Company's or any of its affiliates' businesses, trade secrets, products or services (including, without limitation, all such information relating to corporate opportunities, strategies, business plans, product specifications, compositions, manufacturing and distribution methods and processes, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or production, marketing and merchandising techniques, prospective names and marks) and all writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "***Confidential Information***") shall be disclosed to the Company and are and shall be the sole and exclusive property of the Company or its affiliates, as applicable. Moreover, all documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, E-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "***Work Product***") are and shall be the sole and exclusive property of the Company (or its affiliates). Executive agrees to perform all actions reasonably requested by the Company or its affiliates to establish and confirm such exclusive ownership. Upon termination of Executive's employment with the Company, for any reason, Executive promptly shall deliver such Confidential Information and Work Product, and all copies thereof, to the Company.

5.2 Disclosure to Executive. The Company shall disclose to Executive and place Executive in a position to have access to or develop Confidential Information and Work Product of the Company (or its affiliates); and shall entrust Executive with business opportunities of the Company (or its affiliates); and shall place Executive in a position to develop business good will on behalf of the Company (or its affiliates).

5.3 No Unauthorized Use or Disclosure. Executive agrees to preserve and protect the confidentiality of all Confidential Information and Work Product of the Company and its affiliates. Executive agrees that Executive will not, at any time during or after Executive's employment with the Company, make any unauthorized disclosure of, and Executive shall not remove from the Company premises, Confidential Information or Work Product of the Company or its affiliates, or make any use thereof, except, in each case, in the carrying out of Executive's responsibilities hereunder. Executive shall use all reasonable efforts to cause all persons or entities to whom any Confidential Information shall be disclosed by Executive hereunder to preserve and protect the confidentiality of such Confidential Information. Executive shall have no obligation hereunder to keep confidential any Confidential Information if and to the extent disclosure thereof is specifically required by law; provided, however, that in the event disclosure is required by applicable law, Executive shall provide the Company with prompt notice of such requirement prior to making any such disclosure, so that the Company may seek an appropriate protective order. At the request of the Company at any time, Executive agrees to deliver to the Company all Confidential Information that Executive may possess or control. Executive agrees that all Confidential Information of the Company (whether now or hereafter existing) conceived, discovered or made by Executive during the period of Executive's employment by the Company exclusively belongs to the Company (and not to Executive), and upon request by the Company for specified Confidential Information, Executive will promptly disclose such Confidential Information to the Company and perform all actions reasonably requested by the Company to establish and confirm such exclusive ownership. Affiliates of the Company shall be third party beneficiaries of Executive's obligations under this Article V. As a result of Executive's employment by the Company, Executive may also from time to time have access to, or knowledge of, Confidential Information or Work Product of third parties, such as customers, suppliers, partners, joint venturers, and the like, of the Company and its affiliates. Executive also agrees to preserve and protect the confidentiality of such third party Confidential Information and Work Product.

5.4 Ownership by the Company. If, during Executive's employment by the Company, Executive creates any work of authorship fixed in any tangible medium of expression that is the subject matter of copyright (such as videotapes, written presentations, or acquisitions, computer programs, E-mail, voice mail, electronic databases, drawings, maps, architectural renditions, models, manuals, brochures, or the like) relating to the Company's business, products, or services, whether such work is created solely by Executive or jointly with others (whether during business hours or otherwise and whether on the Company's premises or otherwise), including any Work Product, the Company shall be deemed the author of such work if the work is prepared by Executive in the scope of Executive's employment; or, if the work relating to the Company's business, products, or services is not prepared by Executive within the scope of Executive's employment but is specially ordered by the Company as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, or as an instructional text, then the work shall be

considered to be work made for hire and the Company shall be the author of the work. If the work relating to the Company's business, products, or services is neither prepared by Executive within the scope of Executive's employment nor a work specially ordered that is deemed to be a work made for hire during Executive's employment by the Company, then Executive hereby agrees to assign, and by these presents does assign, to the Company all of Executive's worldwide right, title, and interest in and to such work and all rights of copyright therein.

5.5 Assistance by Executive. During the period of Executive's employment by the Company, Executive shall assist the Company and its nominee, at any time, in the protection of the Company's or its affiliates' worldwide right, title and interest in and to Confidential Information and Work Product and the execution of all formal assignment documents requested by the Company or its nominee(s) and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries. After Executive's employment with the Company terminates, at the request from time to time and expense of the Company or its affiliates, Executive shall assist the Company or its nominee(s) in the protection of the Company's or its affiliates' worldwide right, title and interest in and to Confidential Information and Work Product and the execution of all formal assignment documents requested by the Company or its nominee and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries.

5.6 Remedies. Executive acknowledges that money damages would not be a sufficient remedy for any breach of this Article V by Executive, and the Company or its affiliates shall be entitled to enforce the provisions of this Article V by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article V but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive's agents. However, if it is determined that Executive has not committed a breach of this Article V, then the Company shall resume the payments and benefits due under this Agreement and pay to Executive and Executive's spouse, if applicable, all payments and benefits that had been suspended pending such determination.

ARTICLE VI
STATEMENTS CONCERNING THE COMPANY

6.1 Statements Concerning the Company. Executive shall refrain, both during and after the termination of the employment relationship, from publishing any oral or written statements about the Company, any of its affiliates or any of the Company's or such affiliates' directors, officers, employees, consultants, agents or representatives that (a) are slanderous, libelous or defamatory, (b) disclose Confidential Information of the Company, any of its affiliates or any of the Company's or any such affiliates' business affairs, directors, officers, employees, consultants, agents or representatives, or (c) place the Company, any of its affiliates, or any of the Company's or any such affiliates' directors, officers, employees, consultants, agents or representatives in a false light before the public. A violation or threatened violation of this prohibition may be enjoined by the courts. The rights afforded the Company and its affiliates under this provision are in addition to any and all rights and remedies otherwise afforded by law.

ARTICLE VII
EFFECT OF TERMINATION OF EMPLOYMENT ON COMPENSATION

7.1 Effect of Termination of Employment on Compensation.

(a) If Executive's employment hereunder shall terminate at the expiration of the term provided in Section 3.1 because Executive provided written notice of non-renewal to the Company, for any reason described in Section 3.2(a), 3.2(b), or 3.2(c) or pursuant to Executive's resignation for other than Good Reason, then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that Executive shall be entitled to (i) payment of all accrued and unpaid Base Salary to the Date of Termination, (ii) reimbursement for all incurred but unreimbursed expenses for which Executive is entitled to reimbursement in accordance with Section 4.4, (iii) payment of all accrued and unused paid vacation for the calendar year in which the Date of Termination occurs, and (iv) benefits to which Executive is entitled under the terms of any applicable benefit plan or program.

(b) If Executive's employment hereunder shall terminate at expiration of the term provided in Section 3.1 because the Company provided written notice of non-renewal to Executive, pursuant to Executive's resignation for Good Reason or by action of the Company pursuant to Section 3.2 for any reason other than those encompassed by Section 3.2(a), 3.2(b), or 3.2(c), then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that (i) Executive shall be entitled to receive the compensation and benefits described in clauses (i) through (iv) of Section 7.1(a) and (ii) if, on the Date of Termination, the Company does not have a right to terminate Executive's employment under Section 3.2(a), 3.2(b), or 3.2(c) and subject to Executive's delivery, within 50 days after the Date of Termination, and non-revocation of an executed release substantially in the form of the release contained at Appendix B (the "***Release***"), Executive shall receive the following additional compensation and benefits from the Company (but no other additional compensation or benefits after such termination):

(A) the Company shall pay to Executive any unpaid Annual Bonus for the calendar year ending prior to the Date of Termination, which amount shall be payable in a lump-sum on the date such annual bonuses are paid to executives who have continued employment with the Company (but in no event earlier than 60 days after the Date of Termination (or, if earlier, the December 31 next following such calendar year) nor later than the December 31 next following such calendar year);

(B) the Company shall pay to Executive a bonus for the calendar year in which the Date of Termination occurs in an amount equal to the Annual Bonus for such year as determined in good faith by the Board in accordance with the criteria established pursuant to Section 4.2 and based on the Company's performance for such year, which amount shall be prorated through and including the Date of Termination (based on the ratio of the number of days Executive was employed by the Company during such year to the number of days

in such year), payable in a lump-sum on or before the date such annual bonuses are paid to executives who have continued employment with the Company (but in no event earlier than 60 days after the Date of Termination nor later than the May 15 next following such calendar year);

(C) the Company shall pay to Executive an amount equal to the Severance Multiple times the sum of (i) Executive's Base Salary as of the Date of Termination and (ii) 80% of Executive's Base Salary as of the Date of Termination, which amount shall be paid in a lump sum payment on the date that is 60 days after the Date of Termination occurs; and

(D) during the portion, if any, of the 18-month period following the Date of Termination that Executive elects to continue coverage for Executive and Executive's spouse and eligible dependents, if any, under the Company's group health plans under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA), and/or sections 601 through 608 of the Employee Retirement Income Security Act of 1974, as amended, the Company shall promptly reimburse Executive on a monthly basis for the difference between the amount Executive pays to effect and continue such coverage and the employee contribution amount that active senior executive employees of the Company pay for the same or similar coverage under such group health plans.

Notwithstanding the time of payment provisions of Section 7.1(b)(ii)(B) above, if Executive is a specified employee (as such term is defined in section 409A of the Code and as determined by the Company in accordance with any method permitted under section 409A of the Code) and the payment of the amount described in such Section would be subject to additional taxes and interest under section 409A of the Code because the timing of such payment is not delayed as provided in section 409A(a)(2)(B)(i) of the Code and the regulations thereunder, then such amount (together with interest on a non-compounded basis, from the date such payment would have been made had this payment delay not applied to the actual date of payment, at the prime rate of interest announced by Wells Fargo Bank, National Association (or any successor thereto) at its principal office in Charlotte, North Carolina on the date of Executive's termination of employment (or the first business day following such date if such termination does not occur on a business day)) shall be paid within five business days after the Section 409A Payment Date.

ARTICLE VIII
NON-COMPETITION AGREEMENT

8.1 Definitions. As used in this Article VIII, the following terms shall have the following meanings:

"***Business***" means (a) during the period of Executive's employment by the Company, the design, manufacture and supply of products and services for the oil and gas industry provided by the Company and its subsidiaries during such period and other products and services that are functionally equivalent to the foregoing, and (b) during the portion of the Prohibited Period that

begins on the termination of Executive's employment with the Company, the design, manufacture and supply of products and services for the oil and gas industry provided by the Company and its subsidiaries at the time of such termination of employment (or, if earlier, at the time immediately preceding the date upon which a Change in Control occurs) and other products and services that are functionally equivalent to the foregoing.

"***Competing Business***" means any business, individual, partnership, firm, corporation or other entity (other than an affiliate of the Company, L. E. Simmons & Associates, Inc. ("***LESA***") and its affiliates, or another entity in which SCF-V, L.P., a Delaware limited partnership, SCF-VI, L.P., a Delaware limited partnership, and SCF-VII, L.P., a Delaware limited partnership, or any future limited partnership established by an affiliate of LESA has an ownership interest) which wholly or in any significant part engages in any business competing with the Business in the Restricted Area. In no event will the Company or any of its subsidiaries be deemed a Competing Business.

"***Governmental Authority***" means any governmental, quasi-governmental, state, county, city or other political subdivision of the United States or any other country, or any agency, court or instrumentality, foreign or domestic, or statutory or regulatory body thereof.

"***Legal Requirement***" means any law, statute, code, ordinance, order, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, authorization, or other directional requirement (including, without limitation, any of the foregoing that relates to environmental standards or controls, energy regulations and occupational, safety and health standards or controls including those arising under environmental laws) of any Governmental Authority.

"***Prohibited Period***" means the period during which Executive is employed by the Company hereunder and a period of two years following the end of Executive's employment with the Company.

"***Restricted Area***" means any geographical area within 100 miles in which the Company and its subsidiaries engage in the Business during the period during which Executive is employed hereunder, which such area includes, without limitation, the parishes in Louisiana set forth on Appendix C hereto.

8.2 Non-Competition; Non-Solicitation. Executive and the Company agree to the non-competition and non-solicitation provisions of this Article VIII in consideration for the Confidential Information provided by the Company to Executive pursuant to Article V of this Agreement, to protect the trade secrets and confidential information of the Company or its affiliates disclosed or entrusted to Executive by the Company or its affiliates or created or developed by Executive for the Company or its affiliates, to protect the business goodwill of the Company or its affiliates developed through the efforts of Executive and/or the business opportunities disclosed or entrusted to Executive by the Company or its affiliates and as an additional incentive for the Company to enter into this Agreement.

(a) Subject to the exceptions set forth in Section 8.2(b) below, Executive expressly covenants and agrees that during the Prohibited Period (i) Executive will

refrain from carrying on or engaging in, directly or indirectly, any Competing Business in the Restricted Area and (ii) Executive will not, and Executive will cause Executive's affiliates not to, directly or indirectly, own, manage, operate, join, become an employee of, partner in, owner or member of (or an independent contractor to), control or participate in, be connected with or loan money to, sell or lease equipment or property to, or otherwise be affiliated with any business, individual, partnership, firm, corporation or other entity which engages in a Competing Business in the Restricted Area, as Executive expressly agrees that each of the foregoing activities would represent carrying on or engaging in a Competitive Business, as prohibited by this Section 8.2(a).

(b) Notwithstanding the restrictions contained in Section 8.2(a), Executive or any of Executive's affiliates may own an aggregate of not more than 2% of the outstanding stock of any class of any corporation engaged in a Competing Business, if such stock is listed on a national securities exchange or regularly traded in the over-the-counter market by a member of a national securities exchange, without violating the provisions of Section 8.2(a), provided that neither Executive nor any of Executive's affiliates has the power, directly or indirectly, to control or direct the management or affairs of any such corporation and is not involved in the management of such corporation.

(c) Executive further expressly covenants and agrees that during the Prohibited Period, Executive will not, and Executive will cause Executive's affiliates not to (i) engage or employ, or solicit or contact with a view to the engagement or employment of, or recommend or refer to any person or entity (other than the Company or one of its affiliates) for engagement or employment any person who is an officer or employee of the Company or any of its affiliates or (ii) canvass, solicit, approach or entice away or cause to be canvassed, solicited, approached or enticed away from the Company or any of its affiliates any person or entity who or which is a customer of any of such entities during the period during which Executive is employed by the Company.

(d) The restrictions contained in Section 8.2 shall not apply to any product or service that the Company provided during Executive's employment but that the Company no longer provides at the Date of Termination. Further, notwithstanding the other provisions of this Section 8.2, within the State of Oklahoma, the restrictions of Sections 8.2(a) and 8.2(c)(ii) shall be limited to preventing Executive from directly soliciting the sale of goods, services or a combination of goods and services from any established customer of the Company, as may exist from time-to-time.

(e) Before accepting employment with any other person or entity while employed by the Company or during the Prohibited Period, the Executive will inform such person or entity of the restrictions contained in this Article VIII.

8.3 Relief. Executive and the Company agree and acknowledge that the limitations as to time, geographical area and scope of activity to be restrained as set forth in Section 8.2 are reasonable and do not impose any greater restraint than is necessary to protect the legitimate business interests of the Company. Executive and the Company also acknowledge that money damages would not be sufficient remedy for any breach of this Article VIII by Executive, and the

Company or its affiliates shall be entitled to enforce the provisions of this Article VIII by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article VIII but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive's agents. However, if it is determined that Executive has not committed a breach of this Article VIII, then the Company shall resume the payments and benefits due under this Agreement and pay to Executive all payments and benefits that had been suspended pending such determination.

8.4 Reasonableness; Enforcement. Executive hereby represents to the Company that Executive has read and understands, and agrees to be bound by, the terms of this Article VIII. Executive acknowledges that the geographic scope and duration of the covenants contained in this Article VIII are the result of arm's-length bargaining and are fair and reasonable in light of (a) the nature and wide geographic scope of the operations of the Business, (b) Executive's level of control over and contact with the Business in all jurisdictions in which it is conducted, (c) the fact that the Business is conducted throughout the Restricted Area and (d) the amount of Confidential Information that Executive is receiving in connection with the performance of Executive's duties hereunder. It is the desire and intent of the parties that the provisions of this Article VIII be enforced to the fullest extent permitted under applicable Legal Requirements, whether now or hereafter in effect and therefore, to the extent permitted by applicable Legal Requirements, Executive and the Company hereby waive any provision of applicable Legal Requirements that would render any provision of this Article VIII invalid or unenforceable.

8.5 Reformation. The Company and Executive agree that the foregoing restrictions are reasonable under the circumstances and that any breach of the covenants contained in this Article VIII would cause irreparable injury to the Company. Executive understands that the foregoing restrictions may limit Executive's ability to engage in certain businesses anywhere in the Restricted Area during the Prohibited Period, but acknowledges that Executive will receive sufficient consideration from the Company to justify such restriction. Further, Executive acknowledges that Executive's skills are such that Executive can be gainfully employed in non-competitive employment, and that the agreement not to compete will not prevent Executive from earning a living. Nevertheless, if any of the aforesaid restrictions are found by a court of competent jurisdiction to be unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, the parties intend for the restrictions herein set forth to be modified by the court making such determination so as to be reasonable and enforceable and, as so modified, to be fully enforced. By agreeing to this contractual modification prospectively at this time, the Company and Executive intend to make this provision enforceable under the law or laws of all applicable States, Provinces and other jurisdictions so that the entire agreement not to compete and this Agreement as prospectively modified shall remain in full force and effect and shall not be rendered void or illegal. Such modification shall not affect the payments made to Executive under this Agreement.

ARTICLE IX
DISPUTE RESOLUTION

9.1 Arbitration. All claims or disputes between Executive and the Company or its parents, subsidiaries and affiliates (including, without limitation, claims relating to the validity, scope, and enforceability of this Article IX and claims arising under any federal, state or local law regarding the terms and conditions of employment or prohibiting discrimination in employment or governing the employment relationship in any way) shall be submitted for final and binding arbitration in Houston, Texas in accordance with the then-applicable rules for resolution of employment disputes of the American Arbitration Association ("***AAA***"). The arbitration shall be conducted by a single arbitrator chosen pursuant to the then-applicable rules for resolution of employment disputes of the AAA, and the Company shall bear the costs of such arbitration. For the avoidance of doubt, the Company's assumption of costs referenced in the previous sentence applies to the costs of the AAA only, and does not include attorney or expert fees or other fees or costs incurred by Executive. The arbitrator shall apply the substantive law of the State of Texas (excluding Texas choice-of-law principles that might call for the application of some other state's law), or federal law, or both as applicable to the claims asserted. The results of the arbitration and the decision of the arbitrator will be final and binding on the parties and each party agrees and acknowledges that these results shall be enforceable in a court of law. No demand for arbitration may be made after the date when the institution of legal or equitable proceedings based on such claim or dispute would be barred by the applicable statute(s) of limitations. In the event either party must resort to the judicial process to enforce the provisions of this Agreement, the award of an arbitrator or equitable relief granted by an arbitrator, the party successfully seeking enforcement shall be entitled to recover from the other party all costs of such litigation including, but not limited to, reasonable attorneys fees and court costs. To the fullest extent permitted by law, all proceedings conducted pursuant to this agreement to arbitrate, including any order, decision or award of the arbitrator, shall be kept confidential by all parties. Notwithstanding the foregoing, Executive and the Company further acknowledge and agree that a court of competent jurisdiction residing in Houston, Texas shall have the power to maintain the status quo pending the arbitration of any dispute under this Article IX, and this Article IX shall not require the arbitration of any application for emergency, temporary or preliminary injunctive relief (including temporary restraining orders) by either party pending arbitration, including, without limitation, any application for emergency, temporary or preliminary injunctive relief for any claim arising out of Article V or Article VIII of this Agreement; provided, however, that the remainder of any such dispute beyond the application for such emergency, temporary or preliminary injunctive relief shall be subject to arbitration under this Article IX. **THE PARTIES ACKNOWLEDGE THAT, BY SIGNING THIS AGREEMENT, THEY ARE KNOWINGLY AND VOLUNTARILY WAIVING ANY RIGHTS THAT THEY MAY HAVE TO A JURY TRIAL OR, EXCEPT AS EXPRESSLY PROVIDED HEREIN, A COURT TRIAL OF ANY CLAIM THAT IS SUBJECT TO THIS ARTICLE IX.**

ARTICLE X
CERTAIN EXCISE TAXES

10.1 Certain Excise Taxes. Notwithstanding anything to the contrary in this Agreement, if Executive is a "disqualified individual" (as defined in section 280G(c) of the

Code), and the payments and benefits provided for in this Agreement, together with any other payments and benefits which Executive has the right to receive from the Company or any of its affiliates, would constitute a "parachute payment" (as defined in section 280G(b)(2) of the Code), then the payments and benefits provided for in this Agreement shall be either (a) reduced (but not below zero) so that the present value of such total amounts and benefits received by Executive from the Company and its affiliates will be one dollar ($1.00) less than three times Executive's "base amount" (as defined in section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Executive shall be subject to the excise tax imposed by section 4999 of the Code or (b) paid in full, whichever produces the better net after-tax position to Executive (taking into account any applicable excise tax under section 4999 of the Code and any other applicable taxes). The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in-kind hereunder in a similar order. The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by the Company in good faith. If a reduced payment or benefit is made or provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company (or its affiliates) used in determining if a "parachute payment" exists, exceeds one dollar ($1.00) less than three times Executive's base amount, then Executive shall immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 10.1 shall require the Company to be responsible for, or have any liability or obligation with respect to, Executive's excise tax liabilities under section 4999 of the Code. Notwithstanding the foregoing, if shareholder approval (obtained in a manner that satisfies the requirements of section 280G(b)(5) of the Code) of a payment or benefit to be provided to Executive by the Company or any other person (whether under this Agreement or otherwise) would prevent Executive from receiving a "parachute payment" (as defined in section 280G(b)(2) of the Code), then, upon the request of Executive and his agreement (to the extent necessary) to subject his entitlement to the receipt of such payment or benefit to shareholder approval, the Company shall seek such approval in a manner that satisfies the requirements of section 280G of the Code and the regulations thereunder.

ARTICLE XI
MISCELLANEOUS

11.1 Notices. For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given (a) when received if delivered personally or by courier, (b) on the date receipt is acknowledged if delivered by certified mail, postage prepaid, return receipt requested or (c) one day after transmission if sent by facsimile transmission with confirmation of transmission, as follows:

If to Executive, addressed to:

James L. McCulloch
8807 W. Sam Houston Pkwy N, Suite 200
Houston, Texas 77040
Facsimile: 713-351-7997

If to the Company, addressed to:

Forum Energy Technologies, Inc.
8807 West Sam Houston Parkway North
Suite 200
Houston, Texas 77040
Attention: Chief Executive Officer

or to such other address as either party may furnish to the other in writing in accordance herewith, except that notices or changes of address shall be effective only upon receipt.

11.2 Applicable Law; Submission to Jurisdiction.

(a) This Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Texas, without regard to conflicts of laws principles thereof.

(b) With respect to any claim or dispute related to or arising under this Agreement, the parties hereto hereby consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Harris County, Texas.

11.3 No Waiver. No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

11.4 Severability. If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect.

11.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

11.6 Withholding of Taxes and Other Employee Deductions. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city and other taxes and withholdings as may be required pursuant to any law or governmental regulation or ruling and all other customary deductions made with respect to the Company's employees generally.

11.7 Headings. The Section headings have been inserted for purposes of convenience and shall not be used for interpretive purposes.

11.8 Gender and Plurals. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely.

11.9 Affiliate and Subsidiary. As used in this Agreement, (a) the term "***affiliate***" as used with respect to a particular person or entity shall mean any other person or entity which owns or controls, is owned or controlled by, or is under common ownership or control with, such

particular person or entity and (b) the term ***"subsidiary"*** as used with respect to a particular entity shall mean a direct or indirect subsidiary of such entity.

11.10 Successors. This Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company. Except as provided in the preceding sentence, this Agreement, and the rights and obligations of the parties hereunder, are personal and neither this Agreement, nor any right, benefit or obligation of either party hereto, shall be subject to voluntary or involuntary assignment, alienation or transfer, whether by operation of law or otherwise, without the prior written consent of the other party. In addition, any payment owed to Executive hereunder after the date of Executive's death shall be paid to Executive's estate.

11.11 Term. Termination of this Agreement shall not affect any right or obligation of any party which is accrued or vested prior to such termination. Without limiting the scope of the preceding sentence, the provisions of Articles V, VI, VII, VIII and IX shall survive any termination of the employment relationship and/or of this Agreement.

11.12 Entire Agreement. Except as provided in any signed written agreement contemporaneously or hereafter executed by the Company and Executive, this Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to employment of Executive by the Company. Without limiting the scope of the preceding sentence, all understandings and agreements preceding the date of execution of this Agreement and relating to the subject matter hereof including, without limitation, any prior employment agreement between Executive and the Company or an affiliate, are hereby null and void and of no further force and effect.

11.13 Modification; Waiver. Any modification to or waiver of this Agreement will be effective only if it is in writing and signed by the parties to this Agreement.

11.14 Actions by the Board. Any and all determinations or other actions required of the Board hereunder that relate specifically to Executive's employment by the Company or the terms and conditions of such employment shall be made by the members of the Board other than Executive if Executive is a member of the Board, and Executive shall not have any right to vote or decide upon any such matter.

11.15 Executive's Representations and Warranties. Executive represents and warrants to the Company that (a) Executive does not have any agreements with Executive's prior employer that will prohibit Executive from working for the Company or fulfilling Executive's duties and obligations to the Company pursuant to this Agreement and (b) Executive has complied with all duties imposed on Executive with respect to Executive's former employer, e.g., Executive does not possess any tangible property belonging to Executive's former employer.

11.16 Delayed Payment Restriction. Notwithstanding any provision in this Agreement to the contrary, if any payment or benefit provided for herein would be subject to additional taxes and interest under section 409A of the Code if Executive's receipt of such payment or benefit is not delayed until the Section 409A Payment Date, then such payment or benefit shall

not be provided to Executive (or Executive's estate, if applicable) until the Section 409A Payment Date.

[Signatures begin on next page.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of October 25, 2010.

FORUM ENERGY TECHNOLOGIES, INC.

By: /s/ C. Christopher Gaut
Name: C. Christopher Gaut
Title: President and Chief Executive Officer

JAMES L McCULLOCH

/s/ James L. McCulloch

APPENDIX A

PERMITTED ACTIVITIES

As of the Effective Date, Executive is serving on the board of directors or similar governing body of the following entities:

[To be added.]

APPENDIX B

RELEASE AGREEMENT

This Release Agreement (this "***Agreement***") constitutes the release referred to in that certain Employment Agreement (the "***Employment Agreement***") dated as of August 2, 2010, by and between James McCulloch ("***Executive***") and Forum Energy Technologies, Inc., a Delaware corporation (the "***Company***").

1. **General Release**.

(a) For good and valuable consideration, including the Company's provision of certain payments and benefits to Executive in accordance with Section 7.1(b)(ii) of the Employment Agreement, Executive hereby releases, discharges and forever acquits the Company, its affiliates and subsidiaries, the past, present and future stockholders, members, partners, directors, managers, employees, agents, attorneys, heirs, legal representatives, successors and assigns of the foregoing, as well as all employee benefit plans maintained by the Company or any of its affiliates or subsidiaries and all fiduciaries and administrators of any such plan, in their personal and representative capacities (collectively, the "***Company Parties***"), from liability for, and hereby waives, any and all claims, rights, damages, or causes of action of any kind related to Executive's employment with any Company Party, the termination of such employment, and any other acts or omissions related to any matter on or prior to the date of this Agreement (collectively, the "***Released Claims***").

(b) The Released Claims include without limitation those arising under or related to: (i) the Age Discrimination in Employment Act of 1967; (ii) Title VII of the Civil Rights Act of 1964; (iii) the Civil Rights Act of 1991; (iv) sections 1981 through 1988 of Title 42 of the United States Code; (v) the Employee Retirement Income Security Act of 1974, including, but not limited to, sections 502(a)(1)(A), 502(a)(1)(B), 502(a)(2), and 502(a)(3) to the extent the release of such claims is not prohibited by applicable law; (vi) the Immigration Reform Control Act; (vii) the Americans with Disabilities Act of 1990; (viii) the National Labor Relations Act; (ix) the Occupational Safety and Health Act; (x) the Family and Medical Leave Act of 1993; (xi) any state or federal anti-discrimination law; (xii) any state or federal wage and hour law; (xiii) any other local, state or federal law, regulation or ordinance; (xiv) any public policy, contract, tort, or common law; (xv) costs, fees, or other expenses including attorneys' fees incurred in these matters; (xvi) any employment contract, incentive compensation plan or stock option plan with any Company Party or to any ownership interest in any Company Party except as expressly provided in the Employment Agreement and any stock option or other equity compensation agreement between Executive and the Company; and (xvii) compensation or benefits of any kind not expressly set forth in the Employment Agreement or any such stock option or other equity compensation agreement.

(c) In no event shall the Released Claims include (i) any claim which arises after the date of this Agreement, or (ii) any claims for the payments and benefits payable to Executive under Section 7.1(b)(ii) of the Employment Agreement.

(d) Notwithstanding this release of liability, nothing in this Agreement prevents Executive from filing any non-legally waivable claim (including a challenge to the validity of this Agreement) with the Equal Employment Opportunity Commission ("***EEOC***") or comparable state or local agency or participating in any investigation or proceeding conducted by the EEOC or comparable state or local agency; however, Executive understands and agrees that Executive is waiving any and all rights to recover any monetary or personal relief or recovery as a result of such EEOC, or comparable state or local agency proceeding or subsequent legal actions.

(e) This Agreement is not intended to indicate that any such claims exist or that, if they do exist, they are meritorious. Rather, Executive is simply agreeing that, in exchange for the consideration recited in the first sentence of Section 1(a) of this Agreement, any and all potential claims of this nature that Executive may have against the Company Parties, regardless of whether they actually exist, are expressly settled, compromised and waived.

(f) By signing this Agreement, Executive is bound by it. Anyone who succeeds to Executive's rights and responsibilities, such as heirs or the executor of Executive's estate, is also bound by this Agreement. This release also applies to any claims brought by any person or agency or class action under which Executive may have a right or benefit. **THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF THE COMPANY PARTIES.**

2. **Covenant Not to Sue; Executive's Representation**. Executive agrees not to bring or join any lawsuit against any of the Company Parties in any court relating to any of the Released Claims. Executive represents that Executive has not brought or joined any claim, lawsuit or arbitration against any of the Company Parties in any court or before any administrative agency or arbitral authority and has made no assignment of any rights Executive has asserted or may have against any of the Company Parties to any person or entity, in each case, with respect to any Released Claims. Executive expressly represents that, as of the date Executive executes this Agreement, Executive has been provided all leaves (paid and unpaid) and paid all wages and compensation owed to Executive by the Company Parties with the exception of all payments owed as a condition of Executive's executing (and not revoking) this Agreement.

3. **Acknowledgments**. By executing and delivering this Agreement, Executive acknowledges that:

(a) Executive has carefully read this Agreement;

(b) Executive has had at least [twenty-one (21)] [forty-five (45)] days to consider this Agreement before the execution and delivery hereof to the Company [Add if 45 days applies: , and Executive acknowledges that attached to this Agreement is a list of (i) the job titles and ages of all employees selected for participation in the employment termination or exit incentive program pursuant to which Executive is being offered this Agreement, (ii) the job titles and ages of all employees in the same job classification or organizational unit who were not selected for participation in the program, and (iii) information about the unit affected by the

program, including any eligibility factors for such program and any time limits applicable to such program];

(c) Executive has been and hereby is advised in writing that Executive may, at Executive's option, discuss this Agreement with an attorney of Executive's choice and that Executive has had adequate opportunity to do so; and

(d) Executive fully understands the final and binding effect of this Agreement; the only promises made to Executive to sign this Agreement are those stated in the Employment Agreement and herein; and Executive is signing this Agreement voluntarily and of Executive's own free will, and that Executive understands and agrees to each of the terms of this Agreement.

4. **Revocation Right**. Executive may revoke this Agreement within the seven day period beginning on the date Executive signs this Agreement (such seven day period being referred to herein as the "***Release Revocation Period***"). To be effective, such revocation must be in writing signed by Executive and must be delivered to the Chief Executive Officer of the Company before 11:59 p.m., Houston, Texas time, on the last day of the Release Revocation Period. This Agreement is not effective, and no consideration shall be paid to Executive, until the expiration of the Release Revocation Period without Executive's revocation. If an effective revocation is delivered in the foregoing manner and timeframe, this Agreement shall be of no force or effect and shall be null and void ab initio.

Executed on this _____ day of _____, _____.

JAMES McCULLOCH

STATE OF _____ §

§

COUNTY OF _____ §

BEFORE ME, the undersigned authority personally appeared James McCulloch, by me known or who produced valid identification as described below, who executed the foregoing instrument and acknowledged before me that he subscribed to such instrument on this _____ day of _____, _____.

NOTARY PUBLIC in and for the

State of _____

My Commission Expires: _____

Identification produced:

APPENDIX C

RESTRICTED AREA

The following parishes in the State of Louisiana:

Caddo
Iberia
Lafayette
St. Martin

Exhibit 10.8

SECONDMENT AGREEMENT

This Secondment Agreement (this ***"Agreement"***) is entered into effective as of August 2, 2010 (the ***"Effective Date***"), among L. E. Simmons & Associates, Incorporated (***"SCF"***), Forum Energy Technologies, Inc. (the ***"Company"***) and Patrick Connelly (***"Mr. Connelly"***). SCF, the Company and Mr. Connelly are referred to individually herein as a ***"Party"*** and collectively as the ***"Parties***.***"***

WITNESSETH:

WHEREAS, SCF employs Mr. Connelly; and

WHEREAS, the Company requires the services of an individual with the knowledge, skills and experience of Mr. Connelly in order to assist with its strategic development and desires for Mr. Connelly to be seconded to it in order to perform strategic development services and serve as its Vice President, Strategic Development, in accordance with the terms set forth below;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and in consideration of the premises and mutual covenants contained herein, the Parties agree as follows:

ARTICLE I
TERM; ASSIGNMENT OF MR. CONNELLY TO THE COMPANY

1.1. Secondment Period. Beginning on the Effective Date and continuing through the second anniversary of the Effective Date, (the ***"Initial Secondment Period"***), SCF will assign Mr. Connelly to the Company to provide his services as the Company's Vice President, Strategic Development, which is an officer-level position with the Company. The Parties may, by mutual written agreement, renew this Agreement beyond the Initial Secondment Period. Notwithstanding the foregoing, this Agreement shall be terminated prior to the expiration of the Initial Secondment Period or any applicable extension period upon the occurrence of any of the following conditions: a) upon mutual agreement of the Parties; b) immediately upon election by a non-breaching Party following a material breach of this Agreement that is not cured by the breaching Party within thirty (30) days after receipt of written notice of such breach; c) immediately upon the termination of Mr. Connelly's employment with SCF; and d) upon the expiration of a thirty (30) day written notice to terminate this Agreement provided by the Company to SCF or by SCF to the Company.

1.2. Employment by SCF. During the term of this Agreement, Mr. Connelly shall remain an employee of SCF and at no time shall the Company have the right to terminate Mr. Connelly's employment with SCF. Further, during such time, Mr. Connelly shall remain subject to the terms of employment with SCF as SCF shall establish from time to time, and as apply to Mr. Connelly's employment with SCF. With respect to Mr. Connelly's services as Vice President, Strategic Development of the Company, Mr. Connelly shall at all times work solely under the direction, supervision and control of the Company, which shall be ultimately and fully responsible for Mr. Connelly's assignments with respect to the services performed by Mr. Connelly as the Company's Vice President, Strategic Development.

1.3. Payroll, Welfare, Pension and Other Benefits.

(a) During the term of this Agreement, all employee benefits, payroll, payroll tax, and insurance obligations with respect to Mr. Connelly shall remain with SCF.

(b) During the term of this Agreement, SCF or its affiliates, as applicable, shall continue to provide to Mr. Connelly all benefits currently provided by SCF or its affiliates to Mr. Connelly, without any increase or decrease in the level of benefits provided except such increases or decreases as are or may be generally applicable to similarly situated employees of SCF. At no time during the term of this Agreement shall Mr. Connelly receive or be eligible to receive any benefits under any employee benefit plans or programs maintained by the Company (***"Company Plans"***). It is expressly intended that Mr. Connelly is to be excluded from participation in Company Plans.

ARTICLE II
PAYMENT

2.1. Payment. In consideration for SCF's performance of its obligations set forth in Article I above, the Company shall pay to SCF a fee at the monthly rate of $25,000 (the ***"Payment"***). SCF will invoice the Company on a monthly basis for the Payment, which shall be payable by the 15th of the month following the services for which the invoice pertains.

ARTICLE III
INDEMNIFICATION

3.1. The Company's Agreement to Indemnify. In consideration for SCF and Mr. Connelly entering into this Agreement, the Company hereby agrees to defend, indemnify and hold harmless, to the fullest extent permitted by law, Mr. Connelly, SCF and each of their respective affiliates, agents, successors and assigns from and against any and all suits, actions, claims, losses, demands, damages, fines, penalties, amounts paid in settlement, liabilities, costs, and expenses of every kind, including reasonable attorneys' fees, that in any way relate to or result from Mr. Connelly's service as Vice President, Strategic Development of the Company or any other capacity with the Company or serving at the request of the Company or SCF as a director, officer, employee, agent, trustee, partner, fiduciary or in any other capacity of any other entity owned by, in whole or in part, or otherwise in any way affiliated with the Company including, without limitation, from and against claims involving the negligence, passive, active, or otherwise, of Mr. Connelly or SCF.

3.2. Conduct of Claims. The Party entitled to indemnification under this Article III (the ***"Indemnified Party"***) shall reasonably promptly, after the receipt of notice of any legal action or claim against such Indemnified Party in respect of which indemnification may be sought pursuant to this Article III, notify the Company (the ***"Indemnifying Party"***) of such action or claim. The Indemnifying Party shall not be obligated to indemnify the Indemnified Party with respect to any such action or claim if the Indemnified Party knowingly fails to notify the Indemnifying Party thereof in accordance with the provisions of this Article III, but only to the extent such knowing failure to notify the Indemnifying Party has actually resulted in prejudice or damage to the Indemnifying Party. In case any such action or claim shall be made or brought against the Indemnified Party, the Indemnifying Party may, or if so requested by the Indemnified Party shall, assume the defense thereof with counsel of its selection acceptable to the Indemnified Party and which shall be reasonably competent and experienced to defend the Indemnified Party. In such

circumstances, the Indemnified Party shall (a) at no cost or expense to the Indemnified Party cooperate with the Indemnifying Party and provide the Indemnifying Party with such information and assistance as the Indemnifying Party shall reasonably request in connection with such action or claim and (b) at the Company's expense, have the right to participate and be represented by counsel of its own choice in any such action or with respect to any such claim. If the Indemnifying Party assumes the defense of the relevant claim or action, (i) the Indemnifying Party shall not be liable for any settlement thereof which is made without its consent and (ii) the Indemnifying Party shall control the settlement of such claim or action; *provided*, *however*, that the Indemnifying Party shall not conclude any settlement which requires any action or forbearance from action or payment or admission by the Indemnified Party or any of its affiliates without the prior written approval of the Indemnified Party.

3.3. Advancement of Expenses. The Company shall, upon request of an Indemnified Party, advance funds to the Indemnified Party for legal expenses and other costs, including the cost of satisfying any judgment incurred as a result of any action or claim, if (i) the action or claim relates to acts or omissions of the Indemnified Party with respect to the performance of duties or services on behalf of the Company or its affiliates or subsidiaries, and (ii) at the request of the Company, the Indemnified Party sends to the Company a written affirmation of the Indemnified Party's good faith belief that the Indemnified Party has met the standard of conduct necessary for indemnification by the Company under this Agreement, and further undertakes in writing to repay the advanced funds to the Company if it is ultimately determined the Indemnified Party is not entitled to indemnification under this Agreement.

3.4. Nonexclusivity, Etc. The rights of the Indemnified Parties hereunder shall be in addition to any other rights the Indemnified Parties may have under the Company's Certificate of Incorporation and Bylaws or other applicable law. To the extent that a change in applicable law (whether by statute or judicial decision) permits greater indemnification by agreement than would be afforded currently under the Certificate of Incorporation, Bylaws and this Agreement, it is the intent of the Parties that the Indemnified Party shall enjoy by this Agreement the greater benefits so afforded by such change.

3.5. Insurance. To the extent the Company maintains an insurance policy or policies providing directors' and officers' liability insurance, the Indemnified Parties shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any director or officer of the Company.

ARTICLE IV
NOTICES AND AMENDMENT

4.1. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally by hand or by recognized overnight courier, telecopied or mailed (by registered or certified mail, postage prepaid) as follows:

(i) If to the Company, then to:

Forum Oilfield Technologies, Inc.
8807 W. Sam Houston Parkway North, Suite 200
Houston, Texas 77040
Attention: Chief Executive Officer
Facsimile: (713) 351-7997

(ii) If to SCF, then to:

600 Travis
6600 Chase Tower
Houston, Texas 77002
Fax: 713.227.7850

(iii) If to Mr. Connelly, then to:

600 Travis
6600 Chase Tower
Houston, Texas 77002
Fax: 713.227.7850

4.2. Each such notice or other communication shall be effective (i) if given by facsimile, when such facsimile is transmitted to the fax number specified in Section 4.1 (with confirmation of transmission), or (ii) if given by any other means, when delivered at the address specified in Section 4.1. Any Party by notice given in accordance with this Article IV to the other Parties may designate another address (or fax number) or person for receipt of notices hereunder. Notices by a Party may be given by counsel to such Party.

4.3. Any amendment or other modification of this Agreement must be in writing and signed by all the Parties hereto.

ARTICLE V
MISCELLANEOUS

5.1. Governing Law. This Agreement (including, but not limited to, the validity and enforceability hereof) shall be governed by, and construed in accordance with, the laws of the State of Texas, without regard to the conflict of laws rules thereof.

5.2. Assignment. This Agreement has been executed in consideration of the Parties involved and therefore may not be assigned or transferred, whether directly or indirectly, or by operation of law, to a third party without the prior written consent of all Parties. This Agreement will be binding on the agreed successors to, or assignees of, the Parties. Any purported assignment or transfer in contravention of this Section 5.2 shall be void and unenforceable.

5.3. Entire Agreement; Amendment; Waiver. This Agreement embodies the entire agreement of the Parties, and supersedes and other agreements or understanding between them whether oral or written, relating to the subject matter herein. No amendment or modification or waiver of a breach of any term or condition of this Agreement shall be valid unless in writing signed by each of the Parties. The failure of any Party to enforce, or the delay by any Party in enforcing, any of his or its rights under this Agreement will not be deemed a continuing waiver or modification of any rights hereunder.

5.4. Corporate Opportunities. Mr. Connelly expressly acknowledges and agrees that, as the Company's Vice President, Strategic Development, he will owe the Company a duty of loyalty and he will not appropriate or divert any of the Company's business or business opportunities for the benefit of himself or his affiliates.

5.5. Severability. If any term, provision, covenant or condition of this Agreement, or the application thereof to any Party in any circumstance, is said to be unenforceable, invalid or illegal (in whole or in part) for any reason (in any relevant jurisdiction), the remaining terms, provisions, covenants and conditions of this Agreement modified by the deletion of the unenforceable, invalid or illegal portion (in any relevant jurisdiction), will continue in full force and effect, and such unenforceability, invalidity or illegality will not otherwise affect the enforceability, validity or legality of the remaining terms, provisions, covenants and conditions of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the Parties as to the subject matter hereof and the deletion of such portion of this Agreement will not substantially impair the respective expectations or reciprocal obligations of the Parties or the practical realization of the benefits that would otherwise be conferred upon the Parties. The Parties will endeavor in good faith negotiations to replace the prohibited or unenforceable provision with a valid provision, the effect of which comes as close as possible to that of the prohibited or unenforceable provision.

5.6. Titles and Headings. Titles and headings of Articles and sections of this Agreement are for convenience only and will not affect the construction of any provision of this Agreement.

5.7. Relationship. Nothing in this Agreement will be construed to make SCF or the Company partners, principals or agents of the other. SCF will not, by reason of this Agreement, have the right, power or authority, express or implied, to bind the Company. The Company will not have any right, power or authority, express or implied, to bind SCF.

5.8. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties hereto and no third party may claim any right or enforce any obligation of the Parties hereunder.

5.9. Further Assurances. The Parties agree to execute such additional instruments, agreements and documents, and to take such other actions, as may be necessary to effect the purposes of this Agreement.

5.10. Counterparts. This Agreement may be signed in any number of counterparts, which taken together shall constitute one and the same instrument, and each of which shall be considered an original for all purposes.

(Signature Page Follows)

*** * * * ***

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

L. E. SIMMONS & ASSOCIATES, INCORPORATED

By: /s/ Anthony F. DeLuca

Name: Anthony F. DeLuca

Title: Managing Director

PATRICK CONNELLY

By: /s/ Patrick Connelly

FORUM ENERGY TECHNOLOGIES, INC.

By: /s/ James Harris

Name: James Harris

Title: Senior Vice President, Chief Financial Officer and Secretary

Exhibit 10.9

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made and entered into as of this 2nd day of August 2010, by and among Forum Energy Technologies, Inc. (the "Company"), a Delaware corporation, and C. Christopher Gaut ("Indemnitee").

WHEREAS, in light of the litigation costs and risks to directors and officers resulting from their service to companies, and the desire of the Company to attract and retain qualified individuals to serve as directors and officers, it is reasonable, prudent and necessary for the Company to indemnify and advance expenses on behalf of the directors and officers of the Company to the extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern regarding such risks;

WHEREAS, the Company has requested that Indemnitee serve or continue to serve as an officer and director of the Company and may have requested or may in the future request that Indemnitee serve one or more Enterprises (as hereinafter defined) as an officer, director or in other capacities;

WHEREAS, Indemnitee is willing to serve as an officer and director of the Company or in any other Corporate Status (as hereinafter defined) on the condition that Indemnitee be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Second Amended and Restated Certificate of Incorporation of the Company, as may be further amended from time to time after the date hereof (the "Certificate of Incorporation"), the Amended and Restated Bylaws of the Company, as may be further amended from time to time after the date hereof in accordance with the terms thereof (the "Forum Bylaws" and, together with the Certificate of Incorporation, the "Company Organizational Documents"), any organizational documents of any other Enterprise (collectively, the "Enterprise Organizational Documents") and any resolutions adopted by the Board of Directors or similar governing body of any other Enterprise, and shall not be deemed to be a substitute therefor nor to diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, Indemnitee may have certain rights to indemnification, advancement of expenses and/or insurance provided by the Designating Partners (as hereinafter defined) (or their affiliates), which Indemnitee, the Company and the Designating Partners (or their affiliates) intend to be secondary to the primary obligation of the Company to indemnify Indemnitee as provided herein or as provided in the Company Organizational Documents or Enterprise Organizational Documents, with the Company's acknowledgement of and agreement to the foregoing being a material condition to Indemnitee's willingness to serve as an officer and director of the Company or in any other Corporate Status

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

1. Services by Indemnitee. Indemnitee will serve or continue to serve as an officer and director of the Company for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders Indemnitee's resignation or is removed in accordance with the Company Organizational Documents. Indemnitee may from time to time also agree to serve, as the Company may request from time to time, in another capacity for any Enterprise. Indemnitee and the Company each acknowledge that they have entered into this Agreement as a means of inducing Indemnitee to serve, or continue to serve, the Company in such capacities. Indemnitee may at any time and for any reason resign from such position or positions (subject to any other contractual obligation or any obligation imposed by operation of law).

2. Indemnification - General. On the terms and subject to the conditions of this Agreement, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all losses, liabilities, judgments, fines, penalties, costs, Expenses (as hereinafter defined) and other amounts that Indemnitee reasonably incurs and that result from, arise in connection with or are by reason of Indemnitee's Corporate Status (as hereinafter defined) and shall advance Expenses to Indemnitee. The obligations of the Company under this Agreement (a) shall continue after such time as Indemnitee ceases to serve as an officer and director of the Company or in any other Corporate Status, and (b) include, without limitation, claims for monetary damages against Indemnitee in respect of any actual or alleged liability or other loss of Indemnitee, to the fullest extent permitted under applicable law as in existence on the date hereof (and to such greater extent as applicable law may hereafter from time to time permit) provided that Indemnitee has not engaged in Disabling Conduct. The other provisions in this Agreement are provided in addition to and as a means of furtherance and implementation of, and not in limitation of, the obligations expressed in this Section 2.

3. Proceedings Other Than Proceedings by or in the Right of the Company. If in connection with or by reason of Indemnitee's Corporate Status Indemnitee was, is, or is threatened to be made, a party to or a participant in any Proceeding (as hereinafter defined), other than a Proceeding by or in the right of the Company to procure a judgment in its favor, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such liabilities, judgments, penalties, fines and amounts paid in settlement) reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding or any claim, issue or matter therein.

4. Proceedings by or in the Right of the Company. If by reason of Indemnitee's Corporate Status Indemnitee was, is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding; provided, however, that indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged by a court of competent

jurisdiction to be liable to the Company only if (and only to the extent that) the court in which such Proceeding shall have been brought or is pending shall determine that despite such adjudication of liability and in light of all circumstances such indemnification may be made.

5. Mandatory Indemnification in Case of Successful Defense. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a party to (or a participant in) and is successful, on the merits or otherwise, in defense of any Proceeding (including, without limitation, any Proceeding brought by or in the right of the Company), the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection therewith. If Indemnitee is not wholly successful in defense of such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee against all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with each successfully resolved claim, issue or matter. For purposes of this Section 5 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, on substantive or procedural grounds, shall be deemed to be a successful result as to such claim, issue or matter.

6. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement or otherwise to indemnification by the Company for some or a portion of the Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such liabilities, judgments, penalties, fines and amounts paid in settlement) incurred by Indemnitee or on behalf of Indemnitee in connection with a Proceeding or any claim, issue or matter therein, in whole or in part, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee to the fullest extent to which Indemnitee is entitled to such indemnification.

7. Indemnification for Additional Expenses Incurred to Secure Recovery or as Witness.

(a) The Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, any and all Expenses and, if requested by Indemnitee, shall advance on an as-incurred basis (as provided in Section 8 of this Agreement) such Expenses to Indemnitee, which are reasonably incurred by Indemnitee in connection with any action or proceeding or part thereof brought by Indemnitee for (i) indemnification or advance payment of Expenses by the Company under this Agreement, any other agreement or the Company Organizational Documents; or (ii) recovery under any directors' and officers' insurance policies maintained by the Company or other Enterprise.

(b) To the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness (or is forced or asked to respond to discovery requests) in any Proceeding

to which Indemnitee is not a party, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, and the Company will advance on an as-incurred basis (as provided in Section 8 of this Agreement), all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection therewith.

8. Advancement of Expenses. The Company shall, to the fullest extent permitted under applicable law, pay on a current and as-incurred basis all Expenses incurred by Indemnitee in connection with any Proceeding in any way connected with, resulting from or relating to Indemnitee's Corporate Status. Such Expenses shall be paid in advance of the final disposition of such Proceeding, without regard to whether Indemnitee will ultimately be entitled to be indemnified for such Expenses and without regard to whether an Adverse Determination has been or may be made, except as contemplated by the last sentence of Section 9(f) of this Agreement. Upon submission of a request for advancement of Expenses pursuant to Section 9(c) of this Agreement, Indemnitee shall be entitled to advancement of Expenses as provided in this Section 8, and such advancement of Expenses shall continue until such time (if any) as there is a final non-appealable judicial determination that Indemnitee is not entitled to indemnification or that Indemnitee engaged in Disabling Conduct. Indemnitee shall repay such amounts advanced if and to the extent that it shall ultimately be determined in a decision by a court of competent jurisdiction from which no appeal can be taken that Indemnitee is not entitled to be indemnified by the Company for such Expenses or that Indemnitee engaged in Disabling Conduct. Such repayment obligation shall be unsecured and shall not bear interest. The Company shall not impose on Indemnitee additional conditions to advancement or require from Indemnitee additional undertakings regarding repayment.

9. Indemnification Procedures.

(a) Notice of Proceeding. Indemnitee agrees to notify the Company promptly upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses hereunder. Any failure by Indemnitee to notify the Company will relieve the Company of its advancement or indemnification obligations under this Agreement only to the extent the Company can establish that such omission to notify resulted in actual prejudice to it, and the omission to notify the Company will, in any event, not relieve the Company from any liability which it may have to indemnify Indemnitee or advance Expenses to Indemnitee otherwise than under this Agreement. If, at the time of receipt of any such notice, the Company has director and officer insurance policies in effect, the Company will promptly notify the relevant insurers in accordance with the procedures and requirements of such policies.

(b) Defense; Settlement. The Company shall not, without the prior written consent of Indemnitee, which may be provided or withheld in Indemnitee's sole discretion, effect any settlement of any Proceeding against Indemnitee or which could have been brought against Indemnitee or which

potentially or actually imposes any cost, liability, exposure or burden on Indemnitee unless such settlement solely involves the payment of money or performance of any obligation by Persons other than Indemnitee and includes an unconditional release of Indemnitee from all liability on any matters that are the subject of such Proceeding and an acknowledgment that Indemnitee denies all wrongdoing in connection with such matters. The Company shall not be obligated to indemnify Indemnitee against amounts paid in settlement of a Proceeding against Indemnitee if such settlement is effected by Indemnitee without the Company's prior written consent, which consent shall not be unreasonably withheld. Any Indemnitee that is employed by a Sponsor Company shall have the sole right and obligation to control the defense or conduct of any claim or Proceeding with respect to Indemnitee.

(c) Request for Advancement; Request for Indemnification.

(i) To obtain advancement of Expenses under this Agreement, Indemnitee shall submit to the Company a written request therefor, together with such invoices or other supporting information as may be reasonably requested by the Company and reasonably available to Indemnitee, and, only to the extent required by applicable law which cannot be waived, an unsecured written undertaking to repay amounts advanced. The Company shall make advance payment of Expenses to Indemnitee no later than ten (10) days after receipt of the written request for advancement (and each subsequent request for advancement) by Indemnitee. If, at the time of receipt of any such written request for advancement of Expenses, the Company has director and officer insurance policies in effect, the Company will promptly notify the relevant insurers in accordance with the procedures and requirements of such policies.

(ii) To obtain indemnification under this Agreement, at any time after submission of a request for advancement pursuant to Section 9(c)(i) of this Agreement, Indemnitee may submit a written request for indemnification hereunder. The time at which Indemnitee submits a written request for indemnification shall be determined by the Indemnitee in the Indemnitee's sole discretion. Once Indemnitee submits such a written request for indemnification (and only at such time that Indemnitee submits such a written request for indemnification), a Determination shall thereafter be made, as provided in and only to the extent required by Section 9(d) of this Agreement. In no event shall a Determination be made, or required to be made, as a condition to or otherwise in connection with any advancement of Expenses pursuant to Section 8 and Section 9(c)(i) of this Agreement. If, at the time of receipt of any such request for indemnification, the Company has director and officer insurance policies in effect, the Company will promptly notify the relevant insurers in accordance with the procedures and requirements of such policies.

(d) Determination. Any Determination shall be made within thirty (30) days after receipt of Indemnitee's written request for indemnification pursuant to Section 9(c)(ii) (or in the case of a Determination to be made by Independent Counsel within 30 days of the selection of Independent Counsel) and such Determination shall be made, subject to Section 9(g), in the specific case as follows:

(i) If a Potential Change in Control or a Change in Control shall have occurred, by Independent Counsel (selected in accordance with Section 9(e)) in a written opinion to the Board of Directors, a copy of which opinion shall be delivered to Indemnitee, unless Indemnitee shall request that such determination be made by the Board of Directors, or a committee of the Board of Directors, in which case by the Person or Persons or in the manner provided for in clause (x) or (y) of Section 9(d)(ii) below; or

(ii) If a Potential Change in Control or a Change in Control shall not have occurred, (x) by the Board of Directors by a majority vote of the Disinterested Directors even though less than a quorum of the Board of Directors, (y) by a majority vote of a committee consisting solely of one or more Disinterested Directors designated to act in the matter by a majority vote of all Disinterested Directors, even though less than a quorum of the Board of Directors, or (z) if there are no Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee, with Independent Counsel being selected by a vote of the Disinterested Directors as set forth in clauses (x) or (y) of this Section 9(d)(ii), or if such vote is not obtainable or such a committee of Disinterested Directors cannot be established, by a majority vote of the Board of Directors.

If a Determination is made that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such Determination. Indemnitee shall reasonably cooperate with the Person or Persons making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such Persons upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such Determination. Any Expenses incurred by Indemnitee in so cooperating with the Disinterested Directors or Independent Counsel, as the case may be, making such determination shall be advanced and borne by the Company (irrespective of the Determination as to Indemnitee's entitlement to indemnification) and the Company is liable to indemnify and hold Indemnitee harmless therefrom.

(e) Independent Counsel. If a Potential Change in Control or a Change in Control shall not have occurred and the determination of entitlement to indemnification is to be made by Independent Counsel, the Independent Counsel shall be selected by (i) a majority vote of the Disinterested Directors, even though less than a quorum of the Board of Directors or (ii) if there are no Disinterested Directors, by a majority vote of the Board of Directors, and the Company shall give written notice to Indemnitee, within ten (10) days after receipt by the Company of Indemnitee's request for indemnification, specifying the identity and address of the Independent Counsel so selected. If a Potential Change in Control or a Change in Control shall have occurred and the determination of entitlement to indemnification is to be made by Independent Counsel, the Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the Company, within ten (10) days after submission of Indemnitee's request for indemnification, specifying the identity and address of the Independent Counsel so selected (unless Indemnitee shall request that such selection be made by the Disinterested Directors or a committee of the Board of Directors, in which event

the Company shall give written notice to Indemnitee within ten (10) days after receipt of Indemnitee's request for the Board of Directors or a committee of the Disinterested Directors to make such selection, specifying the identity and address of the Independent Counsel so selected). In either event, (A) such notice to Indemnitee or the Company, as the case may be, shall be accompanied by a written affirmation of the Independent Counsel so selected that it satisfies the requirements of the definition of "Independent Counsel" in Section 14 and that it agrees to serve in such capacity and (B) Indemnitee or the Company, as the case may be, may, within seven (7) days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection. Any objection to the selection of Independent Counsel pursuant to this Section 9(e) may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of the definition of "Independent Counsel" in Section 14, and the objection shall set forth with particularity the factual basis of such assertion. If such written objection is timely made, the Independent Counsel so selected may not serve as Independent Counsel unless and until a court of competent jurisdiction (the "Court") has determined that such objection is without merit. In the event of a timely written objection to a choice of Independent Counsel, the party originally selecting the Independent Counsel shall have seven (7) days to make an alternate selection of Independent Counsel and to give written notice of such selection to the other party, after which time such other party shall have five (5) days to make a written objection to such alternate selection. If, within thirty (30) days after submission of Indemnitee's request for indemnification pursuant to Section 9(c)(ii), no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Court for resolution of any objection that shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a Person selected by the Court or by such other Person as the Court shall designate, and the Person with respect to whom an objection is so resolved or the Person so appointed shall act as Independent Counsel under Section 9(d). The Company shall pay any and all fees and expenses reasonably incurred by such Independent Counsel in connection with acting pursuant to Section 9(d), and the Company shall pay all fees and expenses reasonably incurred incident to the procedures of this Section 9(e) regardless of the manner in which such Independent Counsel was selected or appointed. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 9(f) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(f) Consequences of Determination; Remedies of Indemnitee. The Company shall be bound by and shall have no right to challenge a Favorable Determination. If an Adverse Determination is made, or if for any other reason the Company does not make timely indemnification payments or advances of Expenses, Indemnitee shall have the right to commence a Proceeding before a court of competent jurisdiction to challenge such Adverse Determination and/or to require the Company to make such payments or advances (and the Company shall

have the right to defend their position in such Proceeding and to appeal any adverse judgment in such Proceeding). Indemnitee shall be entitled to be indemnified for all Expenses incurred in connection with such a Proceeding and to have such Expenses advanced by the Company in accordance with Section 8 of this Agreement. If Indemnitee fails to challenge an Adverse Determination, or if Indemnitee challenges an Adverse Determination and such Adverse Determination has been upheld by a final judgment of a court of competent jurisdiction from which no appeal can be taken, then, to the extent and only to the extent required by such Adverse Determination or final judgment, the Company shall not be obligated to indemnify or advance Expenses to Indemnitee under this Agreement.

