

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM317634

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
SANJEL CANADA LTD.		06/18/2014	CORPORATION: CANADA
RECEIVING PARTY DATA			
Name:	Alberta Treasury Branches		
Street Address:	600, 444- 7th Avenue S.W.		
City:	Calgary, Alberta		
State/Country:	CANADA		
Entity Type:	CORPORATION: CANADA		
PROPERTY NUMBERS Total: 5			
Property Type	Number	Word Mark	
Registration Number:	3306977	SANJEL	
Registration Number:	3348386	SANJEL	
Registration Number:	3343885	CYCLESPAL	
Registration Number:	3587134	SAN2CYCLE	
Registration Number:	4107221	SHOCKFRAC	
CORRESPONDENCE DATA			
Fax Number:	7038482981		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Email:	nkennedy@rmsclaw.com, ttyler@rmsclaw.com		
Correspondent Name:	ROBERTS MLOTKOWSKI SAFRAN & COLE, P.C.		
Address Line 1:	7918 JONES BRANCH DRIVE		
Address Line 2:	SUITE 500		
Address Line 4:	MCLEAN, VIRGINIA 22102		
ATTORNEY DOCKET NUMBER:	336848-00800		
NAME OF SUBMITTER:	Nicoletta Kennedy		
SIGNATURE:	/Nicoletta Kennedy/		
DATE SIGNED:	09/22/2014		
Total Attachments: 35			
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SECURITY AGREEMENT

among

**SANJEL CANADA LTD.,
as Grantor**

and

**ALBERTA TREASURY BRANCHES,
as Administrative Agent**

Dated as of June 18, 2014

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, dated as of June 18, 2014 (this "Agreement"), among SANJEL CANADA LTD., a corporation incorporated and existing under the law of Alberta ("Grantor"), having its registered office at 200, 505 – 2nd Street S.W., Calgary, Alberta, T2P 1N8, and ALBERTA TREASURY BRANCHES, as administrative agent (in such capacity, together with its successors in such capacity, the "Administrative Agent") for and on behalf of itself and certain secured parties.

WITNESSETH:

WHEREAS, pursuant to that certain amended and restated credit agreement dated as of March 21, 2014, between Sanjel Corporation, an Alberta corporation, as borrower (the "Borrower"), Alberta Treasury Branches, as administrative agent and lead arranger, and the financial institutions named therein or in lender transfer agreements, in their capacities as lenders (the "Lenders"), as lenders, as amended or amended and restated from time to time (as so amended or restated, the "Credit Agreement"), the Lenders have agreed to make loans and extend credit to the Borrower from time to time; and

WHEREAS, the Grantor has executed and delivered a Loan Party Guarantee dated as of August 25, 2011 as amended by the consent and acknowledgement to the Credit Agreement (as so amended and as further amended or restated from time to time, the "Guarantee Agreement"), to guarantee, among other things, the obligations of the Borrower, among others, to the Administrative Agent and the Lenders under the Credit Agreement, and has executed and delivered to the Administrative Agent that certain amended and restated general security agreement dated as of March 21, 2014 (as so amended and as further amended or restated from time to time, the "Security Agreement"); and

WHEREAS, it is a requirement under the Credit Agreement that Grantor shall have executed and delivered this Agreement to the Administrative Agent;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and to induce the Lenders to continue to make the extensions of credit to the Borrower or other Loan Parties under the Credit Agreement, Grantor hereby agrees with the Administrative Agent, for the ratable benefit of the Guarantee Beneficiaries, as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, terms used herein (including terms used in the preamble and the recitals) and defined in the Guarantee Agreement (including by reference therein to the Credit Agreement or any other Loan Document) shall have the meanings given to them in the Guarantee Agreement.

(b) Terms used herein that are not defined herein or in the Guarantee Agreement, but that are defined in the UCC have the meanings given to them in the UCC, and if defined in more than one article of the UCC shall have the meanings set forth in Article 9 thereof.

(c) The rules of construction and other interpretive provisions specified in Sections 1.3, 1.4 and 1.7 of the Credit Agreement shall apply to this Agreement, including terms defined in the preamble and recitals to this Agreement.

(d) The following terms shall have the following meanings:

“Accounts” means all now present and future “accounts” and “payment intangibles” (in each case, as defined in Article 9 of the UCC).

“Administrative Agent” shall have the meaning provided in the preamble to this Agreement.

“Agreement” shall have the meaning provided in the preamble to this Agreement.

“Borrower” shall have the meaning provided in the first recital.

“Collateral” shall have the meaning provided in Section 2.

“Copyright License” shall mean any written agreement, now or hereafter in effect, granting any right to any third party under any copyright now or hereafter owned by Grantor (including all Copyrights) or that Grantor otherwise has the right to license, or granting any right to Grantor under any Copyright now or hereafter owned by any third party, and all rights of Grantor under any such agreement.

