

CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT ("Agreement") is effective _____, 201__
("Effective Date") between:

HWCG LLC, a Limited Liability Company organized and existing under the laws of the State of Texas ("HWCG" or "Disclosing Party"), a wholly-owned subsidiary of HWCG Holdings LLC in turn owned by its participating member companies ("Members");

and

_____, a company organized and existing under the laws of the State of _____ ("Receiving Party").

These parties may also be referred to herein individually as "Party" or collectively as "Parties", dependent upon the context within which those terms are used.

ARTICLE 1 DISCLOSURE OF CONFIDENTIAL INFORMATION

- 1.1** In connection with the possible acquisition by Receiving Party of an ownership and participating interest as a Member in HWCG Holdings LLC, Disclosing Party is willing, in accordance with the terms and conditions of this Agreement, to disclose to Receiving Party certain information relating to the Disclosing Party and its business, including notes, summaries, operating procedures, technical, commercial, contractual and financial information ("Confidential Information"), all as more fully described in Exhibit A (Confidential Information) appended hereto, which may be amended in writing from time to time as additional information is disclosed. Evaluation Material as defined in Article 8 (Evaluation Material) shall also be treated as Confidential Information.
- 1.2** The disclosure of Confidential Information by Disclosing Party to Receiving Party is nonexclusive, and Disclosing Party may disclose its Confidential Information to third parties at any time at its own discretion.

ARTICLE 2 UNDERTAKING NOT TO DISCLOSE

In consideration of the disclosures referred to in Article 1 (Disclosure of Confidential Information) and except as otherwise provided in this Agreement, Receiving Party shall not disclose to anyone nor use for any purpose other than described in Article 1 (Disclosure of Confidential Information) the Disclosing Party's Confidential Information without the prior written consent of the Disclosing Party.

ARTICLE 3 CERTAIN INFORMATION NOT CONFIDENTIAL

Confidential Information shall not include information that Receiving Party can demonstrate:

- 3.1 was already lawfully known to Receiving Party as of the Effective Date;
- 3.2 is or becomes generally available to the public other than through the act or omission of Receiving Party or of any other person to whom Confidential Information is further disclosed by the Receiving Party, unless public disclosure was made pursuant to Article 4.1;
- 3.3 is acquired independently from a third party credibly representing that it has the right to freely disseminate such information to Receiving Party at the time such information is first acquired by the Receiving Party; or
- 3.4 has been developed by Receiving Party independently of the Confidential Information received from Disclosing Party.

ARTICLE 4
PERMITTED DISCLOSURE BY RECEIVING PARTY

Receiving Party may disclose Confidential Information without the prior written consent of Disclosing Party:

- 4.1 To the extent the Confidential Information must be disclosed under applicable law, including by stock exchange regulations or by a governmental order, decree, regulation or rule, provided that Receiving Party shall make all reasonable efforts to give prompt written notice to Disclosing Party prior to such disclosure and shall cooperate at Disclosing Party's expense with all reasonable requests of Disclosing Party in legally contesting the legal requirement for such disclosure. In the event that a press release is deemed necessary by the Receiving Party (whether by virtue of stock exchange regulations, other legal requirements or otherwise), Receiving Party shall so notify Disclosing Party in writing as far in advance as possible of Receiving Party's perceived need for such press release issuance, including with such notice a draft of its proposed press release. Disclosing Party and Receiving Party shall endeavor in good faith to agree on the wording of the press release, governed by strictly construed legal requirements; provided, however, that nothing contained herein shall be construed to place Receiving Party in violation of existing law.
- 4.2 To the following persons to the extent that Receiving Party needs them to evaluate the Confidential Information:
 - 4.2.1 employees, officers, and directors of Receiving Party;
 - 4.2.2 employees, officers, and directors of an Affiliated Company, which Affiliated Company is under obligation of confidentiality to Receiving Party at least as stringent as the provisions of this Agreement ("Affiliated Company" means any company or legal entity that Controls, or is Controlled by, or that is Controlled by an entity that Controls, the Receiving Party, and "Control" and its variants mean the direct or indirect ownership of more than fifty (50) percent of the voting rights in a company or other legal entity); or

4.2.3 any consultant or agent retained by Receiving Party or its Affiliated Company, but prior to making any disclosures to persons under this sub-Article 4.2.3, the Receiving Party shall obtain an undertaking of confidentiality substantially in the same form and content as this Agreement from each such person, although in the case of outside legal counsel the Receiving Party shall only be required to procure that such legal counsel is bound by an obligation of confidentiality at least as stringent as the provisions of this Agreement.

Receiving Party shall be responsible to Disclosing Party for any act or omission of the entities and persons described in this sub-Article 4.2 that would have breached this Agreement if the act or omission had been by Receiving Party.