(g) Presumptions; Burden and Standard of Proof. The parties intend and agree that, to the extent permitted by law, in connection with any Determination with respect to Indemnitee's entitlement to indemnification hereunder by any Person, including a court:

(i) it will be presumed that Indemnitee is entitled to indemnification under this Agreement, and the Enterprise or any other Person challenging such right will have the burden of proof to overcome that presumption in connection with the making by any Person of any determination contrary to that presumption;

(ii) the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the applicable Enterprise, and, with respect to any criminal action or proceeding, had reasonable cause to believe that Indemnitee's conduct was unlawful or that Indemnitee did not act in accordance with any other applicable standard of conduct imposed by contract, applicable law or otherwise;

(iii) Indemnitee will be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the applicable Enterprise, including financial statements, or on information supplied to Indemnitee by the officers, employees, or committees of the Board of Directors or other governing body of the applicable Enterprise, or on the advice of legal counsel for the applicable Enterprise or on information or records given in reports made to the applicable Enterprise by an independent certified public accountant or by an appraiser or other expert or advisor selected by the applicable Enterprise; and

(iv) the knowledge and/or actions, or failure to act, of any director, officer, manager, representative, agent or employee of any Enterprise or other relevant enterprises will not be imputed to Indemnitee in a manner that limits or otherwise adversely affects Indemnitee's rights hereunder.

The provisions of this Section 9(g) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

10. Insurance; Subrogation; Other Rights of Recovery, etc.

(a) The Company shall use its reasonable best efforts to purchase and maintain a policy or policies of insurance with reputable insurance companies with A.M. Best ratings of "A" or better, providing Indemnitee with coverage for any liability asserted against, and incurred by, Indemnitee or on Indemnitee's behalf by reason of Indemnitee's Corporate Status, or arising out of Indemnitee's status as such, whether or not the Company would have the power to indemnify Indemnitee against such liability. Such insurance policies shall have coverage terms and policy limits at least as favorable to Indemnitee as the insurance coverage provided to any other current or former officer or director of the Company. If the Company has such insurance in effect at the time it receives from Indemnitee any notice of the commencement of an action, suit, proceeding or other claim, the Company shall give prompt notice of the commencement of such action, suit, proceeding or other claim to the insurers in accordance with the procedures set forth in the policy. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such action, suit, proceeding or other claim in accordance with the terms of such policy. The Company shall continue to provide such insurance coverage to Indemnitee for a period of at least six (6) years after Indemnitee ceases to serve as an officer and director or in any Corporate Status.

(b) Subject to Section 10(d), in the event of any payment by the Company under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee against any other Enterprise, and Indemnitee hereby agrees, as a condition to obtaining any advancement or indemnification from the Company, to assign to the Company all of Indemnitee's rights to obtain from such other Enterprise such amounts to the extent that they have been paid by the Company to or for the benefit of Indemnitee as advancement or indemnification under this Agreement and are adequate to indemnify Indemnitee with respect to the costs, Expenses or other items to the full extent that Indemnitee is entitled to indemnification or other payment hereunder; and Indemnitee will (upon request by the Company) execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit or enforce such rights.

(c) The Company hereby unconditionally and irrevocably waives, relinquishes and releases, and covenants and agrees not to exercise (and to cause each of the other Enterprises not to exercise), any rights that the Company may now have or hereafter acquire against any Designating Partner (or former Designating Partner), any of their respective affiliates or Indemnitee that arise from or relate to the existence, payment, performance or enforcement of the Company's obligations under this Agreement or under any other indemnification agreement or arrangement (whether pursuant to contract, the Company Organizational Documents, Enterprise Organizational Documents or otherwise) with any Person, including, without limitation, any right of subrogation (whether pursuant to

contract or common law), reimbursement, exoneration, contribution or indemnification, or to be held harmless, and any right to participate in any claim or remedy of Indemnitee against any Designating Partner (or former Designating Partner), any of their respective affiliates or Indemnitee, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Designating Partner (or former Designating Partner), any of their respective affiliates or Indemnitee, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right.

(d) The Company shall not be liable to pay or advance to Indemnitee any amounts otherwise indemnifiable under this Agreement or under any other indemnification agreement if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise; provided, however, that (i) the Company hereby agrees that the Company is the indemnitor of first resort under this Agreement, under the Company Organizational Documents or the Enterprise Organizational Documents or under any other indemnification agreement, arrangement or undertaking (i.e., their obligations to Indemnitee under this Agreement or any other agreement or undertaking to provide advancement of Expenses and indemnification to Indemnitee are primary without regard to any rights Indemnitee may have to seek or obtain indemnification or advancement of Expenses from any Designating Partner or any of its affiliates other than the Company (or any former Designating Partner or any of its affiliates other than the Company) or from any insurance policy for the benefit of such Indemnitee (other than any directors' and officers' insurance policy for the benefit of such Indemnitee maintained or paid for by any Enterprise), and any obligation of any Designating Partner (or any affiliate thereof other than any Enterprise) to provide advancement or indemnification for all or any portion of the same Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement) incurred by Indemnitee and any rights of recovery of Indemnitee under any insurance policy for the benefit of such Indemnitee (other than any directors' and officers' insurance policy for the benefit of such Indemnitee maintained or paid for by any Enterprise) are secondary), and (ii) if any Designating Partner or any of its affiliates other than the Company (or any former Designating Partner or any of its affiliates other than the Company) pays or causes to be paid, for any reason, or if Indemnitee collects under any insurance policy for the benefit of such Indemnitee (other than any directors' and officers' insurance policy for the benefit of such Indemnitee maintained or paid for by any Enterprise), any amounts otherwise payable or indemnifiable hereunder or under any other indemnification agreement, arrangement or undertaking (whether pursuant to contract, organizational document or otherwise) with Indemnitee, then (x) such Designating Partner, former Designating Partner (or affiliate, as the case may be) or insurer, as applicable, shall be fully subrogated to all rights of Indemnitee with respect to such payment and (y) the Company shall fully indemnify, reimburse

and hold harmless such Designating Partner, former Designating Partner (or such affiliate) or insurer, as applicable, for all such payments actually made by such Designating Partner, former Designating Partner (or such affiliate) or insurer.

(e) Subject to Section 10(d), the Company's obligation to indemnify or advance Expenses hereunder to Indemnitee in respect of or relating to Indemnitee's Corporate Status shall be reduced by any amount Indemnitee has actually received as payment of indemnification or advancement of Expenses from such other Enterprise, except to the extent that such indemnification payments and advance payment of Expenses when taken together with any such amount actually received from other Enterprises or under directors' and officers' insurance policies maintained by one or more Enterprises are inadequate to fully pay all costs, Expenses or other items to the full extent that Indemnitee is otherwise entitled to indemnification or other payment hereunder.

(f) Except for the rights set forth in Sections 10(c), 10(d) and 10(e) of this Agreement, the rights to indemnification and advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time, whenever conferred or arising, be entitled under applicable law, under the Company's Organizational Documents, Enterprise Organizational Documents or under any other agreement, resolution of directors (or similar governing body) of any Enterprise, or otherwise. Indemnitee's rights under this Agreement are present contractual rights that fully vest upon Indemnitee's first service as an officer and director of the Company. The Parties hereby agree that Sections 10(c), 10(d) and 10(e) of this Agreement shall be deemed exclusive and shall be deemed to modify, amend and clarify any right to indemnification or advancement provided to Indemnitee under any other contract, agreement or document with any Enterprise relating to advancement or indemnification.

(g) No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

11. Employment Rights; Successors; Third Party Beneficiaries.

(a) Nothing contained in this Agreement shall be construed as giving Indemnitee any right to be, or retained, in the employment of the Company. This Agreement shall continue in force as provided above after Indemnitee has ceased to serve as an officer and director of the Company or in any Corporate Status.

(b) This Agreement shall be binding upon each of the Company and their successors and assigns and shall inure to the benefit of Indemnitee and Indemnitee's heirs, executors and administrators.

(c) The Designating Partners are express third party beneficiaries of this Agreement, are entitled to rely upon this Agreement, and may specifically enforce the Company's obligations hereunder (including but not limited to the obligations specified in Section 10 of this Agreement) as though a party hereunder.

12. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

13. Exception to Right of Indemnification or Advancement of Expenses. Notwithstanding any other provision of this Agreement and except as provided in Section 7(a) of this Agreement or as may otherwise be agreed by the Company, Indemnitee shall not be entitled to indemnification or advancement of Expenses under this Agreement with respect to any Proceeding initiated by Indemnitee (other than a Proceeding by Indemnitee (i) to enforce Indemnitee's rights under this Agreement or (ii) to enforce any other rights of Indemnitee to indemnification, advancement or contribution from the Company under any other contract, the Company Organizational Documents, Enterprise Organizational Documents or under statute or other law, including any rights under the DGCL), unless the initiation of such Proceeding or making of such claim shall have been approved by the Board of Directors.

14. Definitions. For purposes of this Agreement:

(a) "Beneficial Owner" and "Beneficial Ownership" shall have the meanings set forth in Rule 13d-3 promulgated under the Exchange Act as in effect on the date hereof.

(b) "Board of Directors" or "Board" means the board of directors of the Company.

(c) "Change of Control" shall have the same meaning as the definition of "Change in Control" as set forth in the LTIP as in effect on the date hereof.

(d) "Corporate Status" describes the status of a person by reason of such person's past, present or future service as an officer and director or in any capacity for any Enterprise.

(e) "Designating Partners" means any of the Sponsor Companies, in each case so long as an individual designated (directly or indirectly) by a Sponsor Company, or any of their respective affiliates, serves as a director of the Company or in any other Corporate Status.

(f) "Determination" means a determination that either (x) indemnification of Indemnitee is proper in the circumstances because Indemnitee met a particular standard of conduct (a "Favorable Determination") or (y) indemnification of Indemnitee is not proper in the circumstances because Indemnitee failed to meet a particular standard of conduct (an "Adverse Determination"). An Adverse Determination shall include the decision that a Determination was required in connection with indemnification and the decision as to the applicable standard of conduct.

(g) "DGCL" means the Delaware General Corporation Law, and any successor statute thereto, as either of them may from time to time be amended.

(h) "Disabling Conduct" means, with respect to Indemnitee, any act or omission resulting from fraud, gross negligence, willful breach of the Company Organizational Documents or other Enterprise Organizational Documents or a willful illegal act (other than an act or omission treated as a criminal violation in a foreign country that is not a criminal violation in the United States).

(i) "Disinterested Director" with respect to any request by Indemnitee for indemnification hereunder, means a director of the Company who at the time of the vote is not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(j) "Enterprise" shall mean the Company and its subsidiaries and any other entity, constituent entity (including any constituent of a constituent) absorbed in a consolidation or merger to which the Company (or any of its subsidiaries) is a party, limited liability company, partnership, joint venture, trust, employee benefit plan, or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, manager, venturer, proprietor, partner, member, employee, agent, fiduciary or similar functionary.

(k) "Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(m) "Expenses" shall mean all reasonable direct and indirect costs, fees and expenses of any type or nature whatsoever and shall specifically include, without limitation, all reasonable attorneys' fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness, in, or otherwise participating in, a Proceeding, including,

but not limited to, the premium for appeal bonds, attachment bonds or similar bonds and all interest, assessments and other charges paid or payable in connection with or in respect of any such Expenses, and shall also specifically include, without limitation, all reasonable attorneys' fees and all other expenses incurred by or on behalf of Indemnitee in connection with preparing and submitting any requests or statements for indemnification, advancement, contribution or any other right provided by this Agreement. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amounts of judgments or fines against Indemnitee.

(n) "Independent Counsel" means, at any time, any law firm, or a member of a law firm, that (a) is experienced in matters of limited partnership, limited liability company or corporation law, as applicable, and (b) is not, at such time, or has not been in the three years prior to such time, retained to represent: (i) any Enterprise or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnities under similar indemnification agreements), (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder or (iii) the Beneficial Owner, directly or indirectly, of securities of the Company representing 5% or more of the ownership interests or the voting power of the Company's then outstanding voting securities. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any Person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto and to be jointly and severally liable therefor.

(o) "LTIP" means the Forum Energy Technologies, Inc. 2010 Stock Incentive Plan.

(p) "Person" means any individual, entity or group (within the meaning of Rule 13d-5 of the Exchange Act but excluding any employee benefit plan of such person and its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan).

(q) "Potential Change in Control" shall be deemed to have occurred if (i) any Person shall have announced publicly an intention to take actions to effect a Change in Control, or commenced any action that, if successful, would reasonably be expected to result in the occurrence of a Change in Control; (ii) the Company enters into an agreement or arrangement, the consummation of which would result in the occurrence of a Change in Control; or (iii) any other event occurs that the Board of Directors declares to be a Potential Change of Control.

(r) "Proceeding" includes any actual, threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry,

administrative hearing or any other actual, threatened, pending or completed proceeding, whether brought by or in the right of any Enterprise or otherwise and whether civil, criminal, administrative or investigative in nature, in which Indemnitee was, is, may be or will be involved as a party, witness or otherwise, by reason of Indemnitee's Corporate Status or by reason of any action taken by Indemnitee or of any inaction on Indemnitee's part while acting as an officer and director of the Company or serving any other Enterprise (in each case whether or not he is acting or serving in any such capacity or has such status at the time any liability or expense is incurred for which indemnification or advancement of Expenses can be provided under this Agreement).

(s) "Qualified Public Offering" means the initial underwritten public offering of common Equity Interests of the Company pursuant to an effective registration statement filed with the U.S. Securities and Exchange Commission in accordance with the Securities Act of 1933, as amended (other than a registration statement on Form S-8 or any successor form).

(t) "Sponsor Companies" means SCF-V, L.P., SCF-VI, L.P. and SCF-VII, L.P., and any other investment fund or related management company or Company that is an affiliate of SCF-V, L.P., SCF-VI, L.P. and SCF-VII, L.P. (other than the Company) or that is advised by the same investment adviser as any of the foregoing entities or by an affiliate of such investment adviser.

15. Construction. Whenever required by the context, as used in this Agreement the singular number shall include the plural, the plural shall include the singular, and all words herein in any gender shall be deemed to include (as appropriate) the masculine, feminine and neuter genders.

16. Reliance. The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as an officer and director of the Company, the Company hereby acknowledges that Indemnitee is relying upon this Agreement in serving as an officer and director of the Company or serving any other Enterprise.

17. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in a writing identified as such by all of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

18. Notice Mechanics. All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been direct, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(a) If to Indemnitee to:

Forum Energy Technologies, Inc.
8807 W. Sam Houston Pkwy N, Suite 200
Houston, Texas 77040
Attention: C. Christopher Gaut

(b) If to the Company to:

Forum Energy Technologies, Inc.
8807 W. Sam Houston Pkwy N, Suite 200
Houston, Texas 77040
Attention: James W. Harris
Facsimile: 713-351-7997

with a copy to:

Vinson & Elkins L.L.P.
1001 Fannin Street, Suite 2500
Houston, Texas 77002
Attention: Scott N. Wulfe
Facsimile: (713) 615-5637

or to such other address as may have been furnished (in the manner prescribed above) as follows: (a) in the case of a change in address for notices to Indemnitee, furnished by Indemnitee to the Company and (b) in the case of a change in address for notices to the Company, furnished by the Company to Indemnitee.

19. Contribution. To the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for reasonably incurred Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and their other directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

20. Governing Law; Submission to Jurisdiction; Appointment of Agent for Service of Process. This Agreement and the legal relations among the parties shall, to the fullest extent permitted by law, be governed by, and construed and enforced in accordance with, the laws of the State of Texas, without regard to its conflict of laws rules.

21. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

Company:

FORUM ENERGY TECHNOLOGIES, INC.

By: /s/ C. Christopher Gaut
Name: C. Christopher Gaut
Title: President and Chief Executive Officer

Indemnitee:

/s/ C. Christopher Gaut
Name: C. Christopher Gaut

Exhibit 10.10

FORM OF INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made and entered into as of this _____ day of _____ 2010, by and among Forum Energy Technologies, Inc. (the "Company"), a Delaware corporation, and _____ ("Indemnitee").

WHEREAS, in light of the litigation costs and risks to directors and officers resulting from their service to companies, and the desire of the Company to attract and retain qualified individuals to serve as directors and officers, it is reasonable, prudent and necessary for the Company to indemnify and advance expenses on behalf of the directors and officers of the Company to the extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern regarding such risks;

WHEREAS, the Company has requested that Indemnitee serve or continue to serve as an officer of the Company and may have requested or may in the future request that Indemnitee serve one or more Enterprises (as hereinafter defined) as an officer, director or in other capacities;

WHEREAS, Indemnitee is willing to serve as an officer of the Company or in any other Corporate Status (as hereinafter defined) on the condition that Indemnitee be so indemnified; and

WHEREAS, this Agreement is a supplement to and in furtherance of the Second Amended and Restated Certificate of Incorporation of the Company, as may be further amended from time to time after the date hereof (the "Certificate of Incorporation"), the Amended and Restated Bylaws of the Company, as may be further amended from time to time after the date hereof in accordance with the terms thereof (the "Forum Bylaws" and, together with the Certificate of Incorporation, the "Company Organizational Documents"), any organizational documents of any other Enterprise (collectively, the "Enterprise Organizational Documents") and any resolutions adopted by the Board of Directors or similar governing body of any other Enterprise, and shall not be deemed to be a substitute therefor nor to diminish or abrogate any rights of Indemnitee thereunder.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

1. Services by Indemnitee. Indemnitee will serve or continue to serve as an officer of the Company for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders Indemnitee's resignation or is removed in accordance with the Company Organizational Documents. Indemnitee may from time to time also agree to serve, as the Company may request from time to time, in another capacity for any Enterprise. Indemnitee and the Company each acknowledge that they have entered into this Agreement as a means of inducing Indemnitee to serve, or continue to serve, the Company in such capacities. Indemnitee may at any time and for any reason resign from such position or positions (subject to any other contractual obligation or any obligation imposed by operation of law).

2. Indemnification - General. On the terms and subject to the conditions of this Agreement, the Company shall, to the fullest extent permitted under applicable law and so long

as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all losses, liabilities, judgments, fines, penalties, costs, Expenses (as hereinafter defined) and other amounts that Indemnitee reasonably incurs and that result from, arise in connection with or are by reason of Indemnitee's Corporate Status (as hereinafter defined) and shall advance Expenses to Indemnitee. The obligations of the Company under this Agreement (a) shall continue after such time as Indemnitee ceases to serve as an officer of the Company or in any other Corporate Status, and (b) include, without limitation, claims for monetary damages against Indemnitee in respect of any actual or alleged liability or other loss of Indemnitee, to the fullest extent permitted under applicable law as in existence on the date hereof (and to such greater extent as applicable law may hereafter from time to time permit) provided that Indemnitee has not engaged in Disabling Conduct. The other provisions in this Agreement are provided in addition to and as a means of furtherance and implementation of, and not in limitation of, the obligations expressed in this Section 2.

3. Proceedings Other Than Proceedings by or in the Right of the Company. If in connection with or by reason of Indemnitee's Corporate Status Indemnitee was, is, or is threatened to be made, a party to or a participant in any Proceeding (as hereinafter defined), other than a Proceeding by or in the right of the Company to procure a judgment in its favor, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such liabilities, judgments, penalties, fines and amounts paid in settlement) reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding or any claim, issue or matter therein.

4. Proceedings by or in the Right of the Company. If by reason of Indemnitee's Corporate Status Indemnitee was, is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding; provided, however, that indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged by a court of competent jurisdiction to be liable to the Company only if (and only to the extent that) the court in which such Proceeding shall have been brought or is pending shall determine that despite such adjudication of liability and in light of all circumstances such indemnification may be made.

5. Mandatory Indemnification in Case of Successful Defense. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a party to (or a participant in) and is successful, on the merits or otherwise, in defense of any Proceeding (including, without limitation, any Proceeding brought by or in the right of the Company), the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection therewith. If Indemnitee is not wholly

successful in defense of such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee against all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with each successfully resolved claim, issue or matter. For purposes of this Section 5 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, on substantive or procedural grounds, shall be deemed to be a successful result as to such claim, issue or matter.

6. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement or otherwise to indemnification by the Company for some or a portion of the Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such liabilities, judgments, penalties, fines and amounts paid in settlement) incurred by Indemnitee or on behalf of Indemnitee in connection with a Proceeding or any claim, issue or matter therein, in whole or in part, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee to the fullest extent to which Indemnitee is entitled to such indemnification.

7. Indemnification for Additional Expenses Incurred to Secure Recovery or as Witness.

(a) The Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, any and all Expenses and, if requested by Indemnitee, shall advance on an as-incurred basis (as provided in Section 8 of this Agreement) such Expenses to Indemnitee, which are reasonably incurred by Indemnitee in connection with any action or proceeding or part thereof brought by Indemnitee for (i) indemnification or advance payment of Expenses by the Company under this Agreement, any other agreement or the Company Organizational Documents; or (ii) recovery under any directors' and officers' insurance policies maintained by the Company or other Enterprise.

(b) To the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness (or is forced or asked to respond to discovery requests) in any Proceeding to which Indemnitee is not a party, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, and the Company will advance on an as-incurred basis (as provided in Section 8 of this Agreement), all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection therewith.

8. Advancement of Expenses. The Company shall, to the fullest extent permitted under applicable law, pay on a current and as-incurred basis all Expenses incurred by Indemnitee in connection with any Proceeding in any way connected with, resulting from or relating to Indemnitee's Corporate Status. Such Expenses shall be paid in advance of the final disposition of such Proceeding, without regard to whether Indemnitee will ultimately be entitled to be

indemnified for such Expenses and without regard to whether an Adverse Determination has been or may be made, except as contemplated by the last sentence of Section 9(f) of this Agreement. Upon submission of a request for advancement of Expenses pursuant to Section 9(c) of this Agreement, Indemnitee shall be entitled to advancement of Expenses as provided in this Section 8, and such advancement of Expenses shall continue until such time (if any) as there is a final non-appealable judicial determination that Indemnitee is not entitled to indemnification or that Indemnitee engaged in Disabling Conduct. Indemnitee shall repay such amounts advanced if and to the extent that it shall ultimately be determined in a decision by a court of competent jurisdiction from which no appeal can be taken that Indemnitee is not entitled to be indemnified by the Company for such Expenses or that Indemnitee engaged in Disabling Conduct. Such repayment obligation shall be unsecured and shall not bear interest. The Company shall not impose on Indemnitee additional conditions to advancement or require from Indemnitee additional undertakings regarding repayment.

9. Indemnification Procedures.

(a) Notice of Proceeding. Indemnitee agrees to notify the Company promptly upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses hereunder. Any failure by Indemnitee to notify the Company will relieve the Company of its advancement or indemnification obligations under this Agreement only to the extent the Company can establish that such omission to notify resulted in actual prejudice to it, and the omission to notify the Company will, in any event, not relieve the Company from any liability which it may have to indemnify Indemnitee or advance Expenses to Indemnitee otherwise than under this Agreement. If, at the time of receipt of any such notice, the Company has director and officer insurance policies in effect, the Company will promptly notify the relevant insurers in accordance with the procedures and requirements of such policies.

(b) Defense; Settlement. The Company shall not, without the prior written consent of Indemnitee, which may be provided or withheld in Indemnitee's sole discretion, effect any settlement of any Proceeding against Indemnitee or which could have been brought against Indemnitee or which potentially or actually imposes any cost, liability, exposure or burden on Indemnitee unless such settlement solely involves the payment of money or performance of any obligation by Persons other than Indemnitee and includes an unconditional release of Indemnitee from all liability on any matters that are the subject of such Proceeding and an acknowledgment that Indemnitee denies all wrongdoing in connection with such matters. The Company shall not be obligated to indemnify Indemnitee against amounts paid in settlement of a Proceeding against Indemnitee if such settlement is effected by Indemnitee without the Company's prior written consent, which consent shall not be unreasonably withheld.

(c) Request for Advancement; Request for Indemnification.

(i) To obtain advancement of Expenses under this Agreement, Indemnitee shall submit to the Company a written request therefor, together with such invoices or other supporting information as may be reasonably requested by the Company and reasonably available to Indemnitee, and, only to the extent required by applicable law which cannot be waived, an unsecured written undertaking to repay amounts advanced. The Company shall make advance payment of Expenses to Indemnitee no later than ten (10) days after receipt of the written request for advancement (and each subsequent request for advancement) by Indemnitee. If, at the time of receipt of any such written request for advancement of Expenses, the Company has director and officer insurance policies in effect, the Company will promptly notify the relevant insurers in accordance with the procedures and requirements of such policies.

(ii) To obtain indemnification under this Agreement, at any time after submission of a request for advancement pursuant to Section 9(c)(i) of this Agreement, Indemnitee may submit a written request for indemnification hereunder. The time at which Indemnitee submits a written request for indemnification shall be determined by the Indemnitee in the Indemnitee's sole discretion. Once Indemnitee submits such a written request for indemnification (and only at such time that Indemnitee submits such a written request for indemnification), a Determination shall thereafter be made, as provided in and only to the extent required by Section 9(d) of this Agreement. In no event shall a Determination be made, or required to be made, as a condition to or otherwise in connection with any advancement of Expenses pursuant to Section 8 and Section 9(c)(i) of this Agreement. If, at the time of receipt of any such request for indemnification, the Company has director and officer insurance policies in effect, the Company will promptly notify the relevant insurers in accordance with the procedures and requirements of such policies.

(d) Determination. Any Determination shall be made within thirty (30) days after receipt of Indemnitee's written request for indemnification pursuant to Section 9(c)(ii) (or in the case of a Determination to be made by Independent Counsel within 30 days of the selection of Independent Counsel) and such Determination shall be made, subject to Section 9(g), in the specific case as follows:

(i) If a Potential Change in Control or a Change in Control shall have occurred, by Independent Counsel (selected in accordance with Section 9(e)) in a written opinion to the Board of Directors, a copy of which opinion shall be delivered to Indemnitee, unless Indemnitee shall request that such determination be made by the Board of Directors, or a committee of the Board of Directors, in which case by the Person or Persons or in the manner provided for in clause (x) or (y) of Section 9(d)(ii) below; or

(ii) If a Potential Change in Control or a Change in Control shall not have occurred, (x) by the Board of Directors by a majority vote of the Disinterested Directors even though less than a quorum of the Board of Directors, (y) by a majority vote of a committee consisting solely of one or more Disinterested Directors designated to act in the matter by a majority vote of all Disinterested Directors, even though less than a quorum of the Board of Directors, or (z) if there are no Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee, with Independent Counsel being selected by a vote of the

Disinterested Directors as set forth in clauses (x) or (y) of this Section 9(d)(ii), or if such vote is not obtainable or such a committee of Disinterested Directors cannot be established, by a majority vote of the Board of Directors.

If a Determination is made that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such Determination. Indemnitee shall reasonably cooperate with the Person or Persons making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such Persons upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such Determination. Any Expenses incurred by Indemnitee in so cooperating with the Disinterested Directors or Independent Counsel, as the case may be, making such determination shall be advanced and borne by the Company (irrespective of the Determination as to Indemnitee's entitlement to indemnification) and the Company is liable to indemnify and hold Indemnitee harmless therefrom.

(e) Independent Counsel. If a Potential Change in Control or a Change in Control shall not have occurred and the determination of entitlement to indemnification is to be made by Independent Counsel, the Independent Counsel shall be selected by (i) a majority vote of the Disinterested Directors, even though less than a quorum of the Board of Directors or (ii) if there are no Disinterested Directors, by a majority vote of the Board of Directors, and the Company shall give written notice to Indemnitee, within ten (10) days after receipt by the Company of Indemnitee's request for indemnification, specifying the identity and address of the Independent Counsel so selected. If a Potential Change in Control or a Change in Control shall have occurred and the determination of entitlement to indemnification is to be made by Independent Counsel, the Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the Company, within ten (10) days after submission of Indemnitee's request for indemnification, specifying the identity and address of the Independent Counsel so selected (unless Indemnitee shall request that such selection be made by the Disinterested Directors or a committee of the Board of Directors, in which event the Company shall give written notice to Indemnitee within ten (10) days after receipt of Indemnitee's request for the Board of Directors or a committee of the Disinterested Directors to make such selection, specifying the identity and address of the Independent Counsel so selected). In either event, (A) such notice to Indemnitee or the Company, as the case may be, shall be accompanied by a written affirmation of the Independent Counsel so selected that it satisfies the requirements of the definition of "Independent Counsel" in Section 14 and that it agrees to serve in such capacity and (B) Indemnitee or the Company, as the case may be, may, within seven (7) days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection. Any objection to the selection of Independent Counsel pursuant to this Section 9(e) may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of the definition of "Independent Counsel" in Section 14, and the objection shall set forth with particularity the factual basis of such assertion. If such written objection is timely made, the

Independent Counsel so selected may not serve as Independent Counsel unless and until a court of competent jurisdiction (the "Court") has determined that such objection is without merit. In the event of a timely written objection to a choice of Independent Counsel, the party originally selecting the Independent Counsel shall have seven (7) days to make an alternate selection of Independent Counsel and to give written notice of such selection to the other party, after which time such other party shall have five (5) days to make a written objection to such alternate selection. If, within thirty (30) days after submission of Indemnitee's request for indemnification pursuant to Section 9(c)(ii), no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Court for resolution of any objection that shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a Person selected by the Court or by such other Person as the Court shall designate, and the Person with respect to whom an objection is so resolved or the Person so appointed shall act as Independent Counsel under Section 9(d). The Company shall pay any and all fees and expenses reasonably incurred by such Independent Counsel in connection with acting pursuant to Section 9(d), and the Company shall pay all fees and expenses reasonably incurred incident to the procedures of this Section 9(e) regardless of the manner in which such Independent Counsel was selected or appointed. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 9(f) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(f) Consequences of Determination; Remedies of Indemnitee. The Company shall be bound by and shall have no right to challenge a Favorable Determination. If an Adverse Determination is made, or if for any other reason the Company does not make timely indemnification payments or advances of Expenses, Indemnitee shall have the right to commence a Proceeding before a court of competent jurisdiction to challenge such Adverse Determination and/or to require the Company to make such payments or advances (and the Company shall have the right to defend their position in such Proceeding and to appeal any adverse judgment in such Proceeding). Indemnitee shall be entitled to be indemnified for all Expenses incurred in connection with such a Proceeding and to have such Expenses advanced by the Company in accordance with Section 8 of this Agreement. If Indemnitee fails to challenge an Adverse Determination, or if Indemnitee challenges an Adverse Determination and such Adverse Determination has been upheld by a final judgment of a court of competent jurisdiction from which no appeal can be taken, then, to the extent and only to the extent required by such Adverse Determination or final judgment, the Company shall not be obligated to indemnify or advance Expenses to Indemnitee under this Agreement.

(g) Presumptions; Burden and Standard of Proof. The parties intend and agree that, to the extent permitted by law, in connection with any Determination with respect to Indemnitee's entitlement to indemnification hereunder by any Person, including a court:

(i) it will be presumed that Indemnitee is entitled to indemnification under this Agreement, and the Enterprise or any other Person challenging such right will have the burden of proof to overcome that presumption in connection with the making by any Person of any determination contrary to that presumption;

(ii) the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the applicable Enterprise, and, with respect to any criminal action or proceeding, had reasonable cause to believe that Indemnitee's conduct was unlawful or that Indemnitee did not act in accordance with any other applicable standard of conduct imposed by contract, applicable law or otherwise;

(iii) Indemnitee will be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the applicable Enterprise, including financial statements, or on information supplied to Indemnitee by the officers, employees, or committees of the Board of Directors or other governing body of the applicable Enterprise, or on the advice of legal counsel for the applicable Enterprise or on information or records given in reports made to the applicable Enterprise by an independent certified public accountant or by an appraiser or other expert or advisor selected by the applicable Enterprise; and

(iv) the knowledge and/or actions, or failure to act, of any director, officer, manager, representative, agent or employee of any Enterprise or other relevant enterprises will not be imputed to Indemnitee in a manner that limits or otherwise adversely affects Indemnitee's rights hereunder.

The provisions of this Section 9(g) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

10. Insurance; Subrogation; Other Rights of Recovery, etc.

(a) The Company shall use its reasonable best efforts to purchase and maintain a policy or policies of insurance with reputable insurance companies with A.M. Best ratings of "A" or better, providing Indemnitee with coverage for any liability asserted against, and incurred by, Indemnitee or on Indemnitee's behalf by reason of Indemnitee's Corporate Status, or arising out of Indemnitee's status as such, whether or not the Company would have the power to indemnify Indemnitee against such liability. Such insurance policies shall have coverage terms and policy limits at least as favorable to Indemnitee as the insurance coverage provided to any other current or former officer or director of the Company. If the Company has such insurance in effect at the time it receives from Indemnitee any notice of the commencement of an action, suit, proceeding or other claim, the Company shall give prompt notice of the commencement of such action, suit, proceeding or other claim to the insurers in accordance with the procedures set forth in the policy. The Company shall thereafter take all necessary or desirable action to

cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such action, suit, proceeding or other claim in accordance with the terms of such policy. The Company shall continue to provide such insurance coverage to Indemnitee for a period of at least six (6) years after Indemnitee ceases to serve as an officer or in any Corporate Status.

(b) In the event of any payment by the Company under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee against any other Enterprise, and Indemnitee hereby agrees, as a condition to obtaining any advancement or indemnification from the Company, to assign to the Company all of Indemnitee's rights to obtain from such other Enterprise such amounts to the extent that they have been paid by the Company to or for the benefit of Indemnitee as advancement or indemnification under this Agreement and are adequate to indemnify Indemnitee with respect to the costs, Expenses or other items to the full extent that Indemnitee is entitled to indemnification or other payment hereunder; and Indemnitee will (upon request by the Company) execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit or enforce such rights.

(c) The Company hereby unconditionally and irrevocably waives, relinquishes and releases, and covenants and agrees not to exercise (and to cause each of the other Enterprises not to exercise), any rights that the Company may now have or hereafter acquire against any Designating Partner (or former Designating Partner), any of their respective affiliates or Indemnitee that arise from or relate to the existence, payment, performance or enforcement of the Company's obligations under this Agreement or under any other indemnification agreement or arrangement (whether pursuant to contract, the Company Organizational Documents, Enterprise Organizational Documents or otherwise) with any Person, including, without limitation, any right of subrogation (whether pursuant to contract or common law), reimbursement, exoneration, contribution or indemnification, or to be held harmless, and any right to participate in any claim or remedy of Indemnitee against any Designating Partner (or former Designating Partner), any of their respective affiliates or Indemnitee, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Designating Partner (or former Designating Partner), any of their respective affiliates or Indemnitee, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right.

(d) The Company shall not be liable to pay or advance to Indemnitee any amounts otherwise indemnifiable under this Agreement or under any other indemnification agreement if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee in respect of or relating to Indemnitee's Corporate Status shall be

reduced by any amount Indemnitee has actually received as payment of indemnification or advancement of Expenses from such other Enterprise, except to the extent that such indemnification payments and advance payment of Expenses when taken together with any such amount actually received from other Enterprises or under directors' and officers' insurance policies maintained by one or more Enterprises are inadequate to fully pay all costs, Expenses or other items to the full extent that Indemnitee is otherwise entitled to indemnification or other payment hereunder.

(f) Except for the rights set forth in Sections 10(c) and 10(e) of this Agreement, the rights to indemnification and advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time, whenever conferred or arising, be entitled under applicable law, under the Company's Organizational Documents, Enterprise Organizational Documents or under any other agreement, resolution of directors (or similar governing body) of any Enterprise, or otherwise. Indemnitee's rights under this Agreement are present contractual rights that fully vest upon Indemnitee's first service as an officer of the Company. The Parties hereby agree that Sections 10(c), 10(d) and 10(e) of this Agreement shall be deemed exclusive and shall be deemed to modify, amend and clarify any right to indemnification or advancement provided to Indemnitee under any other contract, agreement or document with any Enterprise relating to advancement or indemnification.

(g) No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

11. Employment Rights; Successors; Third Party Beneficiaries.

(a) Nothing contained in this Agreement shall be construed as giving Indemnitee any right to be, or retained, in the employment of the Company. This Agreement shall continue in force as provided above after Indemnitee has ceased to serve as an officer of the Company or in any Corporate Status.

(b) This Agreement shall be binding upon each of the Company and their successors and assigns and shall inure to the benefit of Indemnitee and Indemnitee's heirs, executors and administrators.

(c) The Designating Partners are express third party beneficiaries of this Agreement, are entitled to rely upon this Agreement, and may specifically enforce the Company's obligations hereunder (including but not limited to the obligations specified in Section 10 of this Agreement) as though a party hereunder.

12. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

13. Exception to Right of Indemnification or Advancement of Expenses. Notwithstanding any other provision of this Agreement and except as provided in Section 7(a) of this Agreement or as may otherwise be agreed by the Company, Indemnitee shall not be entitled to indemnification or advancement of Expenses under this Agreement with respect to any Proceeding initiated by Indemnitee (other than a Proceeding by Indemnitee (i) to enforce Indemnitee's rights under this Agreement or (ii) to enforce any other rights of Indemnitee to indemnification, advancement or contribution from the Company under any other contract, the Company Organizational Documents, Enterprise Organizational Documents or under statute or other law, including any rights under the DGCL), unless the initiation of such Proceeding or making of such claim shall have been approved by the Board of Directors.

14. Definitions. For purposes of this Agreement:

(a) "Beneficial Owner" and "Beneficial Ownership" shall have the meanings set forth in Rule 13d-3 promulgated under the Exchange Act as in effect on the date hereof.

(b) "Board of Directors" or "Board" means the board of directors of the Company.

(c) "Change of Control" shall have the same meaning as the definition of "Change in Control" as set forth in the LTIP as in effect on the date hereof.

(d) "Corporate Status" describes the status of a person by reason of such person's past, present or future service as an officer or in any capacity for any Enterprise.

(e) "Designating Partners" means any of the Sponsor Companies, in each case so long as an individual designated (directly or indirectly) by a Sponsor Company, or any of their respective affiliates, serves as a director of the Company or in any other Corporate Status.

(f) "Determination" means a determination that either (x) indemnification of Indemnitee is proper in the circumstances because Indemnitee met a particular standard of conduct (a "Favorable Determination") or (y) indemnification of Indemnitee is not proper in the circumstances because Indemnitee failed to meet a particular standard of conduct (an "Adverse Determination"). An Adverse Determination shall include the decision that a Determination was required in

connection with indemnification and the decision as to the applicable standard of conduct.

(g) "DGCL" means the Delaware General Corporation Law, and any successor statute thereto, as either of them may from time to time be amended.

(h) "Disabling Conduct" means, with respect to Indemnitee, any act or omission resulting from fraud, gross negligence, willful breach of the Company Organizational Documents or other Enterprise Organizational Documents or a willful illegal act (other than an act or omission treated as a criminal violation in a foreign country that is not a criminal violation in the United States).

(i) "Disinterested Director" with respect to any request by Indemnitee for indemnification hereunder, means a director of the Company who at the time of the vote is not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(j) "Enterprise" shall mean the Company and its subsidiaries and any other entity, constituent entity (including any constituent of a constituent) absorbed in a consolidation or merger to which the Company (or any of its subsidiaries) is a party, limited liability company, partnership, joint venture, trust, employee benefit plan, or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, manager, venturer, proprietor, partner, member, employee, agent, fiduciary or similar functionary.

(k) "Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(m) "Expenses" shall mean all reasonable direct and indirect costs, fees and expenses of any type or nature whatsoever and shall specifically include, without limitation, all reasonable attorneys' fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness, in, or otherwise participating in, a Proceeding, including, but not limited to, the premium for appeal bonds, attachment bonds or similar bonds and all interest, assessments and other charges paid or payable in connection with or in respect of any such Expenses, and shall also specifically include, without limitation, all reasonable attorneys' fees and all other expenses incurred by or on behalf of Indemnitee in connection with preparing and submitting any requests or statements for indemnification, advancement, contribution or any other

right provided by this Agreement. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amounts of judgments or fines against Indemnitee.

(n) "Independent Counsel" means, at any time, any law firm, or a member of a law firm, that (a) is experienced in matters of limited partnership, limited liability company or corporation law, as applicable, and (b) is not, at such time, or has not been in the three years prior to such time, retained to represent: (i) any Enterprise or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnities under similar indemnification agreements), (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder or (iii) the Beneficial Owner, directly or indirectly, of securities of the Company representing 5% or more of the ownership interests or the voting power of the Company's then outstanding voting securities. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any Person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto and to be jointly and severally liable therefor.

(o) "LTIP" means the Forum Energy Technologies, Inc. 2010 Stock Incentive Plan.

(p) "Person" means any individual, entity or group (within the meaning of Rule 13d-5 of the Exchange Act but excluding any employee benefit plan of such person and its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan).

(q) "Potential Change in Control" shall be deemed to have occurred if (i) any Person shall have announced publicly an intention to take actions to effect a Change in Control, or commenced any action that, if successful, would reasonably be expected to result in the occurrence of a Change in Control; (ii) the Company enters into an agreement or arrangement, the consummation of which would result in the occurrence of a Change in Control; or (iii) any other event occurs that the Board of Directors declares to be a Potential Change of Control.

(r) "Proceeding" includes any actual, threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened, pending or completed proceeding, whether brought by or in the right of any Enterprise or otherwise and whether civil, criminal, administrative or investigative in nature, in which Indemnitee was, is, may be or will be involved as a party, witness or otherwise, by reason of Indemnitee's Corporate Status or by reason of any action taken by Indemnitee or of any inaction on Indemnitee's part while acting as an officer of the

Company or serving any other Enterprise (in each case whether or not he is acting or serving in any such capacity or has such status at the time any liability or expense is incurred for which indemnification or advancement of Expenses can be provided under this Agreement).

(s) "Qualified Public Offering" means the initial underwritten public offering of common Equity Interests of the Company pursuant to an effective registration statement filed with the U.S. Securities and Exchange Commission in accordance with the Securities Act of 1933, as amended (other than a registration statement on Form S-8 or any successor form).

(t) "Sponsor Companies" means SCF-V, L.P., SCF-VI, L.P. and SCF-VII, L.P., and any other investment fund or related management company or Company that is an affiliate of SCF-V, L.P., SCF-VI, L.P. and SCF-VII, L.P. (other than the Company) or that is advised by the same investment adviser as any of the foregoing entities or by an affiliate of such investment adviser.

15. Construction. Whenever required by the context, as used in this Agreement the singular number shall include the plural, the plural shall include the singular, and all words herein in any gender shall be deemed to include (as appropriate) the masculine, feminine and neuter genders.

16. Reliance. The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as an officer of the Company, the Company hereby acknowledges that Indemnitee is relying upon this Agreement in serving as an officer of the Company or serving any other Enterprise.

17. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in a writing identified as such by all of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

18. Notice Mechanics. All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been direct, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(a) If to Indemnitee to:

_____

_____

_____

Attention: _____

(b) If to the Company to:

Forum Energy Technologies, Inc.
8807 W. Sam Houston Pkwy N, Suite 200
Houston, Texas 77040
Attention: James W. Harris
Facsimile: 713-351-7997

with a copy to:

Vinson & Elkins L.L.P.
1001 Fannin Street, Suite 2500
Houston, Texas 77002
Attention: Scott N. Wulfe
Facsimile: (713) 615-5637

or to such other address as may have been furnished (in the manner prescribed above) as follows: (a) in the case of a change in address for notices to Indemnitee, furnished by Indemnitee to the Company and (b) in the case of a change in address for notices to the Company, furnished by the Company to Indemnitee.

19. Contribution. To the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for reasonably incurred Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and their other directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

20. Governing Law; Submission to Jurisdiction; Appointment of Agent for Service of Process. This Agreement and the legal relations among the parties shall, to the fullest extent permitted by law, be governed by, and construed and enforced in accordance with, the laws of the State of Texas, without regard to its conflict of laws rules.

21. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

Company:

FORUM ENERGY TECHNOLOGIES, INC.

By: _____
Name:
Title:

Indemnitee:

_____
Name:

Annex A

Participating Executive Officers

Charles E. Jones
Wendell R. Brooks
James W. Harris
James L. McCulloch
W. Patrick Connelly
Christopher G. Dorros
Michael D. Danford

Exhibit 10.11

FORM OF INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made and entered into as of this _____ day of _____ 2010, by and among Forum Energy Technologies, Inc. (the "Company"), a Delaware corporation, and _____ ("Indemnitee").

WHEREAS, in light of the litigation costs and risks to directors and officers resulting from their service to companies, and the desire of the Company to attract and retain qualified individuals to serve as directors and officers, it is reasonable, prudent and necessary for the Company to indemnify and advance expenses on behalf of the directors and officers of the Company to the extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern regarding such risks;

WHEREAS, the Company has requested that Indemnitee serve or continue to serve as a director of the Company and may have requested or may in the future request that Indemnitee serve one or more Enterprises (as hereinafter defined) as an officer, director or in other capacities;

WHEREAS, Indemnitee is willing to serve as a director of the Company or in any other Corporate Status (as hereinafter defined) on the condition that Indemnitee be so indemnified; and

WHEREAS, this Agreement is a supplement to and in furtherance of the Second Amended and Restated Certificate of Incorporation of the Company, as may be further amended from time to time after the date hereof (the "Certificate of Incorporation"), the Amended and Restated Bylaws of the Company, as may be further amended from time to time after the date hereof in accordance with the terms thereof (the "Forum Bylaws" and, together with the Certificate of Incorporation, the "Company Organizational Documents"), any organizational documents of any other Enterprise (collectively, the "Enterprise Organizational Documents") and any resolutions adopted by the Board of Directors or similar governing body of any other Enterprise, and shall not be deemed to be a substitute therefor nor to diminish or abrogate any rights of Indemnitee thereunder.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

1. Services by Indemnitee. Indemnitee will serve or continue to serve as a director of the Company for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders Indemnitee's resignation or is removed in accordance with the Company Organizational Documents. Indemnitee may from time to time also agree to serve, as the Company may request from time to time, in another capacity for any Enterprise. Indemnitee and the Company each acknowledge that they have entered into this Agreement as a means of inducing Indemnitee to serve, or continue to serve, the Company in such capacities. Indemnitee may at any time and for any reason resign from such position or positions (subject to any other contractual obligation or any obligation imposed by operation of law).

2. Indemnification - General. On the terms and subject to the conditions of this Agreement, the Company shall, to the fullest extent permitted under applicable law and so long

as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all losses, liabilities, judgments, fines, penalties, costs, Expenses (as hereinafter defined) and other amounts that Indemnitee reasonably incurs and that result from, arise in connection with or are by reason of Indemnitee's Corporate Status (as hereinafter defined) and shall advance Expenses to Indemnitee. The obligations of the Company under this Agreement (a) shall continue after such time as Indemnitee ceases to serve as a director of the Company or in any other Corporate Status, and (b) include, without limitation, claims for monetary damages against Indemnitee in respect of any actual or alleged liability or other loss of Indemnitee, to the fullest extent permitted under applicable law as in existence on the date hereof (and to such greater extent as applicable law may hereafter from time to time permit) provided that Indemnitee has not engaged in Disabling Conduct. The other provisions in this Agreement are provided in addition to and as a means of furtherance and implementation of, and not in limitation of, the obligations expressed in this Section 2.

3. Proceedings Other Than Proceedings by or in the Right of the Company. If in connection with or by reason of Indemnitee's Corporate Status Indemnitee was, is, or is threatened to be made, a party to or a participant in any Proceeding (as hereinafter defined), other than a Proceeding by or in the right of the Company to procure a judgment in its favor, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such liabilities, judgments, penalties, fines and amounts paid in settlement) reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding or any claim, issue or matter therein.

4. Proceedings by or in the Right of the Company. If by reason of Indemnitee's Corporate Status Indemnitee was, is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding; provided, however, that indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged by a court of competent jurisdiction to be liable to the Company only if (and only to the extent that) the court in which such Proceeding shall have been brought or is pending shall determine that despite such adjudication of liability and in light of all circumstances such indemnification may be made.

5. Mandatory Indemnification in Case of Successful Defense. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a party to (or a participant in) and is successful, on the merits or otherwise, in defense of any Proceeding (including, without limitation, any Proceeding brought by or in the right of the Company), the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection therewith. If Indemnitee is not wholly

successful in defense of such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee against all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with each successfully resolved claim, issue or matter. For purposes of this Section 5 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, on substantive or procedural grounds, shall be deemed to be a successful result as to such claim, issue or matter.

6. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement or otherwise to indemnification by the Company for some or a portion of the Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such liabilities, judgments, penalties, fines and amounts paid in settlement) incurred by Indemnitee or on behalf of Indemnitee in connection with a Proceeding or any claim, issue or matter therein, in whole or in part, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee to the fullest extent to which Indemnitee is entitled to such indemnification.

7. Indemnification for Additional Expenses Incurred to Secure Recovery or as Witness.

(a) The Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, any and all Expenses and, if requested by Indemnitee, shall advance on an as-incurred basis (as provided in Section 8 of this Agreement) such Expenses to Indemnitee, which are reasonably incurred by Indemnitee in connection with any action or proceeding or part thereof brought by Indemnitee for (i) indemnification or advance payment of Expenses by the Company under this Agreement, any other agreement or the Company Organizational Documents; or (ii) recovery under any directors' and officers' insurance policies maintained by the Company or other Enterprise.

(b) To the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness (or is forced or asked to respond to discovery requests) in any Proceeding to which Indemnitee is not a party, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, and the Company will advance on an as-incurred basis (as provided in Section 8 of this Agreement), all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection therewith.

8. Advancement of Expenses. The Company shall, to the fullest extent permitted under applicable law, pay on a current and as-incurred basis all Expenses incurred by Indemnitee in connection with any Proceeding in any way connected with, resulting from or relating to Indemnitee's Corporate Status. Such Expenses shall be paid in advance of the final disposition of such Proceeding, without regard to whether Indemnitee will ultimately be entitled to be

indemnified for such Expenses and without regard to whether an Adverse Determination has been or may be made, except as contemplated by the last sentence of Section 9(f) of this Agreement. Upon submission of a request for advancement of Expenses pursuant to Section 9(c) of this Agreement, Indemnitee shall be entitled to advancement of Expenses as provided in this Section 8, and such advancement of Expenses shall continue until such time (if any) as there is a final non-appealable judicial determination that Indemnitee is not entitled to indemnification or that Indemnitee engaged in Disabling Conduct. Indemnitee shall repay such amounts advanced if and to the extent that it shall ultimately be determined in a decision by a court of competent jurisdiction from which no appeal can be taken that Indemnitee is not entitled to be indemnified by the Company for such Expenses or that Indemnitee engaged in Disabling Conduct. Such repayment obligation shall be unsecured and shall not bear interest. The Company shall not impose on Indemnitee additional conditions to advancement or require from Indemnitee additional undertakings regarding repayment.

9. Indemnification Procedures.

(a) Notice of Proceeding. Indemnitee agrees to notify the Company promptly upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses hereunder. Any failure by Indemnitee to notify the Company will relieve the Company of its advancement or indemnification obligations under this Agreement only to the extent the Company can establish that such omission to notify resulted in actual prejudice to it, and the omission to notify the Company will, in any event, not relieve the Company from any liability which it may have to indemnify Indemnitee or advance Expenses to Indemnitee otherwise than under this Agreement. If, at the time of receipt of any such notice, the Company has director and officer insurance policies in effect, the Company will promptly notify the relevant insurers in accordance with the procedures and requirements of such policies.

(b) Defense; Settlement. The Company shall not, without the prior written consent of Indemnitee, which may be provided or withheld in Indemnitee's sole discretion, effect any settlement of any Proceeding against Indemnitee or which could have been brought against Indemnitee or which potentially or actually imposes any cost, liability, exposure or burden on Indemnitee unless such settlement solely involves the payment of money or performance of any obligation by Persons other than Indemnitee and includes an unconditional release of Indemnitee from all liability on any matters that are the subject of such Proceeding and an acknowledgment that Indemnitee denies all wrongdoing in connection with such matters. The Company shall not be obligated to indemnify Indemnitee against amounts paid in settlement of a Proceeding against Indemnitee if such settlement is effected by Indemnitee without the Company's prior written consent, which consent shall not be unreasonably withheld.

(c) Request for Advancement; Request for Indemnification.

(i) To obtain advancement of Expenses under this Agreement, Indemnitee shall submit to the Company a written request therefor, together with such invoices or other supporting information as may be reasonably requested by the Company and reasonably available to Indemnitee, and, only to the extent required by applicable law which cannot be waived, an unsecured written undertaking to repay amounts advanced. The Company shall make advance payment of Expenses to Indemnitee no later than ten (10) days after receipt of the written request for advancement (and each subsequent request for advancement) by Indemnitee. If, at the time of receipt of any such written request for advancement of Expenses, the Company has director and officer insurance policies in effect, the Company will promptly notify the relevant insurers in accordance with the procedures and requirements of such policies.

(ii) To obtain indemnification under this Agreement, at any time after submission of a request for advancement pursuant to Section 9(c)(i) of this Agreement, Indemnitee may submit a written request for indemnification hereunder. The time at which Indemnitee submits a written request for indemnification shall be determined by the Indemnitee in the Indemnitee's sole discretion. Once Indemnitee submits such a written request for indemnification (and only at such time that Indemnitee submits such a written request for indemnification), a Determination shall thereafter be made, as provided in and only to the extent required by Section 9(d) of this Agreement. In no event shall a Determination be made, or required to be made, as a condition to or otherwise in connection with any advancement of Expenses pursuant to Section 8 and Section 9(c)(i) of this Agreement. If, at the time of receipt of any such request for indemnification, the Company has director and officer insurance policies in effect, the Company will promptly notify the relevant insurers in accordance with the procedures and requirements of such policies.

(d) Determination. Any Determination shall be made within thirty (30) days after receipt of Indemnitee's written request for indemnification pursuant to Section 9(c)(ii) (or in the case of a Determination to be made by Independent Counsel within 30 days of the selection of Independent Counsel) and such Determination shall be made, subject to Section 9(g), in the specific case as follows:

(i) If a Potential Change in Control or a Change in Control shall have occurred, by Independent Counsel (selected in accordance with Section 9(e)) in a written opinion to the Board of Directors, a copy of which opinion shall be delivered to Indemnitee, unless Indemnitee shall request that such determination be made by the Board of Directors, or a committee of the Board of Directors, in which case by the Person or Persons or in the manner provided for in clause (x) or (y) of Section 9(d)(ii) below; or

(ii) If a Potential Change in Control or a Change in Control shall not have occurred, (x) by the Board of Directors by a majority vote of the Disinterested Directors even though less than a quorum of the Board of Directors, (y) by a majority vote of a committee consisting solely of one or more Disinterested Directors designated to act in the matter by a majority vote of all Disinterested Directors, even though less than a quorum of the Board of Directors, or (z) if there are no Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee, with Independent Counsel being selected by a vote of the

Disinterested Directors as set forth in clauses (x) or (y) of this Section 9(d)(ii), or if such vote is not obtainable or such a committee of Disinterested Directors cannot be established, by a majority vote of the Board of Directors.

If a Determination is made that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such Determination. Indemnitee shall reasonably cooperate with the Person or Persons making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such Persons upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such Determination. Any Expenses incurred by Indemnitee in so cooperating with the Disinterested Directors or Independent Counsel, as the case may be, making such determination shall be advanced and borne by the Company (irrespective of the Determination as to Indemnitee's entitlement to indemnification) and the Company is liable to indemnify and hold Indemnitee harmless therefrom.

(e) Independent Counsel. If a Potential Change in Control or a Change in Control shall not have occurred and the determination of entitlement to indemnification is to be made by Independent Counsel, the Independent Counsel shall be selected by (i) a majority vote of the Disinterested Directors, even though less than a quorum of the Board of Directors or (ii) if there are no Disinterested Directors, by a majority vote of the Board of Directors, and the Company shall give written notice to Indemnitee, within ten (10) days after receipt by the Company of Indemnitee's request for indemnification, specifying the identity and address of the Independent Counsel so selected. If a Potential Change in Control or a Change in Control shall have occurred and the determination of entitlement to indemnification is to be made by Independent Counsel, the Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the Company, within ten (10) days after submission of Indemnitee's request for indemnification, specifying the identity and address of the Independent Counsel so selected (unless Indemnitee shall request that such selection be made by the Disinterested Directors or a committee of the Board of Directors, in which event the Company shall give written notice to Indemnitee within ten (10) days after receipt of Indemnitee's request for the Board of Directors or a committee of the Disinterested Directors to make such selection, specifying the identity and address of the Independent Counsel so selected). In either event, (A) such notice to Indemnitee or the Company, as the case may be, shall be accompanied by a written affirmation of the Independent Counsel so selected that it satisfies the requirements of the definition of "Independent Counsel" in Section 14 and that it agrees to serve in such capacity and (B) Indemnitee or the Company, as the case may be, may, within seven (7) days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection. Any objection to the selection of Independent Counsel pursuant to this Section 9(e) may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of the definition of "Independent Counsel" in Section 14, and the objection shall set forth with particularity the factual basis of such assertion. If such written objection is timely made, the

Independent Counsel so selected may not serve as Independent Counsel unless and until a court of competent jurisdiction (the "Court") has determined that such objection is without merit. In the event of a timely written objection to a choice of Independent Counsel, the party originally selecting the Independent Counsel shall have seven (7) days to make an alternate selection of Independent Counsel and to give written notice of such selection to the other party, after which time such other party shall have five (5) days to make a written objection to such alternate selection. If, within thirty (30) days after submission of Indemnitee's request for indemnification pursuant to Section 9(c)(ii), no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Court for resolution of any objection that shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a Person selected by the Court or by such other Person as the Court shall designate, and the Person with respect to whom an objection is so resolved or the Person so appointed shall act as Independent Counsel under Section 9(d). The Company shall pay any and all fees and expenses reasonably incurred by such Independent Counsel in connection with acting pursuant to Section 9(d), and the Company shall pay all fees and expenses reasonably incurred incident to the procedures of this Section 9(e) regardless of the manner in which such Independent Counsel was selected or appointed. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 9(f) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(f) Consequences of Determination; Remedies of Indemnitee. The Company shall be bound by and shall have no right to challenge a Favorable Determination. If an Adverse Determination is made, or if for any other reason the Company does not make timely indemnification payments or advances of Expenses, Indemnitee shall have the right to commence a Proceeding before a court of competent jurisdiction to challenge such Adverse Determination and/or to require the Company to make such payments or advances (and the Company shall have the right to defend their position in such Proceeding and to appeal any adverse judgment in such Proceeding). Indemnitee shall be entitled to be indemnified for all Expenses incurred in connection with such a Proceeding and to have such Expenses advanced by the Company in accordance with Section 8 of this Agreement. If Indemnitee fails to challenge an Adverse Determination, or if Indemnitee challenges an Adverse Determination and such Adverse Determination has been upheld by a final judgment of a court of competent jurisdiction from which no appeal can be taken, then, to the extent and only to the extent required by such Adverse Determination or final judgment, the Company shall not be obligated to indemnify or advance Expenses to Indemnitee under this Agreement.