“Copyrights” shall mean, with respect to any Person, all of the following now owned or hereafter acquired by such Person: (i) all copyright rights in any work subject to the copyright laws of the United States or any other country or group of countries, whether as author, assignee, transferee or otherwise and (ii) all registrations and applications for registration of any such copyright in the United States or any other country or group of countries, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office.

“General Intangibles” shall mean all “general intangibles” as such term is defined in Article 9 of the UCC and, in any event, including with respect to Grantor, all contracts, agreements, instruments and indentures in any form, and portions thereof, to which Grantor is a party or under which Grantor has any right, title or interest or to which Grantor or any property of Grantor is subject, as the same may from time to time be amended, supplemented or otherwise modified, including (a) all rights of Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (b) all rights of Grantor to receive proceeds of any insurance, indemnity, warranty or guarantee with respect thereto, (c) all claims of Grantor for damages arising out of any breach of or default thereunder and (d) all rights of Grantor to terminate, amend, supplement, modify or exercise rights or options thereunder, to perform thereunder and to compel performance and otherwise exercise all remedies thereunder.

“Grantor” shall have the meaning provided in the preamble to this Agreement.

“Guarantee Beneficiaries” shall have the meaning provided in the Guarantee Agreement as amended by the consent and acknowledgement to the Credit Agreement, and for

greater certainty shall include the Lenders, the Creditcard Facility Lenders and the Swap Lenders (each as defined in the Credit Agreement).

“Intellectual Property” means, collectively, the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks and the Trademark Licenses.

“License” shall mean any license, sublicense or cross-license to which Grantor is a party.

“Guaranteed Obligations” shall have the meaning provided in the Guarantee Agreement as amended by the consent and acknowledgement to the Credit Agreement.

“Patent Licenses” shall mean any written agreement, now or hereafter in effect, granting to any third party any right to make, use or sell any invention on which a patent, now or hereafter owned by Grantor (including all Patents) or that Grantor otherwise has the right to license, is in existence, or granting to Grantor any right to make, have made, use, import or sell any invention on which a Patent, now or hereafter owned by any third party, is in existence, and all rights of Grantor under any such agreement.

“Patents” shall mean, with respect to any Person, all of the following now owned or hereafter acquired by such Person: (a) all letters patent of the United States or the equivalent thereof in any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or the equivalent thereof in any other country, including registrations, recordings and pending applications in the United States Patent and Trademark Office or any similar offices in any other country, and (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, have made, use, import and/or sell the inventions disclosed or claimed therein.

“Proceeds” shall mean all “proceeds” as such term is defined in Article 9 of the UCC and, in any event, shall include with respect to the Grantor, any consideration received from the sale, exchange, license, lease or other Disposition of any asset or property that constitutes Collateral, any value received as a consequence of the ownership of any Collateral and any payment received from any insurer or other Person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any asset or property that constitutes Collateral, and shall include (a) all cash and negotiable instruments received by or held on behalf of the Administrative Agent, (b) any claim of the Grantor against any third party for (and the right to sue and recover for and the rights to damages or profits due or accrued arising out of or in connection with) (i) past, present or future infringement of any Patent now or hereafter owned by the Grantor or licensed under a Patent License, (ii) past, present or future infringement or dilution of any Trademark now or hereafter owned by Grantor or licensed under a Trademark License or injury to the goodwill associated with or symbolized by any Trademark now or hereafter owned by Grantor, breach of any License, and (iii) past, present or future breach of any License, (iv) past, present or future infringement of any Copyright now or hereafter owned by Grantor or licensed under a Copyright License, and (v) past, present or future misappropriation of any trade secret now or hereafter owned by the

Grantor and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

“Registered Intellectual Property” shall mean United States federal issued Patents, pending Patent applications, Trademark registrations, pending Trademark applications, Copyright registrations and United States domain names.

“Trademark Licenses” shall mean any written agreement, now or hereafter in effect, granting to any third party any right to use any trademark now or hereafter owned by Grantor (including all Trademark) or that Grantor otherwise has the right to license, or granting to Grantor any right to use any trademark now or hereafter owned by any third party, and all rights of Grantor under any such agreement.

“Trademarks” shall mean, with respect to any Person, all of the following now owned or hereafter acquired by such Person: (i) all trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and General Intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof (if any), and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office or any similar offices in any State of the United States or any other country or any political subdivision thereof, and all extensions or renewals thereof, (ii) all goodwill associated therewith or symbolized thereby and (iii) all other assets, rights and interests that uniquely reflect or embody such goodwill.

“UCC” shall mean the Uniform Commercial Code as from time to time in effect in the State of New York; *provided, however*, that, in the event that, by reason of mandatory provisions of law, any of the attachment, perfection or priority of the Administrative Agent’s and the Guarantee Beneficiaries’ security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term “UCC” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

(e) Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to the Grantor, shall refer to the Grantor’s Collateral or the relevant part thereof.