ARTICLE 5 NOTICES

All notices authorized or required between the Parties by any of the provisions of this Agreement shall be in written English, properly addressed to the other Party as shown below, and delivered: in person; by courier; by properly pre-paid Certified U.S. Mail with Return Receipt; or by any electronic means of transmitting written communications that provides written confirmation of receipt of complete transmission. A notice given under any provision of this Agreement shall be deemed properly delivered only when received by the Party to whom the notice is directed. *Oral notifications, facsimile transmissions and e-mails shall only be deemed received when receipt of same is confirmed to the sending Party in writing by the Party receiving such communication, which confirmation includes reply facsimile transmissions, e-mails and written confirmation of such oral communication.*

HWCG LLC

Address: 1885 St. James Place
Suite 790
Houston, Texas 77056
Attention: Craig Castille
Telephone: (713) 341-5000
Facsimile: (713) 341-5022
E-mail: craig@hwcg.org

Name of Receiving Party: _____

Address:

Attention:

Telephone:

Facsimile:

E-mail:

ARTICLE 6 DAMAGES

The liability of each Party to the other for breach of this Agreement shall be limited to direct and incidental actual damages only. Such direct and incidental actual damages shall be the sole and exclusive remedy, and all other remedies or damages at law or in equity are waived except such equitable relief as may be granted under Article 11 (Governing Law and Dispute Resolution). In no event shall a Party be liable to the other for any other damages, including loss of profits or indirect, consequential, special, speculative, exemplary or punitive damages, regardless of negligence or fault.

ARTICLE 7 RETURN OF CONFIDENTIAL INFORMATION

- 7.1** Receiving Party shall acquire no proprietary interest in or right to the Confidential Information disclosed to it hereunder by Disclosing Party.
- 7.2** Disclosing Party may demand the return of the Confidential Information at any time upon giving written notice to Receiving Party. Within thirty (30) days of receipt of such notice, Receiving Party shall return to Disclosing Party all of the original Confidential Information, and shall destroy or cause to be destroyed all copies (including electronic or digital) in its possession and in the possession of persons to whom it was disclosed, certifying in writing to Disclosing Party that such destruction has occurred.
- 7.3** The provisions of Article 7.2 do not apply to the following:
- 7.3.1** Confidential Information that is retained in the computer backup system of Receiving Party or a person to whom it was disclosed under Article 4.2 if the Confidential Information will be destroyed in accordance with the regular ongoing records retention process of Receiving Party or such person to whom it was disclosed pursuant to Article 4.2 and if the Confidential Information is not used prior to its destruction; and
- 7.3.2** Confidential Information that must be retained under applicable law, including by stock exchange regulations or by governmental order, decree, regulation or rule.

ARTICLE 8 EVALUATION MATERIAL

- 8.1** Information generated by Receiving Party or by a person described in Article 4.2 that is derived in whole or in part from Confidential Information is "Evaluation Material." Evaluation Material includes models, analyses, interpretations, presentations for management, technical and economic evaluations.
- 8.2** During the term of this Agreement, Receiving Party shall not disclose Evaluation Material to anyone other than the persons described under Article 4 (Permitted Disclosure by Receiving Party) without the prior written consent of Disclosing Party.

**ARTICLE 9
TERM**

This Agreement shall terminate upon the earlier to occur of:

- 9.1 the return by Receiving Party of Confidential Information and its written certification of destruction of all copies of Confidential Information per Article 7.2; or
- 9.2 otherwise on the fifth anniversary of the Effective Date of this Agreement, provided that Receiving Party shall upon such fifth anniversary, automatically and without notice therefor from Disclosing Party, return all Confidential Information and certify in writing the destruction of all copies of Confidential Information per Article 7.2;

provided, however, that this Agreement shall remain in effect as necessary to allow legal claims to be brought and maintained for breaches of this Agreement occurring prior to such termination date.

**ARTICLE 10
REPRESENTATIONS AND WARRANTIES**

Disclosing Party represents and warrants that it has the right and authority to disclose the Confidential Information to Receiving Party. Disclosing Party, however, makes no representations or warranties, express or implied, as to the quality, accuracy and completeness of the Confidential Information, and Receiving Party expressly acknowledges the inherent risk of error in the development of operating procedures for the containment of sub-sea wells. Disclosing Party, its Affiliated Companies, and all their officers, directors and employees shall have no liability whatsoever regarding the use of or reliance upon the Confidential Information by Receiving Party.