(g) Presumptions; Burden and Standard of Proof. The parties intend and agree that, to the extent permitted by law, in connection with any Determination with respect to Indemnitee's entitlement to indemnification hereunder by any Person, including a court:

(i) it will be presumed that Indemnitee is entitled to indemnification under this Agreement, and the Enterprise or any other Person challenging such right will have the burden of proof to overcome that presumption in connection with the making by any Person of any determination contrary to that presumption;

(ii) the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the applicable Enterprise, and, with respect to any criminal action or proceeding, had reasonable cause to believe that Indemnitee's conduct was unlawful or that Indemnitee did not act in accordance with any other applicable standard of conduct imposed by contract, applicable law or otherwise;

(iii) Indemnitee will be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the applicable Enterprise, including financial statements, or on information supplied to Indemnitee by the officers, employees, or committees of the Board of Directors or other governing body of the applicable Enterprise, or on the advice of legal counsel for the applicable Enterprise or on information or records given in reports made to the applicable Enterprise by an independent certified public accountant or by an appraiser or other expert or advisor selected by the applicable Enterprise; and

(iv) the knowledge and/or actions, or failure to act, of any director, officer, manager, representative, agent or employee of any Enterprise or other relevant enterprises will not be imputed to Indemnitee in a manner that limits or otherwise adversely affects Indemnitee's rights hereunder.

The provisions of this Section 9(g) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

10. Insurance; Subrogation; Other Rights of Recovery, etc.

(a) The Company shall use its reasonable best efforts to purchase and maintain a policy or policies of insurance with reputable insurance companies with A.M. Best ratings of "A" or better, providing Indemnitee with coverage for any liability asserted against, and incurred by, Indemnitee or on Indemnitee's behalf by reason of Indemnitee's Corporate Status, or arising out of Indemnitee's status as such, whether or not the Company would have the power to indemnify Indemnitee against such liability. Such insurance policies shall have coverage terms and policy limits at least as favorable to Indemnitee as the insurance coverage provided to any other current or former officer or director of the Company. If the Company has such insurance in effect at the time it receives from Indemnitee any notice of the commencement of an action, suit, proceeding or other claim, the Company shall give prompt notice of the commencement of such action, suit, proceeding or other claim to the insurers in accordance with the procedures set forth in the policy. The Company shall thereafter take all necessary or desirable action to

cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such action, suit, proceeding or other claim in accordance with the terms of such policy. The Company shall continue to provide such insurance coverage to Indemnitee for a period of at least six (6) years after Indemnitee ceases to serve as a director or in any Corporate Status.

(b) In the event of any payment by the Company under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee against any other Enterprise, and Indemnitee hereby agrees, as a condition to obtaining any advancement or indemnification from the Company, to assign to the Company all of Indemnitee's rights to obtain from such other Enterprise such amounts to the extent that they have been paid by the Company to or for the benefit of Indemnitee as advancement or indemnification under this Agreement and are adequate to indemnify Indemnitee with respect to the costs, Expenses or other items to the full extent that Indemnitee is entitled to indemnification or other payment hereunder; and Indemnitee will (upon request by the Company) execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit or enforce such rights.

(c) The Company hereby unconditionally and irrevocably waives, relinquishes and releases, and covenants and agrees not to exercise (and to cause each of the other Enterprises not to exercise), any rights that the Company may now have or hereafter acquire against any Designating Partner (or former Designating Partner), any of their respective affiliates or Indemnitee that arise from or relate to the existence, payment, performance or enforcement of the Company's obligations under this Agreement or under any other indemnification agreement or arrangement (whether pursuant to contract, the Company Organizational Documents, Enterprise Organizational Documents or otherwise) with any Person, including, without limitation, any right of subrogation (whether pursuant to contract or common law), reimbursement, exoneration, contribution or indemnification, or to be held harmless, and any right to participate in any claim or remedy of Indemnitee against any Designating Partner (or former Designating Partner), any of their respective affiliates or Indemnitee, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Designating Partner (or former Designating Partner), any of their respective affiliates or Indemnitee, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right.

(d) The Company shall not be liable to pay or advance to Indemnitee any amounts otherwise indemnifiable under this Agreement or under any other indemnification agreement if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee in respect of or relating to Indemnitee's Corporate Status shall be

reduced by any amount Indemnitee has actually received as payment of indemnification or advancement of Expenses from such other Enterprise, except to the extent that such indemnification payments and advance payment of Expenses when taken together with any such amount actually received from other Enterprises or under directors' and officers' insurance policies maintained by one or more Enterprises are inadequate to fully pay all costs, Expenses or other items to the full extent that Indemnitee is otherwise entitled to indemnification or other payment hereunder.

(f) Except for the rights set forth in Sections 10(c) and 10(e) of this Agreement, the rights to indemnification and advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time, whenever conferred or arising, be entitled under applicable law, under the Company's Organizational Documents, Enterprise Organizational Documents or under any other agreement, resolution of directors (or similar governing body) of any Enterprise, or otherwise. Indemnitee's rights under this Agreement are present contractual rights that fully vest upon Indemnitee's first service as a director of the Company. The Parties hereby agree that Sections 10(c), 10(d) and 10(e) of this Agreement shall be deemed exclusive and shall be deemed to modify, amend and clarify any right to indemnification or advancement provided to Indemnitee under any other contract, agreement or document with any Enterprise relating to advancement or indemnification.

(g) No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

11. Employment Rights; Successors; Third Party Beneficiaries.

(a) Nothing contained in this Agreement shall be construed as giving Indemnitee any right to be, or retained, in the employment of the Company. This Agreement shall continue in force as provided above after Indemnitee has ceased to serve as a director of the Company or in any Corporate Status.

(b) This Agreement shall be binding upon each of the Company and their successors and assigns and shall inure to the benefit of Indemnitee and Indemnitee's heirs, executors and administrators.

(c) The Designating Partners are express third party beneficiaries of this Agreement, are entitled to rely upon this Agreement, and may specifically enforce the Company's obligations hereunder (including but not limited to the obligations specified in Section 10 of this Agreement) as though a party hereunder.

12. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

13. Exception to Right of Indemnification or Advancement of Expenses. Notwithstanding any other provision of this Agreement and except as provided in Section 7(a) of this Agreement or as may otherwise be agreed by the Company, Indemnitee shall not be entitled to indemnification or advancement of Expenses under this Agreement with respect to any Proceeding initiated by Indemnitee (other than a Proceeding by Indemnitee (i) to enforce Indemnitee's rights under this Agreement or (ii) to enforce any other rights of Indemnitee to indemnification, advancement or contribution from the Company under any other contract, the Company Organizational Documents, Enterprise Organizational Documents or under statute or other law, including any rights under the DGCL), unless the initiation of such Proceeding or making of such claim shall have been approved by the Board of Directors.

14. Definitions. For purposes of this Agreement:

(a) "Beneficial Owner" and "Beneficial Ownership" shall have the meanings set forth in Rule 13d-3 promulgated under the Exchange Act as in effect on the date hereof.

(b) "Board of Directors" or "Board" means the board of directors of the Company.

(c) "Change of Control" shall have the same meaning as the definition of "Change in Control" as set forth in the LTIP as in effect on the date hereof.

(d) "Corporate Status" describes the status of a person by reason of such person's past, present or future service as a director or in any capacity for any Enterprise.

(e) "Designating Partners" means any of the Sponsor Companies, in each case so long as an individual designated (directly or indirectly) by a Sponsor Company, or any of their respective affiliates, serves as a director of the Company or in any other Corporate Status.

(f) "Determination" means a determination that either (x) indemnification of Indemnitee is proper in the circumstances because Indemnitee met a particular standard of conduct (a "Favorable Determination") or (y) indemnification of Indemnitee is not proper in the circumstances because Indemnitee failed to meet a particular standard of conduct (an "Adverse Determination"). An Adverse Determination shall include the decision that a Determination was required in

connection with indemnification and the decision as to the applicable standard of conduct.

(g) "DGCL" means the Delaware General Corporation Law, and any successor statute thereto, as either of them may from time to time be amended.

(h) "Disabling Conduct" means, with respect to Indemnitee, any act or omission resulting from fraud, gross negligence, willful breach of the Company Organizational Documents or other Enterprise Organizational Documents or a willful illegal act (other than an act or omission treated as a criminal violation in a foreign country that is not a criminal violation in the United States).

(i) "Disinterested Director" with respect to any request by Indemnitee for indemnification hereunder, means a director of the Company who at the time of the vote is not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(j) "Enterprise" shall mean the Company and its subsidiaries and any other entity, constituent entity (including any constituent of a constituent) absorbed in a consolidation or merger to which the Company (or any of its subsidiaries) is a party, limited liability company, partnership, joint venture, trust, employee benefit plan, or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, manager, venturer, proprietor, partner, member, employee, agent, fiduciary or similar functionary.

(k) "Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(m) "Expenses" shall mean all reasonable direct and indirect costs, fees and expenses of any type or nature whatsoever and shall specifically include, without limitation, all reasonable attorneys' fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness, in, or otherwise participating in, a Proceeding, including, but not limited to, the premium for appeal bonds, attachment bonds or similar bonds and all interest, assessments and other charges paid or payable in connection with or in respect of any such Expenses, and shall also specifically include, without limitation, all reasonable attorneys' fees and all other expenses incurred by or on behalf of Indemnitee in connection with preparing and submitting any requests or statements for indemnification, advancement, contribution or any other

right provided by this Agreement. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amounts of judgments or fines against Indemnitee.

(n) "Independent Counsel" means, at any time, any law firm, or a member of a law firm, that (a) is experienced in matters of limited partnership, limited liability company or corporation law, as applicable, and (b) is not, at such time, or has not been in the three years prior to such time, retained to represent: (i) any Enterprise or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnities under similar indemnification agreements), (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder or (iii) the Beneficial Owner, directly or indirectly, of securities of the Company representing 5% or more of the ownership interests or the voting power of the Company's then outstanding voting securities. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any Person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto and to be jointly and severally liable therefor.

(o) "LTIP" means the Forum Energy Technologies, Inc. 2010 Stock Incentive Plan.

(p) "Person" means any individual, entity or group (within the meaning of Rule 13d-5 of the Exchange Act but excluding any employee benefit plan of such person and its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan).

(q) "Potential Change in Control" shall be deemed to have occurred if (i) any Person shall have announced publicly an intention to take actions to effect a Change in Control, or commenced any action that, if successful, would reasonably be expected to result in the occurrence of a Change in Control; (ii) the Company enters into an agreement or arrangement, the consummation of which would result in the occurrence of a Change in Control; or (iii) any other event occurs that the Board of Directors declares to be a Potential Change of Control.

(r) "Proceeding" includes any actual, threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened, pending or completed proceeding, whether brought by or in the right of any Enterprise or otherwise and whether civil, criminal, administrative or investigative in nature, in which Indemnitee was, is, may be or will be involved as a party, witness or otherwise, by reason of Indemnitee's Corporate Status or by reason of any action taken by Indemnitee or of any inaction on Indemnitee's part while acting as a director of the

Company or serving any other Enterprise (in each case whether or not he is acting or serving in any such capacity or has such status at the time any liability or expense is incurred for which indemnification or advancement of Expenses can be provided under this Agreement).

(s) "Qualified Public Offering" means the initial underwritten public offering of common Equity Interests of the Company pursuant to an effective registration statement filed with the U.S. Securities and Exchange Commission in accordance with the Securities Act of 1933, as amended (other than a registration statement on Form S-8 or any successor form).

(t) "Sponsor Companies" means SCF-V, L.P., SCF-VI, L.P. and SCF-VII, L.P., and any other investment fund or related management company or Company that is an affiliate of SCF-V, L.P., SCF-VI, L.P. and SCF-VII, L.P. (other than the Company) or that is advised by the same investment adviser as any of the foregoing entities or by an affiliate of such investment adviser.

15. Construction. Whenever required by the context, as used in this Agreement the singular number shall include the plural, the plural shall include the singular, and all words herein in any gender shall be deemed to include (as appropriate) the masculine, feminine and neuter genders.

16. Reliance. The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director of the Company, the Company hereby acknowledges that Indemnitee is relying upon this Agreement in serving as a director of the Company or serving any other Enterprise.

17. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in a writing identified as such by all of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

18. Notice Mechanics. All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been direct, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(a) If to Indemnitee to:

_____

_____

_____

Attention: _____

(b) If to the Company to:

Forum Energy Technologies, Inc.
8807 W. Sam Houston Pkwy N, Suite 200
Houston, Texas 77040
Attention: James W. Harris
Facsimile: 713-351-7997

with a copy to:

Vinson & Elkins L.L.P.
1001 Fannin Street, Suite 2500
Houston, Texas 77002
Attention: Scott N. Wulfe
Facsimile: (713) 615-5637

or to such other address as may have been furnished (in the manner prescribed above) as follows: (a) in the case of a change in address for notices to Indemnitee, furnished by Indemnitee to the Company and (b) in the case of a change in address for notices to the Company, furnished by the Company to Indemnitee.

19. Contribution. To the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for reasonably incurred Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and their other directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

20. Governing Law; Submission to Jurisdiction; Appointment of Agent for Service of Process. This Agreement and the legal relations among the parties shall, to the fullest extent permitted by law, be governed by, and construed and enforced in accordance with, the laws of the State of Texas, without regard to its conflict of laws rules.

21. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

Company: FORUM ENERGY TECHNOLOGIES, INC.

By: _____
Name:
Title:

Indemnitee: _____
Name:

Annex A

Evelyn Angelle
John Carrig
Michael McShane
Franklin Myers
John Schmitz

Exhibit 10.12

FORM OF INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made and entered into as of this _____ day of _____ 2010, by and among Forum Energy Technologies, Inc. (the "Company"), a Delaware corporation, and _____ ("Indemnitee").

WHEREAS, in light of the litigation costs and risks to directors and officers resulting from their service to companies, and the desire of the Company to attract and retain qualified individuals to serve as directors and officers, it is reasonable, prudent and necessary for the Company to indemnify and advance expenses on behalf of the directors and officers of the Company to the extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern regarding such risks;

WHEREAS, the Company has requested that Indemnitee serve or continue to serve as a director of the Company and may have requested or may in the future request that Indemnitee serve one or more Enterprises (as hereinafter defined) as an officer, director or in other capacities;

WHEREAS, Indemnitee is willing to serve as a director of the Company or in any other Corporate Status (as hereinafter defined) on the condition that Indemnitee be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Second Amended and Restated Certificate of Incorporation of the Company, as may be further amended from time to time after the date hereof (the "Certificate of Incorporation"), the Amended and Restated Bylaws of the Company, as may be further amended from time to time after the date hereof in accordance with the terms thereof (the "Forum Bylaws" and, together with the Certificate of Incorporation, the "Company Organizational Documents"), any organizational documents of any other Enterprise (collectively, the "Enterprise Organizational Documents") and any resolutions adopted by the Board of Directors or similar governing body of any other Enterprise, and shall not be deemed to be a substitute therefor nor to diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, Indemnitee may have certain rights to indemnification, advancement of expenses and/or insurance provided by the Designating Partners (as hereinafter defined) (or their affiliates), which Indemnitee, the Company and the Designating Partners (or their affiliates) intend to be secondary to the primary obligation of the Company to indemnify Indemnitee as provided herein or as provided in the Company Organizational Documents or Enterprise Organizational Documents, with the Company's acknowledgement of and agreement to the foregoing being a material condition to Indemnitee's willingness to serve as a director of the Company or in any other Corporate Status

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

1. Services by Indemnitee. Indemnitee will serve or continue to serve as a director of the Company for so long as Indemnitee is duly elected or appointed or until Indemnitee

tenders Indemnitee's resignation or is removed in accordance with the Company Organizational Documents. Indemnitee may from time to time also agree to serve, as the Company may request from time to time, in another capacity for any Enterprise. Indemnitee and the Company each acknowledge that they have entered into this Agreement as a means of inducing Indemnitee to serve, or continue to serve, the Company in such capacities. Indemnitee may at any time and for any reason resign from such position or positions (subject to any other contractual obligation or any obligation imposed by operation of law).

2. Indemnification - General. On the terms and subject to the conditions of this Agreement, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all losses, liabilities, judgments, fines, penalties, costs, Expenses (as hereinafter defined) and other amounts that Indemnitee reasonably incurs and that result from, arise in connection with or are by reason of Indemnitee's Corporate Status (as hereinafter defined) and shall advance Expenses to Indemnitee. The obligations of the Company under this Agreement (a) shall continue after such time as Indemnitee ceases to serve as a director of the Company or in any other Corporate Status, and (b) include, without limitation, claims for monetary damages against Indemnitee in respect of any actual or alleged liability or other loss of Indemnitee, to the fullest extent permitted under applicable law as in existence on the date hereof (and to such greater extent as applicable law may hereafter from time to time permit) provided that Indemnitee has not engaged in Disabling Conduct. The other provisions in this Agreement are provided in addition to and as a means of furtherance and implementation of, and not in limitation of, the obligations expressed in this Section 2.

3. Proceedings Other Than Proceedings by or in the Right of the Company. If in connection with or by reason of Indemnitee's Corporate Status Indemnitee was, is, or is threatened to be made, a party to or a participant in any Proceeding (as hereinafter defined), other than a Proceeding by or in the right of the Company to procure a judgment in its favor, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such liabilities, judgments, penalties, fines and amounts paid in settlement) reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding or any claim, issue or matter therein.

4. Proceedings by or in the Right of the Company. If by reason of Indemnitee's Corporate Status Indemnitee was, is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding; provided, however, that indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged by a court of competent jurisdiction to be liable to the Company only if (and only to the extent that) the court in which

such Proceeding shall have been brought or is pending shall determine that despite such adjudication of liability and in light of all circumstances such indemnification may be made.

5. Mandatory Indemnification in Case of Successful Defense. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a party to (or a participant in) and is successful, on the merits or otherwise, in defense of any Proceeding (including, without limitation, any Proceeding brought by or in the right of the Company), the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection therewith. If Indemnitee is not wholly successful in defense of such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee against all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with each successfully resolved claim, issue or matter. For purposes of this Section 5 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, on substantive or procedural grounds, shall be deemed to be a successful result as to such claim, issue or matter.

6. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement or otherwise to indemnification by the Company for some or a portion of the Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such liabilities, judgments, penalties, fines and amounts paid in settlement) incurred by Indemnitee or on behalf of Indemnitee in connection with a Proceeding or any claim, issue or matter therein, in whole or in part, the Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee to the fullest extent to which Indemnitee is entitled to such indemnification.

7. Indemnification for Additional Expenses Incurred to Secure Recovery or as Witness.

(a) The Company shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, any and all Expenses and, if requested by Indemnitee, shall advance on an as-incurred basis (as provided in Section 8 of this Agreement) such Expenses to Indemnitee, which are reasonably incurred by Indemnitee in connection with any action or proceeding or part thereof brought by Indemnitee for (i) indemnification or advance payment of Expenses by the Company under this Agreement, any other agreement or the Company Organizational Documents; or (ii) recovery under any directors' and officers' insurance policies maintained by the Company or other Enterprise.

(b) To the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness (or is forced or asked to respond to discovery requests) in any Proceeding to which Indemnitee is not a party, the Company shall, to the fullest extent

permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, and the Company will advance on an as-incurred basis (as provided in Section 8 of this Agreement), all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection therewith.

8. Advancement of Expenses. The Company shall, to the fullest extent permitted under applicable law, pay on a current and as-incurred basis all Expenses incurred by Indemnitee in connection with any Proceeding in any way connected with, resulting from or relating to Indemnitee's Corporate Status. Such Expenses shall be paid in advance of the final disposition of such Proceeding, without regard to whether Indemnitee will ultimately be entitled to be indemnified for such Expenses and without regard to whether an Adverse Determination has been or may be made, except as contemplated by the last sentence of Section 9(f) of this Agreement. Upon submission of a request for advancement of Expenses pursuant to Section 9(c) of this Agreement, Indemnitee shall be entitled to advancement of Expenses as provided in this Section 8, and such advancement of Expenses shall continue until such time (if any) as there is a final non-appealable judicial determination that Indemnitee is not entitled to indemnification or that Indemnitee engaged in Disabling Conduct. Indemnitee shall repay such amounts advanced if and to the extent that it shall ultimately be determined in a decision by a court of competent jurisdiction from which no appeal can be taken that Indemnitee is not entitled to be indemnified by the Company for such Expenses or that Indemnitee engaged in Disabling Conduct. Such repayment obligation shall be unsecured and shall not bear interest. The Company shall not impose on Indemnitee additional conditions to advancement or require from Indemnitee additional undertakings regarding repayment.

9. Indemnification Procedures.

(a) Notice of Proceeding. Indemnitee agrees to notify the Company promptly upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses hereunder. Any failure by Indemnitee to notify the Company will relieve the Company of its advancement or indemnification obligations under this Agreement only to the extent the Company can establish that such omission to notify resulted in actual prejudice to it, and the omission to notify the Company will, in any event, not relieve the Company from any liability which it may have to indemnify Indemnitee or advance Expenses to Indemnitee otherwise than under this Agreement. If, at the time of receipt of any such notice, the Company has director and officer insurance policies in effect, the Company will promptly notify the relevant insurers in accordance with the procedures and requirements of such policies.

(b) Defense; Settlement. The Company shall not, without the prior written consent of Indemnitee, which may be provided or withheld in Indemnitee's sole discretion, effect any settlement of any Proceeding against Indemnitee or which could have been brought against Indemnitee or which potentially or actually imposes any cost, liability, exposure or burden on

Indemnitee unless such settlement solely involves the payment of money or performance of any obligation by Persons other than Indemnitee and includes an unconditional release of Indemnitee from all liability on any matters that are the subject of such Proceeding and an acknowledgment that Indemnitee denies all wrongdoing in connection with such matters. The Company shall not be obligated to indemnify Indemnitee against amounts paid in settlement of a Proceeding against Indemnitee if such settlement is effected by Indemnitee without the Company's prior written consent, which consent shall not be unreasonably withheld. Any Indemnitee that is employed by a Sponsor Company shall have the sole right and obligation to control the defense or conduct of any claim or Proceeding with respect to Indemnitee.

(c) Request for Advancement; Request for Indemnification.

(i) To obtain advancement of Expenses under this Agreement, Indemnitee shall submit to the Company a written request therefor, together with such invoices or other supporting information as may be reasonably requested by the Company and reasonably available to Indemnitee, and, only to the extent required by applicable law which cannot be waived, an unsecured written undertaking to repay amounts advanced. The Company shall make advance payment of Expenses to Indemnitee no later than ten (10) days after receipt of the written request for advancement (and each subsequent request for advancement) by Indemnitee. If, at the time of receipt of any such written request for advancement of Expenses, the Company has director and officer insurance policies in effect, the Company will promptly notify the relevant insurers in accordance with the procedures and requirements of such policies.

(ii) To obtain indemnification under this Agreement, at any time after submission of a request for advancement pursuant to Section 9(c)(i) of this Agreement, Indemnitee may submit a written request for indemnification hereunder. The time at which Indemnitee submits a written request for indemnification shall be determined by the Indemnitee in the Indemnitee's sole discretion. Once Indemnitee submits such a written request for indemnification (and only at such time that Indemnitee submits such a written request for indemnification), a Determination shall thereafter be made, as provided in and only to the extent required by Section 9(d) of this Agreement. In no event shall a Determination be made, or required to be made, as a condition to or otherwise in connection with any advancement of Expenses pursuant to Section 8 and Section 9(c)(i) of this Agreement. If, at the time of receipt of any such request for indemnification, the Company has director and officer insurance policies in effect, the Company will promptly notify the relevant insurers in accordance with the procedures and requirements of such policies.

(d) Determination. Any Determination shall be made within thirty (30) days after receipt of Indemnitee's written request for indemnification pursuant to Section 9(c)(ii) (or in the case of a Determination to be made by Independent Counsel within 30 days of the selection of Independent Counsel) and such Determination shall be made, subject to Section 9(g), in the specific case as follows:

(i) If a Potential Change in Control or a Change in Control shall have occurred, by Independent Counsel (selected in accordance with Section 9(e)) in a written opinion to the Board of Directors, a copy of which opinion shall be delivered to Indemnitee, unless Indemnitee shall request that such determination be made by the Board of Directors, or a committee of the Board of Directors, in which case by the Person or Persons or in the manner provided for in clause (x) or (y) of Section 9(d)(ii) below; or

(ii) If a Potential Change in Control or a Change in Control shall not have occurred, (x) by the Board of Directors by a majority vote of the Disinterested Directors even though less than a quorum of the Board of Directors, (y) by a majority vote of a committee consisting solely of one or more Disinterested Directors designated to act in the matter by a majority vote of all Disinterested Directors, even though less than a quorum of the Board of Directors, or (z) if there are no Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee, with Independent Counsel being selected by a vote of the Disinterested Directors as set forth in clauses (x) or (y) of this Section 9(d)(ii), or if such vote is not obtainable or such a committee of Disinterested Directors cannot be established, by a majority vote of the Board of Directors.

If a Determination is made that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such Determination. Indemnitee shall reasonably cooperate with the Person or Persons making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such Persons upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such Determination. Any Expenses incurred by Indemnitee in so cooperating with the Disinterested Directors or Independent Counsel, as the case may be, making such determination shall be advanced and borne by the Company (irrespective of the Determination as to Indemnitee's entitlement to indemnification) and the Company is liable to indemnify and hold Indemnitee harmless therefrom.

(e) Independent Counsel. If a Potential Change in Control or a Change in Control shall not have occurred and the determination of entitlement to indemnification is to be made by Independent Counsel, the Independent Counsel shall be selected by (i) a majority vote of the Disinterested Directors, even though less than a quorum of the Board of Directors or (ii) if there are no Disinterested Directors, by a majority vote of the Board of Directors, and the Company shall give written notice to Indemnitee, within ten (10) days after receipt by the Company of Indemnitee's request for indemnification, specifying the identity and address of the Independent Counsel so selected. If a Potential Change in Control or a Change in Control shall have occurred and the determination of entitlement to indemnification is to be made by Independent Counsel, the Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the Company, within ten (10) days after submission of Indemnitee's request for indemnification, specifying the identity and address of the Independent Counsel so selected (unless Indemnitee shall request that such selection be made by the Disinterested Directors or a committee of the Board of Directors, in which event

the Company shall give written notice to Indemnitee within ten (10) days after receipt of Indemnitee's request for the Board of Directors or a committee of the Disinterested Directors to make such selection, specifying the identity and address of the Independent Counsel so selected). In either event, (A) such notice to Indemnitee or the Company, as the case may be, shall be accompanied by a written affirmation of the Independent Counsel so selected that it satisfies the requirements of the definition of "Independent Counsel" in Section 14 and that it agrees to serve in such capacity and (B) Indemnitee or the Company, as the case may be, may, within seven (7) days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection. Any objection to the selection of Independent Counsel pursuant to this Section 9(e) may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of the definition of "Independent Counsel" in Section 14, and the objection shall set forth with particularity the factual basis of such assertion. If such written objection is timely made, the Independent Counsel so selected may not serve as Independent Counsel unless and until a court of competent jurisdiction (the "Court") has determined that such objection is without merit. In the event of a timely written objection to a choice of Independent Counsel, the party originally selecting the Independent Counsel shall have seven (7) days to make an alternate selection of Independent Counsel and to give written notice of such selection to the other party, after which time such other party shall have five (5) days to make a written objection to such alternate selection. If, within thirty (30) days after submission of Indemnitee's request for indemnification pursuant to Section 9(c)(ii), no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Court for resolution of any objection that shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a Person selected by the Court or by such other Person as the Court shall designate, and the Person with respect to whom an objection is so resolved or the Person so appointed shall act as Independent Counsel under Section 9(d). The Company shall pay any and all fees and expenses reasonably incurred by such Independent Counsel in connection with acting pursuant to Section 9(d), and the Company shall pay all fees and expenses reasonably incurred incident to the procedures of this Section 9(e) regardless of the manner in which such Independent Counsel was selected or appointed. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 9(f) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(f) Consequences of Determination; Remedies of Indemnitee. The Company shall be bound by and shall have no right to challenge a Favorable Determination. If an Adverse Determination is made, or if for any other reason the Company does not make timely indemnification payments or advances of Expenses, Indemnitee shall have the right to commence a Proceeding before a court of competent jurisdiction to challenge such Adverse Determination and/or to require the Company to make such payments or advances (and the Company shall

have the right to defend their position in such Proceeding and to appeal any adverse judgment in such Proceeding). Indemnitee shall be entitled to be indemnified for all Expenses incurred in connection with such a Proceeding and to have such Expenses advanced by the Company in accordance with Section 8 of this Agreement. If Indemnitee fails to challenge an Adverse Determination, or if Indemnitee challenges an Adverse Determination and such Adverse Determination has been upheld by a final judgment of a court of competent jurisdiction from which no appeal can be taken, then, to the extent and only to the extent required by such Adverse Determination or final judgment, the Company shall not be obligated to indemnify or advance Expenses to Indemnitee under this Agreement.

(g) Presumptions; Burden and Standard of Proof. The parties intend and agree that, to the extent permitted by law, in connection with any Determination with respect to Indemnitee's entitlement to indemnification hereunder by any Person, including a court:

(i) it will be presumed that Indemnitee is entitled to indemnification under this Agreement, and the Enterprise or any other Person challenging such right will have the burden of proof to overcome that presumption in connection with the making by any Person of any determination contrary to that presumption;

(ii) the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the applicable Enterprise, and, with respect to any criminal action or proceeding, had reasonable cause to believe that Indemnitee's conduct was unlawful or that Indemnitee did not act in accordance with any other applicable standard of conduct imposed by contract, applicable law or otherwise;

(iii) Indemnitee will be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the applicable Enterprise, including financial statements, or on information supplied to Indemnitee by the officers, employees, or committees of the Board of Directors or other governing body of the applicable Enterprise, or on the advice of legal counsel for the applicable Enterprise or on information or records given in reports made to the applicable Enterprise by an independent certified public accountant or by an appraiser or other expert or advisor selected by the applicable Enterprise; and

(iv) the knowledge and/or actions, or failure to act, of any director, officer, manager, representative, agent or employee of any Enterprise or other relevant enterprises will not be imputed to Indemnitee in a manner that limits or otherwise adversely affects Indemnitee's rights hereunder.

The provisions of this Section 9(g) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

10. Insurance; Subrogation; Other Rights of Recovery, etc.

(a) The Company shall use its reasonable best efforts to purchase and maintain a policy or policies of insurance with reputable insurance companies with A.M. Best ratings of "A" or better, providing Indemnitee with coverage for any liability asserted against, and incurred by, Indemnitee or on Indemnitee's behalf by reason of Indemnitee's Corporate Status, or arising out of Indemnitee's status as such, whether or not the Company would have the power to indemnify Indemnitee against such liability. Such insurance policies shall have coverage terms and policy limits at least as favorable to Indemnitee as the insurance coverage provided to any other current or former officer or director of the Company. If the Company has such insurance in effect at the time it receives from Indemnitee any notice of the commencement of an action, suit, proceeding or other claim, the Company shall give prompt notice of the commencement of such action, suit, proceeding or other claim to the insurers in accordance with the procedures set forth in the policy. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such action, suit, proceeding or other claim in accordance with the terms of such policy. The Company shall continue to provide such insurance coverage to Indemnitee for a period of at least six (6) years after Indemnitee ceases to serve as a director or in any Corporate Status.

(b) Subject to Section 10(d), in the event of any payment by the Company under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee against any other Enterprise, and Indemnitee hereby agrees, as a condition to obtaining any advancement or indemnification from the Company, to assign to the Company all of Indemnitee's rights to obtain from such other Enterprise such amounts to the extent that they have been paid by the Company to or for the benefit of Indemnitee as advancement or indemnification under this Agreement and are adequate to indemnify Indemnitee with respect to the costs, Expenses or other items to the full extent that Indemnitee is entitled to indemnification or other payment hereunder; and Indemnitee will (upon request by the Company) execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit or enforce such rights.

(c) The Company hereby unconditionally and irrevocably waives, relinquishes and releases, and covenants and agrees not to exercise (and to cause each of the other Enterprises not to exercise), any rights that the Company may now have or hereafter acquire against any Designating Partner (or former Designating Partner), any of their respective affiliates or Indemnitee that arise from or relate to the existence, payment, performance or enforcement of the Company's obligations under this Agreement or under any other indemnification agreement or arrangement (whether pursuant to contract, the Company Organizational Documents, Enterprise Organizational Documents or otherwise) with any Person, including, without limitation, any right of subrogation (whether pursuant to

contract or common law), reimbursement, exoneration, contribution or indemnification, or to be held harmless, and any right to participate in any claim or remedy of Indemnitee against any Designating Partner (or former Designating Partner), any of their respective affiliates or Indemnitee, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Designating Partner (or former Designating Partner), any of their respective affiliates or Indemnitee, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right.

(d) The Company shall not be liable to pay or advance to Indemnitee any amounts otherwise indemnifiable under this Agreement or under any other indemnification agreement if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise; provided, however, that (i) the Company hereby agrees that the Company is the indemnitor of first resort under this Agreement, under the Company Organizational Documents or the Enterprise Organizational Documents or under any other indemnification agreement, arrangement or undertaking (i.e., their obligations to Indemnitee under this Agreement or any other agreement or undertaking to provide advancement of Expenses and indemnification to Indemnitee are primary without regard to any rights Indemnitee may have to seek or obtain indemnification or advancement of Expenses from any Designating Partner or any of its affiliates other than the Company (or any former Designating Partner or any of its affiliates other than the Company) or from any insurance policy for the benefit of such Indemnitee (other than any directors' and officers' insurance policy for the benefit of such Indemnitee maintained or paid for by any Enterprise), and any obligation of any Designating Partner (or any affiliate thereof other than any Enterprise) to provide advancement or indemnification for all or any portion of the same Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement) incurred by Indemnitee and any rights of recovery of Indemnitee under any insurance policy for the benefit of such Indemnitee (other than any directors' and officers' insurance policy for the benefit of such Indemnitee maintained or paid for by any Enterprise) are secondary), and (ii) if any Designating Partner or any of its affiliates other than the Company (or any former Designating Partner or any of its affiliates other than the Company) pays or causes to be paid, for any reason, or if Indemnitee collects under any insurance policy for the benefit of such Indemnitee (other than any directors' and officers' insurance policy for the benefit of such Indemnitee maintained or paid for by any Enterprise), any amounts otherwise payable or indemnifiable hereunder or under any other indemnification agreement, arrangement or undertaking (whether pursuant to contract, organizational document or otherwise) with Indemnitee, then (x) such Designating Partner, former Designating Partner (or affiliate, as the case may be) or insurer, as applicable, shall be fully subrogated to all rights of Indemnitee with respect to such payment and (y) the Company shall fully indemnify, reimburse

and hold harmless such Designating Partner, former Designating Partner (or such affiliate) or insurer, as applicable, for all such payments actually made by such Designating Partner, former Designating Partner (or such affiliate) or insurer.

(e) Subject to Section 10(d), the Company's obligation to indemnify or advance Expenses hereunder to Indemnitee in respect of or relating to Indemnitee's Corporate Status shall be reduced by any amount Indemnitee has actually received as payment of indemnification or advancement of Expenses from such other Enterprise, except to the extent that such indemnification payments and advance payment of Expenses when taken together with any such amount actually received from other Enterprises or under directors' and officers' insurance policies maintained by one or more Enterprises are inadequate to fully pay all costs, Expenses or other items to the full extent that Indemnitee is otherwise entitled to indemnification or other payment hereunder.

(f) Except for the rights set forth in Sections 10(c), 10(d) and 10(e) of this Agreement, the rights to indemnification and advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time, whenever conferred or arising, be entitled under applicable law, under the Company's Organizational Documents, Enterprise Organizational Documents or under any other agreement, resolution of directors (or similar governing body) of any Enterprise, or otherwise. Indemnitee's rights under this Agreement are present contractual rights that fully vest upon Indemnitee's first service as a director of the Company. The Parties hereby agree that Sections 10(c), 10(d) and 10(e) of this Agreement shall be deemed exclusive and shall be deemed to modify, amend and clarify any right to indemnification or advancement provided to Indemnitee under any other contract, agreement or document with any Enterprise relating to advancement or indemnification.

(g) No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

11. Employment Rights; Successors; Third Party Beneficiaries.

(a) Nothing contained in this Agreement shall be construed as giving Indemnitee any right to be, or retained, in the employment of the Company. This Agreement shall continue in force as provided above after Indemnitee has ceased to serve as a director of the Company or in any Corporate Status.

(b) This Agreement shall be binding upon each of the Company and their successors and assigns and shall inure to the benefit of Indemnitee and Indemnitee's heirs, executors and administrators.

(c) The Designating Partners are express third party beneficiaries of this Agreement, are entitled to rely upon this Agreement, and may specifically enforce the Company's obligations hereunder (including but not limited to the obligations specified in Section 10 of this Agreement) as though a party hereunder.

12. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

13. Exception to Right of Indemnification or Advancement of Expenses. Notwithstanding any other provision of this Agreement and except as provided in Section 7(a) of this Agreement or as may otherwise be agreed by the Company, Indemnitee shall not be entitled to indemnification or advancement of Expenses under this Agreement with respect to any Proceeding initiated by Indemnitee (other than a Proceeding by Indemnitee (i) to enforce Indemnitee's rights under this Agreement or (ii) to enforce any other rights of Indemnitee to indemnification, advancement or contribution from the Company under any other contract, the Company Organizational Documents, Enterprise Organizational Documents or under statute or other law, including any rights under the DGCL), unless the initiation of such Proceeding or making of such claim shall have been approved by the Board of Directors.

14. Definitions. For purposes of this Agreement:

(a) "Beneficial Owner" and "Beneficial Ownership" shall have the meanings set forth in Rule 13d-3 promulgated under the Exchange Act as in effect on the date hereof.

(b) "Board of Directors" or "Board" means the board of directors of the Company.

(c) "Change of Control" shall have the same meaning as the definition of "Change in Control" as set forth in the LTIP as in effect on the date hereof.

(d) "Corporate Status" describes the status of a person by reason of such person's past, present or future service as a director or in any capacity for any Enterprise.

(e) "Designating Partners" means any of the Sponsor Companies, in each case so long as an individual designated (directly or indirectly) by a Sponsor Company, or any of their respective affiliates, serves as a director of the Company or in any other Corporate Status.

(f) "Determination" means a determination that either (x) indemnification of Indemnitee is proper in the circumstances because Indemnitee met a particular

standard of conduct (a "Favorable Determination") or (y) indemnification of Indemnitee is not proper in the circumstances because Indemnitee failed to meet a particular standard of conduct (an "Adverse Determination"). An Adverse Determination shall include the decision that a Determination was required in connection with indemnification and the decision as to the applicable standard of conduct.

(g) "DGCL" means the Delaware General Corporation Law, and any successor statute thereto, as either of them may from time to time be amended.

(h) "Disabling Conduct" means, with respect to Indemnitee, any act or omission resulting from fraud, gross negligence, willful breach of the Company Organizational Documents or other Enterprise Organizational Documents or a willful illegal act (other than an act or omission treated as a criminal violation in a foreign country that is not a criminal violation in the United States).

(i) "Disinterested Director" with respect to any request by Indemnitee for indemnification hereunder, means a director of the Company who at the time of the vote is not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(j) "Enterprise" shall mean the Company and its subsidiaries and any other entity, constituent entity (including any constituent of a constituent) absorbed in a consolidation or merger to which the Company (or any of its subsidiaries) is a party, limited liability company, partnership, joint venture, trust, employee benefit plan, or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, manager, venturer, proprietor, partner, member, employee, agent, fiduciary or similar functionary.

(k) "Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(m) "Expenses" shall mean all reasonable direct and indirect costs, fees and expenses of any type or nature whatsoever and shall specifically include, without limitation, all reasonable attorneys' fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness, in, or otherwise participating in, a Proceeding, including, but not limited to, the premium for appeal bonds, attachment bonds or similar bonds and all interest, assessments and other charges paid or payable in connection

with or in respect of any such Expenses, and shall also specifically include, without limitation, all reasonable attorneys' fees and all other expenses incurred by or on behalf of Indemnitee in connection with preparing and submitting any requests or statements for indemnification, advancement, contribution or any other right provided by this Agreement. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amounts of judgments or fines against Indemnitee.

(n) "Independent Counsel" means, at any time, any law firm, or a member of a law firm, that (a) is experienced in matters of limited partnership, limited liability company or corporation law, as applicable, and (b) is not, at such time, or has not been in the three years prior to such time, retained to represent: (i) any Enterprise or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnities under similar indemnification agreements), (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder or (iii) the Beneficial Owner, directly or indirectly, of securities of the Company representing 5% or more of the ownership interests or the voting power of the Company's then outstanding voting securities. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any Person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto and to be jointly and severally liable therefor.

(o) "LTIP" means the Forum Energy Technologies, Inc. 2010 Stock Incentive Plan.

(p) "Person" means any individual, entity or group (within the meaning of Rule 13d-5 of the Exchange Act but excluding any employee benefit plan of such person and its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan).

(q) "Potential Change in Control" shall be deemed to have occurred if (i) any Person shall have announced publicly an intention to take actions to effect a Change in Control, or commenced any action that, if successful, would reasonably be expected to result in the occurrence of a Change in Control; (ii) the Company enters into an agreement or arrangement, the consummation of which would result in the occurrence of a Change in Control; or (iii) any other event occurs that the Board of Directors declares to be a Potential Change of Control.

(r) "Proceeding" includes any actual, threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened, pending or completed proceeding, whether brought by or in the right of any Enterprise or otherwise and

whether civil, criminal, administrative or investigative in nature, in which Indemnitee was, is, may be or will be involved as a party, witness or otherwise, by reason of Indemnitee's Corporate Status or by reason of any action taken by Indemnitee or of any inaction on Indemnitee's part while acting as a director of the Company or serving any other Enterprise (in each case whether or not he is acting or serving in any such capacity or has such status at the time any liability or expense is incurred for which indemnification or advancement of Expenses can be provided under this Agreement).

(s) "Qualified Public Offering" means the initial underwritten public offering of common Equity Interests of the Company pursuant to an effective registration statement filed with the U.S. Securities and Exchange Commission in accordance with the Securities Act of 1933, as amended (other than a registration statement on Form S-8 or any successor form).

(t) "Sponsor Companies" means SCF-V, L.P., SCF-VI, L.P. and SCF-VII, L.P., and any other investment fund or related management company or Company that is an affiliate of SCF-V, L.P., SCF-VI, L.P. and SCF-VII, L.P. (other than the Company) or that is advised by the same investment adviser as any of the foregoing entities or by an affiliate of such investment adviser.

15. Construction. Whenever required by the context, as used in this Agreement the singular number shall include the plural, the plural shall include the singular, and all words herein in any gender shall be deemed to include (as appropriate) the masculine, feminine and neuter genders.

16. Reliance. The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director of the Company, the Company hereby acknowledges that Indemnitee is relying upon this Agreement in serving as a director of the Company or serving any other Enterprise.

17. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in a writing identified as such by all of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

18. Notice Mechanics. All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been direct, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(a) If to Indemnitee to:

_____

_____

_____

Attention: _____

(b) If to the Company to:

Forum Energy Technologies, Inc.
8807 W. Sam Houston Pkwy N, Suite 200
Houston, Texas 77040
Attention: James W. Harris
Facsimile: 713-351-7997

with a copy to:

Vinson & Elkins L.L.P.
1001 Fannin Street, Suite 2500
Houston, Texas 77002
Attention: Scott N. Wulfe
Facsimile: (713) 615-5637

or to such other address as may have been furnished (in the manner prescribed above) as follows: (a) in the case of a change in address for notices to Indemnitee, furnished by Indemnitee to the Company and (b) in the case of a change in address for notices to the Company, furnished by the Company to Indemnitee.

19. Contribution. To the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for reasonably incurred Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and their other directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

20. Governing Law; Submission to Jurisdiction; Appointment of Agent for Service of Process. This Agreement and the legal relations among the parties shall, to the fullest extent permitted by law, be governed by, and construed and enforced in accordance with, the laws of the State of Texas, without regard to its conflict of laws rules.

21. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

Company:

FORUM ENERGY TECHNOLOGIES, INC.

By: _____
Name:
Title:

Indemnitee:

_____
Name:

Annex A

Participating Directors

Andrew L. Waite
David C. Baldwin

FORUM ENERGY TECHNOLOGIES		**2011 Management Incentive Plan (MIP)**		
Effective Date: 01/01/2011	Supersedes: 2010 Policies	Policy Number: HR.01.11	Issuer: Human Resources	Page: 1 of 3

SCOPE

1.00 This policy applies to regular full-time employees of Forum that have been approved to participate in the MIP by the Chief Executive Officer and Vice President Human Resources.

PURPOSE

2.00 The purpose of the MIP is to incentivize and reward key employees that have a significant impact on Forum obtaining its overall performance goals.

POLICY

Eligibility

3.00 Employees eligible to participate in the MIP include key management and sales personnel and other key employees that have been proposed by Division management and approved by the FET Chief Executive Officer and Vice President Human Resources.

3.01 Participant must be a full-time regular employee at the time of the bonus payment to be eligible to receive the bonus payout. An eligible employee who completes the MIP period and is terminated due to a reduction in force or retires in accordance with FET policy before the MIP bonus payment will be eligible to receive the bonus subject to the normal review and approval process.

3.02 Employees participating in the MIP may not participate in any other annual incentive bonus plans at Forum. Exceptions can be approved by the Chief Executive Officer.

3.03 Employees that become eligible for the MIP during the calendar year will be eligible to participate on a prorated basis,

3.04 If the MIP Target percent or salary rate for an employee changes during the calendar year due to promotion or demotion, the MIP target level and the salary used to calculate the MIP will be adjusted for the remainder of the MIP period and calendar year starting on the next payroll cycle following the change.

Measurement Criteria

3.05 For 2011, there will be different areas of financial measures utilized for executive officers, other FET employees and for employees at the Division level. The measurement criteria are set forth on the attached Schedule A

3.06 The EPS and Operating Income targets are derived from the approved 2011 Financial Plan and are specified in Schedule B.

3.07 The employee's target bonus level will be established based on the employee's position, job responsibilities and discretion of management.

3.08 If the company achieves 100% of plan for a financial measure, then the target bonus will be paid.

3.09 If actual performance is 125% of plan target or more, an Over-Achievement (OA) level will be awarded and the participant will receive a bonus award at 200% of the target bonus. If actual performance is greater than 100% but less than 125% of the plan target, the bonus award will be prorated appropriately between 100% and 200% of the target bonus.

3.10 If actual performance is below 75% of plan no bonus will be earned or awarded. For actual performance between 75% and 100% of plan, the bonus payout will be prorated appropriately between 0% and 100% of the target bonus.

3.11 Participation in the plan will be for the calendar year January through December 2011. YTD base wages for the 2011 year will be used to calculate the bonus award. The MIP will be measured and paid annually. The earned bonus will be paid in the first quarter of the following year, but no later than March 15th.

3.12 Target Operating Income and EPS includes MIP expense at the planned level as recorded in the 2011 Plan approved by the Board of Directors. Achievement of minimum or maximum payout levels **will** include the expected level of MIP expense in Operating Income and EPS. Certain special, non-recurring gains and losses will be excluded from actual results, as approved by the CEO, e.g. gain or loss on sale of an asset or operation.

3.13 In the case of any acquisitions closed during the calendar year, annual MIP targets will be adjusted to include Operating Income and EPS amounts based on estimates for the calendar year presented to the Board of Directors in approving the acquisition. Actual performance will include Operating Income and EPS amounts pro forma from the beginning of the calendar year for the acquisition. Transaction expenses to complete the acquisition will not be included.

COMPLIANCE

4.00 Notwithstanding any provisions in the MIP to the contrary, any portion of the payments and benefits provided under the MIP, as well as any other payments and benefits which the Employee receives pursuant to a Company plan or other arrangement, shall be subject to a clawback to the extent necessary to comply with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act or any Securities and Exchange Commission rule.

RESPONSIBILITY

5.00 It is the responsibility of the executive management team and the Human Resources department to administer this policy. It is the responsibility of the controller and CFO to review and approve the bonus information for accuracy.

Schedule A

2011 Management Incentive Plan

The 2011 plan will consist of two forms of financial measures at three operational levels of the organization. The incentive period is for the calendar year.

Levels:

- ***Corporate***– measured on Operating Income for the FET Corporate Plan. This measure will comprise 100% of the formula at the Corporate level. Executive Officers will have 33.3% measured on pre-tax Earnings Per Share (EPS) and the balance on FET Operating Income.
- ***Division/Product Group***- measured on Operating Income by Product Groups: Drilling, Subsea, Allied Technologies, and Global Flow Technologies. This measure will comprise 50% of the formula for participants at the Product Group level and the balance on FET Operating Income.

Performance

- For Operating Income achievement of 100% of Plan targets will produce an award at the target level bonus. For EPS achievement of 2011 target objective will produce an award at target level bonus.
- An Entry Level (EL) bonus award will be achieved for performance at greater than 75% of plan. The EL award will be prorated for results between 75% and 100%. The EL award is 0 at 75%.
- An Overachievement (OA) bonus award will be achieved for performance at 125% of plan. The OA award is 200% of the target bonus. The award will be prorated for results between 100% and 125%.

There are approximately 285 participants in the 2011 MIP. There are an additional 58 employees that participate in a sales incentive plan within the organization.

SCHEDULE B

2011 MIP Plan Targets

	2011 Entry Level (EL) 75%	2011 Plan Target 100%	2011 Over-Achievement (OA) 125%
Forum Energy Technologies			
Operating Income	$ 84,075	$ 112,100	$ 140,125
Earnings Per Share (pre-tax)	$ 41	$ 54	$ 68
Drilling & Subsea			
Consolidated (Operating Income)	$ 56,027	$ 74,703	$ 93,379
Drilling (Operating Income)	$ 42,392	$ 56,523	$ 70,654
Subsea (Operating Income)	$ 13,635	$ 18,180	$ 22,725
Production & Infrastructure			
Consolidated (Operating Income)	$ 37,703	$ 50,270	$ 62,838
Production Equipment (Operating Income)	$ 10,421	$ 13,894	$ 17,368
Valves (Operating Income)	$ 14,430	$ 19,240	$ 24,050
Pipeline Equipment (Operating Income)	$ 1,452	$ 1,936	$ 2,420
Completion Products (Operating Income)	$ 11,400	$ 15,200	$ 19,000

SCHEDULE B
Forum Energy Technologies
2011 MIP Performance Measure Allocation

	FET		Drilling & Subsea			Production & Infrastructure				
				Drilling			Production		Completion	Pipeline
	Operating Income	Earnings Per Share	Consolidated Operating Income		Subsea	Consolidated	Equipment	Valves	Products	Equipment
FET Corporate	**66.7%**	**33.3%**								
Drilling & Subsea President	**37.5%**	**12.5%**	**50%**							
Drilling Operations	**50%**			**50%**						
Subsea Operations	**50%**				**50%**					
Production & Infrastructure President	**37.5%**	**12.5%**				**50%**				
Production Equipment	**50%**						**50%**			
Valves	**50%**							50%		
Completions Products	**50%**								50%	
Pipeline Equipment	**50%**									50%

FORUM ENERGY TECHNOLOGIES, INC.

2010 STOCK INCENTIVE PLAN

I. PURPOSE OF THE PLAN

The purpose of the **FORUM ENERGY TECHNOLOGIES**, INC. 2010 STOCK INCENTIVE PLAN (the ***"Plan"***) is to provide a means through which FORUM ENERGY TECHNOLOGIES, INC., a Delaware corporation (the ***"Company"***), and its Affiliates may attract able persons to serve as Directors or Consultants or to enter the employ of the Company and its Affiliates and to provide a means whereby those individuals upon whom the responsibilities of the successful administration and management of the Company and its Affiliates rest, and whose present and potential contributions to the Company and its Affiliates are of importance, can acquire and maintain stock ownership, thereby strengthening their concern for the welfare of the Company and its Affiliates. A further purpose of the Plan is to provide such individuals with additional incentive and reward opportunities designed to enhance the profitable growth of the Company and its Affiliates. Accordingly, the Plan provides for granting Incentive Stock Options, options that do not constitute Incentive Stock Options, Restricted Stock Awards, Performance Awards, Phantom Stock Awards, Bonus Stock Awards, or any combination of the foregoing, as is best suited to the circumstances of the particular employee, Consultant, or Director as provided herein.

The Plan as set forth herein constitutes an amendment and restatement of the Prior Plan. Except as provided in the following sentence, the Plan shall supersede and replace in its entirety the Prior Plan. Notwithstanding any provisions herein to the contrary, each award granted under the Prior Plan prior to the effective date of this amendment and restatement shall be subject to the terms and provisions applicable to such award under the Prior Plan, as in effect immediately prior to this amendment and restatement.

II. DEFINITIONS

The following definitions shall be applicable throughout the Plan unless specifically modified by any paragraph:

(a) ***"Affiliate"*** means any corporation, partnership, limited liability company or partnership, association, trust, or other organization which, directly or indirectly, controls, is controlled by, or is under common control with, the Company. For purposes of the preceding sentence, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any entity or organization, shall mean the possession, directly or indirectly, of the power (i) to vote more than 50% of the securities having ordinary voting power for the election of directors of the controlled entity or organization or (ii) to direct or cause the direction of the management and policies of the controlled entity or organization, whether through the ownership of voting securities or by contract or otherwise.

(b) ***"Award"*** means, individually or collectively, any Option, Restricted Stock Award, Performance Award, Phantom Stock Award, or Bonus Stock Award.

(c) ***"Board"*** means the Board of Directors of the Company.

(d) "***Bonus Stock Award"*** means an Award granted under Paragraph XI of the Plan.

(e) ***"Change in Control"*** shall have the meaning assigned to such term in Exhibit A to the Plan.

(f) ***"Code"*** means the Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code shall be deemed to include any amendments or successor provisions to such section and any regulations under such section.

(g) ***"Committee"*** means a committee of the Board that is selected by the Board as provided in Paragraph IV(a).

(h) ***"Common Stock"*** means the common stock, par value $.01 per share, of the Company, or any security into which such common stock may be changed by reason of any transaction or event of the type described in Paragraph XII.

(i) ***"Company"*** means Forum Energy Technologies, Inc., a Delaware corporation.

(j) ***"Consultant"*** means any person who is not an employee or a Director and who is providing advisory or consulting services to the Company or any Affiliate.

(k) ***"Corporate Change"*** shall have the meaning assigned to such term in Paragraph XII(c) of the Plan.

(l) ***"Director"*** means an individual who is a member of the Board.

(m) An ***"employee"*** means any person (including a Director) in an employment relationship with the Company or any Affiliate. In addition, in connection with the Triton Merger (as such term is defined in that certain Combination Agreement dated July 16, 2010, by and among Forum Oilfield Technologies, Inc., Triton Group Holdings LLC and the other parties thereto), an individual who holds "Series A Management Units" and/or "Series B Management Units" in Triton Group Holdings LLC shall be considered an "employee" (without regard to whether such individual is currently providing or formerly provided services to Triton Group Holdings LLC or an affiliate thereof as an employee or in another capacity) for purposes of determining eligibility under the Plan to receive Awards.

(n) ***"Exchange Act"*** means the Securities Exchange Act of 1934, as amended.

(o) ***"Fair Market Value"*** means, as of any specified date, the closing price of the Common Stock, if the Common Stock is listed on a national stock exchange registered under section 6(a) of the Exchange Act, reported on the stock exchange composite tape on that date (or such other reporting service approved by the Committee);

or, if no closing price is reported on that date, on the last preceding date on which such closing price of the Common Stock is so reported. If the Common Stock is traded over the counter at the time a determination of its fair market value is required to be made hereunder, its fair market value shall be deemed to be equal to the average between the reported high and low or closing bid and asked prices of Common Stock on the most recent date on which Common Stock was publicly traded. In the event Common Stock is not publicly traded at the time a determination of its value is required to be made hereunder, the determination of its fair market value shall be made by the Committee in such manner as it deems appropriate and as is consistent with the requirements of section 409A of the Code.

(p) ***"Incentive Stock Option"*** means an incentive stock option within the meaning of section 422 of the Code.

(q) ***"Option"*** means an Award granted under Paragraph VII of the Plan and includes both Incentive Stock Options to purchase Common Stock and Options that do not constitute Incentive Stock Options to purchase Common Stock.

(r) ***"Option Agreement"*** means a written agreement between the Company and a Participant with respect to an Option.

(s) ***"Participant"*** means an employee, Consultant, or Director who has been granted an Award.

(t) ***"Performance Award"*** means an Award granted under Paragraph IX of the Plan.

(u) ***"Performance Award Agreement"*** means a written agreement between the Company and a Participant with respect to a Performance Award.

(v) ***"Performance Measure"*** means one or more performance measures established by the Committee that are based on (i) the price of a share of Common Stock, (ii) the Company's earnings per share, (iii) the Company's market share or the market share of a business unit of the Company designated by the Committee, (iv) the Company's sales or the sales of a business unit of the Company designated by the Committee, (v) operating income or operating income margin of the Company or a business unit of the Company, (vi) the net income or net income margin (before or after taxes) of the Company or any business unit of the Company designated by the Committee, (vii) the cash flow or return on investment of the Company or any business unit of the Company designated by the Committee, (viii) the earnings or earnings margin before or after interest, taxes, depreciation, and/or amortization of the Company or any business unit of the Company designated by the Committee, (ix) the economic value added, (x) the return on capital, assets, or stockholders' equity achieved by the Company, (xi) the total stockholders' return achieved by the Company, or (xii) any combination of the foregoing. The performance measures described in the preceding sentence may be absolute, relative to one or more other companies, relative to one or more indexes, or measured by reference to the Company alone or the Company together with one or more

of its Affiliates. In addition, performance measures may be subject to adjustment by the Committee for changes in accounting principles, to satisfy regulatory requirements and other specified significant extraordinary items or events.

(w) ***"Phantom Stock Award"*** means an Award granted under Paragraph X of the Plan.

(x) ***"Phantom Stock Award Agreement"*** means a written agreement between the Company and a Participant with respect to a Phantom Stock Award.

(y) ***"Plan"*** means the Forum Energy Technologies, Inc. 2010 Stock Incentive Plan, as amended from time to time.

(z) ***"Prior Plan"*** means the Forum Oilfield Technologies, Inc. 2005 Stock Incentive Plan, as amended and in effect immediately prior to the effective date of the Plan.

(aa) ***"Restricted Stock Agreement"*** means a written agreement between the Company and a Participant with respect to a Restricted Stock Award.

(bb) ***"Restricted Stock Award"*** means an Award granted under Paragraph VIII of the Plan.

(cc) ***"Rule 16b-3"*** means Securities Exchange Commission Rule 16b-3 promulgated under the Exchange Act, as such may be amended from time to time, and any successor rule, regulation, or statute fulfilling the same or a similar function.

(dd) ***"Stock Appreciation Right"*** means a right to acquire, upon exercise of the right, Common Stock and/or, in the sole discretion of the Committee, cash having an aggregate value equal to the then excess of the Fair Market Value of the shares with respect to which the right is exercised over the exercise price therefor. The Committee shall retain final authority to determine whether a Participant shall be permitted, and to approve an election by a Participant, to receive cash in full or partial settlement of a Stock Appreciation Right.