2. Grant of Security Interest.

(a) The Grantor hereby mortgages, pledges and hypothecates to the Administrative Agent, for the ratable benefit of the Guarantee Beneficiaries, and grants to the Administrative Agent, for the ratable benefit of the Guarantee Beneficiaries, a lien on and security interest in, all of the Grantor’s right, title and interest in, to and under all of the following property, whether now owned or existing or at any time hereafter acquired by the Grantor or in which the Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the “Collateral”), as collateral security for the prompt and complete

payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Guaranteed Obligations:

- (i) all Accounts;
- (ii) all General Intangibles;
- (iii) all Intellectual Property;
- (iv) all books and records pertaining to the Collateral; and
- (v) substitutions, replacements, accessions, products, and proceeds (including insurance proceeds, licenses, royalties, income, payments, claims, damages and proceeds of suit) and to the extent not otherwise included, all Proceeds and products of any and all of the foregoing;

provided, however, that notwithstanding any other provision of this Agreement, this Agreement shall not constitute a grant of a Security Interest in any property to the extent that such grant of a Security Interest would result in the forfeiture of the Grantor's rights in the property including any Trademark applications filed in the United States Patent and Trademark Office on the basis of such Grantor's "intent to use" such trademark.

(b) The Grantor hereby irrevocably authorizes the Administrative Agent and its counsel or other representatives at any time and from time to time to file in any relevant jurisdiction any initial financing statements with respect to the Collateral or any part thereof and amendments thereto and continuations thereof that contain the information required by Article 9 of the UCC for the filing of any financing statement or amendment or continuation, including whether the Grantor is an organization, the type of organization and any organizational identification number issued to the Grantor. Such financing statements may describe the Collateral in the same manner as described herein or may contain an indication or description of collateral that describes such property in any other manner such as "all assets" or "all personal property, whether now owned or hereafter acquired" of the Grantor or words of similar effect as being of an equal or lesser scope or with greater detail. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction to the Administrative Agent.

The Grantor hereby agrees to provide to the Administrative Agent, promptly upon request, any information reasonably necessary to effectuate the filings or recordings authorized by this Section 2(b) including the Intellectual Property filings referred to below.

The Administrative Agent is further authorized to file with the United States Patent and Trademark Office and United States Copyright Office (or any successor office) such documents as may be necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted hereunder by the Grantor and naming the Grantor as debtor and the Administrative Agent as secured party.

The Security Interests are granted as security only and shall not subject the Administrative Agent or any other Guarantee Beneficiary to or in any way alter or modify, any obligation or liability of the Grantor with respect to or arising out of the Collateral.

3. Representations and Warranties. The Grantor hereby represents and warrants to the Administrative Agent and each Guarantee Beneficiary on the date hereof:

3.1 Title; No Other Security Interests. Except for (a) the Security Interest granted to the Administrative Agent for the ratable benefit of the Guarantee Beneficiaries pursuant to this Agreement and (b) the Permitted Encumbrances permitted by the Credit Agreement, the Grantor owns each item of the Collateral free and clear of any and all Security Interests or claims of others. The Grantor has not filed or consented to the filing of any (i) security agreement, financing statement or analogous document under the UCC or any other requirement of law covering any Collateral, (ii) assignment for security in which the Grantor assigns any Collateral or any security agreement or similar instrument covering any Collateral with the United States Patent and Trademark Office or the United States Copyright Office, which security agreement, financing statement or similar instrument or assignment is still in effect or (iii) assignment for security in which the Grantor assigns any Collateral or any security agreement or similar instrument covering any Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect, except in the case of each of clauses (i), (ii) and (iii) above such as (A) have been filed in favor of the Administrative Agent for the ratable benefit of the Guarantee Beneficiaries pursuant to this Agreement or (B) are permitted by the Credit Agreement.

3.2 Perfected First Priority Security Interests.

(a) This Agreement is effective to create in favor of the Administrative Agent, for its benefit and for the ratable benefit of the Guarantee Beneficiaries, legal, valid and enforceable Security Interests in the Collateral, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization and other similar laws relating to or affecting creditors' rights generally and general principles of equity (whether considered in a proceeding in equity or law).

(b) Subject to the limitations set forth in clause (c) of this Section 3.2, the Security Interests granted pursuant to this Agreement (i) will constitute valid and perfected first-priority Security Interests in the Collateral (as to which perfection may be obtained by the filings or other actions described in clause (A) or (B) of this paragraph) in favor of the Administrative Agent, for the ratable benefit of the Guarantee Beneficiaries, as collateral security for the Guaranteed Obligations, upon (A) in the case of Collateral in which a security interest may be perfected by filing a financing statement under the UCC of any jurisdiction, the filing of financing statements naming the Grantor as "debtor" and the Administrative Agent as "secured party" and describing the Collateral in the applicable filing offices listed on Schedule I, and (B) in the case of material Registered Intellectual Property, the completion of the filing, registration and recording of fully executed agreements (including, in the case of Patents and Trademarks, in the form of the Patent and Trademarks Security Agreement set forth in Exhibit 1 hereto) in the United States Patent and Trademark Office, and (ii) are prior to all other Security

Interests on the Collateral other than Security Interests permitted pursuant to Section 9.2(a) of the Credit Agreement.