**ARTICLE 11
GOVERNING LAW AND DISPUTE RESOLUTION**

- 11.1 This Agreement shall be governed by and interpreted in accordance with the laws of the State of Texas, excluding any choice of law rules which would refer the matter to the laws of another jurisdiction.
- 11.2 Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association (“AAA”) by a single arbitrator in accordance with its Commercial Arbitration Rules (including the Optional Rules for Emergency Measures of Protection), and judgment on the award rendered by the sole arbitrator may be entered in any court having jurisdiction thereof. The arbitration shall be held in Harris County, Texas, and the proceedings shall be in the English language. The resulting arbitral award shall be final and binding without right of appeal. A dispute shall be deemed to have arisen when either Party notifies the other Party in writing to that effect. Receiving Party acknowledges that remedies at law may be inadequate to protect against breach of this Agreement; accordingly, the arbitrator may award both monetary and equitable relief, including injunctive relief and specific

performance. Prior to the appointment of the single arbitrator, Disclosing Party may apply to the AAA under its Rules for Emergency Measures of Protection for interim or conservatory relief if it deems such emergency relief necessary. Any monetary award issued by the arbitrator shall be payable in U.S. Dollars. Each Party waives any right to damages other than those provided in Article 6, and the arbitrator shall certify in the decision that only those damages authorized by Article 6 (Damages) were awarded.

ARTICLE 12 GENERAL PROVISIONS

12.1 No Waiver

No waiver by either Party of any one or more breaches of this Agreement by the other Party shall operate or be construed as a waiver of any future default or defaults by the same Party. Neither Party shall be deemed to have waived, released, or modified any of its rights under this Agreement unless such Party has expressly stated, in writing, that it does waive, release or modify such rights.

12.2 Modification

This Agreement may not be modified except by written consent of the Parties; provided that Exhibit A (Confidential Information) may be amended by mutual written agreement by the Parties to include additional Confidential Information between the Parties through Notice as herein described in Article 5 (Notices); provided further, this shall not be construed to extend the Term of this Agreement as provided for in Article 9 (Term).

12.3 Interpretation

12.3.1 Headings

The topical headings used in this Agreement are for convenience only and shall not be construed as having any substantive significance or as indicating that all of the provisions of this Agreement relating to any topic are to be found in any particular article or provision.

12.3.2. Singular and Plural.

When appropriate to the context, reference to the singular includes a reference to the plural and vice versa.

12.3.3. Article or Exhibit

Unless otherwise provided, reference to any article or an exhibit means an article or exhibit of this Agreement.

12.3.4. Include.

The words "include" and "including" have an inclusive meaning, are used in an illustrative sense and not a limiting sense, and are not intended to limit the generality of the description preceding or following such term.

12.4 Counterpart Execution.

This Agreement may be executed in counterparts and each counterpart shall be deemed an original Agreement for all purposes; provided that neither Party shall be bound to this Agreement until both Parties have executed a counterpart. For purposes of assembling the counterparts into one document, Disclosing Party is authorized to detach the signature page from one counterpart and, after signature thereof by Receiving Party, attach each signed signature page to a counterpart.

12.5 Entirety.

This Agreement comprises the full and complete agreement of the Parties regarding the disclosure of the Confidential Information and supersedes and cancels all prior communications, understandings, and agreements between the Parties relating to the Confidential Information, whether written or oral, expressed or implied.

12.6 No Third Party Beneficiaries

The interpretation of this Agreement shall exclude any rights under legislative provisions conferring rights under a contract to persons not a party to that contract.

ARTICLE 13 ASSIGNMENT OF THIS AGREEMENT

The Receiving Party may assign this Agreement to an Affiliated Company; provided, however, the Receiving Party shall remain liable for the performance by such Affiliated Company of all obligations under this Agreement. Receiving Party may assign this Agreement to a person or entity that is not an Affiliated Company only with the prior written approval of Disclosing Party. Any attempted assignment by Receiving Party to a person or entity that is not an Affiliated Company without the prior written approval of Disclosing Party shall be void. Without limiting the prior provisions of this Article, this Agreement shall bind and inure to the benefit of the Parties and their respective successors and permitted assigns.

(Signature page follows)

IN WITNESS of their agreement each Party has caused its duly authorized representative to sign this instrument effective on the date first written above.

By: HWCG LLC

Signature: _____

Printed Name: Craig Castille

Title: Managing Director

By (name of Receiving Party): _____

Signature: _____

Printed Name:

Title:

EXHIBIT A TO CONFIDENTIALITY AGREEMENT

CONFIDENTIAL INFORMATION

HWCG's Confidential Information (as of _____, 201_)

- Copies of major contracts:
 - Agreements for Response Resources and *pro forma* Utilization Agreements with:
 - AET
 - Delmar
 - HESG
 - PTS
 - Trendsetter
 - Other contracts:
 - PetroSkills
 - Limited Liability Company Agreement of HWCG Holdings LLC
 - Mutual Aid Agreement
 - Non-Operator Membership Interest Purchase Agreement (*pro forma*)
- Worksheet with joining fees unique to Receiving Party joining at this time
- HWCG's Regional Containment Demonstration (RCD) templet - available to Receiving Party upon joining
- Well Containment Plan (WCP) - available to Receiving Party upon joining.
- Additional confidential information that from time to time is deemed appropriate to furnish Receiving Party.