III. EFFECTIVE DATE AND DURATION OF THE PLAN

The Plan shall become effective upon the date of its adoption by the Board, provided the Plan is approved by the stockholders of the Company within 12 months thereafter. Notwithstanding any provision in the Plan to the contrary, no Option shall be exercisable, no Restricted Stock Award or Bonus Stock Award shall be granted, and no Performance Award or Phantom Stock Award shall vest or become satisfiable prior to such stockholder approval. No further Awards may be granted under the Plan after 10 years from the date the Plan is adopted by the Board. The Plan shall remain in effect until all Options granted under the Plan have been satisfied or expired, all Restricted Stock Awards granted under the Plan have vested or been forfeited, and all Performance Awards, Phantom Stock Awards, and Bonus Stock Awards have been satisfied or expired.

IV. ADMINISTRATION

(a) **Composition of Committee**. The Plan shall be administered by a committee of, and appointed by, the Board. In the absence of the Board's appointment of a committee to administer the Plan, the Board shall serve as the Committee. Notwithstanding the foregoing, from and after the date upon which the Company becomes a "publicly held corporation" (as defined in section 162(m) of the Code and applicable interpretative authority thereunder), the Plan shall be administered by a committee of, and appointed by, the Board that shall be comprised solely of two or more outside Directors (within the meaning of the term "outside directors" as used in section 162(m) of the Code and applicable interpretive authority thereunder and within the meaning of the term "Non-Employee Director" as defined in Rule 16b-3).

(b) **Powers**. Subject to the express provisions of the Plan, the Committee shall have authority, in its discretion, to determine which employees, Consultants, or Directors shall receive an Award, the time or times when such Award shall be made, the type of Award that shall be made, the number of shares to be subject to each Option, Restricted Stock Award, or Bonus Stock Award, and the number of shares to be subject to or the value of each Performance Award or Phantom Stock Award. In making such determinations, the Committee shall take into account the nature of the services rendered by the respective employees, Consultants, or Directors, their present and potential contribution to the Company's success, and such other factors as the Committee in its sole discretion shall deem relevant.

(c) **Additional Powers**. The Committee shall have such additional powers as are delegated to it by the other provisions of the Plan. Subject to the express provisions of the Plan, this shall include the power to construe the Plan and the respective agreements executed hereunder, to prescribe rules and regulations relating to the Plan, to determine the terms, restrictions, and provisions of the agreement relating to each Award, including such terms, restrictions, and provisions as shall be requisite in the judgment of the Committee to cause designated Options to qualify as Incentive Stock Options, and to make all other determinations necessary or advisable for administering the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any agreement relating to an Award in the manner and to the extent the Committee shall deem expedient to carry the Plan or any such agreement into effect. All determinations and decisions made by the Committee on the matters referred to in this Paragraph IV and in construing the provisions of the Plan shall be conclusive.

(d) **Delegation of Authority by the Committee.** Notwithstanding the preceding provisions of this Paragraph IV or any other provision of the Plan to the contrary, subject to the constraints of applicable law, the Committee may from time to time, in its sole discretion, delegate to the Chief Executive Officer of the Company the administration (or interpretation of any provision) of the Plan, and the right to grant Awards under the Plan, insofar as such administration (and interpretation) and power to grant Awards relates to any person who is not subject to section 16 of the Exchange Act (including any successor section to the same or similar effect). Any such delegation may be effective only so long as the Chief Executive Officer of the Company is a Director,

and the Committee may revoke such delegation at any time. The Committee may put any conditions and restrictions on the powers that may be exercised by the Chief Executive Officer of the Company upon such delegation as the Committee determines in its sole discretion. In the event of any conflict in a determination or interpretation under the Plan as between the Committee and the Chief Executive Officer of the Company, the determination or interpretation, as applicable, of the Committee shall be conclusive.

V. SHARES SUBJECT TO THE PLAN; AWARD LIMITS; GRANT OF AWARDS

(a) **Shares Subject to the Plan and Award Limits**. Subject to adjustment in the same manner as provided in Paragraph XII with respect to shares of Common Stock subject to Options then outstanding, the aggregate maximum number of shares of Common Stock that may be issued under the Plan, and the aggregate maximum number of shares of Common Stock that may be issued under the Plan through Incentive Stock Options, shall not exceed 400,000 shares (inclusive of the shares subject to outstanding awards granted under the Prior Plan and the shares that remain available for issuance under the Prior Plan immediately prior to the effective date of this amendment and restatement). Shares shall be deemed to have been issued under the Plan only to the extent actually issued and delivered pursuant to an Award. To the extent that an Award lapses or the rights of its holder terminate, any shares of Common Stock subject to such Award shall again be available for the grant of an Award under the Plan. In addition, shares issued under the Plan and forfeited back to the Plan, shares surrendered in payment of the exercise price or purchase price of an Award, and shares withheld for payment of applicable employment taxes and/or withholding obligations associated with an Award shall again be available for the grant of an Award under the Plan. Notwithstanding any provision in the Plan to the contrary, (i) the maximum number of shares of Common Stock that may be subject to Awards denominated in shares of Common Stock granted to any one individual during the term of the Plan may not exceed 50% of the aggregate maximum number of shares of Common Stock that may be issued under the Plan (as adjusted from time to time in accordance with the provisions of the Plan) and (ii) the maximum amount of compensation that may be paid under all Performance Awards denominated in cash (including the Fair Market Value of any shares of Common Stock paid in satisfaction of such Performance Awards) granted to any one individual during any calendar year may not exceed $20,000,000, and any payment due with respect to a Performance Award shall be paid no later than 10 years after the date of grant of such Performance Award. From and after the date upon which the Company becomes a “publicly held corporation” (as defined in section 162(m) of the Code and applicable interpretative authority thereunder), the limitations set forth in clauses (i) and (ii) of the preceding sentence shall be applied in a manner that will permit Awards that are intended to provide “performance-based” compensation for purposes of section 162(m) of the Code to satisfy the requirements of such section, including, without limitation, counting against such maximum number of shares, to the extent required under section 162(m) of the Code and applicable interpretive authority thereunder, any shares subject to Awards granted to employees that are canceled or repriced.

(b) **Grant of Awards**. The Committee may from time to time grant Awards to one or more employees, Consultants, or Directors determined by it to be eligible for participation in the Plan in accordance with the terms of the Plan.

(c) **Stock Offered**. Subject to the limitations set forth in Paragraph V(a), the stock to be offered pursuant to the grant of an Award may be authorized but unissued Common Stock or Common Stock previously issued and outstanding and reacquired by the Company. Any of such shares which remain unissued and which are not subject to outstanding Awards at the termination of the Plan shall cease to be subject to the Plan but, until termination of the Plan, the Company shall at all times make available a sufficient number of shares to meet the requirements of the Plan. The shares of the Company's stock to be issued pursuant to any Award may be represented by physical stock certificates or may be uncertificated. Notwithstanding references in the Plan to certificates, the Company may deliver uncertificated shares of Common Stock in connection with any Award.

VI. ELIGIBILITY

Awards may be granted only to persons who, at the time of grant, are employees, Consultants, or Directors. An Award may be granted on more than one occasion to the same person, and, subject to the limitations set forth in the Plan, such Award may include an Incentive Stock Option, an Option that is not an Incentive Stock Option, a Restricted Stock Award, a Performance Award, a Phantom Stock Award, a Bonus Stock Award, or any combination thereof.

VII. STOCK OPTIONS

(a) **Option Period**. The term of each Option shall be as specified by the Committee at the date of grant, but in no event shall an Option be exercisable after the expiration of 10 years from the date of grant.

(b) **Limitations on Exercise of Option**. An Option shall be exercisable in whole or in such installments and at such times as determined by the Committee.

(c) **Special Limitations on Incentive Stock Options**. An Incentive Stock Option may be granted only to an individual who is employed by the Company or any parent or subsidiary corporation (as defined in section 424 of the Code) of the Company at the time the Option is granted. To the extent that the aggregate fair market value (determined at the time the respective Incentive Stock Option is granted) of stock with respect to which Incentive Stock Options are exercisable for the first time by an individual during any calendar year under all incentive stock option plans of the Company and its parent and subsidiary corporations exceeds $100,000, such Incentive Stock Options shall be treated as Options which do not constitute Incentive Stock Options. The Committee shall determine, in accordance with applicable provisions of the Code, Treasury regulations, and other administrative pronouncements, which of a Participant's Incentive Stock Options will not constitute Incentive Stock Options because of such limitation and shall notify the Participant of such determination as soon as

practicable after such determination. No Incentive Stock Option shall be granted to an individual if, at the time the Option is granted, such individual owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or of its parent or subsidiary corporation, within the meaning of section 422(b)(6) of the Code, unless (i) at the time such Option is granted, the option price is at least 110% of the Fair Market Value of the Common Stock subject to the Option and (ii) such Option by its terms is not exercisable after the expiration of five years from the date of grant. Except as otherwise provided in sections 421 or 422 of the Code, an Incentive Stock Option shall not be transferable otherwise than by will or the laws of descent and distribution and shall be exercisable during the Participant's lifetime only by such Participant or the Participant's guardian or legal representative.

(d) **Option Agreement.** Each Option shall be evidenced by an Option Agreement in such form and containing such provisions not inconsistent with the provisions of the Plan as the Committee from time to time shall approve, including, without limitation, provisions to qualify an Option as an Incentive Stock Option under section 422 of the Code. Each Option Agreement shall specify the effect of termination of (i) employment, (ii) the consulting or advisory relationship or (iii) membership on the Board, as applicable, or a Change in Control on the exercisability of the Option. An Option Agreement may provide for the payment of the option price, in whole or in part, by the delivery of a number of shares of Common Stock (plus cash if necessary) having a Fair Market Value equal to such option price. Moreover, an Option Agreement may provide for a "cashless exercise" of the Option by establishing procedures satisfactory to the Committee with respect thereto. Further, an Option Agreement may provide, on such terms and conditions as the Committee in its sole discretion may prescribe, for the grant of a Stock Appreciation Right in connection with the grant of an Option and, in such case, the exercise of the Stock Appreciation Right shall result in the surrender of the right to purchase a number of shares under the Option equal to the number of shares with respect to which the Stock Appreciation Right is exercised (and vice versa). In the case of any Stock Appreciation Right that is granted in connection with an Incentive Stock Option, such right shall be exercisable only when the Fair Market Value of the Common Stock exceeds the exercise price specified therefor in the Option or the portion thereof to be surrendered. The terms and conditions of the respective Option Agreements need not be identical. Subject to the consent of the Participant, the Committee may, in its sole discretion, amend an outstanding Option Agreement from time to time in any manner that is not inconsistent with the provisions of the Plan (including, without limitation, an amendment that accelerates the time at which the Option, or a portion thereof, may be exercisable).

(e) **Option Price and Payment**. The price at which a share of Common Stock may be purchased upon exercise of an Option shall be determined by the Committee but, subject to adjustment as provided in Paragraph XII, such purchase price shall not be less than the Fair Market Value of a share of Common Stock on the date such Option is granted. The Option or portion thereof may be exercised by delivery of an irrevocable notice of exercise to the Company, as specified by the Committee. The purchase price of the Option or portion thereof shall be paid in full in the manner prescribed by the Committee. Separate stock certificates shall be issued by the Company

for those shares acquired pursuant to the exercise of an Incentive Stock Option and for those shares acquired pursuant to the exercise of any Option that does not constitute an Incentive Stock Option.

(f) **Restrictions on Repricing of Options.** Except as provided in Paragraph XII, the Committee may not, without approval of the stockholders of the Company, amend any outstanding Option Agreement to lower the option price (or cancel and replace any outstanding Option Agreement with Option Agreements having a lower option price).

(g) **Stockholder Rights and Privileges**. The Participant shall be entitled to all the privileges and rights of a stockholder only with respect to such shares of Common Stock as have been purchased under the Option and for which certificates of stock have been registered in the Participant's name.

(h) **Options and Rights in Substitution for Options Granted by Other Employers**. Options and Stock Appreciation Rights may be granted under the Plan from time to time in substitution for options and such rights held by individuals providing services to corporations or other entities who become employees, Consultants, or Directors as a result of a merger or consolidation or other business transaction with the Company or any Affiliate.

VIII. RESTRICTED STOCK AWARDS

(a) **Forfeiture Restrictions to be Established by the Committee**. Shares of Common Stock that are the subject of a Restricted Stock Award shall be subject to restrictions on disposition by the Participant and an obligation of the Participant to forfeit and surrender the shares to the Company under certain circumstances (the ***"Forfeiture Restrictions"***). The Forfeiture Restrictions shall be determined by the Committee in its sole discretion, and the Committee may provide that the Forfeiture Restrictions shall lapse upon (i) the attainment of one or more Performance Measures, (ii) the Participant's continued employment with the Company or its Affiliate or continued service as a Consultant or Director for a specified period of time, (iii) the occurrence of any event or the satisfaction of any other condition specified by the Committee in its sole discretion (including, without limitation, a Change in Control), or (iv) a combination of any of the foregoing. Each Restricted Stock Award may have different Forfeiture Restrictions, in the discretion of the Committee.

(b) **Other Terms and Conditions**. Unless provided otherwise in a Restricted Stock Agreement, the Participant shall have the right to receive dividends with respect to Common Stock subject to a Restricted Stock Award, to vote Common Stock subject thereto, and to enjoy all other stockholder rights, except that (i) the Participant shall not be entitled to delivery of the stock certificate until the Forfeiture Restrictions have expired, (ii) the Company shall retain custody of the stock until the Forfeiture Restrictions have expired, (iii) the Participant may not sell, transfer, pledge, exchange, hypothecate, or otherwise dispose of the stock until the Forfeiture Restrictions have expired, (iv) a breach of the terms and conditions established by the Committee pursuant

to the Restricted Stock Agreement shall cause a forfeiture of the Restricted Stock Award, and (v) with respect to the payment of any dividend with respect to shares of Common Stock subject to a Restricted Stock Award directly to the Participant, each such dividend shall be paid no later than the end of the calendar year in which the dividends are paid to stockholders of such class of shares or, if later, the fifteenth day of the third month following the date the dividends are paid to stockholders of such class of shares. At the time of such Award, the Committee may, in its sole discretion, prescribe additional terms, conditions, or restrictions relating to Restricted Stock Awards, including, but not limited to, rules pertaining to the termination of employment or service as a Consultant or Director (by retirement, disability, death, or otherwise) of a Participant prior to expiration of the Forfeitures Restrictions. Such additional terms, conditions, or restrictions shall be set forth in a Restricted Stock Agreement made in conjunction with the Award.

(c) **Payment for Restricted Stock**. The Committee shall determine the amount and form of any payment for Common Stock received pursuant to a Restricted Stock Award, provided that in the absence of such a determination, a Participant shall not be required to make any payment for Common Stock received pursuant to a Restricted Stock Award, except to the extent otherwise required by law.

(d) **Committee's Discretion to Accelerate Vesting of Restricted Stock Awards**. The Committee may, in its discretion and as of a date determined by the Committee, fully vest any or all Common Stock awarded to a Participant pursuant to a Restricted Stock Award and, upon such vesting, all Forfeiture Restrictions applicable to such Restricted Stock Award shall terminate as of such date. Any action by the Committee pursuant to this Subparagraph may vary among individual Participants and may vary among the Restricted Stock Awards held by any individual Participant. Notwithstanding the preceding provisions of this Subparagraph, except in connection with a Corporate Change or Change in Control, the Committee may not take any action described in this Subparagraph with respect to a Restricted Stock Award that has been granted to a "covered employee" (within the meaning of Treasury regulation section 1.162-27(c)(2)) if such Award has been designed to meet the exception for performance-based compensation under section 162(m) of the Code.

(e) **Restricted Stock Agreements**. At the time any Award is made under this Paragraph VIII, the Company and the Participant shall enter into a Restricted Stock Agreement setting forth each of the matters contemplated hereby and such other matters as the Committee may determine to be appropriate. The terms and provisions of the respective Restricted Stock Agreements need not be identical. Subject to the consent of the Participant, the Committee may, in its sole discretion, amend an outstanding Restricted Stock Agreement from time to time in any manner that is not inconsistent with the provisions of the Plan.

IX. PERFORMANCE AWARDS

(a) **Performance Period**. The Committee shall establish, with respect to and at the time of each Performance Award, the number of shares of Common Stock subject to, or the maximum value of, the Performance Award and the performance period over which the performance applicable to the Performance Award shall be measured.

(b) **Performance Measures**. A Performance Award shall be awarded to a Participant contingent upon future performance of the Company or any Affiliate, division, or department thereof under a Performance Measure during the performance period. From and after the date upon which the Company becomes a "publicly held corporation" (as defined in section 162(m) of the Code and applicable interpretative authority thereunder), the Committee shall establish the Performance Measures applicable to such performance either (i) prior to the beginning of the performance period or (ii) within 90 days after the beginning of the performance period if the outcome of the performance targets is substantially uncertain at the time such targets are established, but not later than the date that 25% of the performance period has elapsed. The Committee, in its sole discretion, may provide for an adjustable Performance Award value based upon the level of achievement of Performance Measures.

(c) **Awards Criteria**. In determining the value of Performance Awards, the Committee shall take into account a Participant's responsibility level, performance, potential, other Awards, and such other considerations as it deems appropriate. The Committee, in its sole discretion, may provide for a reduction in the value of a Participant's Performance Award during the performance period.

(d) **Payment**. Following the end of the performance period, the holder of a Performance Award shall be entitled to receive payment of an amount not exceeding the number of shares of Common Stock subject to, or the maximum value of, the Performance Award, based on the achievement of the Performance Measures for such performance period, as determined and certified in writing by the Committee. Payment of a Performance Award may be made in cash, Common Stock, or a combination thereof, as determined by the Committee. Payment shall be made in a lump sum or in installments as prescribed by the Committee. If a Performance Award covering shares of Common Stock is to be paid in cash, such payment shall be based on the Fair Market Value of the Common Stock on the payment date or such other date as may be specified by the Committee in the Performance Award Agreement. A Participant shall not be entitled to the privileges and rights of a stockholder with respect to a Performance Award covering shares of Common Stock until payment has been determined by the Committee and such shares have been delivered to the Participant.

(e) **Termination of Award**. A Performance Award shall terminate if the Participant does not remain continuously in the employ of the Company and its Affiliates or does not continue to perform services as a Consultant or a Director for the Company and its Affiliates at all times during the applicable performance period through the payment date, except as may be determined by the Committee (including, without limitation, a termination of employment or services on or after a Change in Control).

(f) **Performance Award Agreements**. At the time any Award is made under this Paragraph IX, the Company and the Participant shall enter into a Performance Award Agreement setting forth each of the matters contemplated hereby and such additional matters as the Committee may determine to be appropriate. The terms and provisions of the respective Performance Award Agreements need not be identical.

X. PHANTOM STOCK AWARDS

(a) **Phantom Stock Awards**. Phantom Stock Awards are rights to receive shares of Common Stock (or the Fair Market Value thereof), or rights to receive an amount equal to any appreciation or increase in the Fair Market Value of Common Stock over a specified period of time, which vest over a period of time as established by the Committee, without satisfaction of any performance criteria or objectives. The Committee may, in its discretion, require payment or other conditions of the Participant respecting any Phantom Stock Award. A Phantom Stock Award may include, without limitation, a Stock Appreciation Right that is granted independently of an Option; provided, however, that the exercise price per share of Common Stock subject to the Stock Appreciation Right shall be (i) determined by the Committee but, subject to adjustment as provided in Paragraph XII, such exercise price shall not be less than the Fair Market Value of a share of Common Stock on the date such Stock Appreciation Right is granted, and (ii) subject to the restrictions on repricings described in Paragraph VII(f) in the same manner as applies to Options.

(b) **Award Period**. The Committee shall establish, with respect to and at the time of each Phantom Stock Award, a period over which the Award shall vest with respect to the Participant.

(c) **Awards Criteria**. In determining the value of Phantom Stock Awards, the Committee shall take into account a Participant's responsibility level, performance, potential, other Awards, and such other considerations as it deems appropriate.

(d) **Payment**. Following the end of the vesting period for a Phantom Stock Award (or at such other time as the applicable Phantom Stock Award Agreement may provide), the holder of a Phantom Stock Award shall be entitled to receive payment of an amount, not exceeding the maximum value of the Phantom Stock Award, based on the then vested value of the Award. Payment of a Phantom Stock Award may be made in cash, Common Stock, or a combination thereof as determined by the Committee. Payment shall be made in a lump sum or in installments as prescribed by the Committee. Any payment to be made in cash shall be based on the Fair Market Value of the Common Stock on the payment date or such other date as may be specified by the Committee in the Phantom Stock Award Agreement. Cash dividend equivalents may be paid during or after the vesting period with respect to a Phantom Stock Award, as determined by the Committee. A Participant shall not be entitled to the privileges and rights of a stockholder with respect to a Phantom Stock Award until the shares of Common Stock have been delivered to the Participant.

(e) **Termination of Award**. A Phantom Stock Award shall terminate if the Participant does not remain continuously in the employ of the Company and its Affiliates or does not continue to perform services as a Consultant or a Director for the Company and its Affiliates at all times during the applicable vesting period, except as may be otherwise determined by the Committee (including, without limitation, a termination of employment or services on or after a Change in Control).

(f) **Phantom Stock Award Agreements**. At the time any Award is made under this Paragraph X, the Company and the Participant shall enter into a Phantom Stock Award Agreement setting forth each of the matters contemplated hereby and such additional matters as the Committee may determine to be appropriate. The terms and provisions of the respective Phantom Stock Award Agreements need not be identical.

XI. BONUS STOCK AWARDS

Each Bonus Stock Award granted to a Participant shall constitute a transfer of unrestricted shares of Common Stock on such terms and conditions as the Committee shall determine. Bonus Stock Awards shall be made in shares of Common Stock and need not be subject to performance criteria or objectives or to forfeiture. The purchase price, if any, for shares of Common Stock issued in connection with a Bonus Stock Award shall be determined by the Committee in its sole discretion.

XII. RECAPITALIZATION OR REORGANIZATION

(a) **No Effect on Right or Power**. The existence of the Plan and the Awards granted hereunder shall not affect in any way the right or power of the Board or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization, or other change in the Company's or any Affiliate's capital structure or its business, any merger or consolidation of the Company or any Affiliate, any issue of debt or equity securities ahead of or affecting Common Stock or the rights thereof, the dissolution or liquidation of the Company or any Affiliate, any sale, lease, exchange, or other disposition of all or any part of its assets or business, or any other corporate act or proceeding.

(b) **Subdivision or Consolidation of Shares; Stock Dividends**. The shares with respect to which Awards may be granted are shares of Common Stock as presently constituted, but if, and whenever, prior to the expiration of an Award theretofore granted, the Company shall effect a subdivision or consolidation of shares of Common Stock or the payment of a stock dividend on Common Stock without receipt of consideration by the Company, the number of shares of Common Stock with respect to which such Award may thereafter be exercised or satisfied, as applicable, (i) in the event of an increase in the number of outstanding shares, shall be proportionately increased, and the purchase price per share shall be proportionately reduced, and (ii) in the event of a reduction in the number of outstanding shares, shall be proportionately reduced, and the purchase price per share shall be proportionately increased. Any fractional share resulting from such adjustment shall be rounded up to the next whole share.

(c) **Recapitalizations and Corporate Changes**. If the Company recapitalizes, reclassifies its capital stock, or otherwise changes its capital structure (a ***"recapitalization"***), the number and class of shares of Common Stock or other property covered by an Award theretofore granted and the purchase price of Common Stock or

other consideration subject to such Award shall be adjusted so that such Award shall thereafter cover the number and class of shares of stock and securities to which the Participant would have been entitled pursuant to the terms of the recapitalization if, immediately prior to the recapitalization, the Participant had been the holder of record of the number of shares of Common Stock then covered by such Award. If (i) the Company shall not be the surviving entity in any merger, consolidation or reorganization (or survives only as a subsidiary of an entity), (ii) the Company sells, leases, or exchanges or agrees to sell, lease, or exchange all or substantially all of its assets to any other person or entity, (iii) the Company is to be dissolved and liquidated, (iv) any person or entity, including a "group" as contemplated by section 13(d)(3) of the Exchange Act, acquires or gains ownership or control (including, without limitation, the power to vote) of more than 50% of the outstanding shares of the Company's voting stock (based upon voting power), or (v) as a result of or in connection with a contested election of Directors, the persons who were Directors of the Company before such election shall cease to constitute a majority of the Board (each such event is referred to herein as a ***"Corporate Change"***), no later than (x) 10 days after the approval by the stockholders of the Company of such merger, consolidation, reorganization, sale, lease, or exchange of assets or dissolution and liquidation or such election of Directors or (y) 30 days after a Corporate Change of the type described in clause (iv), the Committee, acting in its sole discretion without the consent or approval of any Participant, shall effect one or more of the following alternatives in an equitable and appropriate manner to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, which alternatives may vary among individual Participants and which may vary among Options or Stock Appreciation Rights held by any individual Participant: (1) accelerate the time at which Options or Stock Appreciation Rights then outstanding may be exercised so that such Awards may be exercised in full for a limited period of time on or before a specified date (before or after such Corporate Change) fixed by the Committee, after which specified date all such unexercised Awards and all rights of Participants thereunder shall terminate, (2) require the mandatory surrender to the Company by all or selected Participants of some or all of the outstanding Options or Stock Appreciation Rights held by such Participants (irrespective of whether such Awards are then exercisable under the provisions of the Plan) as of a date, before or after such Corporate Change, specified by the Committee, in which event the Committee shall thereupon cancel such Awards and the Company shall pay (or cause to be paid) to each Participant an amount of cash per share equal to the excess, if any, of the amount calculated in Subparagraph (d) below (the ***"Change of Control Value"***) of the shares subject to such Awards over the exercise price(s) under such Awards for such shares, or (3) make such adjustments to Options or Stock Appreciation Rights then outstanding as the Committee deems appropriate to reflect such Corporate Change and to prevent the dilution or enlargement of rights (provided, however, that the Committee may determine in its sole discretion that no adjustment is necessary to such Awards then outstanding), including, without limitation, adjusting such an Award to provide that the number and class of shares of Common Stock covered by such Award shall be adjusted so that such Award shall thereafter cover securities of the surviving or acquiring corporation or other property (including, without limitation, cash) as determined by the Committee in its sole discretion.

(d) **Change of Control Value**. For the purposes of clause (2) in Subparagraph (c) above, the ***"Change of Control Value"*** shall equal the amount determined in the following clause (i), (ii) or (iii), whichever is applicable: (i) the per share price offered to stockholders of the Company in any such merger, consolidation, reorganization, sale of assets or dissolution and liquidation transaction, (ii) the price per share offered to stockholders of the Company in any tender offer or exchange offer whereby a Corporate Change takes place, or (iii) if such Corporate Change occurs other than pursuant to a tender or exchange offer, the fair market value per share of the shares into which such Options or Stock Appreciation Rights being surrendered are exercisable, as determined by the Committee as of the date determined by the Committee to be the date of cancellation and surrender of such Awards. In the event that the consideration offered to stockholders of the Company in any transaction described in this Subparagraph (d) or Subparagraph (c) above consists of anything other than cash, the Committee shall determine the fair cash equivalent of the portion of the consideration offered which is other than cash.

(e) **Other Changes in the Common Stock**. In the event of changes in the outstanding Common Stock by reason of recapitalizations, reorganizations, mergers, consolidations, combinations, split-ups, split-offs, spin-offs, exchanges, or other relevant changes in capitalization or distributions (other than ordinary dividends) to the holders of Common Stock occurring after the date of the grant of any Award and not otherwise provided for by this Paragraph XII, such Award and any agreement evidencing such Award shall be subject to adjustment by the Committee at its sole discretion as to the number and price of shares of Common Stock or other consideration subject to such Award in an equitable and appropriate manner to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under such Award. In the event of any such change in the outstanding Common Stock or distribution to the holders of Common Stock, or upon the occurrence of any other event described in this Paragraph XII, the aggregate maximum number of shares available under the Plan, the aggregate maximum number of shares that may be issued under the Plan through Incentive Stock Options, and the maximum number of shares that may be subject to Awards granted to any one individual shall be appropriately adjusted to the extent, if any, determined by the Committee, whose determination shall be conclusive.

(f) **Stockholder Action**. Any adjustment provided for in the above Subparagraphs shall be subject to any required stockholder action.

(g) **No Adjustments Unless Otherwise Provided**. Except as hereinbefore expressly provided, the issuance by the Company of shares of stock of any class or securities convertible into shares of stock of any class, for cash, property, labor or services, upon direct sale, upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, and in any case whether or not for fair value, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Common Stock subject to Awards theretofore granted or the purchase price per share, if applicable.

XIII. AMENDMENT AND TERMINATION OF THE PLAN

The Board in its discretion may terminate the Plan at any time with respect to any shares of Common Stock for which Awards have not theretofore been granted. The Board shall have the right to alter or amend the Plan or any part thereof from time to time; provided that no change in the Plan may be made that would materially impair the rights of a Participant with respect to an Award theretofore granted without the consent of the Participant, and provided, further, that the Board may not, without approval of the stockholders of the Company,(a) amend the Plan to increase the aggregate maximum number of shares that may be issued under the Plan, increase the aggregate maximum number of shares that may be issued under the Plan through Incentive Stock Options, or change the class of individuals eligible to receive Awards under the Plan, or (b) amend or delete Paragraph VII(f).

XIV. MISCELLANEOUS

(a) **No Right To An Award**. Neither the adoption of the Plan nor any action of the Board or of the Committee shall be deemed to give any individual any right to be granted an Award, or any other rights hereunder except as may be evidenced by an Award agreement duly executed on behalf of the Company, and then only to the extent and on the terms and conditions expressly set forth therein. The Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of funds or assets to assure the performance of its obligations under any Award.

(b) **No Employment/Membership Rights Conferred**. Nothing contained in the Plan shall (i) confer upon any employee or Consultant any right with respect to continuation of employment or of a consulting or advisory relationship with the Company or any Affiliate or (ii) interfere in any way with the right of the Company or any Affiliate to terminate his or her employment or consulting or advisory relationship at any time. Nothing contained in the Plan shall confer upon any Director any right with respect to continuation of membership on the Board.

(c) **Other Laws; Withholding**. The Company shall not be obligated to issue any Common Stock pursuant to any Award granted under the Plan at any time when the shares covered by such Award have not been registered under the Securities Act of 1933, as amended, and such other state and federal laws, rules, and regulations as the Company or the Committee deems applicable and, in the opinion of legal counsel for the Company, there is no exemption from the registration requirements of such laws, rules, and regulations available for the issuance and sale of such shares. No fractional shares of Common Stock shall be delivered, nor shall any cash in lieu of fractional shares be paid. The Company shall have the right to deduct in connection with all Awards any taxes required by law to be withheld and to require any payments required to enable it to satisfy its withholding obligations.

(d) **No Restriction on Corporate Action**. Nothing contained in the Plan shall be construed to prevent the Company or any Affiliate from taking any action which is deemed by the Company or such Affiliate to be appropriate or in its best interest,

whether or not such action would have an adverse effect on the Plan or any Award made under the Plan. No Participant, beneficiary or other person shall have any claim against the Company or any Affiliate as a result of any such action.

(e) **Restrictions on Transfer**. An Award (other than an Incentive Stock Option, which shall be subject to the transfer restrictions set forth in Paragraph VII(c)) shall not be transferable otherwise than (i) by will or the laws of descent and distribution, (ii) pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder, or (iii) with the consent of the Committee.

(f) **Delayed Payment Restriction**. Notwithstanding any provision in the Plan or an Award agreement to the contrary, if any payment or benefit provided for under an Award would be subject to additional taxes and interest under section 409A of the Code if the Participant's receipt of such payment or benefit is not delayed in accordance with the requirements of section 409A(a)(2)(B)(i) of the Code, then such payment or benefit shall not be provided to the Participant (or the Participant's estate, if applicable) until the earlier of (i) the date of the Participant's death or (ii) the date that is six months after the date of the Participant's separation from service with the Company.

(g) Governing Law. The Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to conflicts of laws principles thereof.

EXHIBIT A
FORUM ENERGY TECHNOLOGIES, INC.
2010 STOCK INCENTIVE PLAN

Except as otherwise provided in an Award agreement, the definitions set forth in this Exhibit A shall also apply in the case of any provision of the Plan or any Award agreement that includes the term "**Change in Control**:"

Acquiring Person means any individual, entity or group (within the meaning of section 13(d)(3) or 14(d)(2) of the Exchange Act) other than the Initial Stockholders.

Change in Control means, as applicable:

(i) Prior to the common stock of the Company becoming Public Stock (including any transaction pursuant to which the common stock of the Company first becomes Public Stock), a "Change in Control" of the Company means, in one transaction or a series of related transactions, (A) a Corporate Transaction or a sale of capital stock of the Company by stockholders of the Company (other than in connection with an Initial Public Offering) with the result immediately after such Corporate Transaction or sale that a single Acquiring Person, together with its affiliates, owns, directly or indirectly, either a greater number of shares of common stock of the Company (calculated on a fully-diluted basis assuming that all shares of capital stock of the Company that are convertible into common stock of the Company at the then applicable conversion ratio are so converted) than the Initial Stockholders then own or, in the context of a Corporate Transaction in which the Company is not the surviving entity, more voting stock generally entitled to elect directors of such surviving entity (or in the case of a triangular merger, of the parent entity of such surviving entity) than the Initial Stockholders then own, or (B) the Company sells, leases or exchanges all or substantially all of its assets to any Acquiring Person or the dissolution or liquidation of the Company other than, in either case, pursuant to a transaction that complies with clause (ii)(c)(1) of this definition.

(ii) After the common stock of the Company becomes Public Stock, a "Change in Control" of the Company means:

(a) The acquisition by any Acquiring Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either (1) the then outstanding shares of common stock of the Company (the ***"Outstanding Company Common Stock"***) or (2) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the ***"Outstanding Company Voting Securities"***); *provided*, *however*, that for purposes of this subsection (a) any acquisition by any Acquiring Person pursuant to a transaction which complies with clause (ii)(c)(1) of this definition shall not constitute a Change in Control; or

(b) Individuals, who, immediately following the time when the common stock of the Company becomes Public Stock, constitute the Board (the ***"Incumbent Board"***) cease for any reason to constitute at least a majority of the Board; *provided*, *however*, that any individual becoming a director subsequent to the time when the common stock of the Company becomes Public Stock whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors

then comprising the Incumbent Board shall be considered for purposes of this definition as though such individual was a member of the Incumbent Board, but excluding, for these purposes, any such individual whose initial assumption of office as a director occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of an Acquiring Person other than the Board; or

(c) The consummation of a Corporate Transaction unless, following such Corporate Transaction, (1) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the Company (if it be the ultimate parent entity following such Corporate Transaction) or the corporation resulting from such Corporate Transaction (or the ultimate parent entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries), and (2) at least a majority of the members of the board of directors of the ultimate parent entity resulting from such Corporate Transaction were members of the Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Corporate Transaction. For purposes of the foregoing sentence, only (A) shares of common stock and voting securities of the Company, assuming the Company is the ultimate parent entity following such Corporate Transaction, held by a beneficial owner immediately prior to such Corporate Transaction and any additional shares of common stock and voting securities of the Company issuable to such beneficial owner in connection with such Corporate Transaction in respect of the shares of common stock and voting securities of the Company held by such beneficial owner immediately prior to such Corporate Transaction, or (B) shares of common stock and voting securities of the ultimate parent entity following such Corporate Transaction, assuming the Company is not the ultimate parent entity following such Corporate Transaction, issuable to a beneficial owner in respect of the shares of common stock and voting securities of the Company held by such beneficial owner immediately prior to such Corporate Transaction, in either case shall be included in determining whether or not the fifty percent (50%) ownership test in this subsection (c) has been satisfied.

Corporate Transaction means a reorganization, merger or consolidation of the Company, any of its subsidiaries or sale, lease or other disposition of all or substantially all of the assets of the Company and its subsidiaries, taken as a whole (other than to an entity wholly owned, directly or indirectly, by the Company) or the liquidation or dissolution of the Company.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Initial Public Offering means the initial underwritten public offering and sale of Common Stock on a firm commitment basis after which the Common Stock is listed for trading on a national securities exchange registered under section 6(a) of the Exchange Act.

Initial Stockholders means the stockholders of the Company as of the date of the Stockholders Agreement and their respective affiliates and Persons who are permitted transferees in accordance with Section 2.2 of the Stockholders Agreement.

Person means any natural person, limited liability company, corporation, limited partnership, general partnership, joint stock company, joint venture, association, company, trust, bank trust company, land trust, business trust, or other organization, whether or not a legal entity, and any government or agency or political subdivision thereof.

Public Stock means shares of capital stock (including depositary receipts or depositary shares related to common stock or similar ordinary shares) of any Person that are registered under section 12 of the Exchange Act and listed for trading on a national securities exchange registered under section 6(a) of the Exchange Act.

Stockholders Agreement means that certain Stockholders' Agreement dated as of _____, among the Company and certain of its stockholders, as the same may be amended or restated from time to time.

FORUM ENERGY TECHNOLOGIES, INC.

SEVERANCE PLAN

AND

SUMMARY PLAN DESCRIPTION

Effective Date: August 2, 2010

FORUM ENERGY TECHNOLOGIES, INC.

SEVERANCE PLAN

AND

SUMMARY PLAN DESCRIPTION

This plan document describes the severance benefits provided under the Forum Energy Technologies, Inc. Severance Plan (the "***Plan***"). The Plan document also serves as a summary plan description.

ARTICLE I
DEFINITIONS

1.1 "**Acquiring Person**" means any individual, entity or group (within the meaning of section 13(d)(3) or 14(d)(2) of the Exchange Act) other than the Initial Stockholders.

1.2 "***Annual Base Salary***" means the amount Eligible Employee was entitled to receive as salary on an annualized basis immediately prior to Eligible Employee's Termination of Employment (or, if greater, immediately prior to the reduction upon which the Eligible Employee's Termination of Employment for Good Reason is based), including any amounts which the Eligible Employee could have received in cash had he not elected to contribute to an employee benefit plan maintained by the Employer, but excluding all annual cash incentive awards, bonuses, overtime, equity awards, and incentive compensation payable by the Employer as consideration for the Eligible Employee's services. "***Month's Base Salary***" means an Eligible Employee's Annual Base Salary divided by twelve.

1.3 "***Board***" means the Board of Directors of the Company.

1.4 "***Cause***" means that the Eligible Employee (a) has engaged in gross negligence or willful misconduct in the performance of the Eligible Employee's duties with respect to the Employer, (b) has materially breached any material provision of any written agreement with or corporate policy or code of conduct established by the Employer, (c) has willfully engaged in conduct that is materially injurious to the Employer, or (d) has been convicted of, pleaded no contest to or received adjudicated probation or deferred adjudication in connection with a felony involving fraud, dishonesty or moral turpitude (or a crime of similar import in a foreign jurisdiction).

1.5 "***Change in Control***" means, as applicable:

(a) Prior to the common stock of the Company becoming Public Stock (including any transaction pursuant to which the common stock of the Company first becomes Public Stock), a "Change in Control" of the Company means, in one transaction or a series of related transactions, (A) a Corporate Transaction or a sale of capital stock of the Company by stockholders of the Company (other than in connection with an Initial

Public Offering) with the result immediately after such Corporate Transaction or sale that a single Acquiring Person, together with its affiliates, owns, directly or indirectly, either a greater number of shares of common stock of the Company (calculated on a fully-diluted basis assuming that all shares of capital stock of the Company that are convertible into common stock of the Company at the then applicable conversion ratio are so converted) than the Initial Stockholders then own or, in the context of a Corporate Transaction in which the Company is not the surviving entity, more voting stock generally entitled to elect directors of such surviving entity (or in the case of a triangular merger, of the parent entity of such surviving entity) than the Initial Stockholders then own, or (B) the Company sells, leases or exchanges all or substantially all of its assets to any Acquiring Person or the dissolution or liquidation of the Company other than, in either case, pursuant to a transaction that complies with clause (b)(iii)(1) of this definition.

(b) After the common stock of the Company becomes Public Stock, a "Change in Control" of the Company means:

(i) The acquisition by any Acquiring Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either (1) the then outstanding shares of common stock of the Company (the ***"Outstanding Company Common Stock"***) or (2) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the ***"Outstanding Company Voting Securities"***); provided, however, that for purposes of this subsection (i) any acquisition by any Acquiring Person pursuant to a transaction which complies with clause (b)(iii)(1) of this definition shall not constitute a Change in Control; or

(ii) Individuals, who, immediately following the time when the common stock of the Company becomes Public Stock, constitute the Board (the ***"Incumbent Board"***) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the time when the common stock of the Company becomes Public Stock whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered for purposes of this definition as though such individual was a member of the Incumbent Board, but excluding, for these purposes, any such individual whose initial assumption of office as a director occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of an Acquiring Person other than the Board; or

(iii) The consummation of a Corporate Transaction unless, following such Corporate Transaction, (1) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the Company (if it be the ultimate parent entity following

such Corporate Transaction) or the corporation resulting from such Corporate Transaction (or the ultimate parent entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries), and (2) at least a majority of the members of the board of directors of the ultimate parent entity resulting from such Corporate Transaction were members of the Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Corporate Transaction. For purposes of the foregoing sentence, only (A) shares of common stock and voting securities of the Company, assuming the Company is the ultimate parent entity following such Corporate Transaction, held by a beneficial owner immediately prior to such Corporate Transaction and any additional shares of common stock and voting securities of the Company issuable to such beneficial owner in connection with such Corporate Transaction in respect of the shares of common stock and voting securities of the Company held by such beneficial owner immediately prior to such Corporate Transaction, or (B) shares of common stock and voting securities of the ultimate parent entity following such Corporate Transaction, assuming the Company is not the ultimate parent entity following such Corporate Transaction, issuable to a beneficial owner in respect of the shares of common stock and voting securities of the Company held by such beneficial owner immediately prior to such Corporate Transaction, in either case shall be included in determining whether or not the fifty percent (50%) ownership test in this subsection (iii) has been satisfied.

1.6 "***Code***" means the Internal Revenue Code of 1986, as amended.

1.7 "***Company***" means Forum Energy Technologies, Inc.

1.8 "***Corporate Transaction***" means a reorganization, merger or consolidation of the Company, any of its subsidiaries or sale, lease or other disposition of all or substantially all of the assets of the Company and its subsidiaries, taken as a whole (other than to an entity wholly owned, directly or indirectly, by the Company) or the liquidation or dissolution of the Company.

1.9 "***Disability***" means an inability to perform the Eligible Employee's duties by reason of any physical or mental impairment for a continuous period of not less than three months as determined by the Company and certified in writing by a competent medical physician selected by the Company.

1.10 "***Effective Date***" means August 2, 2010.

1.11 "***Eligible Employee***" means an Employee who is designated by the Plan Administrator pursuant to Section 2.1 as eligible to participate in the Plan.

1.12 "***Employee***" means any individual who is employed by the Employer.

1.13 "***Employer***" means the Company and its parents, subsidiaries and affiliated entities.

1.14 "***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended.

1.15 "***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

1.16 "***Good Reason***" means the occurrence of any of the following on or within two years after the occurrence of a Change in Control:

(a) a material reduction in Eligible Employee's Annual Base Salary; or

(b) the involuntary relocation of the Eligible Employee to an office or location which would increase his daily commute distance by more than 75 miles from the location at which the Eligible Employee normally performed Eligible Employee's services immediately prior to the Termination of Employment.

Notwithstanding the foregoing, any assertion by the Eligible Employee of a Termination of Employment for Good Reason shall not be effective unless all of the following requirements are satisfied: (i) the condition described in Section 1.16(a) or (b) giving rise to the Eligible Employee's Termination of Employment must have arisen without the Eligible Employee's consent; (ii) the Eligible Employee must provide written notice to the Chief Executive Officer of the Company at the address specified in Section 5.16 within 45 days of the occurrence of the condition; (iii) the condition specified in such notice must remain uncorrected for 30 days after receipt of such notice by the Company; and (iv) the date of the Eligible Employee's Termination of Employment must occur within 90 days after the initial existence of the condition specified in such notice.

1.17 "***Initial Public Offering***" means the initial underwritten public offering and sale of common stock of the Company on a firm commitment basis after which the common stock of the Company is listed for trading on a national securities exchange registered under section 6(a) of the Exchange Act.

1.18 "***Initial Stockholders***" means the stockholders of the Company as of the date of the Stockholders Agreement and their respective affiliates and Persons who are permitted transferees in accordance with Section 2.2 of the Stockholders Agreement.

1.19 "***Nonqualified Deferred Compensation Rules***" means the limitations and requirements set forth in section 409A of the Code, the regulations promulgated thereunder, and any additional guidance issued by the Internal Revenue Service related thereto.

1.20 ***"Person"*** means any natural person, limited liability company, corporation, limited partnership, general partnership, joint stock company, joint venture, association, company, trust, bank trust company, land trust, business trust, or other organization, whether or not a legal entity, and any government or agency or political subdivision thereof.

1.21 "***Plan***" means the Forum Energy Technologies, Inc. Severance Plan, as amended from time to time.

1.22 "***Plan Administrator***" means the individual or individuals designated by the Board to administer the Plan pursuant to Section 5.2.

1.23 "***Public Stock***" means shares of capital stock (including depositary receipts or depositary shares related to common stock or similar ordinary shares) of any Person that are registered under section 12 of the Exchange Act and listed for trading on a national securities exchange registered under section 6(a) of the Exchange Act.

1.24 "***Qualifying Termination Event***" means a Termination of Employment: (a) by the Employer without Cause or (b) on or within two years after the occurrence of a Change in Control, by the Eligible Employee for Good Reason. A Termination of Employment (i) as a result of or in connection with a sale or other divestiture of the Employer of a division, subsidiary or other business segment (including, without limitation, by sale of shares of stock or of assets) if the Eligible Employee is offered continued employment by the acquirer of such business segment immediately upon the consummation of such sale or divestiture, or (ii) due to an Eligible Employee's death, Disability or voluntary resignation (other than for Good Reason on or within two years after the occurrence of a Change in Control) shall not be a Qualifying Termination Event.

1.25 "***Stockholders Agreement***" means that certain Amended and Restated Stockholders Agreement dated as of August 2, 2010, among the Company and certain of its stockholders, as the same may be amended or restated from time to time.

1.26 "***Termination of Employment***" means a separation from service within the meaning of Treasury Regulation § 1.409A-1(h).

1.27 "***WARN ACT***" means the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101 et. seq., and comparable state and local laws.

ARTICLE II
ELIGIBLE EMPLOYEES

2.1 **Eligible Employees**. Any Employee who has recognized his continuing confidentiality obligations to the Employer by executing the Employer's Confidentiality, Nonsolicitation, Noncompetition, and Intellectual Property Assignment Agreement, shall be an Eligible Employee for purposes of the Plan upon designation by the Plan Administrator. Once an Employee has been designated as an Eligible Employee, he shall automatically continue to be an Eligible Employee until he ceases to be an Employee or is removed as an Eligible Employee by the Plan Administrator; provided, however, that if an Employee is an Eligible Employee as of the date of a Change in Control, then he may not be removed as an Eligible Employee by the Plan Administrator during the two-year period beginning on the date of the Change in Control. The Plan shall supersede all prior practices, policies, procedures and plans relating to severance benefits from the Company and any affiliated or predecessor entities with respect to the Eligible Employees.

ARTICLE III
SEVERANCE BENEFITS

3.1 **Severance Benefits**. Subject to the restrictions set forth in Section 3.3 and Section 3.6, an Eligible Employee shall be entitled to receive the following severance benefits:

(a) *Termination of Employment Pursuant to a Qualifying Termination Event*. An Eligible Employee who incurs a Qualifying Termination Event shall receive a severance benefit from the Employer equal to 12 Month's Base Salary; provided, however that if such Qualifying Termination Event occurs on or within two years after the occurrence of a Change in Control, then the Eligible Employee shall receive a severance benefit from the Employer equal to 24 Month's Base Salary.

(b) *Termination of Employment without a Qualifying Termination Event*. In the event that an Eligible Employee incurs a Termination of Employment that is not a Qualifying Termination Event, the Eligible Employee shall not be entitled to any severance benefits pursuant to the Plan.

3.2 **Form and Timing of Cash Severance Benefit**. Subject to the restrictions set forth in Section 3.3, severance benefits payable pursuant to Section 3.1(a) shall be paid in the form of a single lump sum cash payment on the 60th day following the Eligible Employee's Termination of Employment.

3.3 **Release**. Notwithstanding any other provision in the Plan to the contrary, as consideration for receiving the severance benefits payable pursuant to Section 3.1(a), each Eligible Employee who is otherwise entitled to receive such benefits must execute (and not revoke in the time provided to do so) a release, in the form and pursuant to the procedures reasonably established by the Plan Administrator. For purposes of the Plan, the general form of release to be executed by an Eligible Employee prior to receiving any severance benefits pursuant to the Plan shall be substantially in the form as the release attached hereto as Exhibit A (the "***Release***"). Severance benefits under the Plan shall be conditioned upon the Eligible Employee's delivery of an executed Release within 50 days of the date of Eligible Employee's Termination of Employment (the "***Release Period***"), and non-revocation of such Release within the applicable revocation period. Notwithstanding the form and timing of payment provision in Section 3.2, in the event that the Company has not received a properly executed Release by the Eligible Employee during the Release Period or the revocation period during which the Eligible Employee is entitled to revoke such Release has not expired within 60 days after Eligible Employee's Termination of Employment, the Eligible Employee shall not be entitled to receive any payments or benefits pursuant to the Plan. The Company shall deliver the final form of the Release for Eligible Employee's consideration within the three-day period immediately following the Eligible Employee's Termination of Employment in order to ensure that the Eligible Employee has adequate time to complete each of the Eligible Employee's requirements set forth herein.

3.4 **Section 409A of the Code**. Notwithstanding any provision of the Plan to the contrary, if the Eligible Employee is considered a "specified employee" upon his Termination of Employment under such procedures as established by the Company in accordance with the Nonqualified Deferred Compensation Rules, any portion of a benefit distribution made upon such a Termination of Employment that would cause the acceleration of, or an addition to, any taxes pursuant to the Nonqualified Deferred Compensation Rules may not commence earlier than six months after the date of such Termination of Employment; any payments or benefits that would be exempt from the Nonqualified Deferred Compensation Rules shall be paid in accordance with the original schedules noted in this Article III above. Therefore, in the event

this Section 3.4 is applicable to the Eligible Employee, any distribution which would cause the acceleration of, or an addition to, any taxes pursuant to the Nonqualified Deferred Compensation Rules that would otherwise have been paid to the Eligible Employee within the first six months following the Termination of Employment shall be accumulated and paid to the Eligible Employee on the first day of the seventh month following the Termination of Employment.

3.5 **Mitigation**. An Eligible Employee shall not be required to mitigate the amount of any payment provided for in this Article III by seeking other employment or otherwise, nor shall the amount of any payment provided for in this Article III be reduced by any compensation or benefit earned by the Eligible Employee as the result of employment by another employer or by retirement benefits. The benefits under the Plan are in addition to any other benefits to which an Eligible Employee is otherwise entitled. Notwithstanding the foregoing, in the event the WARN Act applies, or the Employer makes payments in lieu of notice as if the WARN Act applies, whether or not it does so apply, to any Qualifying Termination Event of an Eligible Employee, no severance benefits shall be payable as provided in Section 3.1(a) to such Eligible Employee except to the extent such severance benefits exceed payments made to such Eligible Employee in lieu of notice pursuant to the Employer's determination of its obligations under the WARN Act, whether or not it applies.

3.6 **Severance Pay Plan Limitation**. The Plan is intended to be an employee welfare benefit plan within the meaning of section 3(1) of ERISA and the Department of Labor regulations promulgated thereunder. Therefore, anything to the contrary herein notwithstanding, in no event shall any Eligible Employee receive total payments under the Plan that exceed the equivalent of twice such Eligible Employee's "annual compensation" (as such term is defined in 29 C.F.R. §2510.3-2(b)(2)) during the year immediately preceding his Termination of Employment. If total payments under the Plan to an Eligible Employee would otherwise exceed the limitation in the preceding sentence, the amount payable to such Eligible Employee pursuant to Section 3.1(a) shall be reduced in order to satisfy such limitation.

ARTICLE IV
CERTAIN EXCISE TAXES

4.1 **Certain Excise Taxes**. Notwithstanding anything to the contrary in the Plan, if the Eligible Employee is a "disqualified individual" (as defined in section 280G(c) of the Code), and the benefits provided for in the Plan, together with any other payments and benefits which the Eligible Employee has the right to receive from the Employer, would constitute a "parachute payment" (as defined in section 280G(b)(2) of the Code), then the benefits provided for in the Plan shall be either (a) reduced (but not below zero) so that the present value of such total amounts and benefits received by the Eligible Employee from the Employer will be one dollar ($1.00) less than three times the Eligible Employee's "base amount" (as defined in section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by the Eligible Employee shall be subject to the excise tax imposed by section 4999 of the Code or (b) paid in full, whichever produces the better net after-tax position to the Eligible Employee (taking into account any applicable excise tax under section 4999 of the Code and any other applicable taxes). The determination as to whether any such reduction in the amount of the benefits provided hereunder is necessary shall be made by the Company in good faith. If a reduced benefit is made or provided and through error or otherwise that benefit, when aggregated with

other payments and benefits from the Company (or its affiliates) used in determining if a "parachute payment" exists, exceeds one dollar ($1.00) less than three times the Eligible Employee's base amount, then the Eligible Employee shall immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 4.1 shall require the Company to be responsible for, or have any liability or obligation with respect to, the Eligible Employee's excise tax liabilities under section 4999 of the Code. Notwithstanding the foregoing, if shareholder approval (obtained in a manner that satisfies the requirements of section 280G(b)(5) of the Code) of a payment or benefit to be provided to the Eligible Employee by the Company or any other person (whether under the Plan or otherwise) would prevent the Eligible Employee from receiving a "parachute payment" (as defined in section 280G(b)(2) of the Code), then, upon the request of the Eligible Employee and his agreement (to the extent necessary) to subject his entitlement to the receipt of such payment or benefit to shareholder approval, the Company shall seek such approval in a manner that satisfies the requirements of section 280G of the Code and the regulations thereunder.

ARTICLE V
GENERAL PROVISIONS

5.1 **Funding and Cost of Plan**. The severance benefits provided herein shall be unfunded and shall be provided from the Employer's general assets. The cost of providing severance benefits under the Plan shall be borne by the Employer.

5.2 **Plan Administrator**. The Plan Administrator shall be appointed by the Board and shall consist of one or more persons. Any individual, whether or not an Employee, is eligible to become a Plan Administrator and, once appointed, shall serve until he resigns, dies, or is removed by the Board. At any time during his term of office, a person serving as Plan Administrator may resign by giving written notice to the Board or may be removed by the Board with or without cause, and the Board may in their discretion fill any vacancy that may result therefrom. Any person who is an Employee shall automatically cease to be Plan Administrator as of the date he ceases to be employed by the Employer. The Plan Administrator shall be the "administrator" and "named fiduciary" for purposes of ERISA.

The Plan Administrator shall be responsible for the management and control of the operation and the administration of the Plan, including without limitation, interpretation of the Plan, decisions pertaining to eligibility to participate in the Plan, computation of severance benefits, granting or denial of severance benefit claims, and review of claims denials. The Plan Administrator has absolute discretion in the exercise of its powers and responsibilities. For this purpose, the Plan Administrator's powers shall include, but not be limited to, the following authority, in addition to all other powers provided by the Plan:

(a) to make and enforce such rules and regulations as it deems necessary or proper for the efficient administration of the Plan;

(b) to interpret the Plan, its interpretation thereof to be final and conclusive on all persons claiming benefits under the Plan;

(c) to decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;

(d) to make a determination as to the right of any person to a benefit under the Plan (including, without limitation, to determine whether and when there has been a termination of an Eligible Employee's employment and the cause of such termination);

(e) to appoint such agents, counsel, accountants, consultants, claims administrator and other persons as may be required to assist in administering the Plan;

(f) to allocate and delegate its responsibilities under the Plan and to designate other persons to carry out any of its responsibilities under the Plan, any such allocation, delegation or designation to be in writing;

(g) to sue or cause suit to be brought in the name of the Plan; and

(h) to obtain from the Employer and from Eligible Employees such information as is necessary for the proper administration of the Plan.

The Company shall, without limiting any rights that the Plan Administrator may have under the Company's charter or bylaws, applicable law or otherwise, indemnify and hold harmless each such person (and any other individual acting on such person's behalf) against any and all expenses and liabilities arising out of such person's administrative functions or fiduciary responsibilities, excepting only expenses and liabilities arising out of the person's own gross negligence or willful misconduct; expenses against which such person shall be indemnified hereunder include without limitation the amounts of any settlement, judgment, attorneys' fees, costs of court, and any other related charges reasonably incurred in connection with a claim, proceeding, settlement, or other action under the Plan.

No Eligible Employee or agent of the Plan Administrator may act, vote, or otherwise influence a decision of the Plan Administrator specifically relating to himself as a participant in the Plan. The Plan Administrator shall not receive compensation with respect to services for the Plan. To the extent required by applicable law, but not otherwise, the Plan Administrator shall furnish bond or security for the performance of their duties hereunder. Any expenses properly incurred by the Plan Administrator incident to the administration, termination or protection of the Plan, including the cost of furnishing bond, shall be paid by the Company.

5.3 **Plan Year**. The Plan shall be administered on a calendar year basis. Accordingly, the Plan year shall be the twelve-consecutive-month period commencing January 1 of each year, except for the first Plan year, which shall commence on the Effective Date and terminate December 31, 2010.

5.4 **Amendment and Termination**. Notwithstanding any provision of any other communication, either oral or written, made by the Company, by the Plan Administrator, or by any other individual or entity to Eligible Employees, to any service provider, or to any other individual or entity, the Plan Administrator reserves the absolute and unconditional right to amend the Plan from time to time on behalf of the Company, including the right to reduce or eliminate benefits provided pursuant to the provisions of the Plan as such provisions currently

exist or may hereafter exist, and the right to amend prospectively or retroactively; provided, however, (a) the Plan may not be amended to decrease benefits payable or to be provided to an Eligible Employee following that Eligible Employee's Qualifying Termination Event and (b) the Plan may not be amended within the two-year period beginning on the date of a Change in Control except to the extent required by applicable law. All amendments to the Plan shall be in writing and executed by a duly authorized representative of the Plan Administrator, and any oral statements or representations made by the Company, by the Plan Administrator, or any other individual or entity that alter, modify, amend, or are inconsistent with the written terms of the Plan shall be invalid and unenforceable and may not be relied upon by any Eligible Employee, Employee, beneficiary, service provider, or other individual or entity.

5.5 **Successors**. Any successor to the Company shall assume the Company's obligations under the Plan.