(c) Notwithstanding anything to the contrary herein, Grantor shall not be required to perfect the Security Interests granted by this Agreement by any means other than by (i) filings pursuant to the UCC of the relevant State(s) and (ii) filings in the United States Patent and Trademark Office, United States Copyright Office, or successor offices, that are necessary or advisable for the purpose of perfecting, confirming, enforcing, or protecting the Security Interests granted in certain Intellectual Property.

(d) It is understood and agreed that the Security Interests created hereunder shall not prevent the Grantor from using such assets in the ordinary course of its respective business or as otherwise permitted by the Credit Agreement.

3.3 Grantor Information. Schedule I hereto sets forth under the appropriate headings as of the Closing Date: (a) (i) the full legal name of the Grantor, (ii) all trade names or other names under which the Grantor currently conducts business, (iii) the type of organization or corporate structure of the Grantor, (iv) the jurisdiction of incorporation or organization of the Grantor, (v) its identity or organizational identification number, if any, and (vii) the jurisdiction where the chief executive office of the Grantor is located and (b) as of the date hereof Schedule II hereto sets forth in all material respects, in proper form for filing with the United States Patent and Trademark Office, all of the Grantor's letters patent and trademarks of the United States (and all applications therefor); provided that Schedule II may be (and within 30 days following the reasonable request of the Agent, shall be) supplemented from time to time after the date hereof by the delivery to the Agent of a supplemental Schedule II containing an updated list of the Grantor's letters patent of the United States Patents (and all applications therefor) and Grantor's trademarks of the United States trademarks (and all applications therefor) as of the date of such supplemental Schedule II.

4. Covenants. The Grantor hereby covenants and agrees with the Administrative Agent and the Guarantee Beneficiaries that, from and after the date of this Agreement until the Termination Date.

4.1 Maintenance of Perfected Security Interest; Further Documentation.

(a) The Grantor shall maintain the Security Interest created by this Agreement as a perfected Security Interest having at least the priority described in Section 3.2(b), subject to Security Interests permitted pursuant to Section 9.2(a) of the Credit Agreement, and shall defend such Security Interest against the claims and demands of all Persons whomsoever, in each case subject to Section 3.2(c).

(b) The Grantor will furnish to the Administrative Agent and the Lenders from time to time statements and schedules further identifying and describing the assets and property of the Grantor and such other reports in connection therewith as the Administrative Agent may reasonably request.

(c) Subject to clause (d) below and Section 3.2(c), the Grantor agrees that at any time and from time to time, at the expense of the Grantor, it will execute any and all further

documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements and other documents, including all applicable documents required under Section 3.2(b)(i)(B)), which may be required under any applicable requirement of law or which the Administrative Agent or the Majority Lenders may reasonably request, in order (i) to grant, preserve, protect and perfect the validity and priority of the Security Interests created or intended to be created hereby or (ii) to enable the Administrative Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral, including the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the Security Interests created hereby and all applicable documents required under Section 3.2(b)(i)(B), all at the expense of the Grantor.

(d) Notwithstanding anything in this Section 4.1 to the contrary, with respect to any assets created or acquired by the Grantor after the Closing Date that are required by the Credit Agreement to be subject to the Security Interest created hereby, the Grantor after the acquisition or creation thereof shall promptly take all actions required by the Credit Agreement and this Agreement, including, without limitation, this Section 4.1 and Section 4.4.

4.2 Notices. The Grantor will advise the Administrative Agent and the Lenders promptly (and in any event, within ten (10) Business Days of such Security Interest), in reasonable detail, of any Security Interest of which it has knowledge (other than the Security Interests created hereby or Security Interests permitted under the Credit Agreement) on any of the Collateral which would adversely affect, in any material respect, the ability of the Administrative Agent to exercise any of its remedies hereunder.

4.3 Changes in Grantor Information or Status. The Grantor will furnish to the Administrative Agent prompt written notice (which shall in any event be provided within 30 days of such change) of any change (i) in its legal name, (ii) in its jurisdiction of incorporation or organization, (iii) in its identity or type of organization or corporate structure or, in the case of the Grantor that is a partnership, the sole place of business and chief executive office or (iv) in its organizational identification number. The Grantor agrees promptly to provide, if available, the Administrative Agent with certified organizational documents reflecting any of the changes described in the first sentence of this paragraph and to take all action reasonably required by the Administrative Agent in order for the Administrative Agent to continue at all times following such change to have a valid, legal and perfected Security Interest in all the Collateral having at least the priority described in Section 3.2(b).