5.6 **Claims Procedure and Review**. Any Eligible Employee that the Plan Administrator determines is entitled to severance benefits under the Plan is not required to file a claim for benefits. Any Eligible Employee (a) who is not paid severance benefits and who believes that he is entitled to severance benefits or (b) who has been paid severance benefits and believes that he is entitled to greater benefits may file a claim for severance benefits under the Plan in writing with the Plan Administrator. If a claim for severance benefits is wholly or partially denied, the Plan Administrator shall, within a reasonable period of time but no later than 90 days after receipt of the claim (or 180 days after receipt of the claim if special circumstances require an extension of time for processing the claim), notify the claimant of the denial. Such notice shall (i) be in writing, (ii) be written in a manner calculated to be understood by the claimant, (iii) contain the specific reason or reasons for denial of the claim, (iv) refer specifically to the pertinent Plan provisions upon which the denial is based, (v) describe any additional material or information necessary for the claimant to perfect the claim (and explain why such material or information is necessary), and (vi) describe the Plan's claim review procedures and time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on review. Within 60 days of the receipt by the claimant of this notice, the claimant may file a written appeal with the Plan Administrator. In connection with the appeal, the claimant may review Plan documents and may submit written issues and comments. The Plan Administrator shall deliver to the claimant a written decision on the appeal promptly, but not later than 60 days after the receipt of the claimant's appeal (or 120 days after receipt of the claimant's appeal if there are special circumstances which require an extension of time for processing). Such decision shall (1) be in writing, (2) be written in a manner calculated to be understood by the claimant, (3) include specific reasons for the decision, (4) refer specifically to the Plan provisions upon which the decision is based, (5) state that the claimant is entitled to receive, on request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the claimant's claim for benefits, and (6) a statement of the Participant's right to bring an action under section 502(a) of ERISA. If special circumstances require an extension of up to 180 days for an initial claim or 120 days for an appeal, whichever applies, the Plan Administrator shall send written notice of the extension. This notice shall indicate the special circumstances requiring the extension and state when the Plan Administrator expects to render the decision.

5.7 **Not Contract of Employment**. The adoption and maintenance of the Plan shall not be deemed to be a contract of employment between the Employer and any person, to be consideration for the employment of any person, or to have any impact whatsoever on the at-will employment relationship between the Employer and the Eligible Employees. Nothing in the Plan shall be deemed to give any person the right to be retained in the employ of the Employer or to restrict the right of the Employer to discharge any person at any time. Nothing in the Plan shall be deemed to give the Employer the right to require any person to remain in the employ of the Employer or to restrict any person's right to terminate employment at any time.

5.8 **Governing Law**. The Plan shall be interpreted under the laws of the State of Texas except to the extent preempted by federal law.

5.9 **Gender; Number**. Wherever appropriate herein, the masculine, neuter, and feminine genders shall be deemed to include each other, and the plural shall be deemed to include the singular and vice versa.

5.10 **Overpayment**. If, due to mistake or any other reason, a person receives severance benefits under the Plan in excess of what the Plan provides, that person shall repay the overpayment to the Company in a lump sum within 30 days of notice of the amount of overpayment. If that person fails to so repay the overpayment, then without limiting any other remedies available to the Company, the Company may deduct the amount of the overpayment from any other amounts which become payable to that person under the Plan or otherwise.

5.11 **Headings**. The headings of the Articles and Sections are included solely for convenience. If the headings and the text of the Plan conflict, the text shall control. All references to Articles and Sections are to the Plan unless otherwise indicated.

5.12 **Severability**. If any provision of the Plan is held to be illegal or invalid for any reason, that holding shall not affect the remaining provisions of the Plan. Instead, the Plan shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

5.13 **Withholding**. The Employer may withhold from any amounts payable under the Plan any federal, state or local taxes as the Employer is required to withhold pursuant to any law or government regulation or ruling.

5.14 **Benefits are Not Insured**. The Plan is a severance plan. The Pension Benefits Guaranty Corporation under Title IV of ERISA does not insure benefits under the Plan.

5.15 **ERISA Rights**.

As participants in the Plan, Eligible Employees are entitled to certain rights and protections under ERISA, which provides that all Plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

(a) Examine without charge, at the Plan Administrator's office and at other specified locations such as worksites, all Plan documents, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

(b) Obtain, upon written request of the Plan Administrator, copies of documents governing the creation of the Plan, and copies of the latest annual report (Form 5500 series). The Plan Administrator may make a reasonable charge for the copies.

(c) To the extent applicable, receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes obligations upon the people who are responsible for the operation of the employee benefit plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of Eligible Employees and beneficiaries. No one, including the Employer, may fire an Eligible Employee or otherwise discriminate against the Eligible Employee in any way to prevent the Eligible Employee from obtaining severance benefits or exercising his or her rights under ERISA.

Enforce Your Rights

If a claim for a severance benefit is denied in whole or in part, an Eligible Employee has the right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps an Eligible Employee can take to enforce the above rights. For instance, if an Eligible Employee requests materials from the Plan Administrator and does not receive them within 30 days, the Eligible Employee may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay the Eligible Employee up to $110 a day until the Eligible Employee receives the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If an Eligible Employee's claim for severance benefits is denied or ignored, in whole or in part, the Eligible Employee may file suit in a state or federal court. If an Eligible Employee is discriminated against for asserting his or her rights, the Eligible Employee may seek assistance from the U.S. Department of Labor, or file suit in a federal court. The court will decide who should pay court costs and legal fees. If the Eligible Employee is successful, the court may order the person sued by the Eligible Employee to pay the costs and fees. If the Eligible Employee loses, the court may order the Eligible Employee to pay the costs and fees (for example, if it finds that the Eligible Employee's claim is frivolous).

Assistance With Your Questions

If an Eligible Employee has any questions about the Plan, the Eligible Employee should contact the Plan Administrator. If an Eligible Employee has any questions about this statement or about his or her rights under ERISA, or if an Eligible Employee needs assistance in obtaining documents from the Plan Administrator, he or she should contact the nearest office of the

Employee Benefits Security Administration, U.S. Department of Labor, listed in the telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington D.C. 20210. An Eligible Employee may also obtain certain publications about his or her rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

5.16 **Additional Information**.

Plan Name:	Forum Energy Technologies, Inc. Severance Plan
Plan Year:	January 1 through December 31
Type of Plan:	Welfare Plan—Severance Plan
Plan No.:	502
Plan Sponsor:	Forum Energy Technologies, Inc. 8807 Sam Houston Parkway North Suite 200 Houston, Texas 77040 Employer I.D. Number: 61-1488595
Plan Administrator:	Plan Administrator, Forum Energy Technologies, Inc. Severance Plan Forum Energy Technologies, Inc. 8807 Sam Houston Parkway North Suite 200 Houston, Texas 77040 Telephone Number: (713) 351-7900
Funding Medium:	Plan severance benefits are paid from general assets of the Employer.
Agent for Legal Service of Legal Process:	The Plan Administrator. Process may be served at the address specified above.

IN WITNESS WHEREOF, Forum Energy Technologies, Inc. has executed this Forum Energy Technologies, Inc. Severance Plan, effective as of the Effective Date.

FORUM ENERGY TECHNOLOGIES, INC.

By: /s/ James Harris
Name: James Harris
Title: Senior Vice President and Chief Financial Officer

EXHIBIT A

FORM OF RELEASE

This Release (this "***Release***") constitutes the release referred to in Section 3.3 of the Forum Energy Technologies, Inc. Severance Plan (the "***Plan***").

1. **General Release**.

(a) For good and valuable consideration, including the provision of certain benefits to _____ ("***Employee***") in accordance with Section 3.1(a) of the Plan, Employee hereby releases, discharges and forever acquits Forum Energy Technologies, Inc. (the ***"Company"***), its affiliates and subsidiaries, the past, present and future stockholders, members, partners, directors, managers, employees, agents, attorneys, heirs, legal representatives, successors and assigns of the foregoing, as well as all employee benefit plans maintained by the Company or any of its affiliates or subsidiaries and all fiduciaries and administrators of any such plan, in their personal and representative capacities (collectively, the "***Company Parties***"), from liability for, and hereby waives, any and all claims, rights, damages, or causes of action of any kind related to Employee's employment with any Company Party, the termination of such employment, and any other acts or omissions related to any matter on or prior to the date of this Release (collectively, the "***Released Claims***").

(b) The Released Claims include without limitation those arising under or related to: (i) the Age Discrimination in Employment Act of 1967; (ii) Title VII of the Civil Rights Act of 1964; (iii) the Civil Rights Act of 1991; (iv) sections 1981 through 1988 of Title 42 of the United States Code; (v) the Employee Retirement Income Security Act of 1974, including, but not limited to, sections 502(a)(1)(A), 502(a)(1)(B), 502(a)(2), and 502(a)(3) to the extent the release of such claims is not prohibited by applicable law; (vi) the Immigration Reform Control Act; (vii) the Americans with Disabilities Act of 1990; (viii) the National Labor Relations Act; (ix) the Occupational Safety and Health Act; (x) the Family and Medical Leave Act of 1993; (xi) any state or federal anti-discrimination law; (xii) any state or federal wage and hour law; (xiii) any other local, state or federal law, regulation or ordinance; (xiv) any public policy, contract, tort, or common law; (xv) costs, fees, or other expenses including attorneys' fees incurred in these matters; (xvi) any employment contract, incentive compensation plan or stock option plan with any Company Party or to any ownership interest in any Company Party except as expressly provided in the Plan and any stock option or other equity compensation agreement between Employee and the Company; and (xvii) compensation or benefits of any kind not expressly set forth in the Plan or any such stock option or other equity compensation agreement.

(c) In no event shall the Released Claims include (i) any claim which arises after the date of this Release, or (ii) any claims for the payments and benefits payable to Executive under Section 3.1(a) of the Plan.

(d) Notwithstanding this release of liability, nothing in this Release prevents Employee from filing any non-legally waivable claim (including a challenge to the validity of

this Release) with the Equal Employment Opportunity Commission ("***EEOC***") or comparable state or local agency or participating in any investigation or proceeding conducted by the EEOC or comparable state or local agency; however, Employee understands and agrees that Employee is waiving any and all rights to recover any monetary or personal relief or recovery as a result of such EEOC, or comparable state or local agency proceeding or subsequent legal actions.

(e) This Release is not intended to indicate that any such claims exist or that, if they do exist, they are meritorious. Rather, Employee is simply agreeing that, in exchange for the consideration recited in the first sentence of Section 1(a) of this Release, any and all potential claims of this nature that Employee may have against the Company Parties, regardless of whether they actually exist, are expressly settled, compromised and waived.

(f) By signing this Release, Employee is bound by it. Anyone who succeeds to Employee's rights and responsibilities, such as heirs or the executor of Employee's estate, is also bound by this Release. This release also applies to any claims brought by any person or agency or class action under which Employee may have a right or benefit. **THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF THE COMPANY PARTIES.**

2. **Covenant Not to Sue; Employee's Representations**. Employee agrees not to bring or join any lawsuit against any of the Company Parties in any court relating to any of the Released Claims. Employee represents that Employee has not brought or joined any claim, lawsuit or arbitration against any of the Company Parties in any court or before any administrative agency or arbitral authority and has made no assignment of any rights Employee has asserted or may have against any of the Company Parties to any person or entity, in each case, with respect to any Released Claims. Employee expressly represents that, as of the date Employee executes this Release, Employee has been provided all leaves (paid and unpaid) and paid all wages and compensation owed to Employee by the Company Parties with the exception of the benefits set forth in Section 3.1(a) of the Plan. Employee further represents that Employee has complied with that certain Confidentiality, Nonsolicitation, Noncompetition and Intellectual Property Assignment Agreement entered into between Employee and the Company, and that Employee intends to comply with Employee's ongoing obligations under that Agreement.

3. **Acknowledgments**. By executing and delivering this Release, Employee acknowledges that:

(a) Employee has carefully read this Release;

(b) Employee has had at least [twenty-one (21)] [forty-five (45)] days to consider this Release before the execution and delivery hereof to the Company [Add if 45 days applies: , and Employee acknowledges that attached to this Release is a list of (i) the job titles and ages of all employees selected for participation in the employment termination or exit incentive program pursuant to which Employee is being offered this Release, (ii) the job titles and ages of all employees in the same job classification or organizational unit who were not selected for participation in the program, and (iii) information about the unit affected by the program, including any eligibility factors for such program and any time limits applicable to such program];

(c) Employee has been and hereby is advised in writing that Employee may, at Employee's option, discuss this Release with an attorney of Employee's choice and that Employee has had adequate opportunity to do so; and

(d) Employee fully understands the final and binding effect of this Release; the only promises made to Employee to sign this Release are those stated in the Plan and herein; and Employee is signing this Release voluntarily and of Employee's own free will, and that Employee understands and agrees to each of the terms of this Release.

4. **Revocation Right**. Employee may revoke this Release within the seven day period beginning on the date Employee signs this Release (such seven day period being referred to herein as the "***Release Revocation Period***"). To be effective, such revocation must be in writing signed by Employee and must be delivered to the Chief Employee Officer of the Company before 11:59 p.m., Houston, Texas time, on the last day of the Release Revocation Period. This Release is not effective, and no consideration shall be paid to Employee, until the expiration of the Release Revocation Period without Employee's revocation. If an effective revocation is delivered in the foregoing manner and timeframe, this Release shall be of no force or effect and shall be null and void ab initio.

Executed on this day of , .

EMPLOYEE
[NAME]

STATE OF _____ §
§
COUNTY OF _____ §

BEFORE ME, the undersigned authority personally appeared , by me known or who produced valid identification as described below, who executed the foregoing instrument and acknowledged before me that he subscribed to such instrument on this day of , .

NOTARY PUBLIC in and for the
State of _____

My Commission Expires:

_____

Identification produced:

Exhibit 10.16

FORM OF RESTRICTED STOCK AGREEMENT

This Restricted Stock Agreement (this "Agreement") is made as of the ____ day of _____, 20__ (the "Date of Grant"), between Forum Energy Technologies, Inc., a Delaware corporation (the "Company"), and _____ (the "Employee").

1. **Award**. Pursuant to the Forum Energy Technologies, Inc. 2010 Stock Incentive Plan (the "Plan"), as of the Date of Grant, ____ shares (the "Restricted Shares") of the Company's common stock, par value $.01 per share, shall be issued as hereinafter provided in the Employee's name subject to certain restrictions thereon. The Employee acknowledges receipt of a copy of the Plan, and agrees that this award of Restricted Shares shall be subject to all of the terms and provisions of the Plan, including future amendments thereto, if any, pursuant to the terms thereof.

2. **Definitions**. Capitalized terms used in this Agreement that are not defined below or in the body of this Agreement shall have the meanings given to them in the Plan. In addition to the terms defined in the body of this Agreement, the following capitalized words and terms shall have the meanings indicated below:

(a) "Earned Shares" means the Restricted Shares after the lapse of the Forfeiture Restrictions without forfeiture.

(b) "Forfeiture Restrictions" shall have the meaning specified in Section 3(a) hereof.

(c) "Securities Act" means the Securities Act of 1933, as amended.

(d) "Stockholders Agreement" means that certain Amended and Restated Stockholders Agreement dated as of August 2, 2010, among the Company and certain of its stockholders, as the same may be amended or restated from time to time.

3. **Restricted Shares**. The Employee hereby accepts the Restricted Shares when issued and agrees with respect thereto as follows:

(a) **Forfeiture Restrictions**. The Restricted Shares may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of, and in the event of termination of the Employee's employment with the Company for any reason whatsoever, the Employee shall, for no consideration, forfeit to the Company all Restricted Shares. The prohibition against transfer and the obligation to forfeit and surrender Restricted Shares to the Company upon termination of employment as provided in the preceding sentence are herein referred to as the "Forfeiture Restrictions." The Forfeiture Restrictions shall be binding upon and enforceable against any transferee of Restricted Shares.

(b) **Lapse of Forfeiture Restrictions**. Provided that the Employee has been continuously employed by the Company from the Date of Grant through the lapse date set forth

in the following schedule, the Forfeiture Restrictions shall lapse with respect to a percentage of the Restricted Shares determined in accordance with the following schedule:

Lapse Date	Percentage of Total Number of Restricted Shares as to Which Forfeiture Restrictions Lapse
First Anniversary of Date of Grant	25%
Second Anniversary of Date of Grant	25%
Third Anniversary of Date of Grant	25%
Fourth Anniversary of Date of Grant	25%

Notwithstanding the schedule set forth above, if a Change in Control occurs and the Employee has remained continuously employed by the Company from the Date of Grant to the date upon which such Change in Control occurs, then the Forfeiture Restrictions shall lapse with respect to 100% of the Restricted Shares on the date upon which such Change in Control occurs. Any shares with respect to which the Forfeiture Restrictions do not lapse in accordance with the preceding provisions of this Section 3(b) shall be forfeited to the Company for no consideration as of the date of the termination of the Employee's employment with the Company.

(c) **Certificates**. A certificate evidencing the Restricted Shares shall be issued by the Company in the Employee's name, pursuant to which the Employee shall have all of the rights of a stockholder of the Company with respect to the Restricted Shares, including, without limitation, voting rights and the right to receive dividends (provided, however, that dividends paid in shares of the Company's stock shall be subject to the Forfeiture Restrictions and further provided that dividends that are paid other than in shares of the Company's stock shall be paid no later than the end of the calendar year in which the dividend for such class of stock is paid to stockholders of such class or, if later, the 15th day of the third month following the date the dividend is paid to stockholders of such class of stock). Notwithstanding the foregoing, the Company may, in its discretion, elect to complete the delivery of the Restricted Shares by means of electronic, book-entry statement, rather than issuing physical share certificates. The Employee may not sell, transfer, pledge, exchange, hypothecate or otherwise dispose of the stock until the Forfeiture Restrictions have expired, and a breach of the terms of this Agreement shall cause a forfeiture of the Restricted Shares. The certificate, if any, shall be delivered upon issuance to the Secretary of the Company or to such other depository as may be designated by the Committee as a depository for safekeeping until the forfeiture of such Restricted Shares occurs or the Forfeiture Restrictions lapse pursuant to the terms of the Plan and this Agreement. At the Company's request, the Employee shall deliver to the Company a stock power, endorsed in blank, relating to the Restricted Shares. Upon the lapse of the Forfeiture Restrictions without forfeiture, the Company shall cause a new certificate or certificates to be issued without legend (except for any legend required pursuant to applicable securities laws, the Stockholders Agreement or any other agreement to which the Employee is a party) in the name of the Employee in exchange for the certificate evidencing the Restricted Shares or, as may be the case, the Company shall issue appropriate instructions to the transfer agent if the electronic, book-entry method is utilized.

(d) **Corporate Acts**. The existence of the Restricted Shares shall not affect in any way the right or power of the Board or the stockholders of the Company to make or authorize

any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of debt or equity securities, the dissolution or liquidation of the Company or any sale, lease, exchange or other disposition of all or any part of its assets or business or any other corporate act or proceeding. The prohibitions of Section 3(a) hereof shall not apply to the transfer of Restricted Shares pursuant to a plan of reorganization of the Company, but the stock, securities or other property received in exchange therefor shall also become subject to the Forfeiture Restrictions and provisions governing the lapsing of such Forfeiture Restrictions applicable to the original Restricted Shares for all purposes of this Agreement, and the certificates, if any, representing such stock, securities or other property shall be legended to show such restrictions.

(e) **Stockholders Agreement**. The Restricted Shares shall be subject to the terms of the Stockholders Agreement, both before and after the Forfeiture Restrictions lapse with respect to such shares. The Employee agrees that the Employee and the Employee's spouse, if any, will, upon request of the Company, execute and deliver to the Company such documents and instruments as the Company, in its discretion, may require to evidence such persons' agreement to be bound by the terms of the Stockholders Agreement.

(f) **Accredited Status**. If the Company and any of its stockholders or their representatives enter into any negotiation or transaction (whether before or after the lapse of the Forfeiture Restrictions with respect to any of the Restricted Shares) for which Rule 506 under the Securities Act (or any similar rule then in effect) may be available with respect to such negotiation or transaction (including a merger, consolidation or other reorganization), and if the Employee is not then an accredited investor (as defined in Rule 501 under the Securities Act (but without regard to Rule 501(a)(iv)), the Employee agrees that the Employee and the Employee's spouse, if any, will, at the request and election of the Company either (i) appoint a purchaser representative (as such term is defined in Rule 501 under the Securities Act) reasonably acceptable to the Company or (ii) agree to accept cash in lieu of any securities that the Employee would otherwise receive in an amount equal to the fair market value of such securities as determined by the unanimous resolution of all of the members of the Board. The determination of fair market value by the Board shall be final and binding on all parties.

(g) **Lock-up Provision**. The Employee hereby agrees that in the event of any underwritten public offering of Common Stock, including an initial public offering of Common Stock, pursuant to an effective registration statement filed under the Securities Act (whether before or after the lapse of the Forfeiture Restrictions with respect to any of the Restricted Shares), the Employee shall not effect any public sale or distribution of Common Stock or of any securities convertible into or exchangeable or exercisable for Common Stock or hedging transactions relating to Common Stock, including a sale pursuant to Rule 144 under the Securities Act, during the period beginning 14 days prior to the expected date of "pricing" of such public offering and continuing for a period not to exceed 180 days after the date of the final prospectus (or prospectus supplement if the offering is made pursuant to a "shelf" registration statement) as may be established by the underwriter(s) for such public offering (the "Lock-Up Period"); provided, however, that if (i) during the last 17 days of the initial Lock-Up Period, the Company releases earnings results or material news or a material event relating to the Company occurs or (ii) prior to the expiration of the initial Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the initial

Lock-Up Period, then in each case the Lock-Up Period will be extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the occurrence of the material news or material event, as applicable, unless the managing underwriter(s) of such underwritten public offering waive, in writing, such extension. If and to the extent requested by the managing underwriter(s), the Employee agrees to execute an agreement to the foregoing effect with the underwriter(s) for such public offering on such terms as the managing underwriter(s) shall reasonably request (with such modification as reasonably requested by such managing underwriter(s) to take into consideration then existing rules of an applicable securities exchange regarding research analyst publications). The limitations contained in this Section 3(g) shall not apply to any shares registered in such public offering under the Securities Act.

(h) **Tax Election.** If the Employee is subject to taxation in the United Kingdom, then, unless waived by the Company, the Employee shall enter into an election under Section 431(1) of the Income Tax (Earnings & Pensions) Act 2003 with respect to the Restricted Shares within the time period and in the form prescribed by the Company.

4. **Withholding of Tax**. To the extent that the receipt of the Restricted Shares or the lapse of any Forfeiture Restrictions results in compensation income or wages to the Employee for federal, state, local or foreign tax purposes, the Employee shall deliver to the Company or to any Affiliate nominated by the Company at the time of such receipt or lapse, as the case may be, such amount of money or, if permitted by the Committee in its sole discretion, shares of Common Stock as the Company or any Affiliate nominated by the Company may require to meet its minimum obligation under applicable tax or social security laws or regulations, and if the Employee fails to do so, the Company and its Affiliates are authorized to withhold from any cash or stock remuneration (including withholding any Restricted Shares or Earned Shares distributable to the Employee under this Agreement) then or thereafter payable to the Employee any tax or social security required to be withheld by reason of such resulting compensation income or wages. The Employee acknowledges and agrees that the Company is making no representation or warranty as to the tax consequences to the Employee as a result of the receipt of the Restricted Shares, the lapse of any Forfeiture Restrictions or the forfeiture of any Restricted Shares pursuant to the Forfeiture Restrictions.

5. **Status of Stock**. The Employee understands that at the time of the execution of this Agreement the sale of the Restricted Shares has not been registered under the Securities Act or any state securities law and that the Company does not currently intend to effect any such registration.

The Employee agrees that the Restricted Shares and the Earned Shares when issued under this Agreement are being acquired for investment without a view to distribution, within the meaning of the Securities Act, and shall not be sold, transferred, assigned, pledged or hypothecated in the absence of (a) an effective registration statement for the sale of such shares under the Securities Act and applicable state securities laws or (b) if requested by the Company, the delivery by the Employee to the Company of a written opinion of legal counsel, who shall be satisfactory to the Company, addressed to the Company and satisfactory in form and substance to the Company's counsel, to the effect that an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws is available. The Employee also agrees that the Restricted Shares and Earned Shares issued under this Agreement will not be sold or otherwise disposed of in any manner which would constitute a violation of any applicable federal or state securities laws.

In addition, the Employee agrees that (a) the certificates, if any, representing the Restricted Shares and Earned Shares may bear such legend or legends as the Committee deems appropriate in order to reflect the Forfeiture Restrictions and to assure compliance with the terms and provisions of this Agreement, the Stockholders Agreement and applicable securities laws, (b) the Company may refuse to register the transfer of the Restricted Shares or Earned Shares on the stock transfer records of the Company if such proposed transfer would constitute a violation of the Forfeiture Restrictions or the Stockholders Agreement or, in the opinion of counsel satisfactory to the Company, of any applicable securities law, and (c) the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the Restricted Shares.

6. **Employment Relationship**. For purposes of this Agreement, the Employee shall be considered to be in the employment of the Company as long as the Employee remains an employee of either the Company or an Affiliate. Without limiting the scope of the preceding sentence, it is specifically provided that the Employee shall be considered to have terminated employment with the Company at the time of the termination of the "Affiliate" status of the entity or other organization that employs the Employee. Nothing in the adoption of the Plan, nor the award of the Restricted Shares thereunder pursuant to this Agreement, shall confer upon the Employee the right to continued employment by the Company or affect in any way the right of the Company to terminate such employment at any time. Unless otherwise provided in a written employment agreement or by applicable law, the Employee's employment by the Company shall be on an at-will basis, and the employment relationship may be terminated at any time by either the Employee or the Company for any reason whatsoever, with or without cause or notice. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee or its delegate, and its determination shall be final.

7. **Notices**. Any notices or other communications provided for in this Agreement shall be sufficient if in writing. In the case of the Employee, such notices or communications shall be effectively delivered if hand delivered to the Employee at the Employee's principal place of employment or if sent by registered or certified mail to the Employee at the last address the Employee has filed with the Company. In the case of the Company, such notices or communications shall be effectively delivered if sent by registered or certified mail to the Company at its principal executive offices.

8. **Binding Effect; Survival**. This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under the Employee. The provisions of Sections 3(e), 3(f), 3(g) and 5 shall survive the lapse of the Forfeiture Restrictions without forfeiture.

9. **Entire Agreement; Amendment**. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the Restricted Shares granted hereby. Without limiting the scope of the preceding sentence, all prior

understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. Any modification of this Agreement shall be effective only if it is in writing and signed by both the Employee and an authorized officer of the Company.

10. **Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to conflicts of law principles thereof.**

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by an officer thereunto duly authorized, and the Employee has executed this Agreement, all as of the date first above written.

FORUM ENERGY TECHNOLOGIES, INC.

By: _____
Name: _____
Title: _____

EMPLOYEE

_____

SPOUSAL CONSENT

The Employee's spouse, if any, is fully aware of, understands and fully consents and agrees to the provisions of this Agreement and its binding effect upon any marital or community property interests he/she may now or hereafter own, and agrees that the termination of his/her and the Employee's marital relationship for any reason shall not have the effect of removing any Restricted Shares and Earned Shares otherwise subject to this Agreement from coverage hereunder and that his/her awareness, understanding, consent and agreement are evidenced by his/her signature below.

_____
Signature of Spouse

_____
Printed Name of Spouse

FORM OF NONSTATUTORY
STOCK OPTION AGREEMENT

This Nonstatutory Stock Option Agreement (this "Agreement") is made as of _____, 20__ (the "Date of Grant"), between Forum Energy Technologies, Inc., a Delaware corporation (the "Company"), and _____("Employee").

To carry out the purposes of the Forum Energy Technologies, Inc. 2010 Stock Incentive Plan (the "Plan"), by affording Employee the opportunity to purchase shares of the common stock of the Company, par value $.01 per share ("Common Stock"), and in consideration of the mutual agreements and other matters set forth herein and in the Plan, the Company and Employee hereby agree as follows:

1. Grant of Option. The Company hereby irrevocably grants to Employee the right and option ("Option") to purchase all or any part of an aggregate of ____ shares of Common Stock on the terms and conditions set forth herein and in the Plan, which Plan is incorporated herein by reference as a part of this Agreement. In the event of any conflict between the terms of this Agreement and the Plan, the Plan shall control. Capitalized terms used but not defined in this Agreement shall have the meaning attributed to such terms under the Plan, unless the context requires otherwise. This Option shall not be treated as an incentive stock option within the meaning of section 422(b) of the Code.

2. Purchase Price. The purchase price of Common Stock purchased pursuant to the exercise of this Option shall be $____per share, which has been determined to be not less than the Fair Market Value of a share of Common Stock at the Date of Grant. For all purposes of this Agreement, Fair Market Value of Common Stock shall be determined in accordance with the provisions of the Plan.

3. Exercise of Option. Subject to the earlier expiration of this Option as herein provided, this Option may be exercised, by written notice to the Company at its principal executive office addressed to the attention of its Corporate Secretary (or such other officer or employee of the Company as the Company may designate from time to time), at any time and from time to time after the Date of Grant, but, except as otherwise provided below, this Option shall not be exercisable for more than a percentage of the aggregate number of shares offered by this Option determined by the number of full years from the Date of Grant to the date of such exercise, in accordance with the following schedule:

Number of Full Years	Percentage of Shares That May Be Purchased
Less than 1 year	0%
Less than 2 years	25%
Less than 3 years	50%
Less than 4 years	75%
4 years or more	100%

Notwithstanding the schedule set forth above, if a Change in Control occurs and Employee has remained continuously employed by the Company from the Date of Grant to the date upon which such Change in Control occurs, then this Option shall be exercisable with respect to 100% of the shares offered by this Option from and after the date upon which such Change in Control occurs.

This Option may be exercised only while Employee remains an employee of the Company and will terminate and cease to be exercisable upon Employee's termination of employment with the Company, except that:

(a) If Employee's employment with the Company terminates by reason of disability (within the meaning of section 22(e)(3) of the Code), this Option may be exercised by Employee (or Employee's estate or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of the death of Employee) at any time during the period of one year following such termination, but only as to the number of shares Employee was entitled to purchase hereunder as of the date Employee's employment so terminates.

(b) If Employee dies while in the employ of the Company, Employee's estate, or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of the death of Employee, may exercise this Option at any time during the period of one year following the date of Employee's death, but only as to the number of shares Employee was entitled to purchase hereunder as of the date of Employee's death.

(c) If Employee's employment with the Company terminates for any reason other than as described in (a) or (b) above, this Option may be exercised by Employee at any time during the period of 30 days following such termination, or by Employee's estate (or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of the death of Employee) during a period of 30 days following Employee's death if Employee dies during such 30-day period, but in each case only as to the number of shares Employee was entitled to purchase hereunder as of the date Employee's employment so terminates.

(d) If Employee has remained continuously employed by the Company from the Date of Grant to the date upon which a Change in Control occurs, and if Employee's employment with the Company terminates for any reason on or after the date upon which such Change in Control occurs, then, notwithstanding the provisions of (a), (b) or (c) above, this Option may be exercised in full by Employee (or Employee's estate or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of the death of Employee) at any time on or before the expiration of 10 years from the Date of Grant.

This Option shall not be exercisable in any event after the expiration of 10 years from the Date of Grant. The purchase price of shares as to which this Option is exercised shall be paid in full at the time of exercise (a) in cash (including check, bank draft or money order payable to the order of the Company), (b) if permitted by the Committee in its sole discretion, by delivering or constructively tendering to the Company shares of Common Stock having a Fair Market Value equal to the purchase price (provided such shares used for this purpose must have been held by Employee for such minimum period of time as may be established from time to time by the

Committee), (c) if the Common Stock is readily tradable on a national securities market, through a "cashless exercise" in accordance with a Company established policy or program for the same or (d) any combination of the foregoing. No fraction of a share of Common Stock shall be issued by the Company upon exercise of an Option or accepted by the Company in payment of the exercise price thereof; rather, Employee shall provide a cash payment for such amount as is necessary to effect the issuance and acceptance of only whole shares of Common Stock. Unless and until a certificate or certificates representing such shares shall have been issued by the Company to Employee, Employee (or the person permitted to exercise this Option in the event of Employee's death) shall not be or have any of the rights or privileges of a stockholder of the Company with respect to shares acquirable upon an exercise of this Option.

If Employee is subject to taxation in the United Kingdom, then, unless waived by the Company, the exercise of this Option shall be effective only if accompanied by an election under Section 431(1) of the Income Tax (Earnings & Pensions) Act 2003 in the form prescribed by the Company.

4. Withholding of Tax. To the extent that the grant or exercise of this Option or the disposition of shares of Common Stock acquired by exercise of this Option results in compensation income or wages to Employee for federal, state, local or foreign tax purposes, Employee shall deliver to the Company or to any Affiliate nominated by the Company at the time of such grant, exercise or disposition such amount of money or, if permitted by the Committee in its sole discretion, shares of Common Stock as the Company or any Affiliate nominated by the Company may require to meet its minimum obligation under applicable tax or social security laws or regulations. No exercise of this option shall be effective until Employee (or the person entitled to exercise this Option, as applicable) has made arrangements approved by the Company to satisfy all applicable minimum tax withholding requirements of the Company or, if applicable, any Affiliate of the Company.

5. Stockholders Agreement. Shares of Common Stock purchased pursuant to the exercise of this Option shall be subject to the terms of that certain Amended and Restated Stockholders Agreement dated as of August 2, 2010, among the Company and certain of its stockholders, as the same may be amended or restated from time to time (the "Stockholders Agreement"). Employee agrees that Employee and Employee's spouse, if any, will, on the first date of exercise of this Option, execute and deliver to the Company such documents and instruments as the Company, in its discretion, may require to evidence such persons' agreement to be bound by the terms of the Stockholders Agreement.

6. Lock-up Provision. Employee hereby agrees that in the event of any underwritten public offering of Common Stock, including an initial public offering of Common Stock, pursuant to an effective registration statement filed under the Securities Act of 1933, as amended (the "Securities Act"), Employee shall not effect any public sale or distribution of Common Stock or of any securities convertible into or exchangeable or exercisable for Common Stock or hedging transactions relating to Common Stock, including a sale pursuant to Rule 144 under the Securities Act, during the period beginning 14 days prior to the expected date of "pricing" of such public offering and continuing for a period not to exceed 180 days after the date of the final prospectus (or prospectus supplement if the offering is made pursuant to a "shelf" registration statement) as may be established by the underwriter(s) for such public

offering (the "Lock-Up Period"); provided, however, that if (i) during the last 17 days of the initial Lock-Up Period, the Company releases earnings results or material news or a material event relating to the Company occurs or (ii) prior to the expiration of the initial Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the initial Lock-Up Period, then in each case the Lock-Up Period will be extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the occurrence of the material news or material event, as applicable, unless the managing underwriter(s) of such underwritten public offering waive, in writing, such extension. If and to the extent requested by the managing underwriter(s), Employee agrees to execute an agreement to the foregoing effect with the underwriter(s) for such public offering on such terms as the managing underwriter(s) shall reasonably request (with such modification as reasonably requested by such managing underwriter(s) to take into consideration then existing rules of an applicable securities exchange regarding research analyst publications). The limitations contained in this Section 6 shall not apply to any shares registered in such public offering under the Securities Act.

7. Status of Common Stock. Employee understands that at the time of the execution of this Agreement the shares of Common Stock to be issued upon exercise of this Option have not been registered under the Securities Act, or any state securities law, and that the Company does not currently intend to effect any such registration. Until the shares of Common Stock acquirable upon the exercise of the Option have been registered for issuance under the Securities Act, the Company will not issue such shares unless, if requested by the Company, the holder of the Option provides the Company with a written opinion of legal counsel, who shall be satisfactory to the Company, addressed to the Company and satisfactory in form and substance to the Company's counsel, to the effect that the proposed issuance of such shares to such Option holder may be made without registration under the Securities Act. In the event exemption from registration under the Securities Act is available upon an exercise of this Option, Employee (or the person permitted to exercise this Option in the event of Employee's death or incapacity), if requested by the Company to do so, will execute and deliver to the Company in writing an agreement containing such provisions as the Company may require to assure compliance with applicable securities laws.

Employee agrees that the shares of Common Stock which Employee may acquire by exercising this Option shall be acquired for investment without a view to distribution, within the meaning of the Securities Act, and shall not be sold, transferred, assigned, pledged or hypothecated in the absence of an effective registration statement for the sale of such shares under the Securities Act and applicable state securities laws or an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws. Employee also agrees that the shares of Common Stock which Employee may acquire by exercising this Option will not be sold or otherwise disposed of in any manner which would constitute a violation of any applicable federal or state securities laws.

In addition, Employee agrees that (i) the certificates representing the shares of Common Stock purchased under this Option may bear such legend or legends as the Committee deems appropriate in order to assure compliance with the terms and provisions of the Stockholders Agreement and applicable securities laws, (ii) the Company may refuse to register the transfer of the shares of Common Stock purchased under this Option on the stock transfer records of the

Company if such proposed transfer would in the opinion of counsel satisfactory to the Company constitute a violation of the terms and provisions of the Stockholders Agreement or any applicable securities law, and (iii) the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the shares of Common Stock purchased under this Option.

8. Employment Relationship. For purposes of this Agreement, Employee shall be considered to be in the employment of the Company as long as Employee remains an employee of either the Company, an Affiliate, or a corporation or a parent or subsidiary of such corporation assuming or substituting a new option for this Option. Without limiting the scope of the preceding sentence, it is expressly provided that Employee shall be considered to have terminated employment with the Company at the time of the termination of the "Affiliate" status under the Plan of the entity or other organization that employs Employee. Nothing in the adoption of the Plan, nor the award of this Option thereunder pursuant to this Agreement, shall affect in any way the right of Employee or the Company to terminate such employment at any time. Unless otherwise provided in a written employment agreement or by applicable law, Employee's employment by the Company shall be on an at-will basis, and the employment relationship may be terminated at any time by either Employee or the Company for any reason whatsoever, with or without cause or notice. Any question as to whether and when there has been a termination of Employee's employment with the Company, and the cause of such termination, shall be determined by the Committee, and its determination shall be final.

9. Acknowledgements Regarding Section 409A of the Code. Employee understands that if the purchase price of the Common Stock under this Option is less than the fair market value of such Common Stock on the date of grant of this Option, then Employee may incur adverse tax consequences under section 409A of the Code. Employee acknowledges and agrees that (a) he is not relying upon any determination by the Company, its affiliates, or any of their respective employees, directors, officers, attorneys or agents (collectively, the "Company Parties") of the fair market value of the Common Stock on the date of grant of this Option, (b) he is not relying upon any written or oral statement or representation of the Company Parties regarding the tax effects associated with Employee's execution of this Agreement and his receipt, holding and exercise of this Option, and (c) in deciding to enter into this Agreement, Employee is relying on his own judgment and the judgment of the professionals of his choice with whom he has consulted. Employee hereby releases, acquits and forever discharges the Company Parties from all actions, causes of actions, suits, debts, obligations, liabilities, claims, damages, losses, costs and expenses of any nature whatsoever, known or unknown, on account of, arising out of, or in any way related to the tax effects associated with Employee's execution of this Agreement and his receipt, holding and exercise of this Option.

10. Notices. Any notices or other communications provided for in this Option shall be sufficient if in writing. In the case of Employee, such notices or communications shall be effectively delivered if hand delivered to Employee at Employee's principal place of employment or if sent by certified mail, return receipt requested, to Employee at the last address Employee has filed with the Company. In the case of the Company, such notices or communications shall be effectively delivered if sent by certified mail, return receipt requested, to the Company at its principal executive offices.

11. Binding Effect. This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under Employee.

12. Entire Agreement; Amendment. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the Option granted hereby; provided, however, that the terms of this Agreement shall not modify and shall be subject to the terms and conditions of any employment and/or severance agreement between the Company (or an Affiliate) and the Employee in effect as of the date a determination is to be made under this Agreement. Without limiting the scope of the preceding sentence, except as provided therein, all prior understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. Any modification of this Agreement shall be effective only if it is in writing and signed by both Employee and an authorized officer of the Company.

13. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to conflicts of laws principles thereof.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by its officer thereunto duly authorized, and Employee has executed this Agreement, all as of the date first above written.

FORUM ENERGY TECHNOLOGIES, INC.

By: _____
Name: _____
Title: _____

EMPLOYEE

_____

FORM OF NONSTATUTORY
STOCK OPTION AGREEMENT

This Nonstatutory Stock Option Agreement (this "Agreement") is made as of _____, 20__ (the "Date of Grant"), between Forum Energy Technologies, Inc., a Delaware corporation (the "Company"), and _____ ("Director").

To carry out the purposes of the Forum Energy Technologies, Inc. 2010 Stock Incentive Plan (the "Plan"), by affording Director the opportunity to purchase shares of the common stock of the Company, par value $.01 per share ("Common Stock"), and in consideration of the mutual agreements and other matters set forth herein and in the Plan, the Company and Director hereby agree as follows:

1. Grant of Option. The Company hereby irrevocably grants to Director the right and option ("Option") to purchase all or any part of an aggregate of _____ shares of Common Stock on the terms and conditions set forth herein and in the Plan, which Plan is incorporated herein by reference as a part of this Agreement. In the event of any conflict between the terms of this Agreement and the Plan, the Plan shall control. Capitalized terms used but not defined in this Agreement shall have the meaning attributed to such terms under the Plan, unless the context requires otherwise. This Option shall not be treated as an incentive stock option within the meaning of section 422(b) of the Code.

2. Purchase Price. The purchase price of Common Stock purchased pursuant to the exercise of this Option shall be $_____per share, which has been determined to be not less than the Fair Market Value of a share of Common Stock at the Date of Grant. For all purposes of this Agreement, Fair Market Value of Common Stock shall be determined in accordance with the provisions of the Plan.

3. Exercise of Option. Subject to the earlier expiration of this Option as herein provided, this Option may be exercised, by written notice to the Company at its principal executive office addressed to the attention of its Corporate Secretary (or such other officer or employee of the Company as the Company may designate from time to time), at any time and from time to time after the Date of Grant, but, except as otherwise provided below, this Option shall not be exercisable for more than a percentage of the aggregate number of shares offered by this Option determined by the number of full years from the Date of Grant to the date of such exercise, in accordance with the following schedule:

Number of Full Years	Percentage of Shares That May Be Purchased
Less than 1 year	%
Less than years	%
Less than years	%
Less than years	%
years or more	100%

Notwithstanding the schedule set forth above, if a Change in Control occurs and Director has remained continuously a member of the Board from the Date of Grant to the date upon which such Change in Control occurs, then this Option shall be exercisable with respect to 100% of the shares offered by this Option from and after the date upon which such Change in Control occurs.

This Option may be exercised only while Director remains a member of the Board and will terminate and cease to be exercisable upon Director's termination of membership on the Board, except that:

(a) If Director's membership on the Board terminates by reason of disability (as determined by the Board), this Option may be exercised by Director (or Director's estate or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of the death of Director) at any time during the period of one year following such termination, but only as to the number of shares Director was entitled to purchase hereunder as of the date of such termination.

(b) If Director dies while a member of the Board, Director's estate, or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of the death of Director, may exercise this Option at any time during the period of one year following the date of Director's death, but only as to the number of shares Director was entitled to purchase hereunder as of the date of Director's death.

(c) If Director's membership on the Board terminates for any reason other than as described in (a) or (b) above, this Option may be exercised by Director at any time during the period of 30 days following such termination, or by Director's estate (or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of the death of Director) during a period of 30 days following Director's death if Director dies during such 30-day period, but in each case only as to the number of shares Director was entitled to purchase hereunder as of the date Director's membership on the Board so terminates.

(d) If Director has remained continuously a member of the Board from the Date of Grant to the date upon which a Change in Control occurs, and if Director's membership on the Board terminates on or after the date upon which such Change in Control occurs, then, notwithstanding the provisions of (a), (b) or (c) above, this Option may be exercised in full by Director (or Director's estate or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of the death of Director) at any time on or before the expiration of 10 years from the Date of Grant.

This Option shall not be exercisable in any event after the expiration of 10 years from the Date of Grant. The purchase price of shares as to which this Option is exercised shall be paid in full at the time of exercise (a) in cash (including check, bank draft or money order payable to the order of the Company), (b) if permitted by the Committee in its sole discretion, by delivering or constructively tendering to the Company shares of Common Stock having a Fair Market Value equal to the purchase price (provided such shares used for this purpose must have been held by Director for such minimum period of time as may be established from time to time by the Committee), (c) if the Common Stock is readily tradable on a national securities market, through a "cashless exercise" in accordance with a Company established policy or program for the same or (d) any combination of the foregoing. No fraction of a share of Common Stock shall be

issued by the Company upon exercise of an Option or accepted by the Company in payment of the exercise price thereof; rather, Director shall provide a cash payment for such amount as is necessary to effect the issuance and acceptance of only whole shares of Common Stock. Unless and until a certificate or certificates representing such shares shall have been issued by the Company to Director, Director (or the person permitted to exercise this Option in the event of Director's death) shall not be or have any of the rights or privileges of a stockholder of the Company with respect to shares acquirable upon an exercise of this Option.

If Director is subject to taxation in the United Kingdom, then, unless waived by the Company, the exercise of this Option shall be effective only if accompanied by an election under Section 431(1) of the Income Tax (Earnings & Pensions) Act 2003 in the form prescribed by the Company.

4. Withholding of Tax. To the extent that the grant or exercise of this Option or the disposition of shares of Common Stock acquired by exercise of this Option results in compensation income or wages to Director for federal, state, local or foreign tax purposes, Director shall deliver to the Company or to any Affiliate nominated by the Company at the time of such grant, exercise or disposition such amount of money or, if permitted by the Committee in its sole discretion, shares of Common Stock as the Company or any Affiliate nominated by the Company may require to meet its minimum obligation under applicable tax or social security laws or regulations. No exercise of this option shall be effective until Director (or the person entitled to exercise this Option, as applicable) has made arrangements approved by the Company to satisfy all applicable minimum tax withholding requirements of the Company or, if applicable, any Affiliate of the Company.

5. Stockholders Agreement. Shares of Common Stock purchased pursuant to the exercise of this Option shall be subject to the terms of that certain Amended and Restated Stockholders Agreement dated as of August 2, 2010, among the Company and certain of its stockholders, as the same may be amended or restated from time to time (the "Stockholders Agreement"). Director agrees that Director and Director's spouse, if any, will, on the first date of exercise of this Option, execute and deliver to the Company such documents and instruments as the Company, in its discretion, may require to evidence such persons' agreement to be bound by the terms of the Stockholders Agreement.

6. Lock-up Provision. Director hereby agrees that in the event of any underwritten public offering of Common Stock, including an initial public offering of Common Stock, pursuant to an effective registration statement filed under the Securities Act of 1933, as amended (the "Securities Act"), Director shall not effect any public sale or distribution of Common Stock or of any securities convertible into or exchangeable or exercisable for Common Stock or hedging transactions relating to Common Stock, including a sale pursuant to Rule 144 under the Securities Act, during the period beginning 14 days prior to the expected date of "pricing" of such public offering and continuing for a period not to exceed 180 days after the date of the final prospectus (or prospectus supplement if the offering is made pursuant to a "shelf" registration statement) as may be established by the underwriter(s) for such public offering (the "Lock-Up Period"); provided, however, that if (i) during the last 17 days of the initial Lock-Up Period, the Company releases earnings results or material news or a material event relating to the Company occurs or (ii) prior to the expiration of the initial Lock-Up Period, the Company announces that it

will release earnings results during the 16-day period beginning on the last day of the initial Lock-Up Period, then in each case the Lock-Up Period will be extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the occurrence of the material news or material event, as applicable, unless the managing underwriter(s) of such underwritten public offering waive, in writing, such extension. If and to the extent requested by the managing underwriter(s), Director agrees to execute an agreement to the foregoing effect with the underwriter(s) for such public offering on such terms as the managing underwriter(s) shall reasonably request (with such modification as reasonably requested by such managing underwriter(s) to take into consideration then existing rules of an applicable securities exchange regarding research analyst publications). The limitations contained in this Section 6 shall not apply to any shares registered in such public offering under the Securities Act.

7. Status of Common Stock. Director understands that at the time of the execution of this Agreement the shares of Common Stock to be issued upon exercise of this Option have not been registered under the Securities Act, or any state securities law, and that the Company does not currently intend to effect any such registration. Until the shares of Common Stock acquirable upon the exercise of the Option have been registered for issuance under the Securities Act, the Company will not issue such shares unless, if requested by the Company, the holder of the Option provides the Company with a written opinion of legal counsel, who shall be satisfactory to the Company, addressed to the Company and satisfactory in form and substance to the Company's counsel, to the effect that the proposed issuance of such shares to such Option holder may be made without registration under the Securities Act. In the event exemption from registration under the Securities Act is available upon an exercise of this Option, Director (or the person permitted to exercise this Option in the event of Director's death or incapacity), if requested by the Company to do so, will execute and deliver to the Company in writing an agreement containing such provisions as the Company may require to assure compliance with applicable securities laws.

Director agrees that the shares of Common Stock which Director may acquire by exercising this Option shall be acquired for investment without a view to distribution, within the meaning of the Securities Act, and shall not be sold, transferred, assigned, pledged or hypothecated in the absence of an effective registration statement for the sale of such shares under the Securities Act and applicable state securities laws or an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws. Director also agrees that the shares of Common Stock which Director may acquire by exercising this Option will not be sold or otherwise disposed of in any manner which would constitute a violation of any applicable federal or state securities laws.

In addition, Director agrees that (i) the certificates representing the shares of Common Stock purchased under this Option may bear such legend or legends as the Committee deems appropriate in order to assure compliance with the terms and provisions of the Stockholders Agreement and applicable securities laws, (ii) the Company may refuse to register the transfer of the shares of Common Stock purchased under this Option on the stock transfer records of the Company if such proposed transfer would in the opinion of counsel satisfactory to the Company constitute a violation of the terms and provisions of the Stockholders Agreement or any applicable securities law, and (iii) the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the shares of Common Stock purchased under this Option.

8. Acknowledgements Regarding Section 409A of the Code. Director understands that if the purchase price of the Common Stock under this Option is less than the fair market value of such Common Stock on the date of grant of this Option, then Director may incur adverse tax consequences under section 409A of the Code. Director acknowledges and agrees that (a) he is not relying upon any determination by the Company, its affiliates, or any of their respective employees, directors, officers, attorneys or agents (collectively, the "Company Parties") of the fair market value of the Common Stock on the date of grant of this Option, (b) he is not relying upon any written or oral statement or representation of the Company Parties regarding the tax effects associated with Director's execution of this Agreement and his receipt, holding and exercise of this Option, and (c) in deciding to enter into this Agreement, Director is relying on his own judgment and the judgment of the professionals of his choice with whom he has consulted. Director hereby releases, acquits and forever discharges the Company Parties from all actions, causes of actions, suits, debts, obligations, liabilities, claims, damages, losses, costs and expenses of any nature whatsoever, known or unknown, on account of, arising out of, or in any way related to the tax effects associated with Director's execution of this Agreement and his receipt, holding and exercise of this Option.

9. Notices. Any notices or other communications provided for in this Option shall be sufficient if in writing. In the case of Director, such notices or communications shall be effectively delivered if hand delivered to Director or if sent by certified mail, return receipt requested, to Director at the last address Director has filed with the Company. In the case of the Company, such notices or communications shall be effectively delivered if sent by certified mail, return receipt requested, to the Company at its principal executive offices.

10. Binding Effect. This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under Director.

11. Entire Agreement; Amendment. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the Option granted hereby. Without limiting the scope of the preceding sentence, all prior understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. Any modification of this Agreement shall be effective only if it is in writing and signed by both Director and an authorized officer of the Company.

12. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to conflicts of laws principles thereof.

[Signatures begin on the following page.]

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by its officer thereunto duly authorized, and Director has executed this Agreement, all as of the date first above written.

FORUM ENERGY TECHNOLOGIES, INC.

By: _____
Name: _____
Title: _____

DIRECTOR

_____

EXECUTION VERSION

Exhibit 10.21

FORUM OILFIELD TECHNOLOGIES, INC.
a Delaware corporation

SUBSCRIPTION AGREEMENT

July 16, 2010

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SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT (this "Agreement") is made and entered into as of July 16, 2010 (the "Effective Date"), by and among FORUM OILFIELD TECHNOLOGIES, INC., a Delaware corporation (the "Corporation"), and each of the investors executing this Agreement as of the date hereof (and listed on Annex A attached hereto) or hereafter included as an investor in connection with an amendment hereto, each of whom is herein referred to as an "Investor" and all of whom are collectively referred to as "Investors."

BACKGROUND:

WHEREAS, the Corporation has entered into that certain Combination Agreement, dated of even date herewith, by and among the Corporation and the other parties thereto (the "Combination Agreement");

WHEREAS, in connection with the transactions contemplated by the Combination Agreement, the Investors wish to set forth the terms and conditions regarding the issuance and sale by the Corporation to the Investors and certain other stockholders of the Company of an aggregate of up to 404,516 shares (the "Offered Shares") of common stock, par value $0.01 per share, of the Corporation (the "Common Stock");

WHEREAS, in connection with the transactions contemplated by the Combination Agreement, the Offered Shares shall be issued by the Corporation in the following three tranches. First, a portion of the Offered Shares will be issued to the Investors in the Initial Closing (as defined below). Next, a portion of the Offered Shares will be issued to certain other stockholders of the Corporation (other than the Investors) in the Subscription Offer (as defined below). Finally, a portion of the Offered Shares will be issued to SCF-VII, L.P. ("SCF") in one or more Subsequent Closings (as defined below);

WHEREAS, (a) each Investor shall purchase at the Initial Closing (as defined below) the number of shares of Common Stock as is set forth opposite such Investor's name on Annex A under the column titled "Initial Common Shares" (the "Initial Common Shares"), and (b) SCF has agreed to purchase from time to time after the Initial Closing as herein provided the number of additional shares of Common Stock as is determined in accordance with Section 1.1(b) of this Agreement (the "Committed Common Shares") in accordance with the terms of this Agreement; and

WHEREAS, upon the terms and subject to the conditions of this Agreement, the Corporation desires to (a) issue and sell at the Initial Closing the Initial Common Shares, (b) issue and sell the Committed Common Shares from time to time after the Initial Closing as herein provided and (c) issue Warrants (as defined below) in connection with the issuance and sale of Initial Common Shares and Committed Common Shares.

NOW, THEREFORE, for and in consideration of the foregoing and the respective representations, warranties, covenants, agreements and conditions set forth herein, the parties agree as follows:

ARTICLE I
ISSUANCE OF COMMON SHARES

Section 1.1 Purchase and Issuance of Common Shares; Purchase Price.

(a) At the Initial Closing and on the terms and subject to the conditions set forth in this Agreement, the Corporation shall issue and sell to each Investor, and each Investor, severally and not jointly, shall purchase for cash, at a price per share equal to $284.29 (the "Initial Purchase Price"), the number of Initial Common Shares as is set forth opposite such Investor's name on Annex A under the column titled "Initial Common Shares." Each Investor shall make payment for such Initial Common Shares in the amount set forth opposite such Investor's name on Annex A under the column titled "Aggregate Initial Purchase Price for Initial Common Shares" by wire transfer to a bank account designated by the Corporation in writing to each Investor prior to the Initial Closing or by such other payment as is mutually agreed to by such Investor and the Corporation.

(b) Promptly after the Effective Date, the Corporation shall offer to sell a portion of the Offered Shares that are not purchased at the Initial Closing to certain of its stockholders other than the Investors (the "Subscription Offer"). From time to time after the Initial Closing and prior to the first anniversary of the Initial Closing (the "Call Period"), subject to the terms and conditions set forth in this Agreement, the Corporation agrees to issue and sell to SCF, and SCF agrees to purchase for cash, the number of Committed Common Shares (in the aggregate) as is determined in accordance with this Section 1.1(b). The number of Committed Common Shares that will be purchased by SCF pursuant to this Agreement will be equal to (a) 197,687, minus (b) the aggregate number of Offered Shares purchased in the Subscription Offer; *provided*, *however*, that the aggregate number of Committed Common Shares shall in no event exceed 175,877.

(c) During the Call Period, the board of directors of the Corporation may require SCF to purchase all or a portion of the Committed Common Shares that SCF has committed to purchase by issuing a Call Notice in substantially the form attached hereto as Annex B (a "Call Notice"). The Corporation's board of directors may issue up to two such Call Notices during the Call Period; *provided* that (i) the aggregate number of Committed Common Shares subject to the first Call Notice must equal or exceed 52,763 shares of Common Stock and (ii) the second Call Notice, if any, must be for the then-remaining Committed Common Shares that SCF has committed to purchase pursuant to this Agreement. In the event that the Corporation does not issue two such Call Notices during the Call Period, the Corporation shall issue and sell to SCF, and SCF shall purchase for cash, the then-remaining number of Committed Common Shares that SCF has committed to purchase pursuant to this Agreement on the first Business Day following the end of the Call Period. Notwithstanding the foregoing, SCF shall have the right by delivery of a written notice to the Company to purchase all of the then-remaining Committed Common Shares at any time prior to the last day of the Call Period. Each closing for the issuance and sale of any such Committed Common Shares (whether as a result of a Call Notice or the issuance and sale provided by the immediately preceding two sentences) is referred to herein as a "Subsequent Closing." On each Subsequent Closing, SCF shall pay by wire transfer to a bank account designated by the Corporation in writing to SCF prior to the Subsequent Closing, or by such other payment as is mutually agreed to by SCF and the Corporation, an amount equal to the number of Committed Common Shares purchased by SCF at such Subsequent Closing, multiplied by the Purchase Price (defined below) in effect as of the date of such Subsequent Closing.

(d) The purchase price for each Committed Common Share to be purchased by SCF pursuant to the terms hereof on any Subsequent Closing shall be equal to the Initial Purchase Price plus five percent (5%) per annum simple interest, calculated from the Initial Closing through and including the date of the applicable Subsequent Closing, computed on the basis of a 360-day year comprised of twelve 30-day months, accruing on a daily basis (the "Subsequent Purchase Price").

Section 1.2 Warrants. In connection with the Initial Closing and any Subsequent Closing, the Corporation shall issue each Investor a warrant to purchase one share of Common Stock for every two shares of Common Stock purchased at such Initial Closing or Subsequent Closing (as the case may be) by such Investor pursuant to this Agreement (rounded up to the nearest whole share), with terms as set forth on Annex C attached hereto (the "Warrant"). The shares of Common Stock that are issuable upon exercise of any Warrant are referred to herein as the "Warrant Shares."

ARTICLE II
CLOSINGS

Section 2.1 Initial Closing. The purchase and sale of the Initial Common Shares shall be subject to, and shall occur immediately following the closing of the Combination Agreement, or at such other time and place as the Corporation and the Investors shall mutually agree (which time and place are designated as the "Initial Closing").

(a) Deliveries by the Investors at Initial Closing. Subject to the terms and conditions hereof, at the Initial Closing, each of the Investors shall cause the following to be delivered to the Corporation:

(i) the aggregate Initial Purchase Price payable by such Investor for the Initial Common Shares set forth opposite such Investor's name on Annex A under the column titled "Aggregate Initial Purchase Price for Initial Common Shares";

(ii) counterparts of the Stockholders Agreement, duly executed by such Investor as a shareholder of the Corporation (but only to the extent such Investor is not a shareholder of Forum as of the Initial Closing and already a party to the Shareholders Agreement); and

(iii) all other agreements, documents, instruments and other writings reasonably required to be delivered to the Corporation by such Investor at or prior to the Initial Closing pursuant to this Agreement.

(b) Deliveries by the Corporation at Initial Closing. Subject to the terms and conditions hereof, at the Initial Closing, the Corporation shall cause the following to be delivered to each of the Investors:

(i) stock certificates duly executed and delivered on behalf of the Corporation representing the number of shares of Common Stock set forth opposite such Investor's name on Annex A under the column titled "Initial Common Shares";

(ii) a Warrant duly executed and delivered on behalf of the Corporation in the name of such Investor representing the right to purchase the number of shares of Common Stock determined in accordance with Section 1.2;

(iii) a certificate as of a recent date (but in any event no more than ten Business Days prior to the Initial Closing) from the Secretary of State of the State of Delaware with respect to the existence and good standing of the Corporation;

(iv) an Officer's Certificate in form and substance reasonably satisfactory to the Investors, stating that this Agreement and the transactions contemplated herein have been duly authorized by the board of directors of the Corporation; and

(v) all other agreements, documents, instruments and writings reasonably required to be delivered to the Investors by the Corporation at or prior to the Initial Closing pursuant to this Agreement.

Section 2.2 Subsequent Closings. Provided that the Initial Closing has occurred, each Subsequent Closing shall take place (a) on the date specified in any Call Notice (which date shall be no less than 20 days and no more than 40 days after the date of delivery of such Call Notice) or (b) if applicable, the first Business Day following the end of the Call Period, in each case at the offices of Vinson & Elkins L.L.P., at 10:00 a.m., Houston, Texas time or at such other time and place as the Corporation and SCF shall mutually agree.

(a) Deliveries by SCF at Subsequent Closing. Subject to the terms and conditions hereof, at a Subsequent Closing, SCF shall cause the following to be delivered to the Corporation:

(i) the aggregate Subsequent Purchase Price for the number of Committed Common Shares to be purchased by SCF at such Subsequent Closing, determined in accordance with Section 1.1(c); and

(ii) all other agreements, documents, instruments and other writings reasonably required to be delivered to the Corporation by SCF at or prior to the Subsequent Closing pursuant to this Agreement.

(b) Deliveries by the Corporation at Subsequent Closing. Subject to the terms and conditions hereof, at a Subsequent Closing, the Corporation shall cause the following to be delivered to SCF:

(i) stock certificates duly executed and delivered on behalf of the Corporation representing the number of Committed Common Shares issuable to SCF at the Subsequent Closing;

(ii) a Warrant duly executed and delivered on behalf of the Corporation in the name of SCF representing the right to purchase the number of shares of Common Stock determined in accordance with Section 1.2;

(iii) a certificate as of a recent date (but in any event no more than ten Business Days prior to the Subsequent Closing) from the Secretary of State of the State of Delaware with respect to the existence and good standing of the Corporation; and

(iv) all other agreements, documents, instruments and writings reasonably required to be delivered to SCF by the Corporation at or prior to the Subsequent Closing pursuant to this Agreement.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

The Corporation represents and warrants the following to each of the Investors as of the date hereof, as of the date of the Initial Closing and, with respect to SCF, as of the date of each Subsequent Closing:

Section 3.1 Organization. The Corporation is duly incorporated, validly existing and in good standing under the laws of the State of Delaware, with full power and authority to conduct its business as it is currently being conducted and to own its assets and to consummate the transactions contemplated by this Agreement; and has obtained any other authorizations, approvals, permits and orders required by law that are material to the Corporation for the conduct of its business as it is currently being conducted and to consummate the transactions contemplated by this Agreement.

Section 3.2 Authorization. The Corporation has the requisite power and authority to execute and deliver this Agreement and to carry out the provisions of this Agreement. This Agreement has been duly and validly executed and delivered and constitutes, assuming due execution and delivery by each of the Investors, a valid and legally binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, subject to creditors' rights. The Corporation has duly authorized the issuance and sale of the shares of Common Stock upon the terms of this Agreement by all requisite corporate action, including the authorization by the Corporation's board of directors of the issuance and sale of the shares of Common Stock in accordance herewith. The Corporation has duly authorized the issuance and sale of the Warrants (and the issuance and sale of the Warrant Shares upon the exercise of the Warrants in accordance with their terms) upon the terms of this Agreement by all requisite corporate action, including the authorization by the Corporation's board of directors of the issuance and sale of Warrants in accordance herewith and the issuance and sale of the Warrant Shares in accordance with the terms of the Warrants.

Section 3.3 Valid Issuance of Common Stock. The shares of Common Stock issuable in accordance with this Agreement and the Warrant Shares issuable upon exercise of the Warrants, when paid for and delivered to the undersigned in accordance with the terms of this Agreement or the Warrant, as applicable, will constitute validly authorized, duly issued, fully paid and non-assessable shares of Common Stock, and the issuance thereof will not conflict with

the organizational documents of the Corporation, as amended to date, nor with any outstanding warrants, option, call, preemptive right or commitment of any type relating to the Corporation's capital stock.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE INVESTORS

Each Investor represents and warrants (as to itself only and severally and not jointly) the following to the Corporation as of the date hereof, as of the date of the Initial Closing and, with respect to SCF, as of the date of any Subsequent Closing:

Section 4.1 Organization. Such Investor, if not a natural person, is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, with full power and authority to conduct its business as it is currently being conducted and to own its assets and to consummate the transactions contemplated by this Agreement; and has obtained any other authorizations, approvals, permits and orders required by law that are material to such Investor for the conduct of its business as it is currently being conducted and to consummate the transactions contemplated by this Agreement.

Section 4.2 Authorization. Such Investor has the requisite power and authority to execute and deliver this Agreement and to carry out the provisions of this Agreement. This Agreement has been duly and validly executed and delivered and constitutes, assuming due execution and delivery by the Corporation, a valid and legally binding obligation of such Investor, enforceable against such Investor in accordance with its terms, subject to creditors' rights.

Section 4.3 Brokers or Finders. No Person has or will have, as a result of the issuance of the shares of Common Stock or Warrants pursuant to this Agreement, any right, interest or valid claim against or upon the Corporation or any of its subsidiaries for any commission, fee or other compensation as a finder or broker because of any act or omission by such Investor or its agents.

Section 4.4 Restrictions on Transfer or Sale of the Stock.

(a) Such Investor is acquiring the shares of Common Stock solely for such Investor's own beneficial account, for investment purposes, and not with a view to, or for resale in connection with, any distribution of the Common Stock. Such Investor understands that the securities being purchased have not been registered under the Securities Act of 1933, as amended (the "Securities Act") and all applicable state securities laws by reason of specific exemptions under the provisions thereof which depend in part upon the investment intent of such Investor and of the other representations made by such Investor in this Agreement. Such Investor understands that the Corporation is relying upon the representations and agreements contained in this Agreement (and any supplemental information) for the purpose of determining whether this transaction meets the requirements for such exemptions.

(b) Such Investor understands that the shares of Common Stock being purchased are "restricted securities" under applicable federal securities laws and that the Securities Act and the rules of the Securities and Exchange Commission (the "Commission")

provide in substance that the undersigned may dispose of the securities being purchased only pursuant to an effective registration statement under the Securities Act or an exemption therefrom, and the undersigned understands that the Corporation has no obligation or intention to register any of the securities being purchased, or to take action so as to permit sales pursuant to the Securities Act (including Rule 144 thereunder) except as may be required by the Corporation to comply with the Registration Rights Agreement attached as an exhibit to the Stockholders Agreement (as defined below). Accordingly, such Investor understands that under the Commission's rules, such Investor may dispose of the securities being purchased principally only in "private placements" which are exempt from registration under the Securities Act, in which event the transferee will acquire "restricted securities" subject to the same limitations as in the hands of such Investor. As a consequence, such Investor understands that he must bear the economic risks of the investment in the securities purchased for an indefinite period of time.

(c) Such Investor agrees: (i) that it will not sell, assign, pledge, give, transfer or otherwise dispose of the securities purchased or any interest therein, or make any offer or attempt to do any of the foregoing, except pursuant to a registration of such securities under the Securities Act and all applicable state securities laws or in a transaction which is exempt from the registration provisions of the Securities Act and all applicable state securities laws; (ii) that the certificate(s) for the securities purchased will bear a legend making reference to the foregoing restrictions; and (iii) that the Corporation and any transfer agent for the securities purchased shall not be required to give effect to any purported transfer of any of such securities except upon compliance with the foregoing restrictions.

(d) The shares of Common Stock issuable pursuant to this Agreement shall be subject to a stop transfer order and the certificate or certificates evidencing any such shares shall bear the following legend:

> THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF UNLESS IT HAS BEEN REGISTERED UNDER THE SECURITIES ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE (AND, IN SUCH CASE, AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY TO THE EFFECT THAT SUCH OFFER, SALE, TRANSFER OR DISPOSITION IS NOT REQUIRED TO BE REGISTERED UNDER THE SECURITIES ACT HAS BEEN PROVIDED TO THE COMPANY). THIS SECURITY IS SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED STOCKHOLDERS AGREEMENT OF THE COMPANY, AND SET FORTH IN THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE COMPANY, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

Section 4.5 Accredited Investor. Such Investor is an "Accredited Investor" (as such term is defined in the Stockholders Agreement).

ARTICLE V
MISCELLANEOUS

Section 5.1 Issuance Subject to Stockholders Agreement. The Investors hereby acknowledge that the shares of Common Stock issuable pursuant to this Agreement and the Warrant Shares are hereby expressly subject to, and such Investor shall be a party to, the terms and conditions of the Amended and Restated Stockholders Agreement dated as of the date of the Initial Closing by and among the Corporation the other stockholders of the Corporation named therein, as the same may be amended from time to time (the "Stockholders Agreement").

Section 5.2 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given or made (a) when delivered if delivered in person or sent by nationally recognized overnight or second day courier service, (b) upon transmission by fax if transmission is confirmed, or (c) three Business Days after deposit with a United States post office if delivered by registered or certified mail (postage prepaid, return receipt requested) to the respective parties as follows:

if to Forum:

Forum Oilfield Technologies, Inc.
8807 W Sam Houston Pkwy N.
Suite 200
Houston, TX 77040
Attention: James Harris
Fax: (713) 351-7997

if to an Investor, at the applicable address indicated on the signature page to this Agreement;

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall only be effective upon receipt.

Section 5.3 Entire Agreement. This Agreement and any other writings referred to herein or delivered pursuant hereto, constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior contracts, agreements and understandings, whether oral or written, among the parties with respect to the subject matter hereof.

Section 5.4 Binding Effect; Assignment; No Third Party Benefit; Termination. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, permitted successors, permitted assigns and legal representatives; and by their signatures hereto, the Corporation and each Investor intend to and do hereby become bound. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any Person other than the parties hereto and their respective heirs, permitted successors, permitted assigns or legal representatives any legal or equitable right, remedy or claim under, in or in

respect of this Agreement or any provision herein contained, except to the extent expressly provided in this Agreement. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by the Corporation to any Person without the prior written consent of each Investor. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by any Investor to any Person without the prior written consent of the Corporation. In the event the Combination Agreement is terminated for any reason, this Agreement shall terminate and there shall be no liability or obligation on the part of any party hereto.

Section 5.5 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement; *provided* that if any such provision may be made enforceable by limitation thereof, then such provision shall be deemed to be so limited and shall be enforceable to the maximum extent permitted by applicable law. Furthermore, in lieu of (and to the extent of) each such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

Section 5.6 Governing Law. This Agreement shall be governed by and construed in accordance with the law of the state of Delaware, without regard to the conflicts of law principles of such state.

Section 5.7 Construction. Unless the context requires otherwise: (a) pronouns in the masculine, feminine and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, (b) the term "*including*" shall be construed to be expansive rather than limiting in nature and to mean "*including, without limitation*," (c) references to Articles and Sections refer to Articles and Sections of this Agreement; (d) the words "*this Agreement*," "*herein*," "*hereof*," "*hereby*," "*hereunder*" and words of similar import refer to this Agreement as a whole, including the Annex attached hereto, and not to any particular subdivision unless expressly so limited, (e) the Annex attached hereto is hereby incorporated and made a part hereof for all purposes as if set forth in full herein, (f) all references to "days" are to calendar days, (g) the term "Business Day" shall mean any day except Saturday, Sunday or any day on which banks are generally not open for business in Houston, Texas, and (h) the term "Person" shall mean an individual or a corporation, partnership, trust, incorporated or unincorporated association, limited liability company, joint venture, joint stock company, government (or an agency or political subdivision thereof) or other entity of any kind. The descriptive headings used herein are inserted for convenience of reference only, do not constitute a part of this Agreement, and shall not affect in any manner the meaning or interpretation of this Agreement.

Section 5.8 Injunctive Relief. The parties hereto acknowledge and agree that irreparable damage would occur in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly

agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement, and shall be entitled to enforce specifically the provisions of this Agreement, in any court of the United States or any state thereof having jurisdiction, in addition to any other remedy to which the parties may be entitled under this Agreement or at law or in equity. Each party to this Agreement hereby waives any requirements for the securing or posting of any bond with respect to such remedy of specific performance or other injunctive relief.

Section 5.9 Consent to Jurisdiction.

(a) The parties hereto hereby irrevocably submit to the exclusive jurisdiction of the courts of Houston, Texas and the Court of Chancery located in Delaware, and appropriate appellate courts therefrom, over any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby, and each party hereby irrevocably agrees that all claims in respect of such dispute or proceeding may be heard and determined in such courts. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. This consent to jurisdiction is being given solely for purposes of this Agreement and is not intended to, and shall not, confer consent to jurisdiction with respect to any other dispute in which a party to this Agreement may become involved.

(b) Each of the parties hereto hereby consents to process being served by any party to this Agreement in any suit, action, or proceeding of the nature specified in subsection (a) above by the mailing of a copy thereof in the manner specified by the provisions of Section 5.2.

(c) Each of the parties hereto hereby irrevocably waives all right to trial by jury in any action, proceeding, or counterclaim arising out of or relating to this Agreement.

Section 5.10 Amendment. The provisions of this Agreement may be amended, modified, supplemented, restated or waived only with the written consent of the Corporation and all the Investors.

Section 5.11 Waiver. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to this Agreement is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to this Agreement. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to this Agreement, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute of limitations period has run.

Section 5.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all such counterparts together shall constitute one instrument. Delivery of a copy of this Agreement

bearing an original signature by facsimile transmission or by electronic mail shall have the same effect as physical delivery of the paper document bearing the original signature.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

THE CORPORATION:

FORUM OILFIELD TECHNOLOGIES, INC.

By: /s/ James W. Harris
Name: James W. Harris
Title: Chief Financial Officer

INVESTORS:

SCF-VII, L.P.

By: /s/ Anthony F. DeLuca
Name: Anthony F. DeLuca
Title: Managing Director of its ultimate general partner, L. E. Simmons & Associates Incorporated

Address: 600 Travis Suite 6600
Houston, TX 77002

SUNRAY CAPITAL, LP

By: Sunray Capital GP, LLC
(its general partner)

By: /s/ John Schmitz
Name: John Schmitz
Title: President

Address: 201 West California Street
Gainesville, TX 76240

C. CHRISTOPHER GAUT

/s/ C. Christopher Gaut

Address: 805 Kuhlman Road
Houston, TX 77024

W. PATRICK CONNELLY

/s/ W. Patrick Connelly

Address: 4228 Marquette Street
Houston, TX 77005

Annex A
SCHEDULE OF INVESTORS

Investor	Initial Common Shares	Aggregate Initial Purchase Price for Initial Common Shares
SCF-VII, L.P.	175,876	$49,999,788.04
Sunray Capital, LP	17,587	$ 4,999,808.23
C. Christopher Gaut	12,311	$ 3,499,894.19
W. Patrick Connelly	1,055	$ 299,925.95
Total	**206,829**	**$58,799,416.41**

Annex B
FORM OF CALL NOTICE
[DATE]

This Call Notice is delivered pursuant to Section 1.1(c) of the Subscription Agreement (the "Agreement"), dated as of July [ ], 2010 by and among Forum Oilfield Technologies, Inc. (the "Corporation") and the Investors party thereto. The Corporation hereby notifies SCF of its intent to call the number of Committed Common Shares for purchase pursuant to the Agreement as set forth below. All undefined capitalized terms used herein, shall have the meaning set forth in the Agreement.

1. Date of board of director approval: _____
2. Aggregate Number of Committed Common Shares Called: _____
3. Subsequent Purchase Price per Share: _____
4. Subsequent Closing Date[1]: _____
5. Special Closing Conditions: _____

_____
_____
_____

FORUM OILFIELD TECHNOLOGIES, INC.

By: _____
Name:
Title:

[1] Subsequent Closing Date shall be no less than 20 days and no more than 40 days after the date of delivery of such Call Notice.

Annex C

FORM OF WARRANT

Annex C

AMENDMENT NO. 1 TO SUBSCRIPTION AGREEMENT

This Amendment No. 1, dated as of June 13, 2011 (this "Amendment"), is made to that certain Subscription Agreement dated as of July 16, 2010 (the "Original Agreement") by and among Forum Energy Technologies, Inc., a Delaware corporation (the "Corporation"), and each of the investors executing the Original Agreement.

RECITALS:

WHEREAS, the Corporation and the Investors desire to amend the Original Agreement.

WHEREAS, pursuant to Section 5.10 of the Original Agreement, the Original Agreement may be amended by the written consent of the Corporation and all of the Investors.

NOW, THEREFORE, the parties hereto, in consideration of the premises and of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. Unless otherwise defined herein, capitalized terms used in this Amendment shall have the respective meaning ascribed to such terms in the Original Agreement.

ARTICLE II
AMENDMENT TO THE ORIGINAL AGREEMENT

Section 2.1 Amendment to Section 1.1(b) of the Original Agreement. The proviso contained in the last sentence of Section 1.1(b) of the Original Agreement that reads "*provided, however*, that the aggregate number of Committed Common Shares shall in no event exceed 175,877" is hereby amended by deleting such proviso and replacing it with the following: "*provided, however*, that the aggregate number of Committed Common Shares shall in no event exceed such number of shares of Common Stock as is equal to $50,000,000 divided by the applicable Subsequent Purchase Price at the time such Committed Common Shares are purchased (such $50,000,000 limit being calculated on a cumulative basis in the event that the Corporation issues multiple Call Notices)."

ARTICLE III
GENERAL PROVISIONS

Section 3.1 Effectiveness and Ratification. All of the provisions of this Amendment shall be effective as of the date hereof. Except as specifically provided for in this Amendment, the terms of the Original Agreement remain in full force and effect. In the event of any conflict or inconsistency between the terms of this Amendment and the Original Agreement, the terms of this Amendment shall prevail and govern.

Section 3.2 Severability. If any provision of this Amendment is held to be illegal, invalid or unenforceable under present or future laws effective during the term of the Original Agreement, such provision shall be fully severable; this Amendment shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Amendment; and the remaining provisions of this Amendment shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Amendment; *provided* that if any such provision may be made enforceable by limitation thereof, then such provision shall be deemed to be so limited and shall be enforceable to the maximum extent permitted by applicable law. Furthermore, in lieu of (and to the extent of) each such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Amendment a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

Section 3.3 Amendment; Entire Agreement. Whenever the Agreement is referred to in the Original Agreement or in any other agreement, documents and instruments, such reference shall be deemed to be to the Original Agreement as amended by this Amendment. The Original Agreement, as amended by this Amendment, and any other writings referred to herein or delivered pursuant hereto, constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior contracts, agreements and understandings, whether oral or written, among the parties with respect to the subject matter hereof.

Section 3.4 Governing Law. This Amendment shall be governed by and construed in accordance with the law of the State of Delaware, without regard to the conflicts of law principles of such state.

Section 3.5 Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all such counterparts together shall constitute one instrument. Delivery of a copy of this Amendment bearing an original signature by facsimile transmission or by electronic mail shall have the same effect as physical delivery of the paper document bearing the original signature.

IN WITNESS WHEREOF, the parties to this Amendment have caused it to be duly executed as of the date first above written.

THE CORPORATION:

FORUM ENERGY TECHNOLOGIES, INC.

By: /s/ C. Christopher Gaut

Name: C. Christopher Gaut

Title: Chief Executive Officer

INVESTORS:

SCF-VII, L.P.

By: /s/ Anthony F. DeLuca

Name: Anthony F. DeLuca

Title: Managing Director

SUNRAY CAPITAL, LP

By: /s/ John Schmitz

Name: John Schmitz

Title: President

C. CHRISTOPHER GAUT

/s/ C. Christopher Gaut

W. PATRICK CONNELLY

/s/ W. Patrick Connelley

FORUM ENERGY TECHNOLOGIES, INC.
a Delaware corporation

SUBSCRIPTION AGREEMENT

August 20, 2010

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SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT (this "Agreement") is made and entered into as of August 20, 2010 (the "Effective Date"), by and between FORUM ENERGY TECHNOLOGIES, INC., a Delaware corporation (the "Corporation"), and the investor listed on Annex A attached hereto (the "Investor").

BACKGROUND:

WHEREAS, the Corporation has entered into that certain Combination Agreement, dated as of July 16, 2010, by and among the Corporation and the other parties thereto (the "Combination Agreement");

WHEREAS, in connection with the transactions contemplated by the Combination Agreement, the Corporation desires to issue and sell to the Investor and certain other purchasers an aggregate of up to 404,516 shares of common stock, par value $0.01 per share, of the Corporation (the "Common Stock");

WHEREAS, the Investor shall purchase at the Closing (as defined below) the number of shares of Common Stock as is set forth opposite the Investor's name on Annex A under the column titled "Common Shares" (the "Shares"); and

WHEREAS, upon the terms and subject to the conditions of this Agreement, the Corporation desires to (a) issue and sell at the Closing the Shares, and (b) issue Warrants (as defined below) to the Investor in connection with the issuance and sale of the Shares.

NOW, THEREFORE, for and in consideration of the foregoing and the respective representations, warranties, covenants, agreements and conditions set forth herein, the parties agree as follows:

ARTICLE I
ISSUANCE OF COMMON SHARES

Section 1.1 Purchase and Issuance of Shares; Purchase Price.

(a) At the Closing and on the terms and subject to the conditions set forth in this Agreement, the Corporation shall issue and sell to the Investor, and the Investor shall purchase for cash, at a price per share equal to $284.29 (the "Purchase Price"), the number of shares of Common Stock as is set forth opposite the Investor's name on Annex A under the column titled "Common Shares." The Investor shall make payment for such shares of Common Stock in the amount set forth opposite the Investor's name on Annex A under the column titled "Aggregate Purchase Price" by check made payable to the Corporation or by wire transfer to a bank account designated by the Corporation in writing to the Investor prior to the Closing or by such other payment as is mutually agreed to by the Investor and the Corporation.

Section 1.2 Warrants. In connection with the Closing, the Corporation shall issue the Investor a warrant to purchase one share of Common Stock for every two shares of Common

Stock purchased at the Closing by the Investor pursuant to this Agreement (rounded up to the nearest whole share), with terms as set forth on Annex B attached hereto (the "Warrant"). The shares of Common Stock that are issuable upon exercise of any Warrant are referred to herein as the "Warrant Shares."

ARTICLE II
CLOSING

Section 2.1 Closing. Within five (5) Business Days after the Effective Date, the Corporation shall deliver to the Investor (a) a completed version of Annex A, which shall set forth the number of shares of Common Stock that will be purchased from the Corporation by the Investor (calculated in accordance with the Investor's completed signature page to this Agreement), and (b) written notice (the "Confirmation Notice") setting forth (i) the date that the purchase and sale of the Shares shall occur, which shall be at least five (5) Business Days after the date of such Confirmation Notice, and (ii) instructions with respect to the Investor's payment to the Corporation of the aggregate Purchase Price for the Shares. The purchase and sale of the Shares shall occur on the date set forth in such Confirmation Notice, or at such other time and place as the Corporation and the Investor shall mutually agree (which time and place are designated as the "Closing").

(a) Deliveries by the Investor at Closing. Subject to the terms and conditions hereof, at the Closing, the Investor shall cause the following to be delivered to the Corporation:

(i) the aggregate Purchase Price payable by the Investor for the Shares set forth opposite the Investor's name on Annex A under the column titled "Aggregate Purchase Price", payable in accordance with instructions set forth in the Confirmation Notice;

(ii) counterparts of the Stockholders Agreement, duly executed by the Investor as a shareholder of the Corporation (but only to the extent the Investor is not a shareholder of the Corporation as of the Closing and already a party to the Shareholders Agreement); and

(iii) all other agreements, documents, instruments and other writings reasonably required to be delivered to the Corporation by the Investor at or prior to the Closing pursuant to this Agreement.

(b) Deliveries by the Corporation at Closing. Subject to the terms and conditions hereof, promptly after the Closing, the Corporation shall cause the following to be delivered to the Investor:

(i) A stock certificate duly executed and delivered on behalf of the Corporation representing the number of shares of Common Stock set forth opposite the Investor's name on Annex A under the column titled "Common Shares"; and

(ii) a Warrant duly executed and delivered on behalf of the Corporation in the name of the Investor representing the right to purchase the number of shares of Common Stock determined in accordance with Section 1.2;

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

The Corporation represents and warrants the following to the Investor as of the date of the Closing:

Section 3.1 Organization. The Corporation is duly incorporated, validly existing and in good standing under the laws of the State of Delaware, with full power and authority to conduct its business as it is currently being conducted and to own its assets and to consummate the transactions contemplated by this Agreement; and has obtained any other authorizations, approvals, permits and orders required by law that are material to the Corporation for the conduct of its business as it is currently being conducted and to consummate the transactions contemplated by this Agreement.

Section 3.2 Authorization. The Corporation has the requisite power and authority to execute and deliver this Agreement and to carry out the provisions of this Agreement. This Agreement has been duly and validly executed and delivered and constitutes, assuming due execution and delivery by the Investor, a valid and legally binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, subject to creditors' rights. The Corporation has duly authorized the issuance and sale of the shares of Common Stock upon the terms of this Agreement by all requisite corporate action, including the authorization by the Corporation's board of directors of the issuance and sale of the shares of Common Stock in accordance herewith. The Corporation has duly authorized the issuance and sale of the Warrants (and the issuance and sale of the Warrant Shares upon the exercise of the Warrants in accordance with their terms) upon the terms of this Agreement by all requisite corporate action, including the authorization by the Corporation's board of directors of the issuance and sale of Warrants in accordance herewith and the issuance and sale of the Warrant Shares in accordance with the terms of the Warrants.

Section 3.3 Valid Issuance of Common Stock. The shares of Common Stock issuable in accordance with this Agreement and the Warrant Shares issuable upon exercise of the Warrants, when paid for and delivered to the undersigned in accordance with the terms of this Agreement or the Warrant, as applicable, will constitute validly authorized, duly issued, fully paid and non-assessable shares of Common Stock, and the issuance thereof will not conflict with the organizational documents of the Corporation, as amended to date, nor with any outstanding warrants, option, call, preemptive right or commitment of any type relating to the Corporation's capital stock.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

The Investor represents and warrants the following to the Corporation as of the date of the Closing:

Section 4.1 Organization. The Investor, if not a natural person, is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, with full power and authority to conduct its business as it is currently being conducted and to own its assets and to consummate the transactions contemplated by this Agreement; and has obtained

any other authorizations, approvals, permits and orders required by law that are material to the Investor for the conduct of its business as it is currently being conducted and to consummate the transactions contemplated by this Agreement.

Section 4.2 Authorization. The Investor has the requisite power and authority to execute and deliver this Agreement and to carry out the provisions of this Agreement. This Agreement has been duly and validly executed and delivered and constitutes, assuming due execution and delivery by the Corporation, a valid and legally binding obligation of the Investor, enforceable against the Investor in accordance with its terms, subject to creditors' rights.

Section 4.3 Brokers or Finders. No Person has or will have, as a result of the issuance of the shares of Common Stock or Warrants pursuant to this Agreement, any right, interest or valid claim against or upon the Corporation or any of its subsidiaries for any commission, fee or other compensation as a finder or broker because of any act or omission by the Investor or its agents.

Section 4.4 Restrictions on Transfer or Sale of the Stock.

(a) The Investor is acquiring the shares of Common Stock solely for the Investor's own beneficial account, for investment purposes, and not with a view to, or for resale in connection with, any distribution of the Common Stock. The Investor understands that the securities being purchased have not been registered under the Securities Act of 1933, as amended (the "Securities Act") and all applicable state securities laws by reason of specific exemptions under the provisions thereof which depend in part upon the investment intent of the Investor and of the other representations made by the Investor in this Agreement. The Investor understands that the Corporation is relying upon the representations and agreements contained in this Agreement (and any supplemental information) for the purpose of determining whether this transaction meets the requirements for such exemptions.

(b) The Investor understands that the shares of Common Stock being purchased are "restricted securities" under applicable federal securities laws and that the Securities Act and the rules of the Securities and Exchange Commission (the "Commission") provide in substance that the undersigned may dispose of the securities being purchased only pursuant to an effective registration statement under the Securities Act or an exemption therefrom, and the undersigned understands that the Corporation has no obligation or intention to register any of the securities being purchased, or to take action so as to permit sales pursuant to the Securities Act (including Rule 144 thereunder) except as may be required by the Corporation to comply with the Registration Rights Agreement attached as an exhibit to the Stockholders Agreement (as defined below). Accordingly, the Investor understands that under the Commission's rules, the Investor may dispose of the securities being purchased principally only in "private placements" which are exempt from registration under the Securities Act, in which event the transferee will acquire "restricted securities" subject to the same limitations as in the hands of the Investor. As a consequence, the Investor understands that he must bear the economic risks of the investment in the securities purchased for an indefinite period of time.

(c) The Investor agrees: (i) that it will not sell, assign, pledge, give, transfer or otherwise dispose of the securities purchased or any interest therein, or make any offer or attempt

to do any of the foregoing, except pursuant to a registration of such securities under the Securities Act and all applicable state securities laws or in a transaction which is exempt from the registration provisions of the Securities Act and all applicable state securities laws; (ii) that the certificate(s) for the securities purchased will bear a legend making reference to the foregoing restrictions; and (iii) that the Corporation and any transfer agent for the securities purchased shall not be required to give effect to any purported transfer of any of such securities except upon compliance with the foregoing restrictions.

(d) The shares of Common Stock issuable pursuant to this Agreement shall be subject to a stop transfer order and the certificate or certificates evidencing any such shares shall bear the following legend:

> THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF UNLESS IT HAS BEEN REGISTERED UNDER THE SECURITIES ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE (AND, IN SUCH CASE, AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY TO THE EFFECT THAT SUCH OFFER, SALE, TRANSFER OR DISPOSITION IS NOT REQUIRED TO BE REGISTERED UNDER THE SECURITIES ACT HAS BEEN PROVIDED TO THE COMPANY). THIS SECURITY IS SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED STOCKHOLDERS AGREEMENT OF THE COMPANY, AND SET FORTH IN THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE COMPANY, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

Section 4.5 Investor Status.

(a) The Investor is an "Accredited Investor" (as such term is defined in the Stockholders Agreement).

(b) The Investor has been furnished with, has carefully read and acknowledges receipt of the Confidential Information Memorandum distributed by the Corporation relating to the transactions contemplated by the Combination Agreement. The Investor has carefully considered and has, to the extent the Investor believes such discussion necessary, discussed with the Investor's professional legal, tax, accounting and/or financial advisors, as the case may be, the suitability of an investment in the Corporation for the Investor's particular tax and financial situation and has determined that the Common Stock to be purchased by the Investor pursuant to this Agreement is a suitable investment for the Investor.

(c) The Investor, either alone or with the Investor's attorney, as applicable, has such knowledge and experience in financial, tax and business matters so as to enable the Investor to use the information made available to the Investor to evaluate the merits and risks of an investment in the Shares and to make an informed investment decision with respect thereto.

(d) The Investor is not purchasing the Shares as a result of or after any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or meeting.

(e) If the Investor is a natural person, the Investor is able to bear the substantial economic risks of an investment in the Shares for an indefinite period of time, has no need for liquidity in such investment and, at the present time, could afford a complete loss of such investment.

(f) The Investor recognizes that investment in the Shares involves substantial risks, including loss of the entire amount of such investment. Further, the Investor has taken full cognizance of and understands all of the risks related to the purchase of the Shares.

ARTICLE V
MISCELLANEOUS

Section 5.1 Issuance Subject to Stockholders Agreement. The Investor hereby acknowledges that the Shares and the Warrant Shares are hereby expressly subject to, and the Investor shall be a party to, the terms and conditions of the Amended and Restated Stockholders Agreement dated as of the date of the Closing by and among the Corporation the other stockholders of the Corporation named therein, as the same may be amended from time to time (the "Stockholders Agreement").

Section 5.2 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given or made (a) when delivered if delivered in person or sent by nationally recognized overnight or second day courier service, (b) upon transmission by fax if transmission is confirmed, or (c) three Business Days after deposit with a United States post office if delivered by registered or certified mail (postage prepaid, return receipt requested) to the respective parties as follows:

if to Forum:

Forum Energy Technologies, Inc.
8807 W Sam Houston Pkwy N., Suite 200
Houston, TX 77040
Attention: James Harris
Fax: (713) 351-7997

if to the Investor, at the applicable address indicated on the signature page to this Agreement;

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall only be effective upon receipt.

Section 5.3 Entire Agreement. This Agreement and any other writings referred to herein or delivered pursuant hereto, constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior contracts, agreements and understandings, whether oral or written, among the parties with respect to the subject matter hereof.

Section 5.4 Binding Effect; Assignment; No Third Party Benefit; Termination. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, permitted successors, permitted assigns and legal representatives; and by their signatures hereto, the Corporation and the Investor intend to and do hereby become bound. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any Person other than the parties hereto and their respective heirs, permitted successors, permitted assigns or legal representatives any legal or equitable right, remedy or claim under, in or in respect of this Agreement or any provision herein contained, except to the extent expressly provided in this Agreement. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by the Corporation to any Person without the prior written consent of the Investor. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by the Investor to any Person without the prior written consent of the Corporation. In the event the Combination Agreement is terminated for any reason, this Agreement shall terminate and there shall be no liability or obligation on the part of any party hereto.

Section 5.5 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement; *provided* that if any such provision may be made enforceable by limitation thereof, then such provision shall be deemed to be so limited and shall be enforceable to the maximum extent permitted by applicable law. Furthermore, in lieu of (and to the extent of) each such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

Section 5.6 Governing Law. This Agreement shall be governed by and construed in accordance with the law of the state of Delaware, without regard to the conflicts of law principles of such state.

Section 5.7 Construction. Unless the context requires otherwise: (a) pronouns in the masculine, feminine and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, (b) the term "*including*" shall be construed to be expansive rather than limiting in nature and to mean "*including, without limitation*," (c) references to Articles and Sections refer to Articles and Sections of this Agreement; (d) the words "*this Agreement*," "*herein*," "*hereof*," "*hereby*,"

"*hereunder*" and words of similar import refer to this Agreement as a whole, including the Annex attached hereto, and not to any particular subdivision unless expressly so limited, (e) the Annex attached hereto is hereby incorporated and made a part hereof for all purposes as if set forth in full herein, (f) all references to "days" are to calendar days, (g) the term "Business Day" shall mean any day except Saturday, Sunday or any day on which banks are generally not open for business in Houston, Texas, and (h) the term "Person" shall mean an individual or a corporation, partnership, trust, incorporated or unincorporated association, limited liability company, joint venture, joint stock company, government (or an agency or political subdivision thereof) or other entity of any kind. The descriptive headings used herein are inserted for convenience of reference only, do not constitute a part of this Agreement, and shall not affect in any manner the meaning or interpretation of this Agreement.

Section 5.8 Injunctive Relief. The parties hereto acknowledge and agree that irreparable damage would occur in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement, and shall be entitled to enforce specifically the provisions of this Agreement, in any court of the United States or any state thereof having jurisdiction, in addition to any other remedy to which the parties may be entitled under this Agreement or at law or in equity. Each party to this Agreement hereby waives any requirements for the securing or posting of any bond with respect to such remedy of specific performance or other injunctive relief.

Section 5.9 Consent to Jurisdiction.

(a) The parties hereto hereby irrevocably submit to the exclusive jurisdiction of the courts of Houston, Texas and the Court of Chancery located in Delaware, and appropriate appellate courts therefrom, over any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby, and each party hereby irrevocably agrees that all claims in respect of such dispute or proceeding may be heard and determined in such courts. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. This consent to jurisdiction is being given solely for purposes of this Agreement and is not intended to, and shall not, confer consent to jurisdiction with respect to any other dispute in which a party to this Agreement may become involved.

(b) Each of the parties hereto hereby consents to process being served by any party to this Agreement in any suit, action, or proceeding of the nature specified in subsection (a) above by the mailing of a copy thereof in the manner specified by the provisions of Section 5.2.

(c) Each of the parties hereto hereby irrevocably waives all right to trial by jury in any action, proceeding, or counterclaim arising out of or relating to this Agreement.

Section 5.10 Amendment; Termination. The provisions of this Agreement may be

amended, modified, supplemented, restated or waived only with the written consent of the Corporation and the Investor. In the event that the Investor does not deliver the Purchase Price and the other documents and instruments required to be delivered at Closing in accordance with Section 2.1(a), the Corporation shall have the right to terminate this Agreement by delivery of written notice to the Investor.

Section 5.11 Waiver. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to this Agreement is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to this Agreement. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to this Agreement, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute of limitations period has run.

Section 5.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all such counterparts together shall constitute one instrument. Delivery of a copy of this Agreement bearing an original signature by facsimile transmission or by electronic mail shall have the same effect as physical delivery of the paper document bearing the original signature.

[*Signature pages follow.*]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

THE CORPORATION:

FORUM ENERGY TECHNOLOGIES, INC.

By: /s/ James W. Harris
Name: James W. Harris
Title: Chief Financial Officer

COUNTERPART SIGNATURE PAGE

TO SUBSCRIPTION AGREEMENT

By execution and delivery of this Counterpart Signature Page, the undersigned hereby agrees to become a party to and bound by the Subscription Agreement, dated as of the Effective Date (as defined in the Subscription Agreement), as may be amended from time to time (the "Subscription Agreement"), by and among Forum Energy Technologies, Inc., a Delaware corporation (the "Corporation"), as an "Investor" thereunder. Capitalized terms used in this Counterpart Signature Page, but not otherwise defined herein, shall have the meaning given to such terms in the Subscription Agreement.

Commitment Amount (Choose One):

☒ The below-named Investor hereby commits to purchase at the Closing a number of shares equal to the product of (a) 0.28, multiplied by (b) the number of shares of Common Stock held by the Investor, as reflected on the books and records of the Corporation, immediately after consummation of the transactions contemplated by the Combination Agreement.

☐ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $, calculated using the Purchase Price.[1]

Michael McShane
(PRINTED NAME)

By: /s/ Michael McShane
Name:
Title:

Address: 14 Twin Greens Ct.
Kingwood, TX 77339

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

COUNTERPART SIGNATURE PAGE

TO SUBSCRIPTION AGREEMENT

By execution and delivery of this Counterpart Signature Page, the undersigned hereby agrees to become a party to and bound by the Subscription Agreement, dated as of the Effective Date (as defined in the Subscription Agreement), as may be amended from time to time (the "Subscription Agreement"), by and among Forum Energy Technologies, Inc., a Delaware corporation (the "Corporation"), as an "Investor" thereunder. Capitalized terms used in this Counterpart Signature Page, but not otherwise defined herein, shall have the meaning given to such terms in the Subscription Agreement.

Commitment Amount (Choose One):

☒ The below-named Investor hereby commits to purchase at the Closing a number of shares equal to the product of (a) 0.28, multiplied by (b) the number of shares of Common Stock held by the Investor, as reflected on the books and records of the Corporation, immediately after consummation of the transactions contemplated by the Combination Agreement.

☐ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $, calculated using the Purchase Price.[1]

John Rhodes
(PRINTED NAME)

By: /s/ John Rhodes
Name:
Title:

Address: 985 Laurel Rd.
North Palm Beach
Florida 33408

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

COUNTERPART SIGNATURE PAGE

TO SUBSCRIPTION AGREEMENT

By execution and delivery of this Counterpart Signature Page, the undersigned hereby agrees to become a party to and bound by the Subscription Agreement, dated as of the Effective Date (as defined in the Subscription Agreement), as may be amended from time to time (the "Subscription Agreement"), by and among Forum Energy Technologies, Inc., a Delaware corporation (the "Corporation"), as an "Investor" thereunder. Capitalized terms used in this Counterpart Signature Page, but not otherwise defined herein, shall have the meaning given to such terms in the Subscription Agreement.

Commitment Amount (Choose One):

☒ The below-named Investor hereby commits to purchase at the Closing a number of shares equal to the product of (a) 0.28, multiplied by (b) the number of shares of Common Stock held by the Investor, as reflected on the books and records of the Corporation, immediately after consummation of the transactions contemplated by the Combination Agreement.

☐ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $, calculated using the Purchase Price.[1]

Joseph Carl Addison
(PRINTED NAME)

By: /s/ Joseph Carl Addison
Name:
Title:

Address: 14 Station Road
6P Manthorpe, York
North Yorkshire, England
Y023 S5X

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

COUNTERPART SIGNATURE PAGE

TO SUBSCRIPTION AGREEMENT

By execution and delivery of this Counterpart Signature Page, the undersigned hereby agrees to become a party to and bound by the Subscription Agreement, dated as of the Effective Date (as defined in the Subscription Agreement), as may be amended from time to time (the "Subscription Agreement"), by and among Forum Energy Technologies, Inc., a Delaware corporation (the "Corporation"), as an "Investor" thereunder. Capitalized terms used in this Counterpart Signature Page, but not otherwise defined herein, shall have the meaning given to such terms in the Subscription Agreement.

Commitment Amount (Choose One):

☒ The below-named Investor hereby commits to purchase at the Closing a number of shares equal to the product of (a) 0.28, multiplied by (b) the number of shares of Common Stock held by the Investor, as reflected on the books and records of the Corporation, immediately after consummation of the transactions contemplated by the Combination Agreement.

☐ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $, calculated using the Purchase Price.[1]

Michael Horsfall-Jones
(PRINTED NAME)

By: /s/ Michael Horsfall-Jones
Name:
Title:

Address: 4A Primrose Cane, Highburton
West Yorkshire, England
HD8 0QY

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

COUNTERPART SIGNATURE PAGE

TO SUBSCRIPTION AGREEMENT

By execution and delivery of this Counterpart Signature Page, the undersigned hereby agrees to become a party to and bound by the Subscription Agreement, dated as of the Effective Date (as defined in the Subscription Agreement), as may be amended from time to time (the "Subscription Agreement"), by and among Forum Energy Technologies, Inc., a Delaware corporation (the "Corporation"), as an "Investor" thereunder. Capitalized terms used in this Counterpart Signature Page, but not otherwise defined herein, shall have the meaning given to such terms in the Subscription Agreement.

Commitment Amount (Choose One):

☒ The below-named Investor hereby commits to purchase at the Closing a number of shares equal to the product of (a) 0.28, multiplied by (b) the number of shares of Common Stock held by the Investor, as reflected on the books and records of the Corporation, immediately after consummation of the transactions contemplated by the Combination Agreement.

☐ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $, calculated using the Purchase Price.[1]

Michael J. Kaluza
(PRINTED NAME)

By: /s/ Michael J. Kaluza
Name:
Title:

Address: 3506 Hidden Creek Dr.
Sugarland, TX 77479

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

COUNTERPART SIGNATURE PAGE

TO SUBSCRIPTION AGREEMENT

By execution and delivery of this Counterpart Signature Page, the undersigned hereby agrees to become a party to and bound by the Subscription Agreement, dated as of the Effective Date (as defined in the Subscription Agreement), as may be amended from time to time (the "Subscription Agreement"), by and among Forum Energy Technologies, Inc., a Delaware corporation (the "Corporation"), as an "Investor" thereunder. Capitalized terms used in this Counterpart Signature Page, but not otherwise defined herein, shall have the meaning given to such terms in the Subscription Agreement.

Commitment Amount (Choose One):

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☐ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $, calculated using the Purchase Price.[1]

Rory L. Satterfield
(PRINTED NAME)

By: /s/ Rory L. Satterfield
Name:
Title:

Address: 15807 Stenbury Ct.
Cypress, TX 77429

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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☐ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $, calculated using the Purchase Price.[1]

Alexander Esselmont
(PRINTED NAME)

By: /s/ Alexander Esselmont
Name:
Title:

Address: 11630 Blalock Forest
Houston
TX 77024

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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Vernon Kasch
(PRINTED NAME)

By: /s/ Vernon Kasch
Name:
Title:

Address: 11807 Amblewood Dr.
Stafford, TX 77477

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Tom Simms
(PRINTED NAME)

By: /s/ Tom Simms
Name:
Title:

Address: 47 Lucky Leaf Ct.
The Woodlands, TX 77381

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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☐ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $, calculated using the Purchase Price.[1]

Dennis Lee
(PRINTED NAME)

By: /s/ Dennis Lee
Name:
Title:

Address: 22526 Stormcroft Lane
Katy, TX 77540
USA

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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☐ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $, calculated using the Purchase Price.[1]

Franklin Myers
(PRINTED NAME)

By: /s/ Franklin Myers
Name:
Title:

Address: Suite 1170
1233 West Loop South
Houston, TX 77024

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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☐ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $, calculated using the Purchase Price.[1]

William H. Gowan
(PRINTED NAME)

By: /s/ William H. Gowan
Name:
Title:

Address: 3242 Laureumont
Katy, TX
77494

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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☐ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $, calculated using the Purchase Price.[1]

Matthew Allan Primrose
(PRINTED NAME)

By: /s/ Matthew Allan Primrose
Name:
Title:

Address: 24015 Earthstone Drive
Katy
Texas 77494

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☐ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $, calculated using the Purchase Price.[1]

Adam T. Szczepanski
(PRINTED NAME)

By: /s/ Adam T. Szczepanski
Name:
Title:

Address: 11614 Blalock Forest
Houston, TX 77024

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☒ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $6,254.38, calculated using the Purchase Price.[1]

Bryan Jude Broussard
(PRINTED NAME)

By: /s/ Bryan Jude Broussard
Name:
Title:

Address: 108 Brookhaven
Youngsville, LA.
70592

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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☒ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $349,676.70, calculated using the Purchase Price.[1]

Greg Hottle
(PRINTED NAME)

By: /s/ Greg Hottle
Name:
Title:

Address: 11914 Legend Manor Dr.
Houston, TX 77082

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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☐ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $, calculated using the Purchase Price.[1]

James W. Harris
(PRINTED NAME)

By: /s/ James W. Harris
Name:
Title:

Address: 11831 Chanelwood W.
Houston, TX 77024

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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ü The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $426,435.00, calculated using the Purchase Price.[1]

Jeffrey Ewen
(PRINTED NAME)

By: /s/ Jeffrey Ewen
Name:
Title:

Address: 26 Soon Lee Road
Singapore 628086

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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ü The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $85,287, calculated using the Purchase Price.[1]

Jennifer LeCompte
(PRINTED NAME)

By: /s/ Jennifer LeCompte
Name:
Title:

Address: 106 Beacon Dr.
Youngsville, CA 70592

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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☒ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $23,880.36, calculated using the Purchase Price.[1]

James "Jim" Vogt
(PRINTED NAME)

By: /s/ James Vogt
Name:
Title:

Address: Oilfields Supply Center
Jobel ALI FREEZONE
DUBAI, UAE

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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☒ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $42,643.50, calculated using the Purchase Price.[1]

Joe Berry
(PRINTED NAME)

By: /s/ Joe Berry
Name:
Title:

Address: 14034 CONWAY LANDING
Cypress, TX 77429

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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☐ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $, calculated using the Purchase Price.[1]

Jonathan B. Fairbanks
(PRINTED NAME)

By: /s/ Jonathan B. Fairbanks
Name:
Title:

Address: 3391 Sleepy Hollow Ct.
Houston, TX 77019

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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☒ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $17,625.98, calculated using the Purchase Price.[1]

Larry Lasseigne
(PRINTED NAME)

By: /s/ Larry Lasseigne
Name:
Title:

Address: P.O. Box 217
100 La Hasky
Youngsville, LA 70592

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☑ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $28,429, calculated using the Purchase Price.[1]

Michael Danford
(PRINTED NAME)

By: /s/ Michael Danford
Name:
Title:

Address: 8807 W Sam Houston PKWY N #200
Houston, TX 77040

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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☒ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $42,643.50, calculated using the Purchase Price.[1]

Randal Douglas Pitre
(PRINTED NAME)

By: /s/ Randal Douglas Pitre
Name:
Title:

Address: 218 Hulin Rd.
Broussard, LA 70518

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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☑ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $80,450.81 (283 shares), calculated using the Purchase Price.[1]

Fred Bruce Lokay
(PRINTED NAME)

By: /s/ Fred Bruce Lokay
Name:
Title:

Address: 27 Siglap Hill
Singapore 456082

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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☐ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $, calculated using the Purchase Price.[1]

Euan Leask
(PRINTED NAME)

By: /s/ Euan Leask
Name:
Title:

Address: 5 Caroon Terace
Abrogon
United Kingdom, AB 10 1vs

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

COUNTERPART SIGNATURE PAGE

TO SUBSCRIPTION AGREEMENT

By execution and delivery of this Counterpart Signature Page, the undersigned hereby agrees to become a party to and bound by the Subscription Agreement, dated as of the Effective Date (as defined in the Subscription Agreement), as may be amended from time to time (the "Subscription Agreement"), by and among Forum Energy Technologies, Inc., a Delaware corporation (the "Corporation"), as an "Investor" thereunder. Capitalized terms used in this Counterpart Signature Page, but not otherwise defined herein, shall have the meaning given to such terms in the Subscription Agreement.

Commitment Amount (Choose One):

☒ The below-named Investor hereby commits to purchase at the Closing a number of shares equal to the product of (a) 0.28, multiplied by (b) the number of shares of Common Stock held by the Investor, as reflected on the books and records of the Corporation, immediately after consummation of the transactions contemplated by the Combination Agreement.

☐ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $, calculated using the Purchase Price.[1]

Alan G Young
(PRINTED NAME)

By: /s/ Alan G Young
Name:
Title:

Address: 2619 Hodges Bend Circle
Sugarland, TX 77479

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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☐ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $, calculated using the Purchase Price.[1]

Lewis S. Dennis Jr.
(PRINTED NAME)

By: /s/ Lewis S. Dennis Jr.
Name:
Title:

Address: 54 DOGWOOD RIDGE
TEQUESTA, FL
33469

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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☒ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $500,000, calculated using the Purchase Price.[1]

Big Indian Holdings, LP
(PRINTED NAME)

By: /s/ Vann Farr
Name:
Title:

Address: 12477 Big Indian Rd
Callisburg, TX 76240

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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☑ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $300,000, calculated using the Purchase Price.[1]

Wendell R Brooks
(PRINTED NAME)

By: /s/ Wendell R Brooks
Name:
Title:

Address: 23203 Meadow Cross Lane
Katy, TX 77494

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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☐ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $, calculated using the Purchase Price.[1]

Ryan Liles
(PRINTED NAME)

By: /s/ Ryan Liles
Name:
Title:

Address: 5202 Ridgewood Reef
Houston, TX 77079

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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Commitment Amount (Choose One):

☑ The below-named Investor hereby commits to purchase at the Closing a number of shares equal to the product of (a) 0.28, multiplied by (b) the number of shares of Common Stock held by the Investor, as reflected on the books and records of the Corporation, immediately after consummation of the transactions contemplated by the Combination Agreement.

☐ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $, calculated using the Purchase Price.[1]

ESTD Investments, A Texas Partnership
(PRINTED NAME)

By: /s/ Tom H. Deupree
Name:
Title:

Address: 1404 Mosswood Lane
Irving, Texas 75061

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

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Commitment Amount (Choose One):

☐ The below-named Investor hereby commits to purchase at the Closing a number of shares equal to the product of (a) 0.28, multiplied by (b) the number of shares of Common Stock held by the Investor, as reflected on the books and records of the Corporation, immediately after consummation of the transactions contemplated by the Combination Agreement.

☒ The below-named Investor commits to purchase at the Closing a number of shares of Common Stock resulting in an aggregate purchase price of $500,000, calculated using the Purchase Price.[1]

Doug Gossett
(PRINTED NAME)

By: /s/ Doug Gossett
Name:
Title:

Address: 2752 FM 1200

Gainsville, TX 76240

[1] If the aggregate purchase price inserted by the Investor above exceeds the aggregate purchase price that would result from the calculation in the first option box above, the Investor shall have been deemed to have selected the first option box above.

Annex A

Number of Shares and Aggregate Purchase Price

Investor	Common Shares	Aggregate Purchase Price
John Rhodes	118	$ 33,546.22
Lou Dennis	118	$ 33,546.22
Joseph Addison	8	$ 2,274.32
Michael Horsfall-Jones	7	$ 1,990.03
Michael McShane	47	$ 13,361.63
Michael J. Kaluza	410	$116,558.90
Rory L. Satterfield	122	$ 34,683.38
Alexander Esslemont	47	$ 13,361.63
Vernon Kasch	69	$ 19,616.01
Tom Simms	386	$109,735.94
Dennis Lee	439	$124,803.31
Franklin Myers	171	$ 48,613.59
William H. Gowan	17	$ 4,832.93
Matthew A. Primrose	635	$180,524.15
Adam T. Szczepanski	98	$ 27,860.42
Bryan Broussard	22	$ 6,254.38
Ellis Gregory Hottle	1230	$349,676.70
James W. Harris	1158	$329,207.82
Jeffery Ewen	1500	$426,435.00
Jennifer LeCompte	300	$ 85,287.00
James Vogt	84	$ 23,880.36
Joe Berry	150	$ 42,643.50
Jonathan Fairbanks	1708	$485,567.32
Larry Lasseigne	62	$ 17,625.98
Michael Danford	100	$ 28,429.00
Randal Pitre	47	$ 13,361.63
Fred B. Lokay	283	$ 80,454.07
Euan Leask	355	$100,922.95
Alan G. Young	410	$116,558.90

Big Indian Holdings, LP	217	$ 61,690.93
Wendell R. Brooks	821	$ 233,402.09
Ryan Liles	194	$ 55,152.26
ESTD Investments	157	$ 44,633.53
Doug Gossett	217	$ 61,690.93
TOTAL	**11,707**	**$3,328,183.03**

Annex A

Annex B

Form of Warrant

Annex B

FORUM ENERGY TECHNOLOGIES, INC.

FORM OF WARRANT AGREEMENT FOR THE PURCHASE OF SHARES OF COMMON STOCK

BY THIS WARRANT AGREEMENT (this "Warrant Agreement"), FORUM ENERGY TECHNOLOGIES, INC., a Delaware corporation (the "Company"), certifies that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Persons listed on the signature page hereto (along with their registered permitted assigns, each a "Holder"), are entitled to subscribe for and purchase from the Company, subject to the terms and conditions set forth herein, the respective number (subject to adjustment as set forth herein) of fully paid and non-assessable shares (the "Shares") of the Company's Common Stock (as defined herein) as set forth on Schedule 1 hereto, at a price per share equal to $284.29 per Share (the "Exercise Price"), subject to adjustment and escalation as set forth herein.

1. Definitions. Unless the context otherwise requires, when used herein the following terms shall have the meanings indicated.

"Accredited Investor" has the meaning ascribed to such term in the Stockholders Agreement.

"Board" means the Board of Directors of the Company.

"Common Stock" means the Company's common stock, par value $.01 per share.

"Conversion Call Notice" has the meaning set forth in Section 2(c)(i).

"Conversion Right" has the meaning set forth in Section 2(c)(i).

"Conversion Shares" has the meaning set forth in Section 2(c)(i).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exercise Notice" has the meaning set forth in Section 2(b).

"Exercise Price" means the initial Exercise Price specified in the first paragraph of this Warrant Agreement, as adjusted from time to time as provided in Section 7 and escalated as provided in Section 8.

"Expiration Time" means the close of business on the earlier of (a) July 16, 2015 and (b) the date that is the 30 month anniversary of the consummation of a Public Liquidity Event.

"Fair Market Value" means the fair value per share of the Common Stock determined as follows: (i) if the Common Stock is not as of the date of determination a Public Stock, then

such determination of fair value shall be made by an investment banking firm of recognized national standing selected by the Board; and (ii) if the Common Stock is as of the date of determination a Public Stock, then the average of the daily market prices for the five (5) consecutive trading days ending one (1) trading day before such date of determination. The daily market price for each such trading day shall be (a) the last sale price on such date on the principal exchange where the shares of Common Stock are then listed or admitted to trading, or (b) if no sale takes place on any such trading day on any such exchange, the average of the last reported closing bid and asked prices on such day as officially quoted on any such exchange.

"Initial Exercise Date" means July 16, 2010.

"Initial Public Offering" means the initial underwritten public offering and sale of shares of Common Stock on a firm commitment basis after which the Common Stock is listed for trading on a national securities exchange registered under Section 6(a) of the Exchange Act.

"Notice of Conversion" has the meaning set forth in Section 2(c)(ii).

"Person" means an individual or a corporation, partnership, trust, incorporated or unincorporated association, limited liability company, joint venture, joint stock company, government (or an agency or political subdivision thereof) or other entity of any kind.

"Public Liquidity Event" means the consummation of an Initial Public Offering or the merger or combination of the Company with another Person as a result of which the Common Stock becomes, or is converted into or exchanged for, Public Stock or a combination of Public Stock and other consideration.

"Public Stock" means shares of capital stock (including depositary receipts or depositary shares related to common stock or similar ordinary shares) of any Person that are registered under Section 12 of the Exchange Act and listed for trading on a national securities exchange registered under Section 6(a) of the Exchange Act.

"Shares" has the meaning set forth in the first paragraph of this Warrant Agreement.

"Stockholders Agreement" means the Amended and Restated Stockholders Agreement dated as of August 2, 2010 by and among the Company, the Holder and the other stockholders of the Company named therein, as the same may be amended from time to time.

"Warrant" has the meaning set forth in the Warrant Certificate.

"Warrant Certificate" means a Warrant Certificate in substantially the form attached hereto as Exhibit A.

"Warrant Register" has the meaning set forth in Section 4.

2. Exercise of Warrant; Company Office; Expiration.

(a) General. A Warrant may be exercised at any time or from time to time on or after the Initial Exercise Date and shall remain exercisable thereafter until the Expiration Time, as to the entire number or any lesser number of whole Shares covered by the Warrant Certificate. A Warrant shall be deemed exercised in full on a cashless basis pursuant to Section 2(c) immediately prior to the Expiration Time if such exercise would result in the issuance of any Common Stock or other consideration (if not previously exercised in full) or if such exercise would not result in such issuance, then such Warrant shall expire and be deemed cancelled immediately after the Expiration Time. Any exercise pursuant to this Section 2 shall be in compliance with applicable federal and state securities laws and in accordance with a valid exemption from registration in connection with the issuance of such Shares, and the Company may refuse to give effect to any exercise of a Warrant pursuant to this Warrant Agreement in the event that the Company reasonably believes that such exercise would not be consistent with the foregoing.