4.4 Acquisition of Additional Intellectual Property. On each date that the Borrower is required to deliver financial statements to the Administrative Agent, the Grantor shall provide a list of any additional applications for or registrations of material Intellectual Property of the Grantor with the United States Patent and Trademark Office or the United States Copyright Office not previously disclosed to the Administrative Agent including such information as is necessary for Grantor to make appropriate filings in the United States Patent and Trademark Office and the United States Copyright Office.

5. Remedial Provisions.

5.1 Certain Matters Relating to Accounts.

(a) The Administrative Agent hereby authorizes the Grantor to collect Grantor's Accounts and the Administrative Agent may curtail or terminate said authority at any time after written notice is provided by the Administrative Agent to Grantor after the occurrence and during the continuance of an Event of Default. If required in writing by the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Accounts, when collected by Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by Grantor in the exact form received, duly endorsed by Grantor to the Administrative Agent if required, in a collateral account maintained under the sole dominion and control of and on terms and conditions reasonably satisfactory to the Administrative Agent, subject to withdrawal by the Administrative Agent for the account of the Guarantee Beneficiaries only as provided in Section 5.5, and (ii) until so turned over, shall be held by Grantor in trust for the Administrative Agent and the Guarantee Beneficiaries, segregated from other funds of Grantor. Each such deposit of Proceeds of Accounts shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(b) At the Administrative Agent's written request at any time after the occurrence and during the continuance of an Event of Default, Grantor shall deliver to the Administrative Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Accounts, including all original orders, invoices and shipping receipts.

(c) Upon the occurrence and during the continuation of an Event of Default, Grantor shall not grant any extension of the time of payment of any of the Accounts, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any Person liable for the payment thereof, or allow any credit or discount whatsoever thereon if the Administrative Agent shall have instructed Grantor not to grant or make any such extension, credit, discount, compromise or settlement under any circumstances during the continuance of such Event of Default.

5.2 Communications with Credit Parties; Grantor Remain Liable.

(a) The Administrative Agent, in its own name or in the name of others, may at any time after the occurrence and during the continuance of an Event of Default, after giving reasonable written notice to the Grantor of its intent to do so, communicate with obligors under the Accounts to verify with them to the Administrative Agent's satisfaction the existence, amount and terms of any Accounts. The Administrative Agent shall have the absolute right to share any information it gains from such inspection or verification with any Guarantee Beneficiary; provided that the provisions of Section 13.2 of the Credit Agreement shall apply to such information.

(b) Upon the written request of the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, the Grantor shall notify obligors on the Accounts that the Accounts have been assigned to the Administrative Agent for the ratable benefit of the Guarantee Beneficiaries and that payments in respect thereof shall be made directly to the Administrative Agent.

(c) Anything herein to the contrary notwithstanding, the Grantor shall remain liable under each of the Accounts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Neither the Administrative Agent nor any Guarantee Beneficiary shall have any obligation or liability under any Account (or any agreement giving rise thereto) by reason of or arising out of this Agreement or the receipt by the Administrative Agent or any Guarantee Beneficiary of any payment relating thereto, nor shall the Administrative Agent or any Guarantee Beneficiary be obligated in any manner to perform any of the obligations of the Grantor under or pursuant to any Account (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

5.3 Proceeds to be Turned Over To Administrative Agent. In addition to the rights of the Administrative Agent and Guarantee Beneficiaries specified in Section 5.1 with respect to payments of Accounts, if an Event of Default shall occur and be continuing and the Administrative Agent so requires by notice in writing to the Grantor (it being understood that the exercise of remedies by the Guarantee Beneficiaries in connection with an Event of Default under Section 10.1(b) or 10.1(c) of the Credit Agreement shall be deemed to constitute a request by the Administrative Agent for the purposes of this sentence and in such circumstances, no such written notice shall be required), all Proceeds received by the Grantor consisting of cash, checks and other near cash items shall be held by the Grantor in trust for the Administrative Agent and the Guarantee Beneficiaries, segregated from other funds of the Grantor, and shall, forthwith upon receipt by the Grantor, be turned over to the Administrative Agent in the exact form received by the Grantor (duly endorsed by the Grantor to the Administrative Agent, if required). All Proceeds received by the Administrative Agent hereunder shall be held by the Administrative Agent in a collateral account maintained under its dominion and control and on terms and conditions reasonably satisfactory to the Administrative Agent. All Proceeds while held by the Administrative Agent in a collateral account (or by the Grantor in trust for the Administrative Agent and the Guarantee Beneficiaries) shall continue to be held as collateral security for all the Guaranteed Obligations and shall not constitute payment thereof until applied as provided in Section 5.4.

5.4 Application of Proceeds. The Administrative Agent shall apply the proceeds of any collection or sale of the Collateral as well as any Collateral consisting of cash, at any time after receipt in the order specified in Section 10.4 of the Credit Agreement. Upon any sale of the Collateral by the Administrative Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Administrative Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Administrative Agent or such officer or be answerable in any way for the misapplication thereof.

5.5 Code and Other Remedies. If an Event of Default shall occur and be continuing, the Administrative Agent may exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it, all the rights and

remedies of a secured party upon default under the UCC or any other applicable requirement of law or in equity and also may, with notice to the Grantor, sell the Collateral or any part thereof in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Administrative Agent or any Guarantee Beneficiary or elsewhere, for cash or on credit or for future delivery at such price or prices and upon such other terms as are commercially reasonable, irrespective of the impact of any such sales on the market price of the Collateral. The Administrative Agent shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers of Collateral to Persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and, upon consummation of any such sale, the Administrative Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of the Grantor, and the Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay and/or appraisal that it now has or may at any time in the future have under any requirement of law now existing or hereafter enacted. The Administrative Agent and any Guarantee Beneficiary shall have the right upon any such public sale and, to the extent permitted by law, upon any such private sale, to purchase the whole or any part of the Collateral so sold, and the Administrative Agent or such Guarantee Beneficiary may pay the purchase price by crediting the amount thereof against the Guaranteed Obligations. The Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to the Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. 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. To the extent permitted by law, the Grantor hereby waives any claim against the Administrative Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale, even if the Administrative Agent accepts the first offer received and does not offer such Collateral to more than one offeree. The Grantor further agrees, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select, whether at the Grantor's premises or elsewhere. The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this Section 5.5 in accordance with the provisions of Section 5.4.

5.6 Deficiency. The Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Guaranteed Obligations and the fees and disbursements of any attorneys employed by the Administrative Agent or any Guarantee Beneficiary to collect such deficiency.

5.7 Amendments, etc. with Respect to the Guaranteed Obligations; Waiver of Rights. Except for the termination of the Guaranteed Obligations as provided in the Credit Agreement or other applicable Loan Document, the Grantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against the Grantor and without notice to or further assent by the Grantor, (a) any demand for payment of any of the Guaranteed Obligations made by the Administrative Agent or any other Guarantee Beneficiary may be

rescinded by such party and any of the Guaranteed Obligations continued, (b) the Guaranteed Obligations or the liability of any other party upon or for any part thereof or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any other Guarantee Beneficiary, (c) the Loan Documents, Swaps and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, in accordance with the terms of the applicable Loan Document or Swap, and (d) any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any other Guarantee Beneficiary for the payment of the Guaranteed Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any other Guarantee Beneficiary shall have any obligation to protect, secure, perfect or insure any Security Interest at any time held by it as security for the Guaranteed Obligations or for this Agreement or any property subject thereto. When making any demand hereunder against the Grantor, the Administrative Agent or any other Guarantee Beneficiary may, but shall be under no obligation to, make a similar demand on any other Person, and any failure by the Administrative Agent or any other Guarantee Beneficiary to make any such demand or to collect any payments from the Grantor or any other Person or any release of any other Person shall not relieve the Grantor in respect of which a demand or collection is not made or the Grantor not so released of its several obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied or as a matter of law, of the Administrative Agent or any other Guarantee Beneficiary against the Grantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

5.8 License to Use Intellectual Property. For the purpose of enabling the Administrative Agent, during the continuance of an Event of Default, to exercise rights and remedies hereunder at such time as the Administrative Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, the Grantor hereby grants to the Administrative Agent, to the extent the Grantor has the right to do so, an irrevocable, assignable, non-exclusive license to use, license or sublicense any of the Patents now owned or held or hereafter acquired, by the Grantor, wherever the same may be located. To the extent permitted, such license shall include access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout hereof.

5.9 Conflict with Credit Agreement. In the event of any conflict between the terms of this Section 5.9 and the Credit Agreement, the Credit Agreement shall control.

6. The Administrative Agent.

6.1 Administrative Agent's Appointment as Attorney-in-Fact, etc.

(a) The Grantor hereby appoints, which appointment is irrevocable and coupled with an interest, effective upon the occurrence and during the continuance of an Event of Default, the Administrative Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute

any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, the Grantor hereby gives the Administrative Agent the power and right, on behalf of the Grantor, either in the Administrative Agent's name or in the name of the Grantor or otherwise, without further assent by the Grantor, to do any or all of the following, in each case after the occurrence and during the continuance of an Event of Default and after written notice by the Administrative Agent of its intent to do so:

(i) take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Account or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Administrative Agent for the purpose of collecting any and all such moneys due under any Account or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute, deliver and have recorded any and all agreements, instruments, documents and papers as the Administrative Agent may request to evidence the Administrative Agent's and the Guarantee Beneficiaries' Security Interest in such Intellectual Property and the goodwill and General Intangibles of the Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Security Interests levied or placed on or threatened against the Collateral;

(iv) execute, in connection with any sale provided for in Section 5.5, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral;

(v) [Intentionally Omitted];

(vi) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Administrative Agent or as the Administrative Agent shall direct;

(vii) ask or demand for, collect and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral;

(viii) sign and endorse any invoices, assignments, verifications, notices and other documents in connection with any of the Collateral;