(b) Cash Exercise. Subject to the last sentence in this Section 2(b), at any time prior to the earlier to occur of (A) the Expiration Time and (B) such time as the Common Stock is Public Stock, Holder may exercise a Warrant, in whole or in part, by delivering to the Company at its principal executive offices or at such other office or agency designated in writing by the Company the following: (i) the Warrant Certificate evidencing such Warrants together with the Exercise Notice attached to the Warrant Certificate as Annex I (an "Exercise Notice"), properly completed and executed by the Holder or Holders thereof or by the duly appointed legal representative thereof or by a duly authorized attorney, and (ii) the payment in full of the aggregate Exercise Price by check or by wire transfer for each such Warrant exercised and any other amounts required to be paid pursuant hereto. All Warrant Certificates surrendered to the Company shall be promptly cancelled by the Company and shall not be reissued by the Company. Upon receipt thereof, the Company shall, as promptly as practicable, execute or cause to be executed and deliver or cause to be delivered to Holder a certificate or certificates reflecting Holder's ownership of the aggregate number of shares of Common Stock issuable upon such exercise, together with cash in lieu of any fraction of a share of Common Stock, as hereinafter provided. The Common Stock certificate or certificates so delivered shall be in such denomination or denominations as such Holder shall request in the Exercise Notice and shall be registered in the name of Holder or, subject to any restrictions on transfer, such other name as shall be designated in the Exercise Notice. The Warrant Certificate shall be deemed to have been exercised and such certificate or certificates evidencing such Common Stock shall be deemed to have been effective, and Holder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such Common Stock for all purposes, as of the date the Exercise Notice, together with the cash or check or checks and the Warrant Certificate, is received by the Company as described above and all taxes imposed by law upon such Holder, if any, pursuant to Section 6 prior to the issuance of such Common Stock have been paid. Payment of the Exercise Price shall be made at the option of Holder by certified or official bank check or by wire transfer. Notwithstanding the foregoing, at any time and from time to time while the Common Stock is Public Stock, any Holder may nonetheless exercise its Warrant pursuant to this Section 2(b) if such exercise occurs during

the sixty (60) days prior to the Expiration Time or during the period commencing with the giving of any notice pursuant to Section 10(c) or, if earlier, the public announcement of the entry into a definitive agreement by the Company that contemplates the consummation of a transaction or any other action that would result in an adjustment pursuant to Section 9 and ending on the consummation of such transaction or action or the public announcement that such transaction or action is no longer being pursued; *provided, however*, that the Holders of Warrants to purchase not less than eighty percent (80%) of the aggregate Shares then remaining to be purchased upon exercise in accordance with this Warrant Agreement may, by delivery of a notice to the Company, elect not to allow a cash exercise pursuant to this Section 2(b) during any such sixty (60) day period.

(c) Cashless Exercise.

(i) Except as otherwise provided in this Section 2(c), at any time and from time to time while the Common Stock is Public Stock, in lieu of the payment of the Exercise Price, Holder shall have the right (but not the obligation), to require the Company to convert a Warrant, in whole or in part, into Shares (the "Conversion Right") as provided for in this Section 2(c). In addition, in connection with an Initial Public Offering or a transaction that results in the Common Stock becoming Public Stock or at any time following such time as the Common Stock is Public Stock, if at such time (or in connection with such transaction or Initial Public Offering) less than twenty percent (20%) of the aggregate Shares originally subject to this Warrant Agreement remain subject to purchase upon exercise pursuant to this Warrant Agreement (or will remain subject to purchase in connection with the consummation of such transaction or Initial Public Offering after giving effect to Warrants previously exercised or to be exercised in connection with the consummation of such transaction or Initial Public Offering), the Company shall have the right, by delivery of a written notice to the Holders (a "Conversion Call Notice"), to cause the exercise of all Warrants on a cashless basis in accordance with this Section 2(c) on a date specified in such Conversion Call Notice, which date shall be no less than twenty (20) days following the date such Conversion Call Notice is given in accordance with Section 18 (and which required conversion, if in connection with an Initial Public Offering or a transaction that results in the Common Stock becoming Public Stock, shall be made contingent upon the consummation of such Initial Public Offering or transaction, and which date of conversion shall be specified as the date of consummation of such transaction or Initial Public Offering). Upon exercise of the Conversion Right, the Company shall deliver to Holder (without payment by Holder of any of the Exercise Price) that number of Shares (the "Conversion Shares") equal to the quotient obtained by dividing (x) the net value of the aggregate Shares (or portion thereof as to which the Conversion Right is being exercised if the Conversion Right is being exercised in part) at the time the Conversion Right is exercised (determined by subtracting (A) the sum of the aggregate Exercise Price of the Shares as to which the Conversion Right is being exercised in effect immediately prior to the exercise of the Conversion Right and all taxes imposed by law upon Holder, if any, which the Company shall pay pursuant to Section 6 from (B) the aggregate Fair Market Value of the Shares as to which the Conversion Right is being exercised immediately prior to the exercise of the Conversion Right) by (y) the Fair Market Value of one Share immediately prior to the exercise of the Conversion Right.

(ii) In order to exercise the Conversion Right, Holder shall surrender to the Company at its principal executive offices or at such other office or agency designated in writing by the Company the following: the Warrant Certificate evidencing such Warrants together with the Notice of Conversion attached to the Warrant Certificate as Annex II (a "Notice of Conversion"), properly completed and executed by the Holder or Holders thereof or by the duly appointed legal representative thereof or by a duly authorized attorney. The presentation and surrender of the Notice of Conversion shall be deemed a waiver of Holder's obligation to pay all or any portion of the aggregate purchase price payable for the Shares as to which such Conversion Right is being exercised. Notwithstanding anything to the contrary herein, the Warrants shall be deemed to be exercised in accordance with this Section 2(c) and the Holders thereof shall be deemed to have exercised their Conversion Right immediately prior to the Expiration Time if the net value of the aggregate Shares (determined in accordance with Section 2(c)(i) above) is a positive amount as of the Expiration Time. If as of the ninetieth (90^{th}) day prior to the Expiration Time the Common Stock is not then a Public Stock, the Company shall engage an investment banking firm of recognized national standing (in accordance with the definition of Fair Market Value) to determine the Fair Market Value of the Common Stock as of the Expiration Time. In the event that the investment banking firm has not determined the Fair Market Value by the Expiration Time, the Warrants shall be deemed to have been automatically exercised immediately prior to the Expiration Time in accordance with this Section 2(c)(ii), but the settlement of such exercise shall be delayed until such time as such investment banking firm is able to deliver its valuation determination. The Warrants (or so much thereof as shall have been surrendered for conversion or deemed to have been converted pursuant to this Section 2(c)(ii)) shall be deemed to have been converted immediately prior to the close of business on (A) the day of surrender of the Notice of Conversion and such Warrant Certificate for conversion in accordance with the foregoing provisions, (B) the date specified in a Conversion Call Notice, or (C) the Expiration Time, as the case may be. In connection with any conversion in accordance with this Section 2(c), the Company shall pay, on behalf of Holder, all taxes imposed by law upon Holder, if any, pursuant to Section 6.

3. Stock Ownership; Stock Certificates; Partial Exercise. Upon each exercise of a Warrant, the Holder shall be deemed to be the holder of record of the Shares issuable upon such exercise as of the close of business on the day the Warrant is exercised in accordance with Section 2 above, notwithstanding that the stock transfer books of the Company shall then be closed or certificates representing such Shares shall not then have been actually delivered to the Holder. As soon as possible after each such exercise of a Warrant, the Company shall issue and deliver to the Holder a certificate or certificates for the Shares (or Conversion Shares, as the case may be) issuable upon such exercise issued in such denominations as may be specified by the Holder in the Exercise Notice or Notice of Conversion, as applicable, and registered in the name of the Holder or, subject to Section 12, such other name or names as shall be designated in the Holder's Exercise Notice or Notice of Conversion, as applicable, along with cash in lieu of any fractional shares pursuant to Section 7(h). If a Warrant should be exercised in part only, the Company shall, upon surrender of the Warrant Certificate for cancellation, execute and deliver a new Warrant Certificate evidencing the right of the Holder to purchase the balance of the Shares subject to purchase hereunder on the terms and conditions set forth herein (including all changes and adjustments that have occurred hereunder).

4. Company Records; Transfer or Assignment of Warrant; Exchange of Warrant. Any Warrant issued in connection herewith or in substitution herefor, upon complete or partial transfer, assignment or exercise shall be numbered and shall be registered in the warrant register of the Company (the "Warrant Register") as it is issued. The Company shall treat the registered holder of any Warrant on the Warrant Register as the owner in fact thereof for all purposes, except that if a Warrant is properly transferred or assigned in accordance with the terms hereof and the Stockholders Agreement (if then applicable) and written notice of such transfer or assignment is given to the Company, the Company shall treat the transferee or assignee as the owner thereof for all purposes. Subject to the terms hereof, a Warrant shall be transferred by the Company upon delivery thereof duly endorsed by the Holder or by his duly authorized attorney or representative, or accompanied by proper evidence of succession, assignment or authority to transfer. In case of transfer by executors, administrators, guardians or other legal representatives, duly authenticated evidence of their authority shall be produced if requested by the Company in its reasonable discretion. The Company shall immediately register all properly completed assignments and transfers in the Warrant Register and, upon any registration of assignment or transfer, the Company shall deliver a new Warrant Certificate or Warrant Certificates to the Person entitled thereto on the terms and conditions set forth herein (including all changes and adjustments that have occurred hereunder). A Warrant, if properly transferred or assigned, may be exercised by a subsequent Holder without having a new Warrant Certificate issued. The Warrant Certificate may be exchanged at the option of the Holder thereof for another Warrant Certificate, or other Warrant Certificates, of different denominations and representing in the aggregate the right to purchase the same number of shares of Common Stock on the terms and conditions set forth herein (including all changes and adjustments that have occurred hereunder) upon surrender to the Company or its duly authorized agent. All provisions of this Section 4 shall be subject to Section 11.

5. Reserved Stock. The Company shall reserve and keep available at all times solely for the purpose of providing for the exercise of the Warrants the maximum number of shares of Common Stock as to which the Warrants may then be exercised. All such shares of Common Stock shall be duly authorized and free of preemptive rights and, when issued upon such exercise, shall be validly issued, fully paid and non-assessable.

6. Payment of Taxes. All Common Stock issuable upon the exercise of the Warrants pursuant to the terms hereof shall be validly issued as fully paid and non-assessable and without any preemptive rights. The Company shall pay all expenses in connection with, and all taxes and other governmental charges that may be imposed with respect to, the issue or delivery hereof, unless such tax or charge is imposed by law upon the Holder, in which case such taxes or charges shall be paid by the Holder or by the Company on behalf of the Holder to the extent provided in Section 2(c)(ii). The Company shall not be required, however, to pay any tax or other charge imposed in connection with any transfer involved in the issue of any certificate for Common Stock issuable upon exercise of a Warrant in any name other than the Holder, and in such case the Company shall not be required to issue or deliver any share certificate until such tax or other charge has been paid or it is has been established to the satisfaction of the Company that no such tax or other charge is due.

7. Certain Adjustments.

(a) Number of Shares; Exercise Price. The number of shares of Common Stock for which the Warrants are exercisable and the Exercise Price shall be subject to adjustment from time to time as set forth in this Section 7. The Company shall give each Holder notice of any event described in this Section 7 which requires an adjustment pursuant to this Section 7 either at the time of such event or promptly thereafter.

(b) Stock Dividends, Subdivisions and Combinations. If at any time the Company shall:

(i) take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend payable in, or other distribution of, additional shares of Common Stock,

(ii) subdivide its outstanding shares of Common Stock into a larger number of shares of Common Stock, or

(iii) combine its outstanding shares of Common Stock into a smaller number of shares of Common Stock,

then (i) the number of shares of Common Stock for which each Warrant is exercisable immediately after the occurrence of any such event shall be adjusted to equal the number of shares of Common Stock which a record holder of the same number of shares of Common Stock for which such Warrant is exercisable immediately prior to the occurrence of such event would own or be entitled to receive after the happening of such event, and (ii) the Exercise Price shall be adjusted to equal (A) the then current Exercise Price multiplied by the number of shares of Common Stock for which such Warrant is exercisable immediately prior to the adjustment divided by (B) the number of shares for which such Warrant is exercisable immediately after such adjustment.

(c) Subsequent Rights Offerings. If the Company, at any time while any Warrants are outstanding, shall issue rights, options, warrants, or equivalent rights to all or substantially all of the holders of Common Stock (and not to the Holder in its capacity as a Holder) entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the Fair Market Value, then the Exercise Price shall be adjusted to equal the product of the Exercise Price immediately prior to such adjustment multiplied by a fraction, of which the denominator shall be the number of shares of the Common Stock outstanding on the date of issuance of such rights, options, warrants, or equivalent rights plus the number of additional shares of Common Stock offered for subscription or purchase, and of which the numerator shall be the number of shares of the Common Stock outstanding on the date of issuance of such rights, options, warrants or equivalent rights plus the number of shares which the aggregate offering price of the total number of shares so offered (assuming receipt by the Company in full of all consideration payable upon exercise of such rights, options, warrants or equivalent rights) would purchase at such Fair Market Value. Such adjustment shall be made whenever such rights, options, warrants, or equivalent rights are issued, and shall become effective immediately after the record date for the determination of stockholders entitled to receive such rights, options, warrants or equivalent rights. In such event, the number of shares of

Common Stock issuable upon the exercise of each Warrant shall be increased to the number obtained by dividing (i) the product of (a) the number of Shares issuable upon the exercise of such Warrant before such adjustment, and (b) the Exercise Price in effect immediately prior to the issuance giving rise to this adjustment by (ii) the new Exercise Price determined in accordance with the immediately preceding sentence.

(d) Other Distributions. If the Company, at any time while any Warrants are outstanding, shall fix a record date for the making of a distribution to all holders of Common Stock of, or distribute without fixing a record date to all holders of Common Stock, (i) shares of any class other than its Common Stock, (ii) evidences of indebtedness of the Company or any subsidiary, (iii) cash or other assets, or (iv) rights or warrants (other than those subject to Section 7(c) above), in each such case the Exercise Price in effect immediately prior thereto shall be reduced immediately thereafter to the price determined by multiplying (A) the Exercise Price by (B) the result obtained by dividing (x) an amount equal to the difference resulting from (1) the number of shares of Common Stock outstanding on such record or distribution date multiplied by the Fair Market Value per share on such date, less (2) the fair market value of said shares of any class other than Common Stock, evidences of indebtedness, cash or other assets or rights or warrants to be so distributed as determined by the Board in good faith, by (y) the number of shares of Common Stock outstanding on such date multiplied by the Fair Market Value on such date; such adjustment shall be made successively whenever such a date occurs. In such event, the number of shares of Common Stock issuable upon the exercise of each Warrant shall be increased to the number obtained by dividing (i) the product of (a) the number of Shares issuable upon the exercise of such Warrant before such adjustment, and (b) the Exercise Price in effect immediately prior to the issuance giving rise to this adjustment by (ii) the new Exercise Price determined in accordance with the immediately preceding sentence. In the event that such distribution is not so made, the Exercise Price and the number of Shares issuable upon exercise of each Warrant then in effect shall be readjusted, effective as of the date when the Board determines not to distribute such shares, evidences of indebtedness, assets, rights or warrants, as the case may be, to the Exercise Price that would then be in effect and the number of Shares that would then be issuable upon exercise of such Warrant if such record date had not been fixed.

(e) Other Provisions Applicable to Adjustments under this Section. The following provisions shall be applicable to the making of adjustments to the number of shares of Common Stock for which each Warrant is exercisable and the Exercise Price provided for in this Section 7:

(i) When Adjustments to Be Made. The adjustments required by this Section 7 shall be made whenever and as often as any specified event requiring an adjustment shall occur. For the purpose of any adjustment, any specified event shall be deemed to have occurred at the close of business on the date of its occurrence.

(ii) Fractional Interests. In computing adjustments under this Section 7, fractional interests in Common Stock shall be taken into account to the nearest 1/100th of a share.

(iii) When Adjustment Not Required. If the Company shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend or distribution or subscription or purchase rights and shall, thereafter and before the distribution

to stockholders thereof, legally abandon its plan to pay or deliver such dividend, distribution, subscription or purchase rights, then thereafter no adjustment shall be required by reason of the taking of such record and any such adjustment previously made in respect thereof shall be rescinded and annulled.

(iv) Escrow of Property. If after any property or securities becomes distributable pursuant to this Section 7 by reason of the taking of any record of the holders of Common Stock, but prior to the occurrence of the event for which such record is taken, and the Holder exercises a Warrant, any additional securities or other property issuable upon exercise by reason of such adjustment shall be held in escrow for the Holder by the Company to be issued to the Holder upon and to the extent that the event actually takes place, upon payment of the then current Exercise Price. Notwithstanding any other provision to the contrary herein, if the event for which such record was taken fails to occur or is rescinded, then such escrowed property or securities shall be canceled by the Company and the escrowed property returned.

Notwithstanding anything to the contrary in this Warrant Agreement, in no event shall an adjustment to the Exercise Price permit the Holder to purchase or acquire any capital stock of the Company (including Conversion Shares) for less than the aggregate par value of the shares of stock to be purchased or acquired under this Warrant Agreement.

(f) No Impairment. The Company shall not, by amendment of the Certificate of Incorporation or through any consolidation, merger, reorganization, transfer of assets, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant Agreement or the Warrants, and will at all times in good faith assist in carrying out all of such terms and in the taking of all such actions as may be necessary or appropriate in order to protect the rights of the Holder against dilution or other impairment. Without limiting the generality of the foregoing, the Company (i) will use its best efforts to ensure that the par value of any Shares (or any other shares of capital stock) receivable upon the exercise of a Warrant shall not exceed the Exercise Price for such Shares, (ii) will take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable shares of stock that is free from all taxes, liens and charges with respect to the issuance thereof on the exercise of a Warrant from time to time outstanding, and (iii) will not take any action which results in any adjustment pursuant to this Section 7 if the total number of shares of Common Stock issuable after such action upon the exercise of all of the Warrants would exceed the total number of shares of Common Stock then authorized by the Certificate of Incorporation and available for the purpose of issuance upon such exercise.

(g) Notice. Whenever there shall be an adjustment as provided in this Section 7, the Company shall promptly cause written notice thereof to be sent to the Holder, which notice shall set forth the Exercise Price after such adjustment and a brief statement of the facts requiring such adjustment and the computation thereof. However, the failure by the Company to satisfy its obligations under this Section 7(g) shall not in any manner affect or alter the rights of the Holder under this Warrant Agreement.

(h) Fractional Shares. The Company shall not be required to issue fractions of shares of Common Stock of the Company upon the exercise of a Warrant. If any fraction of a Share would be issuable upon the exercise of any Warrant (or specified portions thereof), the Company shall purchase such fraction for an amount in cash equal to the same fraction of the Fair Market Value of such Share of Common Stock on the date of exercise of such Warrant.

8. Time-Based Escalation of Exercise Price. The Exercise Price shall increase by one-half of one percent (0.5%) of the then-current Exercise Price on the last day of each month following the Initial Exercise Date.

9. Reorganization, Reclassification, Merger, Consolidation or Disposition of Assets. If the Company reorganizes its capital, reclassifies its capital securities, consolidates or merges with or into another Person (where the Company is not the surviving Person or where there is a change in or distribution with respect to the Common Stock of the Company), or sells, transfers or otherwise disposes of all or substantially all its property, assets or business to another Person and, pursuant to the terms of such reorganization, reclassification, merger, consolidation or disposition of assets, units, shares or stock of the successor or acquiring Person, or any cash, units, shares or stock or other securities or property of any nature whatsoever (including warrants or other subscription or purchase rights) in addition to or in lieu of the units, shares or stock of the successor or acquiring Person ("Other Property"), are to be received by or distributed to holders of the Common Stock of the Company, then each Holder shall have the right thereafter to receive, upon exercise of a Warrant, the number of units, shares or stock of the successor or acquiring Person or of the Company, if it is the surviving Person, and Other Property receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a holder of the number of Shares for which such Warrant is exercisable immediately prior to such event. If any such reorganization, reclassification, merger, consolidation or disposition of assets occurs, the successor or acquiring Person (if other than the Company) shall expressly assume the due and punctual observance and performance of each and every covenant and condition of this Warrant Agreement to be performed and observed by the Company and all the obligations and liabilities hereunder, subject to such modifications as may be deemed appropriate (as determined by the Board) in order to provide for adjustments of the Common Stock for which each Warrant is exercisable, which shall be as nearly equivalent as practicable to the adjustments provided for in this Section 9, and all references in this Agreement to the "Company" shall be deemed to be a reference to such successor or acquiring Person. In determining the kind and amount of stock, securities and/or property receivable upon consummation of such reorganization, reclassification, merger, consolidation or disposition of assets if the holders of Common Stock have the right to elect the kind or amount of consideration receivable upon consummation of such transaction, then the Holders of the Warrants, in connection with such transaction and at the same time holders of Common Stock are allowed to make such election, shall be given the right to make a similar election with respect to the number of shares of stock or other securities or property for which such Holder's Warrant shall thereafter be exercisable. For purposes of this Section 9, "units, shares or stock of the successor or acquiring Person" includes units, shares or stock of such Person of any class that is not preferred as to distributions or assets over any other class of units, shares or stock of such entity and that is not subject to redemption and shall also include any evidences of indebtedness, units, shares or stock or other securities that are convertible into or exchangeable for any such units, shares or stock, either immediately or upon the arrival of a

specified date or the happening of a specified event and any warrants or other rights to subscribe for or purchase any such units, shares or stock, and all references in this Agreement to "Common Stock" shall be deemed to be a reference to such units, shares or stock of the successor or acquiring Person. The foregoing provisions of this Section 9 shall similarly apply to successive reorganizations, reclassifications, mergers, consolidations, or disposition of assets.

10. Certain Notices. In case at any time the Company shall propose:

(a) to pay any dividend or make any distribution on shares of Common Stock or to fix a record date for the making of any such dividend or distribution to holders of Common Stock; or

(b) to take, or fix a record date for, any action that would result in any adjustment to the Exercise Price pursuant to Section 7;

(c) to effect any reclassification or change of outstanding shares of Common Stock, or consolidation or merger, or sale, lease or conveyance of property, of the type addressed in Section 9; or

(d) to effect any voluntary or involuntary liquidation, dissolution or winding-up of the Company;

then, and in any one or more of such cases, the Company shall give written notice thereof to the Holders at least 10 days prior to the date on which (i) the books of the Company shall close, or a record date shall be set, for any such action described in Section 10(a) or Section 10(b) or (ii) such reclassification, change, consolidation, merger, sale, lease, conveyance, liquidation, dissolution or winding-up described in Section 10(c) or Section 10(d) shall be effective, as the case may be.

11. Expenses. Subject to Section 6, the Company shall pay all costs, fees, taxes (other than any federal or state income or stock transfer taxes) and expenses payable in connection with the preparation, issuance and delivery from time to time of Shares (or Conversion Shares, as the case may be) or other securities issued upon the exercise, transfer or assignment of this Warrant Agreement or any Warrant.

12. Restrictions on Transfer. The Holder, by its acceptance hereof and its acceptance of a Warrant Certificate, represents and warrants (i) that it is acquiring the Warrant and any Shares (or Conversion Shares, as the case may be) or other securities issued upon the exercise of such Warrant for investment purposes, for its own account, and not with an intent to sell or distribute such Warrant or any such Shares (or Conversion Shares, as the case may be) or other securities except in compliance with applicable United States federal and state securities law and (ii) it is an Accredited Investor. In addition, the Holder acknowledges that the Warrant and the Shares (or Conversion Shares, as the case may be) are subject to the terms and conditions set forth in the Stockholders Agreement, and neither the Warrant nor any of the Shares (or Conversion Shares, as the case may be) or other securities issued upon the exercise of such Warrant, nor any interest in either, may be sold, assigned, pledged, hypothecated, encumbered or in any other manner transferred or disposed of, in whole or in part, except in compliance with applicable United States federal and state securities laws,

the terms of the Stockholders Agreement and the terms and conditions hereof. The provisions of this Section 12 shall be binding upon all subsequent holders of the Warrant, if any. The Shares (or Conversion Shares, as the case may be) or other securities issued upon exercise of the Warrant shall be subject to a stop-transfer order and the certificate or certificates evidencing any such shares shall bear the following legend:

> THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF UNLESS IT HAS BEEN REGISTERED UNDER THE SECURITIES ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE (AND, IN SUCH CASE, AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY TO THE EFFECT THAT SUCH OFFER, SALE, TRANSFER OR DISPOSITION IS NOT REQUIRED TO BE REGISTERED UNDER THE SECURITIES ACT HAS BEEN PROVIDED TO THE COMPANY). THIS SECURITY IS SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED STOCKHOLDERS AGREEMENT OF THE COMPANY, AND SET FORTH IN THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE COMPANY, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

13. Warrants.

(a) Issuance of Warrants. Each Warrant shall be evidenced by a Warrant Certificate in substantially the form of Exhibit A hereto, the provisions of which are incorporated herein and shall be signed by or bear the facsimile signature of the Company. In the event the person whose signature has been placed upon any Warrant Certificate shall have ceased to serve in the capacity in which such person signed the Warrant Certificate before such Warrant Certificate is issued, it may be issued with the same effect as if he or she had not ceased to be such at the date of issuance.

(b) Effect of Signature. Unless and until signed by the Company pursuant to this Warrant Agreement, a Warrant Certificate shall be invalid and of no effect and may not be exercised by the Holder thereof.

14. Loss, Theft, Etc. Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of any Warrant Certificate and upon surrender and cancellation of any Warrant Certificate if mutilated, the Company shall execute and deliver to the Holder thereof a new Warrant Certificate in the form and substance of the lost, stolen, destroyed or mutilated Warrant Certificate (including all changes and adjustments that have occurred hereunder). In any such event, the Company shall have the right to require the Holder to post a bond as reasonable security therefor, the cost of which shall be paid by the Holder.

15. No Rights or Liabilities as a Stockholder. Nothing contained in this Warrant Agreement shall be construed as conferring upon the Holder hereof any rights as a stockholder of the Company or as imposing any obligation upon such Holder to purchase any securities or as imposing any liability upon such Holder as a stockholder of the Company, whether such obligation or liability is asserted by the Company or by creditors of the Company at law or in equity.

16. Governing Law. This Warrant Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to conflicts of laws principles thereof.

17. Remedies. The Company stipulates that the remedies at law of the Holder in the event of any default or threatened default by the Company in the performance of or compliance with any of the terms of this Warrant Agreement are not and will not be adequate, and that, to the extent permitted by applicable law, such terms may be specifically enforced by a decree for the specific performance of any agreement contained herein or by an injunction against a violation of any of the terms hereof or otherwise. The Company hereby waives any requirements for the securing or posting of any bond with respect to such remedy of specific performance or other injunctive relief.

18. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given or made (a) when delivered if delivered in person or sent by nationally recognized overnight or second day courier service, (b) upon transmission by fax if transmission is confirmed, or (c) three Business Days after deposit with a United States post office if delivered by registered or certified mail (postage prepaid, return receipt requested) to the respective parties and addressed (i) if to any Holder of any Warrant, to the address of such Holder as set forth in the Warrant Register or to such other address as such Holder has notified the Company of in writing in accordance herewith, except that notices of change of address shall only be effective upon receipt or (ii) if to the Company, to the address set forth in Section 2 or to such other address as the Company may designate by written notice in accordance herewith, except that notices of change of address shall only be effective upon receipt; *provided*, *however*, that the exercise of any Warrant shall be effected only in the manner provided in Section 2.

19. Miscellaneous. This Warrant Agreement and any terms hereof may be changed, waived, discharged, modified, amended or terminated only by an instrument in writing signed by the Company and the Holders of Warrants to purchase not less than eighty percent (80%) of the aggregate Shares then remaining to be purchased upon exercise in accordance with this Warrant Agreement. Any provision of this Warrant Agreement which shall be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the Company waives any provision of law which shall render any provision hereof prohibited or unenforceable in any respect. Each Holder, by acceptance of a Warrant Certificate, agrees to all of the terms and provisions of this Warrant Agreement applicable thereto.

20. Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of the Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. If the Company fails to comply with any other provision of this Warrant Agreement as determined by a court of law or as mutually determined by the Holder and the Company, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

21. Successors and Assigns. Subject to the provisions of Section 12 hereof, this Warrant Agreement and the rights evidenced hereby shall inure to the benefit of and be binding upon the successors of the Company and the successors and assigns of the Holder. The provisions of this Warrant Agreement are intended to be for the benefit of all Holders from time to time of this Warrant Agreement and shall be enforceable by any such Holder.

22. Headings. The headings used in this Warrant Agreement are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant Agreement.

IN WITNESS WHEREOF, the Company has caused this Warrant Agreement to be duly executed and its corporate seal to be impressed hereon and attested by its Secretary or an Assistant Secretary.

Dated: _____, 2010

FORUM ENERGY TECHNOLOGIES, INC.

By: _____
Name: C. Christopher Gaut
Title: Chief Executive Officer

HOLDER:

By: _____
(print or type full legal name)

[Signature Page to Warrant]

SCHEDULE 1

Name of Warrant Holder	Number of Shares

EXHIBIT A TO WARRANT

FORM OF WARRANT CERTIFICATE

[FACE]

EACH OF THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF UNLESS IT HAS BEEN REGISTERED UNDER THE SECURITIES ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE (AND, IN SUCH CASE, AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY TO THE EFFECT THAT SUCH OFFER, SALE, TRANSFER OR DISPOSITION IS NOT REQUIRED TO BE REGISTERED UNDER THE SECURITIES ACT HAS BEEN PROVIDED TO THE COMPANY). EACH OF THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF IS SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED STOCKHOLDERS AGREEMENT OF THE COMPANY, AND SET FORTH IN THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE COMPANY, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

No. [ ] [ ] Shares

WARRANT CERTIFICATE

FORUM ENERGY TECHNOLOGIES, INC.

This Warrant Certificate certifies that [ ], or registered assigns, is the registered Holder of warrants (the "Warrants") expiring on the Expiration Time to subscribe for and purchase from the Company fully paid and non-assessable shares of common stock of Forum Energy Technologies, Inc., a Delaware corporation (the "Company"). Each Warrant entitles the Holder upon exercise at any time on or after the Initial Exercise Date until the Expiration Time, to receive from the Company the number of fully paid and non-assessable shares of common stock of the Company set forth above (the "Shares") at the Exercise Price payable upon surrender of this Warrant Certificate, with the form of election to purchase set forth as Annex I hereto or the form of notice of conversion as set forth as Annex II hereto, as applicable, properly completed and executed, together with payment of the Exercise Price (or through "cashless exercise" if permitted by the Warrant Agreement) at the office of the Company, subject to the conditions set forth herein and in the Warrant Agreement between the Company and the Warrant Holders. The Exercise Price and number of Shares issuable upon exercise of the Warrants are subject to adjustment upon the occurrence of certain events set forth in the Warrant Agreement. Terms used but not defined in this Warrant Certificate shall have the meaning ascribed to such term in the Warrant Agreement.

Upon any exercise of the Warrant for less than the total number of Shares provided for herein, there shall be issued to the Holder or the Holder's assignee a new Warrant Certificate covering the number of Shares for which the Warrant has not been exercised.

Warrant Certificates, when surrendered at the office of the Company by the Holder hereof in person or by attorney duly authorized in writing, may be exchanged in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants.

Upon due presentment for registration of transfer of the Warrant Certificate at the office of the Company, a new Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferee in exchange for this Warrant Certificate, subject to the limitations provided in the Warrant Agreement, without charge except for any applicable tax or governmental charge.

The Company may deem and treat the Holder as the absolute owner of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone other than the Company) for the purpose of any exercise hereof, and for all other purposes, and the Company shall not be affected by any notice to the contrary.

This Warrant Certificate does not entitle the Holder to any of the rights of a stockholder of the Company.

This Warrant Certificate shall be governed by and construed in accordance with the internal laws of the State of Delaware.

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be signed below.

Dated:

FORUM ENERGY TECHNOLOGIES, INC.

By: _____
Name:
Title:

ANNEX I TO WARRANT CERTIFICATE

To: FORUM ENERGY TECHNOLOGIES, INC.

ELECTION TO EXERCISE

The undersigned hereby exercises its rights to subscribe for Shares covered by the within Warrant Certificate. The undersigned hereby confirms as of the date hereof the representations and warranties of the undersigned contained in Section 12 of the Warrant Agreement. The undersigned tenders payment herewith in the amount of $ and requests that certificates for such shares in the following denominations be issued in the name of, and delivered to, the person at the following address:

Denominations: _____

_____

_____

_____

(Print Address and Social Security Number or
Employer Identification Number as applicable)

and, if said number of Shares shall not be all the Shares covered by the within Warrant Certificate, that a new Warrant Certificate for the balance remaining of the Shares covered by the within Warrant Certificate be registered in the name of, and delivered to, the undersigned at the address stated below:

Date: ,

Name: _____
(Print)

_____
(Signature)

Address: _____

_____

ANNEX II TO WARRANT CERTIFICATE

To: FORUM ENERGY TECHNOLOGIES, INC.

NOTICE OF CONVERSION

(To be executed upon conversion of the attached Warrant)

The undersigned irrevocably elects to surrender this Warrant Certificate for the number of Conversion Shares as shall be issuable pursuant to the cashless exercise provisions of Section 2(c) of the Warrant Agreement, in respect of Shares underlying this Warrant Certificate, and requests that the Company execute or cause to be executed a certificate or certificates reflecting the undersigned's ownership of the aggregate number of Conversion Shares issuable upon such exercise, together with cash in lieu of any fraction of a Conversion Share (and any securities or other property issuable upon such exercise) and deliver or cause to be delivered to the undersigned such certificate or certificates the undersigned as follows:

Name	**Address**

and, if said number of Shares shall not be all the Shares covered by the within Warrant Certificate, that a new Warrant Certificate for the balance remaining of the Shares covered by the within Warrant Certificate be registered in the name of, and delivered to, the undersigned at the address stated below:

Date: ,

Name: _____
(Print)

_____
(Signature)

Address: _____

SUBSCRIPTION AGREEMENT

between

FORUM ENERGY TECHNOLOGIES, INC.

and

JAMES L. MCCULLOCH

October 25, 2010

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SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT (this "Agreement") is made and entered into as of October 25, 2010 (the "Effective Date"), by and between Forum Energy Technologies, Inc., a Delaware corporation (the "Corporation"), and James L. McCulloch (the "Investor").

BACKGROUND:

WHEREAS, the Corporation has entered into that certain Employment Agreement dated as of October 25, 2010, by and between the Corporation and the Investor (the "Employment Agreement"); and

WHEREAS, in connection with the execution and delivery of the Employment Agreement by the Corporation and the Investor, the Corporation desires to issue and sell to the Investor up to 7,035 shares (the "Shares") of common stock, par value $0.01 per share, of the Corporation ("Common Stock").

NOW, THEREFORE, for and in consideration of the foregoing and the respective representations, warranties, covenants, agreements and conditions set forth herein, the parties agree as follows:

ARTICLE I
ISSUANCE OF SHARES

Section 1.1 Purchase and Issuance of Shares; Purchase Price. At the Closing and on the terms and subject to the conditions set forth in this Agreement, the Corporation shall issue and sell to the Investor, and the Investor shall purchase for cash, at a price per share equal to $284.29 (the "Purchase Price"), the Shares. The Investor shall make payment for such Shares in cash in the amount of $1,999,980.10 by check made payable to the Corporation or by wire transfer to a bank account designated by the Corporation in writing to the Investor prior to the Closing or by such other payment as is mutually agreed to by the Investor and the Corporation.

ARTICLE II
CLOSING

Section 2.1 Closing. The purchase and sale of the Shares shall be subject to, and shall occur immediately following the commencement of Investor's employment with the Corporation as of the Effective Date (as such term is defined in the Employment Agreement), or at such other time and place as the Corporation and the Investor shall mutually agree (which time and place are designated as the "Closing").

(a) Deliveries by the Investor at Closing. Subject to the terms and conditions hereof, at the Closing, the Investor shall cause the following to be delivered to the Corporation:

(i) the aggregate Purchase Price payable by the Investor for the Shares as set forth in Section 1.1;

(ii) counterparts of the Stockholders Agreement, duly executed by the Investor as a shareholder of the Corporation; and

(iii) all other agreements, documents, instruments and other writings reasonably required to be delivered to the Corporation by the Investor at or prior to the Closing pursuant to this Agreement.

(b) Deliveries by the Corporation at Closing. Subject to the terms and conditions hereof, promptly after the Closing, the Corporation shall cause to be delivered to the Investor a stock certificate duly executed and delivered on behalf of the Corporation representing the Shares.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

The Corporation represents and warrants the following to the Investor as of the date hereof and as of the date of the Closing:

Section 3.1 Organization. The Corporation is duly incorporated, validly existing and in good standing under the laws of the State of Delaware, with full power and authority to conduct its business as it is currently being conducted and to own its assets and to consummate the transactions contemplated by this Agreement; and has obtained any other authorizations, approvals, permits and orders required by law that are material to the Corporation for the conduct of its business as it is currently being conducted and to consummate the transactions contemplated by this Agreement.

Section 3.2 Authorization. The Corporation has the requisite power and authority to execute and deliver this Agreement and to carry out the provisions of this Agreement. This Agreement has been duly and validly executed and delivered and constitutes, assuming due execution and delivery by the Investor, a valid and legally binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, subject to creditors' rights. The Corporation has duly authorized the issuance and sale of the shares of Common Stock upon the terms of this Agreement by all requisite corporate action, including the authorization by the Corporation's board of directors of the issuance and sale of the shares of Common Stock in accordance herewith.

Section 3.3 Valid Issuance of Common Stock. The shares of Common Stock issuable in accordance with this Agreement when paid for and delivered to the Investor in accordance with the terms of this Agreement will constitute validly authorized, duly issued, fully paid and non-assessable shares of Common Stock, and the issuance thereof will not conflict with the organizational documents of the Corporation, as amended to date, nor with any outstanding warrants, option, call, preemptive right or commitment of any type relating to the Corporation's capital stock.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

The Investor represents and warrants the following to the Corporation as of the date

hereof and as of the date of the Closing:

Section 4.1 Authorization. The Investor has the requisite power and authority to execute and deliver this Agreement and to carry out the provisions of this Agreement. This Agreement has been duly and validly executed and delivered and constitutes, assuming due execution and delivery by the Corporation, a valid and legally binding obligation of the Investor, enforceable against the Investor in accordance with its terms, subject to creditors' rights.

Section 4.2 Brokers or Finders. No Person has or will have, as a result of the issuance of the shares of Common Stock pursuant to this Agreement, any right, interest or valid claim against or upon the Corporation or any of its subsidiaries for any commission, fee or other compensation as a finder or broker because of any act or omission by the Investor or his agents.

Section 4.3 Restrictions on Transfer or Sale of the Stock.

(a) The Investor is acquiring the shares of Common Stock solely for the Investor's own beneficial account, for investment purposes, and not with a view to, or for resale in connection with, any distribution of the Common Stock. The Investor understands that the securities being purchased have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), and all applicable state securities laws by reason of specific exemptions under the provisions thereof which depend in part upon the investment intent of the Investor and of the other representations made by the Investor in this Agreement. The Investor understands that the Corporation is relying upon the representations and agreements contained in this Agreement (and any supplemental information) for the purpose of determining whether this transaction meets the requirements for such exemptions.

(b) The Investor understands that the shares of Common Stock being purchased are "restricted securities" under applicable federal securities laws and that the Securities Act and the rules of the Securities and Exchange Commission (the "Commission") provide in substance that the undersigned may dispose of the securities being purchased only pursuant to an effective registration statement under the Securities Act or an exemption therefrom, and the undersigned understands that the Corporation has no obligation or intention to register any of the securities being purchased, or to take action so as to permit sales pursuant to the Securities Act (including Rule 144 thereunder) except as may be required by the Corporation to comply with the Registration Rights Agreement attached as an exhibit to the Stockholders Agreement (as defined below). Accordingly, the Investor understands that under the Commission's rules, the Investor may dispose of the securities being purchased principally only in "private placements" which are exempt from registration under the Securities Act, in which event the transferee will acquire "restricted securities" subject to the same limitations as in the hands of the Investor. As a consequence, the Investor understands that he must bear the economic risks of the investment in the securities purchased for an indefinite period of time.

(c) The Investor agrees: (i) that he will not sell, assign, pledge, give, transfer or otherwise dispose of the securities purchased or any interest therein, or make any offer or attempt to do any of the foregoing, except pursuant to a registration of such securities under the Securities Act and all applicable state securities laws or in a transaction which is exempt from the registration provisions of the Securities Act and all applicable state securities laws; (ii) that the certificate(s) for the securities purchased will bear a legend making reference to the foregoing

restrictions; and (iii) that the Corporation and any transfer agent for the securities purchased shall not be required to give effect to any purported transfer of any of such securities except upon compliance with the foregoing restrictions.

(d) The Shares issuable pursuant to this Agreement shall be subject to a stop transfer order and the certificate or certificates evidencing any such Shares shall bear the following legend:

> THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF UNLESS IT HAS BEEN REGISTERED UNDER THE SECURITIES ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE (AND, IN SUCH CASE, AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY TO THE EFFECT THAT SUCH OFFER, SALE, TRANSFER OR DISPOSITION IS NOT REQUIRED TO BE REGISTERED UNDER THE SECURITIES ACT HAS BEEN PROVIDED TO THE COMPANY). THIS SECURITY IS SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED STOCKHOLDERS AGREEMENT OF THE COMPANY, AND SET FORTH IN THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE COMPANY, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

Section 4.4 Investor Status.

(a) The Investor is an "Accredited Investor" (as such term is defined in the Stockholders Agreement).

(b) The Investor is familiar with the business and financial condition, properties, operations and prospects of the Corporation and has had an opportunity to ask questions of the Corporation's management and has made all investigations which he deems necessary or desirable. The Investor has carefully considered and has, to the extent the Investor believes such discussion necessary, discussed with the Investor's professional legal, tax, accounting and/or financial advisors, as the case may be, the suitability of an investment in the Corporation for the Investor's particular tax and financial situation and has determined that the Common Stock to be purchased by the Investor pursuant to this Agreement is a suitable investment for the Investor.

(c) The Investor, either alone or with the Investor's attorney, as applicable, has such knowledge and experience in financial, tax and business matters so as to enable the Investor to use the information made available to the Investor to evaluate the merits and risks of an investment in the Shares and to make an informed investment decision with respect thereto.

(d) The Investor is not purchasing the Shares as a result of or after any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or meeting.

(e) The Investor is able to bear the substantial economic risks of an investment in the Shares for an indefinite period of time, has no need for liquidity in such investment and, at the present time, could afford a complete loss of such investment.

(f) The Investor recognizes that investment in the Shares involves substantial risks, including loss of the entire amount of such investment. Further, the Investor has taken full cognizance of and understands all of the risks related to the purchase of the Shares.

ARTICLE V
MISCELLANEOUS

Section 5.1 Issuance Subject to Stockholders Agreement. The Investor hereby acknowledges that the Shares are hereby expressly subject to, and the Investor shall be a party to, the terms and conditions of the Amended and Restated Stockholders Agreement dated as of August 2, 2010, by and among the Corporation and the other stockholders of the Corporation named therein, as the same may be amended from time to time (the "Stockholders Agreement").

Section 5.2 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given or made (a) when delivered if delivered in person or sent by nationally recognized overnight or second day courier service, (b) upon transmission by fax if transmission is confirmed, or (c) three Business Days after deposit with a United States post office if delivered by registered or certified mail (postage prepaid, return receipt requested) to the respective parties as follows:

if to the Corporation:

Forum Energy Technologies, Inc.
8807 W Sam Houston Pkwy N., Suite 200
Houston, TX 77040
Attention: James Harris
Fax: (713) 351-7997

if to the Investor:

James L. McCulloch
[_____]
[_____]
[_____]

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall only be effective upon receipt.

Section 5.3 Entire Agreement. This Agreement and any other writings referred to herein or delivered pursuant hereto, constitutes the entire agreement among the parties hereto

with respect to the subject matter hereof and supersedes all prior contracts, agreements and understandings, whether oral or written, among the parties with respect to the subject matter hereof.

Section 5.4 Binding Effect; Assignment; No Third Party Benefit; Termination. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, permitted successors, permitted assigns and legal representatives; and by their signatures hereto, the Corporation and the Investor intend to and do hereby become bound. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any Person other than the parties hereto and their respective heirs, permitted successors, permitted assigns or legal representatives any legal or equitable right, remedy or claim under, in or in respect of this Agreement or any provision herein contained, except to the extent expressly provided in this Agreement. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by the Corporation to any Person without the prior written consent of the Investor. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by the Investor to any Person without the prior written consent of the Corporation.

Section 5.5 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement; *provided* that if any such provision may be made enforceable by limitation thereof, then such provision shall be deemed to be so limited and shall be enforceable to the maximum extent permitted by applicable law. Furthermore, in lieu of (and to the extent of) each such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

Section 5.6 Governing Law. This Agreement shall be governed by and construed in accordance with the law of the state of Delaware, without regard to the conflicts of law principles of such state.

Section 5.7 Construction. Unless the context requires otherwise: (a) pronouns in the masculine, feminine and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, (b) the term "*including*" shall be construed to be expansive rather than limiting in nature and to mean "*including, without limitation*," (c) references to Articles and Sections refer to Articles and Sections of this Agreement; (d) the words "*this Agreement*," "*herein*," "*hereof*," "*hereby*," "*hereunder*" and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited, (e) all references to "days" are to calendar days, (f) the term "Business Day" shall mean any day except Saturday, Sunday or any day on which banks are generally not open for business in Houston, Texas, and (g) the term "Person" shall mean an individual or a corporation, partnership, trust, incorporated or unincorporated association, limited liability company, joint venture, joint stock company, government (or an agency or political subdivision thereof) or other entity of any kind. The descriptive headings

used herein are inserted for convenience of reference only, do not constitute a part of this Agreement, and shall not affect in any manner the meaning or interpretation of this Agreement.

Section 5.8 Injunctive Relief. The parties hereto acknowledge and agree that irreparable damage would occur in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement, and shall be entitled to enforce specifically the provisions of this Agreement, in any court of the United States or any state thereof having jurisdiction, in addition to any other remedy to which the parties may be entitled under this Agreement or at law or in equity. Each party to this Agreement hereby waives any requirements for the securing or posting of any bond with respect to such remedy of specific performance or other injunctive relief.

Section 5.9 Consent to Jurisdiction.

(a) The parties hereto hereby irrevocably submit to the exclusive jurisdiction of the courts of Houston, Texas and the Court of Chancery located in Delaware, and appropriate appellate courts therefrom, over any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby, and each party hereby irrevocably agrees that all claims in respect of such dispute or proceeding may be heard and determined in such courts. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby brought in such court or any defense of inconvenient forum for the maintenance of such dispute. The parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. This consent to jurisdiction is being given solely for purposes of this Agreement and is not intended to, and shall not, confer consent to jurisdiction with respect to any other dispute in which a party to this Agreement may become involved.

(b) The parties hereto hereby consents to process being served by any party to this Agreement in any suit, action, or proceeding of the nature specified in subsection (a) above by the mailing of a copy thereof in the manner specified by the provisions of Section 5.2.

(c) The parties hereto hereby irrevocably waives all right to trial by jury in any action, proceeding, or counterclaim arising out of or relating to this Agreement.

Section 5.10 Amendment; Termination. The provisions of this Agreement may be amended, modified, supplemented, restated or waived only with the written consent of the Corporation and the Investor. In the event that the Investor does not deliver the Purchase Price and the other documents and instruments required to be delivered at Closing in accordance with Section 2.1(a), the Corporation shall have the right to terminate this Agreement by delivery of written notice to the Investor.

Section 5.11 Waiver. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to this Agreement is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to this Agreement. Failure on the part of a Person to complain of any act of any Person or to declare any Person in

default with respect to this Agreement, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute of limitations period has run.

Section 5.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all such counterparts together shall constitute one instrument. Delivery of a copy of this Agreement bearing an original signature by facsimile transmission or by electronic mail shall have the same effect as physical delivery of the paper document bearing the original signature.

[*Signature pages follow.*]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

THE CORPORATION:

FORUM ENERGY TECHNOLOGIES, INC.

By: /s/ C. Christopher Gaut
Name: C. Christopher Gaut
Title: Chief Executive Officer

THE INVESTOR:

By: /s/ James L. McCulloch
Name: James L. McCulloch

Exhibit 10.25

SUBSCRIPTION AGREEMENT

between

FORUM ENERGY TECHNOLOGIES, INC.

and

CHARLES E. JONES

November 1, 2010

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SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT (this "Agreement") is made and entered into as of November 1, 2010, by and between Forum Energy Technologies, Inc., a Delaware corporation (the "Corporation"), and Charles E. Jones (the "Investor").

BACKGROUND:

WHEREAS, the Corporation desires to issue and sell to the Investor up to 2,638 shares (the "Shares") of common stock, par value $0.01 per share, of the Corporation ("Common Stock") in exchange for the cash consideration set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the foregoing and the respective representations, warranties, covenants, agreements and conditions set forth herein, the parties agree as follows:

ARTICLE I
ISSUANCE OF SHARES

Section 1.1 Purchase and Issuance of Shares; Purchase Price. At the Closing and on the terms and subject to the conditions set forth in this Agreement, the Corporation shall issue and sell to the Investor, and the Investor shall purchase for cash, at a price per share equal to $284.29 (the "Purchase Price"), the Shares. The Investor shall make payment for such Shares in cash in the amount of $749,957.02 by check made payable to the Corporation or by wire transfer to a bank account designated by the Corporation in writing to the Investor prior to the Closing or by such other payment as is mutually agreed to by the Investor and the Corporation.

ARTICLE II
CLOSING

Section 2.1 Closing. The purchase and sale of the Shares shall be subject to, and shall occur immediately following, the execution and delivery by each of the Investor and the Corporation of this Agreement, or at such other time and place as the Corporation and the Investor shall mutually agree (which time and place are designated as the "Closing").

(a) Deliveries by the Investor at Closing. Subject to the terms and conditions hereof, at the Closing, the Investor shall cause the following to be delivered to the Corporation:

(i) the aggregate Purchase Price payable by the Investor for the Shares as set forth in Section 1.1; and

(ii) all other agreements, documents, instruments and other writings reasonably required to be delivered to the Corporation by the Investor at or prior to the Closing pursuant to this Agreement.

(b) Deliveries by the Corporation at Closing. Subject to the terms and conditions hereof, promptly after the Closing, the Corporation shall cause to be delivered to the

Investor a stock certificate duly executed and delivered on behalf of the Corporation representing the Shares.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

The Corporation represents and warrants the following to the Investor as of the date hereof and as of the Closing:

Section 3.1 Organization. The Corporation is duly incorporated, validly existing and in good standing under the laws of the State of Delaware, with full power and authority to conduct its business as it is currently being conducted and to own its assets and to consummate the transactions contemplated by this Agreement; and has obtained any other authorizations, approvals, permits and orders required by law that are material to the Corporation for the conduct of its business as it is currently being conducted and to consummate the transactions contemplated by this Agreement.

Section 3.2 Authorization. The Corporation has the requisite power and authority to execute and deliver this Agreement and to carry out the provisions of this Agreement. This Agreement has been duly and validly executed and delivered and constitutes, assuming due execution and delivery by the Investor, a valid and legally binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, subject to creditors' rights. The Corporation has duly authorized the issuance and sale of the shares of Common Stock upon the terms of this Agreement by all requisite corporate action, including the authorization by the Corporation's board of directors of the issuance and sale of the shares of Common Stock in accordance herewith.

Section 3.3 Valid Issuance of Common Stock. The shares of Common Stock issuable in accordance with this Agreement when paid for and delivered to the Investor in accordance with the terms of this Agreement will constitute validly authorized, duly issued, fully paid and non-assessable shares of Common Stock, and the issuance thereof will not conflict with the organizational documents of the Corporation, as amended to date, nor with any outstanding warrants, option, call, preemptive right or commitment of any type relating to the Corporation's capital stock.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

The Investor represents and warrants the following to the Corporation as of the date hereof and as of the Closing:

Section 4.1 Authorization. The Investor has the requisite power and authority to execute and deliver this Agreement and to carry out the provisions of this Agreement. This Agreement has been duly and validly executed and delivered and constitutes, assuming due execution and delivery by the Corporation, a valid and legally binding obligation of the Investor, enforceable against the Investor in accordance with its terms, subject to creditors' rights.

Section 4.2 Brokers or Finders. No Person has or will have, as a result of the issuance of the shares of Common Stock pursuant to this Agreement, any right, interest or valid claim

against or upon the Corporation or any of its subsidiaries for any commission, fee or other compensation as a finder or broker because of any act or omission by the Investor or his agents.

Section 4.3 Restrictions on Transfer or Sale of the Stock.

(a) The Investor is acquiring the shares of Common Stock solely for the Investor's own beneficial account, for investment purposes, and not with a view to, or for resale in connection with, any distribution of the Common Stock. The Investor understands that the securities being purchased have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), and all applicable state securities laws by reason of specific exemptions under the provisions thereof which depend in part upon the investment intent of the Investor and of the other representations made by the Investor in this Agreement. The Investor understands that the Corporation is relying upon the representations and agreements contained in this Agreement (and any supplemental information) for the purpose of determining whether this transaction meets the requirements for such exemptions.

(b) The Investor understands that the shares of Common Stock being purchased are "restricted securities" under applicable federal securities laws and that the Securities Act and the rules of the Securities and Exchange Commission (the "Commission") provide in substance that the undersigned may dispose of the securities being purchased only pursuant to an effective registration statement under the Securities Act or an exemption therefrom, and the undersigned understands that the Corporation has no obligation or intention to register any of the securities being purchased, or to take action so as to permit sales pursuant to the Securities Act (including Rule 144 thereunder) except as may be required by the Corporation to comply with the Registration Rights Agreement attached as an exhibit to the Stockholders Agreement (as defined below). Accordingly, the Investor understands that under the Commission's rules, the Investor may dispose of the securities being purchased principally only in "private placements" which are exempt from registration under the Securities Act, in which event the transferee will acquire "restricted securities" subject to the same limitations as in the hands of the Investor. As a consequence, the Investor understands that he must bear the economic risks of the investment in the securities purchased for an indefinite period of time.

(c) The Investor agrees: (i) that he will not sell, assign, pledge, give, transfer or otherwise dispose of the securities purchased or any interest therein, or make any offer or attempt to do any of the foregoing, except pursuant to a registration of such securities under the Securities Act and all applicable state securities laws or in a transaction which is exempt from the registration provisions of the Securities Act and all applicable state securities laws; (ii) that the certificate(s) for the securities purchased will bear a legend making reference to the foregoing restrictions; and (iii) that the Corporation and any transfer agent for the securities purchased shall not be required to give effect to any purported transfer of any of such securities except upon compliance with the foregoing restrictions.

(d) The Shares issuable pursuant to this Agreement shall be subject to a stop transfer order and the certificate or certificates evidencing any such Shares shall bear the following legend:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE

"**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF UNLESS IT HAS BEEN REGISTERED UNDER THE SECURITIES ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE (AND, IN SUCH CASE, AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY TO THE EFFECT THAT SUCH OFFER, SALE, TRANSFER OR DISPOSITION IS NOT REQUIRED TO BE REGISTERED UNDER THE SECURITIES ACT HAS BEEN PROVIDED TO THE COMPANY). THIS SECURITY IS SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED STOCKHOLDERS AGREEMENT OF THE COMPANY, AND SET FORTH IN THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE COMPANY, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

Section 4.4 Investor Status.

(a) The Investor is an "Accredited Investor" (as such term is defined in the Stockholders Agreement).

(b) The Investor is familiar with the business and financial condition, properties, operations and prospects of the Corporation and has had an opportunity to ask questions of the Corporation's management and has made all investigations which he deems necessary or desirable. The Investor has carefully considered and has, to the extent the Investor believes such discussion necessary, discussed with the Investor's professional legal, tax, accounting and/or financial advisors, as the case may be, the suitability of an investment in the Corporation for the Investor's particular tax and financial situation and has determined that the Common Stock to be purchased by the Investor pursuant to this Agreement is a suitable investment for the Investor.

(c) The Investor, either alone or with the Investor's attorney, as applicable, has such knowledge and experience in financial, tax and business matters so as to enable the Investor to use the information made available to the Investor to evaluate the merits and risks of an investment in the Shares and to make an informed investment decision with respect thereto.

(d) The Investor is not purchasing the Shares as a result of or after any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or meeting.

(e) The Investor is able to bear the substantial economic risks of an investment in the Shares for an indefinite period of time, has no need for liquidity in such investment and, at the present time, could afford a complete loss of such investment.

(f) The Investor recognizes that investment in the Shares involves substantial risks, including loss of the entire amount of such investment. Further, the Investor has taken full cognizance of and understands all of the risks related to the purchase of the Shares.

ARTICLE V
MISCELLANEOUS

Section 5.1 Issuance Subject to Stockholders Agreement. The Investor hereby acknowledges that the Shares are hereby expressly subject to the terms and conditions of the Amended and Restated Stockholders Agreement dated as of August 2, 2010, by and among the Corporation and the other stockholders of the Corporation named therein, as the same may be amended from time to time (the "Stockholders Agreement").

Section 5.2 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given or made (a) when delivered if delivered in person or sent by nationally recognized overnight or second day courier service, (b) upon transmission by fax if transmission is confirmed, or (c) three Business Days after deposit with a United States post office if delivered by registered or certified mail (postage prepaid, return receipt requested) to the respective parties as follows:

if to the Corporation:

Forum Energy Technologies, Inc.
8807 W Sam Houston Pkwy N., Suite 200
Houston, TX 77040
Attention: James McCulloch
Fax: (713) 583-9188

if to the Investor:

Charles E. Jones
[_____]
[_____]
[_____]

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall only be effective upon receipt.

Section 5.3 Entire Agreement. This Agreement and any other writings referred to herein or delivered pursuant hereto, constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior contracts, agreements and understandings, whether oral or written, among the parties with respect to the subject matter hereof.

Section 5.4 Binding Effect; Assignment; No Third Party Benefit; Termination. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, permitted successors, permitted assigns and legal representatives; and by their signatures hereto, the Corporation and the Investor intend to and do hereby become bound. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any Person other than the parties hereto and their respective heirs, permitted successors, permitted assigns or legal representatives any legal or equitable right, remedy or claim under, in or in respect of this Agreement or any provision herein contained, except to the extent expressly

provided in this Agreement. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by the Corporation to any Person without the prior written consent of the Investor. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by the Investor to any Person without the prior written consent of the Corporation.

Section 5.5 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement; *provided* that if any such provision may be made enforceable by limitation thereof, then such provision shall be deemed to be so limited and shall be enforceable to the maximum extent permitted by applicable law. Furthermore, in lieu of (and to the extent of) each such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

Section 5.6 Governing Law. This Agreement shall be governed by and construed in accordance with the law of the state of Delaware, without regard to the conflicts of law principles of such state.

Section 5.7 Construction. Unless the context requires otherwise: (a) pronouns in the masculine, feminine and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, (b) the term "*including*" shall be construed to be expansive rather than limiting in nature and to mean "*including, without limitation*," (c) references to Articles and Sections refer to Articles and Sections of this Agreement; (d) the words "*this Agreement*," "*herein*," "*hereof*," "*hereby*," "*hereunder*" and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited, (e) all references to "days" are to calendar days, (f) the term "Business Day" shall mean any day except Saturday, Sunday or any day on which banks are generally not open for business in Houston, Texas, and (g) the term "Person" shall mean an individual or a corporation, partnership, trust, incorporated or unincorporated association, limited liability company, joint venture, joint stock company, government (or an agency or political subdivision thereof) or other entity of any kind. The descriptive headings used herein are inserted for convenience of reference only, do not constitute a part of this Agreement, and shall not affect in any manner the meaning or interpretation of this Agreement.

Section 5.8 Injunctive Relief. The parties hereto acknowledge and agree that irreparable damage would occur in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement, and shall be entitled to enforce specifically the provisions of this Agreement, in any court of the United States or any state thereof having jurisdiction, in addition to any other remedy to which the parties may be entitled under this Agreement or at law or in equity. Each party to this Agreement hereby waives any requirements for the securing or posting of any bond with respect to such remedy of specific performance or other injunctive relief.

Section 5.9 Consent to Jurisdiction.