(ix) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral;

(x) defend any suit, action or proceeding brought against the Grantor with respect to any Collateral (with the Grantor's consent to the extent such action or its

resolution could materially affect the Grantor or any of its Affiliates in any manner other than with respect to its continuing rights in such Collateral);

(xi) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Administrative Agent may deem appropriate (with the Grantor's consent to the extent such action or its resolution could materially affect the Grantor or any of its affiliates in any manner other than with respect to its continuing rights in such Collateral);

(xii) assign any Intellectual Property throughout the world for such term or terms, on such conditions, and in such manner as the Administrative Agent shall, in its sole discretion, determine; and

(xiii) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes, and do, at the Administrative Agent's option and the Grantor's expense, at any time or from time to time, all acts and things that the Administrative Agent deems necessary to protect, preserve or realize upon the Collateral and the Administrative Agent's and the Guarantee Beneficiaries' Security Interests therein and to effect the intent of this Agreement, all as fully and effectively as the Grantor might do.

Anything in this Section 6.1(a) to the contrary notwithstanding, the Administrative Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 6.1(a) unless an Event of Default shall have occurred and be continuing.

(b) If the Grantor fails to perform or comply with any of its agreements contained herein, the Administrative Agent, at its option, but without any obligation so to do, may perform or comply or otherwise cause performance or compliance, with such agreement.

(c) The expenses of the Administrative Agent incurred in connection with actions undertaken as provided in this Section 6.1, together with interest thereon at a rate per annum equal to the highest rate per annum at which interest would then be payable under the Credit Agreement, from the date of payment by the Administrative Agent to the date reimbursed by the Grantor, shall be payable by the Grantor to the Administrative Agent on demand.

(d) The Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the Security Interests created hereby are released.

6.2 Duty of Administrative Agent. Neither the Administrative Agent, any Guarantee Beneficiary nor any of their respective related parties shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Administrative Agent and the Guarantee

Beneficiaries hereunder are solely to protect the Administrative Agent's and the Guarantee Beneficiaries' interests in the Collateral and shall not impose any duty upon the Administrative Agent or any Guarantee Beneficiary to exercise any such powers. The Administrative Agent and the Guarantee Beneficiaries shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their related parties shall be responsible to the Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

6.3 Authority of Administrative Agent. The Grantor acknowledges that the rights and responsibilities of the Administrative Agent under this Agreement with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Administrative Agent and the Guarantee Beneficiaries, be governed by the Credit Agreement, and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Grantor, the Administrative Agent shall be conclusively presumed to be acting as agent for the applicable Guarantee Beneficiaries with full and valid authority so to act or refrain from acting, and the Grantor shall not be under any obligation or entitlement to make any inquiry respecting such authority.

6.4 Security Interest Absolute. All rights of the Administrative Agent hereunder, all obligations of the Grantor hereunder and the Security Interest shall be absolute and unconditional.

6.5 Continuing Security Interest. This Agreement shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Grantor and the successors and assigns thereof and shall inure to the benefit of the Administrative Agent and the other Guarantee Beneficiaries and their respective successors, indorsees, transferees and assigns, notwithstanding that from time to time, the Grantor may be free from any Guaranteed Obligations.

6.6 Reinstatement. The Grantor further agrees that, if any payment made and applied to the Guaranteed Obligations is at any time annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid or the proceeds of Collateral are required to be returned by any Guarantee Beneficiary, its estate, trustee, receiver or any other party, including the Grantor, under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or repayment, any Security Interest or other Collateral securing such liability shall be and remain in full force and effect, as fully as if such payment had never been made or, if prior thereto, the Security Interest granted hereby or other Collateral securing such liability hereunder shall have been released or terminated by virtue of such cancellation or surrender), such Security Interest or other Collateral shall be reinstated in full force and effect, and such prior cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect any Security Interest or other Collateral securing the obligations of the Grantor in respect of the amount of such payment.

7. Miscellaneous.

7.1 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Grantor and the Administrative Agent in accordance with Section 12.12 of the Credit Agreement.

7.2 Notices. All notices, requests and demands pursuant hereto shall be made in accordance with Section 14.5 of the Credit Agreement. All communications and notices hereunder to Grantor shall be given to it in care of the Borrower at the Borrower's address specified in accordance with the Credit Agreement.

7.3 No Waiver by Course of Conduct; Cumulative Remedies. Neither the Administrative Agent nor any Guarantee Beneficiary shall by any act (except by a written instrument pursuant to Section 7.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof or of any other applicable Loan Document or Swap. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent or any other Guarantee Beneficiary, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent or any other Guarantee Beneficiary of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Administrative Agent or such other Guarantee Beneficiary would otherwise have on any future occasion. The rights, remedies, powers and privileges herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by requirement of law.

7.4 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Grantor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent except pursuant to a transaction permitted by the Credit Agreement.

7.5 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile or other electronic transmission (i.e. a "pdf" or a "tif")), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Administrative Agent and the Borrower.