(a) The parties hereto hereby irrevocably submit to the exclusive jurisdiction of the courts of Houston, Texas and the Court of Chancery located in Delaware, and appropriate appellate courts therefrom, over any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby, and each party hereby irrevocably agrees that all claims in respect of such dispute or proceeding may be heard and determined in such courts. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby brought in such court or any defense of inconvenient forum for the maintenance of such dispute. The parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. This consent to jurisdiction is being given solely for purposes of this Agreement and is not intended to, and shall not, confer consent to jurisdiction with respect to any other dispute in which a party to this Agreement may become involved.

(b) The parties hereto hereby consents to process being served by any party to this Agreement in any suit, action, or proceeding of the nature specified in subsection (a) above by the mailing of a copy thereof in the manner specified by the provisions of Section 5.2.

(c) The parties hereto hereby irrevocably waives all right to trial by jury in any action, proceeding, or counterclaim arising out of or relating to this Agreement.

Section 5.10 Amendment; Termination. The provisions of this Agreement may be amended, modified, supplemented, restated or waived only with the written consent of the Corporation and the Investor. In the event that the Investor does not deliver the Purchase Price and the other documents and instruments required to be delivered at Closing in accordance with Section 2.1(a), the Corporation shall have the right to terminate this Agreement by delivery of written notice to the Investor.

Section 5.11 Waiver. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to this Agreement is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to this Agreement. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to this Agreement, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute of limitations period has run.

Section 5.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all such counterparts together shall constitute one instrument. Delivery of a copy of this Agreement bearing an original signature by facsimile transmission or by electronic mail shall have the same effect as physical delivery of the paper document bearing the original signature.

[*Signature pages follow.*]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth on the first page of this Agreement.

THE CORPORATION:

FORUM ENERGY TECHNOLOGIES, INC.

By: /s/ C. Christopher Gaut
Name: C. Christopher Gaut
Title: Chief Executive Officer

THE INVESTOR:

By: /s/ Charles E. Jones
Name: Charles E. Jones

Exhibit 10.26

SUBSCRIPTION AGREEMENT

between

FORUM ENERGY TECHNOLOGIES, INC.

and

JOHN A. CARRIG

August 2, 2011

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SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT (this "Agreement") is made and entered into as of August 2, 2011 (the "Effective Date"), by and between Forum Energy Technologies, Inc., a Delaware corporation (the "Corporation"), and John A. Carrig (the "Investor").

BACKGROUND:

WHEREAS, the board of directors of the Corporation (the "Board") has appointed the Investor to serve as a member of the Board; and

WHEREAS, in connection with such appointment, the Corporation desires to issue and sell to the Investor up to 884 shares (the "Shares") of common stock, par value $0.01 per share, of the Corporation ("Common Stock").

NOW, THEREFORE, for and in consideration of the foregoing and the respective representations, warranties, covenants, agreements and conditions set forth herein, the parties agree as follows:

ARTICLE I
ISSUANCE OF SHARES

Section 1.1 Purchase and Issuance of Shares; Purchase Price. At the Closing and on the terms and subject to the conditions set forth in this Agreement, the Corporation shall issue and sell to the Investor, and the Investor shall purchase for cash, at a price per share equal to $565.00 (the "Purchase Price"), the Shares. The Investor shall make payment for such Shares in cash in the amount of $499,460.00 by check made payable to the Corporation or by wire transfer to a bank account designated by the Corporation in writing to the Investor prior to the Closing or by such other payment as is mutually agreed to by the Investor and the Corporation.

ARTICLE II
CLOSING

Section 2.1 Closing. The purchase and sale of the Shares shall be subject to, and shall occur immediately following the commencement of Investor's appointment to the Board, or at such other time and place as the Corporation and the Investor shall mutually agree (which time and place are designated as the "Closing").

(a) Deliveries by the Investor at Closing. Subject to the terms and conditions hereof, at the Closing, the Investor shall cause the following to be delivered to the Corporation:

(i) the aggregate Purchase Price payable by the Investor for the Shares as set forth in Section 1.1;

(ii) counterparts of the Stockholders Agreement, duly executed by the Investor as a shareholder of the Corporation; and

(iii) all other agreements, documents, instruments and other writings reasonably required to be delivered to the Corporation by the Investor at or prior to the Closing pursuant to this Agreement.

(b) Deliveries by the Corporation at Closing. Subject to the terms and conditions hereof, promptly after the Closing, the Corporation shall cause to be delivered to the Investor a stock certificate duly executed and delivered on behalf of the Corporation representing the Shares.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

The Corporation represents and warrants the following to the Investor as of the date hereof and as of the date of the Closing:

Section 3.1 Organization. The Corporation is duly incorporated, validly existing and in good standing under the laws of the State of Delaware, with full power and authority to conduct its business as it is currently being conducted and to own its assets and to consummate the transactions contemplated by this Agreement; and has obtained any other authorizations, approvals, permits and orders required by law that are material to the Corporation for the conduct of its business as it is currently being conducted and to consummate the transactions contemplated by this Agreement.

Section 3.2 Authorization. The Corporation has the requisite power and authority to execute and deliver this Agreement and to carry out the provisions of this Agreement. This Agreement has been duly and validly executed and delivered and constitutes, assuming due execution and delivery by the Investor, a valid and legally binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, subject to creditors' rights. The Corporation has duly authorized the issuance and sale of the shares of Common Stock upon the terms of this Agreement by all requisite corporate action, including the authorization by the Corporation's board of directors of the issuance and sale of the shares of Common Stock in accordance herewith.

Section 3.3 Valid Issuance of Common Stock. The shares of Common Stock issuable in accordance with this Agreement when paid for and delivered to the Investor in accordance with the terms of this Agreement will constitute validly authorized, duly issued, fully paid and non-assessable shares of Common Stock, and the issuance thereof will not conflict with the organizational documents of the Corporation, as amended to date, nor with any outstanding warrants, option, call, preemptive right or commitment of any type relating to the Corporation's capital stock.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

The Investor represents and warrants the following to the Corporation as of the date hereof and as of the date of the Closing:

Section 4.1 Authorization. The Investor has the requisite power and authority to

execute and deliver this Agreement and to carry out the provisions of this Agreement. This Agreement has been duly and validly executed and delivered and constitutes, assuming due execution and delivery by the Corporation, a valid and legally binding obligation of the Investor, enforceable against the Investor in accordance with its terms, subject to creditors' rights.

Section 4.2 Brokers or Finders. No Person has or will have, as a result of the issuance of the shares of Common Stock pursuant to this Agreement, any right, interest or valid claim against or upon the Corporation or any of its subsidiaries for any commission, fee or other compensation as a finder or broker because of any act or omission by the Investor or his agents.

Section 4.3 Restrictions on Transfer or Sale of the Stock.

(a) The Investor is acquiring the shares of Common Stock solely for the Investor's own beneficial account, for investment purposes, and not with a view to, or for resale in connection with, any distribution of the Common Stock. The Investor understands that the securities being purchased have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), and all applicable state securities laws by reason of specific exemptions under the provisions thereof which depend in part upon the investment intent of the Investor and of the other representations made by the Investor in this Agreement. The Investor understands that the Corporation is relying upon the representations and agreements contained in this Agreement (and any supplemental information) for the purpose of determining whether this transaction meets the requirements for such exemptions.

(b) The Investor understands that the shares of Common Stock being purchased are "restricted securities" under applicable federal securities laws and that the Securities Act and the rules of the Securities and Exchange Commission (the "Commission") provide in substance that the undersigned may dispose of the securities being purchased only pursuant to an effective registration statement under the Securities Act or an exemption therefrom, and the undersigned understands that the Corporation has no obligation or intention to register any of the securities being purchased, or to take action so as to permit sales pursuant to the Securities Act (including Rule 144 thereunder) except as may be required by the Corporation to comply with the Registration Rights Agreement attached as an exhibit to the Stockholders Agreement (as defined below). Accordingly, the Investor understands that under the Commission's rules, the Investor may dispose of the securities being purchased principally only in "private placements" which are exempt from registration under the Securities Act, in which event the transferee will acquire "restricted securities" subject to the same limitations as in the hands of the Investor. As a consequence, the Investor understands that he must bear the economic risks of the investment in the securities purchased for an indefinite period of time.

(c) The Investor agrees: (i) that he will not sell, assign, pledge, give, transfer or otherwise dispose of the securities purchased or any interest therein, or make any offer or attempt to do any of the foregoing, except pursuant to a registration of such securities under the Securities Act and all applicable state securities laws or in a transaction which is exempt from the registration provisions of the Securities Act and all applicable state securities laws; (ii) that the certificate(s) for the securities purchased will bear a legend making reference to the foregoing restrictions; and (iii) that the Corporation and any transfer agent for the securities purchased shall not be required to give effect to any purported transfer of any of such securities except upon compliance with the foregoing restrictions.

(d) The Shares issuable pursuant to this Agreement shall be subject to a stop transfer order and the certificate or certificates evidencing any such Shares shall bear the following legend:

> THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF UNLESS IT HAS BEEN REGISTERED UNDER THE SECURITIES ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE (AND, IN SUCH CASE, AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY TO THE EFFECT THAT SUCH OFFER, SALE, TRANSFER OR DISPOSITION IS NOT REQUIRED TO BE REGISTERED UNDER THE SECURITIES ACT HAS BEEN PROVIDED TO THE COMPANY). THIS SECURITY IS SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED STOCKHOLDERS AGREEMENT OF THE COMPANY, AND SET FORTH IN THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE COMPANY, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

Section 4.4 Investor Status.

(a) The Investor is an "Accredited Investor" (as such term is defined in the Stockholders Agreement).

(b) The Investor is familiar with the business and financial condition, properties, operations and prospects of the Corporation and has had an opportunity to ask questions of the Corporation's management and has made all investigations which he deems necessary or desirable. The Investor has carefully considered and has, to the extent the Investor believes such discussion necessary, discussed with the Investor's professional legal, tax, accounting and/or financial advisors, as the case may be, the suitability of an investment in the Corporation for the Investor's particular tax and financial situation and has determined that the Common Stock to be purchased by the Investor pursuant to this Agreement is a suitable investment for the Investor.

(c) The Investor, either alone or with the Investor's attorney, as applicable, has such knowledge and experience in financial, tax and business matters so as to enable the Investor to use the information made available to the Investor to evaluate the merits and risks of an investment in the Shares and to make an informed investment decision with respect thereto.

(d) The Investor is not purchasing the Shares as a result of or after any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or meeting.

(e) The Investor is able to bear the substantial economic risks of an investment in the Shares for an indefinite period of time, has no need for liquidity in such investment and, at the present time, could afford a complete loss of such investment.

(f) The Investor recognizes that investment in the Shares involves substantial risks, including loss of the entire amount of such investment. Further, the Investor has taken full cognizance of and understands all of the risks related to the purchase of the Shares.

ARTICLE V
MISCELLANEOUS

Section 5.1 Issuance Subject to Stockholders Agreement. The Investor hereby acknowledges that the Shares are hereby expressly subject to, and the Investor shall be a party to, the terms and conditions of the Amended and Restated Stockholders Agreement dated as of August 2, 2010, by and among the Corporation and the other stockholders of the Corporation named therein, as the same may be amended from time to time (the "Stockholders Agreement").

Section 5.2 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given or made (a) when delivered if delivered in person or sent by nationally recognized overnight or second day courier service, (b) upon transmission by fax if transmission is confirmed, or (c) three Business Days after deposit with a United States post office if delivered by registered or certified mail (postage prepaid, return receipt requested) to the respective parties as follows:

if to the Corporation:

Forum Energy Technologies, Inc.
920 Memorial City Way, Suite 800
Houston, TX 77024
Attention: General Counsel
Fax: (281) 949-2555

if to the Investor:

John A. Carrig
11606 Monica
Houston, TX 77024

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall only be effective upon receipt.

Section 5.3 Entire Agreement. This Agreement and any other writings referred to herein or delivered pursuant hereto, constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior contracts, agreements and understandings, whether oral or written, among the parties with respect to the subject matter hereof.

Section 5.4 Binding Effect; Assignment; No Third Party Benefit; Termination. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, permitted successors, permitted assigns and legal representatives; and by their signatures hereto, the Corporation and the Investor intend to and do hereby become bound. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any Person other than the parties hereto and their respective heirs, permitted successors, permitted assigns or legal representatives any legal or equitable right, remedy or claim under, in or in respect of this Agreement or any provision herein contained, except to the extent expressly provided in this Agreement. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by the Corporation to any Person without the prior written consent of the Investor. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by the Investor to any Person without the prior written consent of the Corporation.

Section 5.5 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement; *provided* that if any such provision may be made enforceable by limitation thereof, then such provision shall be deemed to be so limited and shall be enforceable to the maximum extent permitted by applicable law. Furthermore, in lieu of (and to the extent of) each such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

Section 5.6 Governing Law. This Agreement shall be governed by and construed in accordance with the law of the state of Delaware, without regard to the conflicts of law principles of such state.

Section 5.7 Construction. Unless the context requires otherwise: (a) pronouns in the masculine, feminine and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, (b) the term "*including*" shall be construed to be expansive rather than limiting in nature and to mean "*including, without limitation*," (c) references to Articles and Sections refer to Articles and Sections of this Agreement; (d) the words "*this Agreement*," "*herein*," "*hereof*," "*hereby*," "*hereunder*" and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited, (e) all references to "days" are to calendar days, (f) the term "Business Day" shall mean any day except Saturday, Sunday or any day on which banks are generally not open for business in Houston, Texas, and (g) the term "Person" shall mean an individual or a corporation, partnership, trust, incorporated or unincorporated association, limited liability company, joint venture, joint stock company, government (or an agency or political subdivision thereof) or other entity of any kind. The descriptive headings used herein are inserted for convenience of reference only, do not constitute a part of this Agreement, and shall not affect in any manner the meaning or interpretation of this Agreement.

Section 5.8 Injunctive Relief. The parties hereto acknowledge and agree that irreparable damage would occur in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement, and shall be entitled to enforce specifically the provisions of this Agreement, in any court of the United States or any state thereof having jurisdiction, in addition to any other remedy to which the parties may be entitled under this Agreement or at law or in equity. Each party to this Agreement hereby waives any requirements for the securing or posting of any bond with respect to such remedy of specific performance or other injunctive relief.

Section 5.9 Consent to Jurisdiction.

(a) The parties hereto hereby irrevocably submit to the exclusive jurisdiction of the courts of Houston, Texas and the Court of Chancery located in Delaware, and appropriate appellate courts therefrom, over any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby, and each party hereby irrevocably agrees that all claims in respect of such dispute or proceeding may be heard and determined in such courts. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby brought in such court or any defense of inconvenient forum for the maintenance of such dispute. The parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. This consent to jurisdiction is being given solely for purposes of this Agreement and is not intended to, and shall not, confer consent to jurisdiction with respect to any other dispute in which a party to this Agreement may become involved.

(b) The parties hereto hereby consents to process being served by any party to this Agreement in any suit, action, or proceeding of the nature specified in subsection (a) above by the mailing of a copy thereof in the manner specified by the provisions of Section 5.2.

(c) The parties hereto hereby irrevocably waives all right to trial by jury in any action, proceeding, or counterclaim arising out of or relating to this Agreement.

Section 5.10 Amendment; Termination. The provisions of this Agreement may be amended, modified, supplemented, restated or waived only with the written consent of the Corporation and the Investor. In the event that the Investor does not deliver the Purchase Price and the other documents and instruments required to be delivered at Closing in accordance with Section 2.1(a), the Corporation shall have the right to terminate this Agreement by delivery of written notice to the Investor.

Section 5.11 Waiver. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to this Agreement is not a consent or waiver to or of any other breach or default in the performance by

that Person of the same or any other obligations of that Person with respect to this Agreement. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to this Agreement, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute of limitations period has run.

Section 5.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all such counterparts together shall constitute one instrument. Delivery of a copy of this Agreement bearing an original signature by facsimile transmission or by electronic mail shall have the same effect as physical delivery of the paper document bearing the original signature.

[*Signature pages follow.*]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

THE CORPORATION:

FORUM ENERGY TECHNOLOGIES, INC.

By: /s/ James L. McCulloch
Name: James L. McCulloch
Title: Senior Vice President, General Counsel and Secretary

THE INVESTOR:

By: /s/ John A. Carrig
Name: John A. Carrig

Exhibit 10.27

SUBSCRIPTION AGREEMENT

between

FORUM ENERGY TECHNOLOGIES, INC.

and

EVELYN ANGELLE

August 3, 2011

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SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT (this "Agreement") is made and entered into as of August 3, 2011 (the "Effective Date"), by and between Forum Energy Technologies, Inc., a Delaware corporation (the "Corporation"), and Evelyn Angelle (the "Investor").

BACKGROUND:

WHEREAS, the board of directors of the Corporation (the "Board") has appointed the Investor to serve as a member of the Board; and

WHEREAS, in connection with such appointment, the Corporation desires to issue and sell to the Investor up to 176 shares (the "Shares") of common stock, par value $0.01 per share, of the Corporation ("Common Stock").

NOW, THEREFORE, for and in consideration of the foregoing and the respective representations, warranties, covenants, agreements and conditions set forth herein, the parties agree as follows:

ARTICLE I
ISSUANCE OF SHARES

Section 1.1 Purchase and Issuance of Shares; Purchase Price. At the Closing and on the terms and subject to the conditions set forth in this Agreement, the Corporation shall issue and sell to the Investor, and the Investor shall purchase for cash, at a price per share equal to $565.00 (the "Purchase Price"), the Shares. The Investor shall make payment for such Shares in cash in the amount of $99,440.00 by check made payable to the Corporation or by wire transfer to a bank account designated by the Corporation in writing to the Investor prior to the Closing or by such other payment as is mutually agreed to by the Investor and the Corporation.

ARTICLE II
CLOSING

Section 2.1 Closing. The purchase and sale of the Shares shall occur at such time and place as the Corporation and the Investor shall mutually agree (which time and place are designated as the "Closing").

(a) Deliveries by the Investor at Closing. Subject to the terms and conditions hereof, at the Closing, the Investor shall cause the following to be delivered to the Corporation:

(i) the aggregate Purchase Price payable by the Investor for the Shares as set forth in Section 1.1;

(ii) counterparts of the Stockholders Agreement, duly executed by the Investor as a shareholder of the Corporation; and

(iii) all other agreements, documents, instruments and other writings reasonably required to be delivered to the Corporation by the Investor at or prior to the Closing pursuant to this Agreement.

(b) Deliveries by the Corporation at Closing. Subject to the terms and conditions hereof, promptly after the Closing, the Corporation shall cause to be delivered to the Investor a stock certificate duly executed and delivered on behalf of the Corporation representing the Shares.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

The Corporation represents and warrants the following to the Investor as of the date hereof and as of the date of the Closing:

Section 3.1 Organization. The Corporation is duly incorporated, validly existing and in good standing under the laws of the State of Delaware, with full power and authority to conduct its business as it is currently being conducted and to own its assets and to consummate the transactions contemplated by this Agreement; and has obtained any other authorizations, approvals, permits and orders required by law that are material to the Corporation for the conduct of its business as it is currently being conducted and to consummate the transactions contemplated by this Agreement.

Section 3.2 Authorization. The Corporation has the requisite power and authority to execute and deliver this Agreement and to carry out the provisions of this Agreement. This Agreement has been duly and validly executed and delivered and constitutes, assuming due execution and delivery by the Investor, a valid and legally binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, subject to creditors' rights. The Corporation has duly authorized the issuance and sale of the shares of Common Stock upon the terms of this Agreement by all requisite corporate action, including the authorization by the Corporation's board of directors of the issuance and sale of the shares of Common Stock in accordance herewith.

Section 3.3 Valid Issuance of Common Stock. The shares of Common Stock issuable in accordance with this Agreement when paid for and delivered to the Investor in accordance with the terms of this Agreement will constitute validly authorized, duly issued, fully paid and non-assessable shares of Common Stock, and the issuance thereof will not conflict with the organizational documents of the Corporation, as amended to date, nor with any outstanding warrants, option, call, preemptive right or commitment of any type relating to the Corporation's capital stock.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

The Investor represents and warrants the following to the Corporation as of the date hereof and as of the date of the Closing:

Section 4.1 Authorization. The Investor has the requisite power and authority to

execute and deliver this Agreement and to carry out the provisions of this Agreement. This Agreement has been duly and validly executed and delivered and constitutes, assuming due execution and delivery by the Corporation, a valid and legally binding obligation of the Investor, enforceable against the Investor in accordance with its terms, subject to creditors' rights.

Section 4.2 Brokers or Finders. No Person has or will have, as a result of the issuance of the shares of Common Stock pursuant to this Agreement, any right, interest or valid claim against or upon the Corporation or any of its subsidiaries for any commission, fee or other compensation as a finder or broker because of any act or omission by the Investor or his agents.

Section 4.3 Restrictions on Transfer or Sale of the Stock.

(a) The Investor is acquiring the shares of Common Stock solely for the Investor's own beneficial account, for investment purposes, and not with a view to, or for resale in connection with, any distribution of the Common Stock. The Investor understands that the securities being purchased have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), and all applicable state securities laws by reason of specific exemptions under the provisions thereof which depend in part upon the investment intent of the Investor and of the other representations made by the Investor in this Agreement. The Investor understands that the Corporation is relying upon the representations and agreements contained in this Agreement (and any supplemental information) for the purpose of determining whether this transaction meets the requirements for such exemptions.

(b) The Investor understands that the shares of Common Stock being purchased are "restricted securities" under applicable federal securities laws and that the Securities Act and the rules of the Securities and Exchange Commission (the "Commission") provide in substance that the undersigned may dispose of the securities being purchased only pursuant to an effective registration statement under the Securities Act or an exemption therefrom, and the undersigned understands that the Corporation has no obligation or intention to register any of the securities being purchased, or to take action so as to permit sales pursuant to the Securities Act (including Rule 144 thereunder) except as may be required by the Corporation to comply with the Registration Rights Agreement attached as an exhibit to the Stockholders Agreement (as defined below). Accordingly, the Investor understands that under the Commission's rules, the Investor may dispose of the securities being purchased principally only in "private placements" which are exempt from registration under the Securities Act, in which event the transferee will acquire "restricted securities" subject to the same limitations as in the hands of the Investor. As a consequence, the Investor understands that he must bear the economic risks of the investment in the securities purchased for an indefinite period of time.

(c) The Investor agrees: (i) that he will not sell, assign, pledge, give, transfer or otherwise dispose of the securities purchased or any interest therein, or make any offer or attempt to do any of the foregoing, except pursuant to a registration of such securities under the Securities Act and all applicable state securities laws or in a transaction which is exempt from the registration provisions of the Securities Act and all applicable state securities laws; (ii) that the certificate(s) for the securities purchased will bear a legend making reference to the foregoing restrictions; and (iii) that the Corporation and any transfer agent for the securities purchased shall not be required to give effect to any purported transfer of any of such securities except upon compliance with the foregoing restrictions.

(d) The Shares issuable pursuant to this Agreement shall be subject to a stop transfer order and the certificate or certificates evidencing any such Shares shall bear the following legend:

> THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF UNLESS IT HAS BEEN REGISTERED UNDER THE SECURITIES ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE (AND, IN SUCH CASE, AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY TO THE EFFECT THAT SUCH OFFER, SALE, TRANSFER OR DISPOSITION IS NOT REQUIRED TO BE REGISTERED UNDER THE SECURITIES ACT HAS BEEN PROVIDED TO THE COMPANY). THIS SECURITY IS SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED STOCKHOLDERS AGREEMENT OF THE COMPANY, AND SET FORTH IN THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE COMPANY, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

Section 4.4 Investor Status.

(a) The Investor is an "Accredited Investor" (as such term is defined in the Stockholders Agreement).

(b) The Investor is familiar with the business and financial condition, properties, operations and prospects of the Corporation and has had an opportunity to ask questions of the Corporation's management and has made all investigations which he deems necessary or desirable. The Investor has carefully considered and has, to the extent the Investor believes such discussion necessary, discussed with the Investor's professional legal, tax, accounting and/or financial advisors, as the case may be, the suitability of an investment in the Corporation for the Investor's particular tax and financial situation and has determined that the Common Stock to be purchased by the Investor pursuant to this Agreement is a suitable investment for the Investor.

(c) The Investor, either alone or with the Investor's attorney, as applicable, has such knowledge and experience in financial, tax and business matters so as to enable the Investor to use the information made available to the Investor to evaluate the merits and risks of an investment in the Shares and to make an informed investment decision with respect thereto.

(d) The Investor is not purchasing the Shares as a result of or after any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or meeting.

(e) The Investor is able to bear the substantial economic risks of an investment in the Shares for an indefinite period of time, has no need for liquidity in such investment and, at the present time, could afford a complete loss of such investment.

(f) The Investor recognizes that investment in the Shares involves substantial risks, including loss of the entire amount of such investment. Further, the Investor has taken full cognizance of and understands all of the risks related to the purchase of the Shares.

ARTICLE V
MISCELLANEOUS

Section 5.1 Issuance Subject to Stockholders Agreement. The Investor hereby acknowledges that the Shares are hereby expressly subject to, and the Investor shall be a party to, the terms and conditions of the Amended and Restated Stockholders Agreement dated as of August 2, 2010, by and among the Corporation and the other stockholders of the Corporation named therein, as the same may be amended from time to time (the "Stockholders Agreement").

Section 5.2 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given or made (a) when delivered if delivered in person or sent by nationally recognized overnight or second day courier service, (b) upon transmission by fax if transmission is confirmed, or (c) three Business Days after deposit with a United States post office if delivered by registered or certified mail (postage prepaid, return receipt requested) to the respective parties as follows:

if to the Corporation:

Forum Energy Technologies, Inc.
920 Memorial City Way, Suite 800
Houston, TX 77024
Attention: General Counsel
Fax: (281) 949-2555

if to the Investor:

Evelyn Angelle
13822 Dry Creek Ranch
Cypress, TX 77429

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall only be effective upon receipt.

Section 5.3 Entire Agreement. This Agreement and any other writings referred to herein or delivered pursuant hereto, constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior contracts, agreements and understandings, whether oral or written, among the parties with respect to the subject matter hereof.

Section 5.4 Binding Effect; Assignment; No Third Party Benefit; Termination. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, permitted successors, permitted assigns and legal representatives; and by their signatures hereto, the Corporation and the Investor intend to and do hereby become bound. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any Person other than the parties hereto and their respective heirs, permitted successors, permitted assigns or legal representatives any legal or equitable right, remedy or claim under, in or in respect of this Agreement or any provision herein contained, except to the extent expressly provided in this Agreement. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by the Corporation to any Person without the prior written consent of the Investor. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by the Investor to any Person without the prior written consent of the Corporation.

Section 5.5 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement; *provided* that if any such provision may be made enforceable by limitation thereof, then such provision shall be deemed to be so limited and shall be enforceable to the maximum extent permitted by applicable law. Furthermore, in lieu of (and to the extent of) each such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

Section 5.6 Governing Law. This Agreement shall be governed by and construed in accordance with the law of the state of Delaware, without regard to the conflicts of law principles of such state.

Section 5.7 Construction. Unless the context requires otherwise: (a) pronouns in the masculine, feminine and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, (b) the term "*including*" shall be construed to be expansive rather than limiting in nature and to mean "*including, without limitation*," (c) references to Articles and Sections refer to Articles and Sections of this Agreement; (d) the words "*this Agreement*," "*herein*," "*hereof*," "*hereby*," "*hereunder*" and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited, (e) all references to "days" are to calendar days, (f) the term "Business Day" shall mean any day except Saturday, Sunday or any day on which banks are generally not open for business in Houston, Texas, and (g) the term "Person" shall mean an individual or a corporation, partnership, trust, incorporated or unincorporated association, limited liability company, joint venture, joint stock company, government (or an agency or political subdivision thereof) or other entity of any kind. The descriptive headings used herein are inserted for convenience of reference only, do not constitute a part of this Agreement, and shall not affect in any manner the meaning or interpretation of this Agreement.

Section 5.8 Injunctive Relief. The parties hereto acknowledge and agree that irreparable damage would occur in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement, and shall be entitled to enforce specifically the provisions of this Agreement, in any court of the United States or any state thereof having jurisdiction, in addition to any other remedy to which the parties may be entitled under this Agreement or at law or in equity. Each party to this Agreement hereby waives any requirements for the securing or posting of any bond with respect to such remedy of specific performance or other injunctive relief.

Section 5.9 Consent to Jurisdiction.

(a) The parties hereto hereby irrevocably submit to the exclusive jurisdiction of the courts of Houston, Texas and the Court of Chancery located in Delaware, and appropriate appellate courts therefrom, over any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby, and each party hereby irrevocably agrees that all claims in respect of such dispute or proceeding may be heard and determined in such courts. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby brought in such court or any defense of inconvenient forum for the maintenance of such dispute. The parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. This consent to jurisdiction is being given solely for purposes of this Agreement and is not intended to, and shall not, confer consent to jurisdiction with respect to any other dispute in which a party to this Agreement may become involved.

(b) The parties hereto hereby consents to process being served by any party to this Agreement in any suit, action, or proceeding of the nature specified in subsection (a) above by the mailing of a copy thereof in the manner specified by the provisions of Section 5.2.

(c) The parties hereto hereby irrevocably waives all right to trial by jury in any action, proceeding, or counterclaim arising out of or relating to this Agreement.

Section 5.10 Amendment; Termination. The provisions of this Agreement may be amended, modified, supplemented, restated or waived only with the written consent of the Corporation and the Investor. In the event that the Investor does not deliver the Purchase Price and the other documents and instruments required to be delivered at Closing in accordance with Section 2.1(a), the Corporation shall have the right to terminate this Agreement by delivery of written notice to the Investor.

Section 5.11 Waiver. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to this Agreement is not a consent or waiver to or of any other breach or default in the performance by

that Person of the same or any other obligations of that Person with respect to this Agreement. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to this Agreement, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute of limitations period has run.

Section 5.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all such counterparts together shall constitute one instrument. Delivery of a copy of this Agreement bearing an original signature by facsimile transmission or by electronic mail shall have the same effect as physical delivery of the paper document bearing the original signature.

[*Signature pages follow.*]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

THE CORPORATION:

FORUM ENERGY TECHNOLOGIES, INC.

By: /s/ James L. McCulloch
Name: James L. McCulloch
Title: Senior Vice President, General Counsel and Secretary

THE INVESTOR:

By: /s/ Evelyn Angelle
Name: Evelyn Angelle

Exhibit 10.28

EXECUTION VERSION

AGREEMENT AND AMENDMENT NO. 1 TO CREDIT AGREEMENT

This Agreement and Amendment No. 1 to Credit Agreement (this "Agreement") dated as of June 29, 2011 (the "Effective Date") is among Forum Energy Technologies, Inc. (the "Borrower"), the Lenders (as defined below), the Issuing Lenders (as defined below), and Wells Fargo Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

INTRODUCTION

A. The Borrower, the Administrative Agent, the issuing lenders party thereto from time to time (the "Issuing Lenders") and the lenders party thereto from time to time (the "Lenders") are parties to that certain Credit Agreement dated as of August 2, 2010 (the "Credit Agreement").

B. The Borrower has requested that the Lenders agree to (1) increase the aggregate Commitments under the Credit Agreement from $450,000,000 to $750,000,000, with such increase being provided by certain of the Lenders (such $300,000,000 increase being referred to herein as the "Increase Amount") and (2) amend certain provisions of the Credit Agreement as set forth below.

THEREFORE, the Borrower, the Administrative Agent, the Issuing Lenders, and the Lenders hereby agree as follows:

Section 1. **Defined Terms; Other Definitional Provisions**. As used in this Agreement, each of the terms defined in the opening paragraph and the Recitals above shall have the meanings assigned to such terms therein. Each term defined in the Credit Agreement and used herein without definition shall have the meaning assigned to such term in the Credit Agreement, unless expressly provided to the contrary. Article, Section, Schedule, and Exhibit references are to Articles and Sections of and Schedules and Exhibits to this Agreement, unless otherwise specified. The words "hereof", "herein", and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The term "including" means "including, without limitation,". Paragraph headings have been inserted in this Agreement as a matter of convenience for reference only and it is agreed that such paragraph headings are not a part of this Agreement and shall not be used in the interpretation of any provision of this Agreement.

Section 2. **Increase in Commitments**. Each of the Lenders (other than Amegy Bank National Association (the "Non-Increasing Lender")) hereby agrees and acknowledges that its respective Commitment is hereby increased to the amounts set forth next to its name on Schedule II attached hereto. Each of the Lenders, including the Non-Increasing Lender, hereby acknowledge and agree that, after giving effect to the increases effected hereby, its Commitment on the Effective Date is as set forth on Schedule II attached hereto.

Section 3. **Amendments to Credit Agreement**.

(a) Section 1.1 of the Credit Agreement is hereby amended by adding the following new defined terms in alphabetical order:

"Amendment No. 1" means that certain Agreement and Amendment No. 1 to Credit Agreement dated as of June 29, 2011 among the parties hereto which amends the Credit Agreement.

"Amendment No. 1 Effective Date" means June 29, 2011.

"Required Liquidity Amount" means (a) from the Effective Date to and including the Amendment No. 1 Effective Date, $40,000,000, (b) from the Amendment No. 1 Effective Date to and including December 31, 2011, $25,000,000, and (c) from and after January 1, 2012, $40,000,000.

(b) Section 1.1 of the Credit Agreement is hereby further amended by deleting the defined terms "Commitment" and "Fee Letter" and replacing them in their entirety with the following corresponding terms:

"Commitment" means, for each Lender, the obligation of each Lender to advance to Borrower the amount set opposite such Lender's name on Schedule II as its Commitment, or if such Lender has entered into any Assignment and Acceptance, the amount set forth for such Lender as its Commitment in the Register, as such amount may be reduced pursuant to Section 2.1(b); provided that, after the Maturity Date, the Commitment for each Lender shall be zero; and provided further that, the aggregate Commitment shall not exceed $750,000,000. The aggregate amount of all Commitments on the Amendment No. 1 Effective Date is $750,000,000.

"Fee Letter" means (a) that certain engagement and fee letter dated as of June 10, 2010 among the Borrower, Wells Fargo, and the Co-Lead Arrangers and (b) that certain engagement and fee letter dated as of June 24, 2011 among the Borrower, Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, and J.P. Morgan Securities LLC.

(c) Section 2.15 of the Credit Agreement is hereby replaced in its entirety with the following:

Section 2.15 Reserved.

(d) Section 5.8(a) of the Credit Agreement is hereby amended by replacing the reference to "…*Domestic Restricted Subsidiary*…" found in clause (ii) therein with a reference to "…*Domestic Restricted Subsidiary and First Tier Foreign Subsidiary*…."

(e) Section 6.1 of the Credit Agreement is hereby amended by replacing the reference to "*$700,000,000*" found in clause (k) therein with a reference to "*$750,000,000*".

(f) Section 6.3 of the Credit Agreement is hereby amended by replacing clause (n) found therein in its entirety with the following:

(n) Investments in the form of Equity Interests, including the purchase or acquisition thereof and capital contributions in connection therewith, made by the Restricted Entities in or to Foreign Restricted Subsidiaries; provided that, (i) such Investments are made for general corporate purposes or to fund a Permitted Acquisition, (ii) the aggregate amount of such Investments permitted under this clause (n) shall not exceed $150,000,000 (other than as a result of appreciation), and (iii) such Investments shall be subject to the limitation in Section 6.3(d)(ii) above); and

(g) Section 6.4 of the Credit Agreement is hereby amended by replacing clause (b) found therein in its entirety with the following:

(b) an Acquisition that meets each of the following conditions: (i) no Default exists both before and after giving effect to such Acquisition; (ii) both before and after giving effect to such Acquisition, Availability is greater than or equal to the Required Liquidity Amount; and (iii)

either (A) no more than 65% of the total consideration for such Acquisition will be funded with Advances or (B) after giving effect to such Acquisition, the Borrower's pro forma Leverage Ratio is less than (1) 3.25 to 1.00 for any period ending on or prior to December 31, 2011, (2) 3.00 to 1.00 for any period ending after December 31, 2011 but on or prior to December 31, 2012, (3) 2.75 to 1.00 for any period ending after December 31, 2012 but on or prior to December 31, 2013, and (4) 2.50 to 1.00 for any period ending after December 31, 2013, and the Borrower has delivered to the Administrative Agent a compliance certificate evidencing such pro forma compliance duly executed by a Responsible Officer of the Borrower.

(h) Section 6.18 of the Credit Agreement is hereby replaced in its entirety with the following:

Section 6.18 Leverage Ratio. Borrower shall not permit the Leverage Ratio as of the last day of each fiscal quarter, commencing with the quarter ending September 30, 2010, to be more than (a) 3.75 to 1.00 for each fiscal quarter ending on or prior to December 31, 2011, (b) 3.50 to 1.00 for each fiscal quarter ending after December 31, 2011 but on or prior to December 31, 2012, (c) 3.25 to 1.00 for each fiscal quarter ending after December 31, 2012 but on or prior to December 31, 2013, and (d) 3.00 to 1.00 for each fiscal quarter ending after December 31, 2013.

(i) Schedule II to the Credit Agreement is hereby deleted and replaced in its entirety with the Schedule II attached to this Agreement.

(j) Exhibit B to the Credit Agreement is hereby deleted and replaced in its entirety with the Exhibit B attached to this Agreement.

Section 4. **Representations and Warranties.** Each Credit Party represents and warrants that: (a) the representations and warranties contained in the Credit Agreement, as amended hereby, and the representations and warranties contained in the other Credit Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the Effective Date as if made on as and as of such date except to the extent that any such representation or warranty expressly relates solely to an earlier date, in which case such representation or warranty is true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date; (b) no Default has occurred and is continuing; (c) the execution, delivery and performance of this Agreement are within the corporate, partnership, or limited liability company power, as applicable, and authority of such Credit Party and have been duly authorized by appropriate governing action and proceedings; (d) this Agreement constitutes the legal, valid, and binding obligation of such Credit Party enforceable in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the rights of creditors generally and general principles of equity; (e) there are no governmental or other third party consents, licenses and approvals required in connection with the execution, delivery, performance, validity and enforceability of this Agreement; and (f) the Liens under the Security Documents are valid and subsisting and secure the Secured Obligations.

Section 5. **Effects of Non-Pro Rata Increase**.

(a) On the Effective Date, the Borrower shall prepay any outstanding Revolving Advances to the extent necessary to keep the outstanding Revolving Advances ratable to reflect the revised Pro Rata Shares of the Lenders arising as a result of the increase in the Commitments effected hereby. Each Lender is deemed to have made, on the Effective Date, a Base Rate Advance in an amount equal to its Pro

Rata Share (after giving effect to the increases in Commitments effected hereby) of the aggregate outstanding amount of the Revolving Advances (prior to giving effect to the prepayment required under this clause (a)). With the proceeds of such Base Rate Advances, the Borrower is deemed to have made the mandatory prepayments required under this clause (a).

(b) Effective as of the Effective Date, each Lender's participation in Letter of Credit Obligations or Swing Line Advances shall be automatically adjusted and revised to account for such Lender's new Pro Rata Share (after giving effect to the increases in the Commitments effected hereby).

Section 6. **Conditions to Effectiveness.** This Agreement shall become effective on the Effective Date and enforceable against the parties hereto upon the occurrence of the following conditions precedent:

(a) Documentation. The Administrative Agent shall have received the following, duly executed by all the parties thereto, in form and substance reasonably satisfactory to the Administrative Agent:

(i) this Agreement, new Notes to the extent requested by the Lenders, reflecting the Commitments set forth on Schedule II attached hereto, and the engagement and fee letter among the Borrower, Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, and J.P. Morgan Securities LLC.

(ii) a secretary's certificate from the Borrower certifying (A) updated incumbencies of authorized officers, (B) authorizing resolutions for this Agreement and the increase in the Commitments and (C) either updated organizational documents or a certification that the organizational documents delivered on the original closing date of the Credit Agreement have not been amended and are in full force and effect;

(iii) certificates of good standing and existence for each Credit Party, in each state in which each such Person is organized, which certificate shall be dated a date not sooner than 30 days prior to Effective Date;

(iv) executed copies, certified by an authorized officer of the Borrower, of the Purchase and Sale Agreement among Davis-Lynch Holding Co., Inc., as seller, Carl A. Davis as shareholder, and the Borrower (the "Davis Lynch PSA");

(v) a legal opinion of Vinson & Elkins LLP, as outside counsel to the Borrower, in form and substance reasonably acceptable to the Administrative Agent; and

(vi) such other documents and agreements, as the Administrative Agent may reasonably request.

(b) Payment of Fees. The Borrower shall have paid the fees and expenses required to be paid as of or on the Effective Date by Section 9.1 of the Credit Agreement to the extent invoiced prior to the Effective Date or any other provision of a Credit Document, including the Fee Letter (as such term is amended hereby).

(c) Material Adverse Change. No event or circumstance that could reasonably be expected to result in a Material Adverse Change shall have occurred.

(d) Davis- Lynch Acquisition Termination. As of the Effective Date, the Borrower shall have no intention to terminate the Davis Lynch PSA, and shall not have received any notice of termination or intention to terminate the Davis Lynch PSA from any other party thereto.

(e) Officer's Certificate. The Administrative Agent shall have received a certificate of an authorized officer of the Borrower certifying (i) both before and after giving effect to the increase in the Commitments effected hereby, no Default has occurred and is continuing, (ii) all representations and warranties made by the Borrower in the Credit Agreement are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), unless such representation or warranty relates to an earlier date which remains true and correct in all material respects as of such earlier date (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), (iii) the pro forma compliance with the covenants in Sections 6.17, 6.18 and 6.19 of the Credit Agreement, as amended hereby, after giving effect to increase in the Commitments effected hereby, and (iv) all conditions set forth in this Section 6 have been met.

Section 7. **Acknowledgments and Agreements**.

(a) Borrower acknowledges that on the date hereof all outstanding Obligations are payable in accordance with their terms and Borrower waives any defense, offset, counterclaim or recoupment with respect thereto.

(b) Borrower, each Guarantor, Administrative Agent, each Issuing Lender and each Lender does hereby adopt, ratify, and confirm the Credit Agreement, as amended hereby, and acknowledges and agrees that the Credit Agreement, as amended hereby, is and remains in full force and effect, and the Borrower and the Guarantors acknowledge and agree that their respective liabilities and obligations under the Credit Agreement, as amended hereby, and the Guaranty, are not impaired in any respect by this Agreement.

(c) From and after the Effective Date, all references to the Credit Agreement and the Credit Documents shall mean the Credit Agreement and such Credit Documents as amended by this Agreement.

(d) This Agreement is a Credit Document for the purposes of the provisions of the other Credit Documents. Without limiting the foregoing, any breach of representations, warranties, and covenants under this Agreement shall be a Default or Event of Default, as applicable, under the Credit Agreement.

(e) Notwithstanding the three Business Days advance notice requirement set forth in Section 2.4(a)(i) and Section 2.4(b)(ii) of the Credit Agreement, the parties hereto agree that (i) as to any Notice of Borrowing for Eurodollar Advances to be funded on Friday, July 1, 2011, the Borrower may provide such Notice of Borrowing as late as 12:00 noon (Houston, Texas time) on Wednesday, June 29, 2011, and (ii) as to any Notice of Continuation or Conversion for Advances to be converted into Eurodollar Advances on Friday, July 1, 2011, the Borrower may provide such Notice of Continuation or Conversion as late as 12:00 noon (Houston, Texas time) on Wednesday, June 29, 2011.

Section 8. **Reaffirmation of the Guaranty**. Each Guarantor hereby ratifies, confirms, acknowledges and agrees that its obligations under the Guaranty are in full force and effect and that such Guarantor continues to unconditionally and irrevocably guarantee the full and punctual payment, when due, whether at stated maturity or earlier by acceleration or otherwise, of all of the Guaranteed Obligations (as defined in the Guaranty), as such Guaranteed Obligations may have been amended by this

Agreement, and its execution and delivery of this Agreement does not indicate or establish an approval or consent requirement by such Guarantor under the Guaranty in connection with the execution and delivery of amendments, consents or waivers to the Credit Agreement, the Notes or any of the other Credit Documents.

Section 9. **Counterparts.** This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which, taken together, constitute a single instrument. This Agreement may be executed by facsimile signature and all such signatures shall be effective as originals.

Section 10. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted pursuant to the Credit Agreement.

Section 11. **Invalidity.** In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement.

Section 12. **Governing Law.** This Agreement shall be deemed a contract under, and shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, applicable to contracts made and to be performed entirely within such state, including without regard to conflicts of laws principles.

Section 13. **Submission to Jurisdiction**. EACH PARTY TO THIS AGREEMENT IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE CREDIT AGREEMENT, THIS AGREEMENT, OR ANY OTHER CREDIT DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AGAINST ANY OTHER PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

Section 14. Waiver of Venue. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE CREDIT AGREEMENT OR ANY OTHER CREDIT DOCUMENT, IN ANY COURT REFERRED TO IN SECTION 13 ABOVE. EACH OF THE PARTIES HERETO HEREBY AGREES THAT SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK SHALL APPLY TO THIS AGREEMENT AND THE CREDIT AGREEMENT AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

Section 15. **Entire Agreement. THIS AGREEMENT, THE CREDIT AGREEMENT AS AMENDED BY THIS AGREEMENT, THE NOTES, AND THE OTHER CREDIT DOCUMENTS CONSTITUTE THE ENTIRE UNDERSTANDING AMONG THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF AND SUPERSEDE ANY PRIOR AGREEMENTS, WRITTEN OR ORAL, WITH RESPECT THERETO.**

[The remainder of this page has been left blank intentionally.]

EXECUTED to be effective as of the date first above written.

BORROWER:

FORUM ENERGY TECHNOLOGIES, INC.

By: /s/ James W. Harris
Name: James W. Harris
Title: Senior Vice President and Chief Financial Officer

GUARANTORS

ALLIED PRODUCTION SERVICES, INC.
ALLIED PRODUCTION SOLUTIONS GP, LLC
CERTIFIED TECHNICAL SERVICES, L.P.
FORUM INTERNATIONAL HOLDINGS, INC.
FORUM US, INC.
(f/k/a Forum Oilfield Technologies US, Inc.)
SUBSEA SERVICES INTERNATIONAL, INC.
TGH (US) INC.
TRITON GROUP HOLDINGS LLC

By: /s/ James W. Harris
James W. Harris
Vice President and Secretary

A.B.Z. MANUFACTURING, INC.
GLOBAL FLOW EQUPMENT, INC.
GLOBAL FLOW TECHNOLOGIES, INC.
QUADRANT VALVE & ACTUATOR, L.L.C.
Z EXPLORATIONS, INC.
Z RESOURCES, INC.
ZY-TECH GLOBAL INDUSTRIES, INC.

By: /s/ Greg O'Brien
Name: Greg O'Brien
Title: Secretary

WOOD FLOWLINE PRODUCTS, L.L.C.
PHOINIX GLOBAL, LLC

By: /s/ James W. Harris
Name: James W. Harris
Title: Vice President

ADMINISTRATIVE AGENT/LENDERS:

WELLS FARGO BANK,
NATIONAL ASSOCIATION
as Administrative Agent, Swing Line Lender,
Issuing Lender, and Lender

By: /s/ T. Alan Smith
Name: T. Alan Smith
Title: Managing Director

JPMORGAN CHASE BANK, N.A.
as an Issuing Lender, a Lender and a Swing Line Lender

By: /s/ Thomas Okamoto
Name: Thomas Okamoto
Title: Authorized Officer

BANK OF AMERICA, N.A.
as an Issuing Lender and a Lender

By: /s/ David A. Batson
Name: David A. Batson
Title: Senior Vice President

CITIBANK, N.A.
as a Lender

By: /s/ John F. Miller
Name: John F. Miller
Title: Attorney-in-Fact

Signature page to Agreement and Amendment No. 1 to Credit Agreement
(Forum Energy Technologies, Inc.)

DEUTSCHE BANK TRUST COMPANY AMERICAS, as a Lender

By: /s/ Michael Getz
Name: Michael Getz
Title: Vice President

By: /s/ Erin Morrissey
Name: Erin Morrissey
Title: Director

AMEGY BANK NATIONAL ASSOCIATION
as a Lender and a Swing Line Lender

By: /s/ Kenyatta B. Gibbs
Name: Kenyatta B. Gibbs
Title: Vice President

HSBC BANK USA, N.A.
as a Lender

By: /s/ Bruce Robinson
Name: Bruce Robinson
Title: Vice President

By: /s/ Koby West
Name: Koby West
Title: Assistant Vice President

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as a Lender

By: /s/ Mikhail Faybusovich
Name: Mikhail Faybusovich
Title: Director

By: /s/ Vipul Dhadda
Name: Vipul Dhadda
Title: Associate

SCHEDULE II

Commitments, Contact Information

ADMINISTRATIVE AGENT/ISSUING LENDER/SWING LINE LENDER

Wells Fargo Bank, National Association

Address: 1525 W WT Harris Blvd.
Mail Code NC0680
Charlotte, NC 28262
Attn: Syndication/Agency Services
Telephone: (704) 590 2760
Facsimile: (704) 590 2790

with a copy to:
Address: 1000 Louisiana, 9th Floor
MAC T5002-090
Houston, Texas 77002
Attn: J.C. Hernandez
Telephone: 713-319-1913
Facsimile: 713-739-1087

CREDIT PARTIES

Borrower/Guarantors

Address for Notices:
920 Memorial City Way, Suite 800
Houston, TX 77040
Attn: James Harris
Telephone: 713-351-7999
Facsimile: 713-351-7997

Lender	Commitment
Wells Fargo Bank, National Association	$ 126,666,667
JPMorgan Chase Bank, N.A.	$ 126,666,667
Bank of America, N.A.	$ 126,666,667
Citibank, N.A.	$ 110,000,000
Deustche Bank Trust Company Americas	$ 100,000,000
Amegy Bank National Association	$ 60,000,000
HSBC Bank USA, N.A.	$ 66,666,666
Credit Suisse AG, Cayman Islands Branch	$ 33,333,333
TOTAL:	**$ 750,000,000**

EXHIBIT B
FORM OF COMPLIANCE CERTIFICATE

FOR THE PERIOD FROM , 201_ TO , 201_

This certificate dated as of , is prepared pursuant to the Credit Agreement dated as of August 2, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") among Forum Energy Technologies, Inc., a Delaware corporation ("Borrower"), the lenders party thereto from time to time (the "Lenders"), the Issuing Lenders (as defined in the Credit Agreement) and Wells Fargo Bank, National Association, as administrative agent for such Lenders (in such capacity, the "Administrative Agent") and as a swing line lender. Unless otherwise defined in this certificate, capitalized terms that are defined in the Credit Agreement shall have the meanings assigned to them by the Credit Agreement.

The undersigned, on behalf of the Borrower, certifies that:

(a) all of the representations and warranties made by any Credit Party or any officer of any Credit Party contained in the Credit Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as if made on this date, except that any representation and warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) only as of such specified date;

(b) attached hereto in Schedule A is a reasonably detailed spreadsheet reflecting the calculations of, as of the date and for the periods covered by this certificate, Balance Sheet Debt, Borrower's consolidated Total Capitalization, Funded Debt, Adjusted EBITDA, Borrower's consolidated EBITDA, Borrower's consolidated Interest Expense, Capital Expenditures expended by Borrower or any Restricted Subsidiary and Equity Funded Capital Expenditures;

[(c) no Default or Event of Default has occurred or is continuing as of the date hereof; and]

—or—

[(c) the following Default[s] or Event[s] of Default exist[s] as of the date hereof, if any, and the actions set forth below are being taken to remedy such circumstances:

; and]

(d) as of the date hereof for the periods set forth below the following statements, amounts, and calculations included herein and in Schedule A, were true and correct in all material respects:

I. Section 6.17 Total Capitalization Ratio.1 :

(a)	All Balance Sheet Debt as of the last day of such fiscal quarter	$
(b)	Borrower's consolidated Total Capitalization as of the last day of such fiscal quarter	$
(c)	Capitalization Ratio = (a) divided by (b)	
	Maximum Capitalization Ratio Covenant =	0.65 to 1.00
	Compliance	**Yes** **No**

[Remainder of this page intentionally left blank.
Compliance Certificate continues on following pages.]

1 Calculated as of the last day of each fiscal quarter.

[use this page for Compliance Certificate delivered for fiscal quarter ending June 30, 2011]

II. Section 6.18 Leverage Ratio for fiscal quarter ending June 30, 2011 –

(a)	Funded Debt as of the last day of such fiscal quarter	$
(b)	Subject Companies' combined (but not duplicative) consolidated EBITDA* for the period from July 1, 2010 to the Effective Date	$
(c)	Borrower's consolidated EBITDA* for the period from the Effective Date to September 30, 2010	$
(d)	Borrower's consolidated EBITDA* for the three fiscal quarter period ending June 30, 2011	$
(e)	Adjusted EBITDA* = (b) + (c) + (d) =	$
	Leverage Ratio = (a) to (e) =	
	Maximum Leverage Ratio	3.75 to 1.00
	Compliance	**Yes** **No**

III. Section 6.19 Interest Coverage Ratio for fiscal quarter ending June 30, 2011 -

(a)	Adjusted EBITDA *(See II.(e) above)* =	$
(b)	Borrower's consolidated Interest Expense for the four fiscal quarter period then ended =	$
	Interest Coverage Ratio = (a) to (b) =	
	Minimum Interest Coverage Ratio	3.00 to 1.00
	Compliance	**Yes** **No**

[Remainder of this page intentionally left blank.
Compliance Certificate continues on following pages.]

* In accordance with the Credit Agreement, EBITDA shall be subject to pro forma adjustments for Acquisitions and Nonordinary Course Asset Sales assuming that such transactions had occurred on the first day of the determination period, which adjustments shall be made in accordance with the guidelines for pro forma presentations set forth by the SEC or in a manner otherwise reasonably acceptable to the Administrative Agent.

[use this page for Compliance Certificate delivered for fiscal quarters ending on or after September 30, 2011]

II. Section 6.18 Leverage Ratio for fiscal quarter ending on or after September 30, 2011–

(a)	Funded Debt as of the last day of such fiscal quarter	$
(b)	Borrower's consolidated EBITDA* for the four fiscal quarter period then ended	$
	Leverage Ratio = (a) to (b) =	
	Maximum Leverage Ratio	[3.75 to 1.00][3.50 to 1.00]
		[3.25 to 1.00][3.00 to 1.00]**
	Compliance	**Yes** **No**

III. Section 6.19 Interest Coverage Ratio for fiscal quarter ending on or after September 30, 2011-

(a)	EBITDA *(See II.(b) above)* =	$
(b)	Borrower's consolidated Interest Expense for the four fiscal quarter period then ended =	$
	Interest Coverage Ratio = (a) to (b) =	
	Minimum Interest Coverage Ratio	3.00 to 1.00
	Compliance	**Yes** **No**

[Remainder of this page intentionally left blank.
Compliance Certificate continues on following pages.]

* In accordance with the Credit Agreement, EBITDA shall be subject to pro forma adjustments for Acquisitions and Nonordinary Course Asset Sales assuming that such transactions had occurred on the first day of the determination period, which adjustments shall be made in accordance with the guidelines for pro forma presentations set forth by the SEC or in a manner otherwise reasonably acceptable to the Administrative Agent.

** Use (a) 3.75 to 1.00 for fiscal quarters ending on September 30, 2011 and December 31, 2011, (b) 3.50 to 1.00 for each fiscal quarter ending after December 31, 2011 but on or prior to December 31, 2012, (c) 3.25 to 1.00 for each fiscal quarter ending after December 31, 2012 but on or prior to December 31, 2013, and (d) 3.00 to 1.00 for each fiscal quarter ending after December 31, 2013.

V. Section 6.20 Capital Expenditures:***

(a) Capital Expenditures expended by the Borrower or any Restricted Subsidiary for the fiscal year ended immediately prior to the date hereof****** = $

(b) Equity Funded Capital Expenditures for the fiscal year ended immediately prior to the date hereof = $

(c) Borrower's consolidated EBITDA* for the fiscal year ended immediately prior to the date hereof******** = $

(d) 50% of IV(c) = $

Capital Expenditure Covenant: [(a) – (b)] ≤ (d)

Compliance **Yes** **No**

IN WITNESS THEREOF, I have hereto signed my name to this Compliance Certificate as of , .

FORUM ENERGY TECHNOLOGIES, INC.

By: _____
Name:
Title:

*** Only calculated for the compliance certificate delivered with the year end financials.

**** With respect to any Restricted Subsidiary acquired during the fiscal year, calculated for the portion of such fiscal year that such Restricted Subsidiary was a Restricted Subsidiary.

* In accordance with the Credit Agreement, EBITDA shall be subject to pro forma adjustments for Acquisitions and Nonordinary Course Asset Sales assuming that such transactions had occurred on the first day of the determination period, which adjustments shall be made in accordance with the guidelines for pro forma presentations set forth by the SEC or in a manner otherwise reasonably acceptable to the Administrative Agent.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Forum Energy Technologies, Inc. of our report dated August 31, 2011 relating to the consolidated financial statements of Forum Energy Technologies, Inc., which appears in such Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
August 31, 2011

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated August 25, 2011, with respect to the consolidated financial statements of Allied Production Services, Inc. and Subsidiaries, included in the Registration Statement on Form S-1 and related Prospectus of Forum Energy Technologies, Inc. for the registration of shares of its common stock.

/s/ Ernst & Young LLP

Houston, Texas
August 31, 2011

Exhibit 23.3

Consent of Independent Registered Public Accounting Firm

We consent to the use in this Registration Statement of Forum Energy Technologies, Inc. on Form S-1 of our report dated May 29, 2009 (relating to the consolidated statements of operations and cash flows for the year ended December 31, 2008 of Allied Productions Services, Inc., not presented separately) appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the heading “Experts” in such Prospectus.

/s/ DELOITTE & TOUCHE LLP

Dallas, Texas
August 31, 2011

Exhibit 23.4

Consent of Independent Registered Public Accounting Firm

We consent to the use in this Registration Statement of Forum Technologies, Inc. on Form S-1 of our report dated March 30, 2010 (relating to the consolidated financial statements of Subsea Services International, Inc. not presented herein), appearing in the Prospectus, which is part of this Registration Statement and to the reference to us under the heading “Experts” in such Prospectus.

/s/ Pannell Kerr Forster of Texas, P.C.

Houston, Texas
August 31, 2011

Exhibit 23.5

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement of Forum Energy Technologies, Inc. on Form S-1 of our report dated July 14, 2010, (relating to the financial statements of Triton Group Holdings LLC as of December 31, 2009 and the two years then ended, not presented separately herein) appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the heading “Experts” in such Prospectus.

/s/ DELOITTE LLP

Aberdeen, United Kingdom
August 31, 2011

Exhibit 23.6

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Forum Energy Technologies, Inc of our report dated August 26, 2011, related to the financial statements of Davis-Lynch, Inc as of December 31, 2010 and 2009 and for each of the three years in the period ended December 31, 2010, which appear in such Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ UHY LLP

Houston, Texas
August 31, 2011

Exhibit 23.7

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Forum Energy Technologies, Inc. of our report dated June 24, 2011 relating to the financial statements of Wood Flowline Products, LLC, which appears in such Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
August 31, 2011

Exhibit 23.8

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Forum Energy Technologies, Inc. of our report dated August 31, 2011 relating to the financial statements of AMC Global Group Limited, which appears in such Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Aberdeen, United Kingdom
August 31, 2011

Exhibit 23.9

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Forum Energy Technologies, Inc. of our report dated August 31, 2011 relating to the financial statements of P-Quip Limited, which appears in such Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Aberdeen, United Kingdom
August 31, 2011

Exhibit 23.10

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Forum Energy Technologies, Inc. of our report dated August 19, 2011 relating to the financial statements of Cannon Services, Ltd, which appears in such Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
August 31, 2011