7.6 Severability. Any provision of this Agreement that is 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. 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.

7.7 Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

7.8 Integration. This Agreement, together with the other Loan Documents and Swaps, represents the agreement of each of the Grantor with respect to the subject matter hereof and thereof and there are no promises, undertakings, representations or warranties by the Administrative Agent or any other Guarantee Beneficiary relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Document or Swap.

7.9 **GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

7.10 Submission To Jurisdiction Waivers. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement to which it is a party or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding shall be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address referred to in Section 7.2 or at such other address of which such Person shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right of any other party hereto (or any Guarantee Beneficiary) to effect service of process in any other manner permitted by law or shall limit the right of any party hereto (or any Guarantee Beneficiary) to sue in any other jurisdiction; and

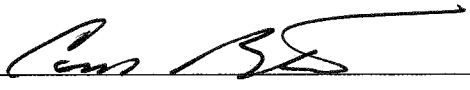
(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 7.10 any special, exemplary, punitive or consequential damages.

7.11 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

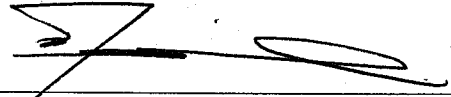
[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered by its duly authorized officer as of the date first above written.

SANJEL CANADA LTD.
as Grantor

By: 
Name: _____
Title:

ALBERTA TREASURY BRANCHES,
as Administrative Agent

By: 
Name: _____
Title: _____

**Malcolm Tinsley
Managing Director
Loan Syndications**

SCHEDULE I

Legal Name	Trade Names or Other Names	Jurisdiction of Incorporation or Organization	Type of Organization or Corporate Structure	Organizational Identification Number	Jurisdiction of Chief Executive Office
Sanjel Canada Ltd.		Alberta	Corporation		Alberta

Schedules to Security Agreement

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TRADEMARK
REEL: 005366 FRAME: 0765

SCHEDULE II

PATENTS AND TRADEMARKS

Patents	Country	App./Reg. Date	Serial No./ Registration No
Oil and gas well cement systems using elemental sulfur	U.S.	December 3, 2013	8,596,363
Oil and gas well cement systems using elemental sulfur	U.S.	September 18, 2012	8,268,072
Pumice containing compositions for cementing a well	U.S.	January 11, 2011	7,867,954

<u>Trademarks</u>	<u>Country</u>	<u>App./Reg. Date</u>	<u>Serial No./ Registration No</u>
SANJEL	U.S.	October 9, 2007	3,306,977
SANJEL Design <i>Sanjel</i>	U.S.	December 4, 2007	3,348,386
CYCLES PAL	U.S.	November 27, 2007	3,343,885
SAN₂CYCLE	U.S.	March 10, 2009	3,587,134
SHOCKFRAC	U.S.	March 6, 2012	4,107,221

EXHIBIT 1 TO THE SECURITY AGREEMENT

SECURITY INTEREST IN UNITED STATES PATENTS AND TRADEMARKS

FOR GOOD AND VALUABLE CONSIDERATION, receipt and sufficiency of which are hereby acknowledged, Sanjel Canada Ltd., a corporation incorporated and existing under the law of Alberta (the "Grantor"), having its registered office at 200, 505 – 2nd Street S.W., Calgary, Alberta, T2P 1N8, hereby grants to Alberta Treasury Branches, as Administrative Agent, with principal offices at 600, 444 – 7th Avenue SW, Calgary Alberta Canada T2P 0X8 (the "Agent"), a security interest in (i) all of the Grantor's right, title and interest in and to the United States patents and patent applications (the "Patents") set forth on Schedule A attached, (ii) all of the Grantor's right, title and interest in and to the United States trademarks and trademark applications (the "Trademarks") set forth on Schedule B attached, in each case together with (iii) all Proceeds (as such term is defined in the Security Agreement referred to below) from all such patents and trademarks, (iv) all causes of action arising prior to or after the date hereof for infringement of any of the Patents and the Trademarks.

THIS SECURITY INTEREST is made to secure the satisfactory performance and payment of all the Guaranteed Obligations of the Grantor, as such term is defined in the Loan Party Guarantee dated as of August 25, 2011 as amended by the Consent and Acknowledgement attached to the Amended and Restated Credit Agreement dated as of March 21, 2014 among Sanjel Corporation, as borrower, and Agent, as administrative agent, and a syndicate of financial institutions party thereto from time to time as lenders (as amended from time to time, the "Guarantee Agreement"). Upon the payment in full and release of the Guaranteed Obligations (as defined in the Guarantee Agreement), the Agent shall, upon such

Exhibit 1

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**TRADEMARK
REEL: 005366 FRAME: 0767**

satisfaction, execute, acknowledge, and deliver to the Grantor an instrument in writing releasing the security interest in the Patents and Trademarks acquired under this Grant.

This security interest has been made in conjunction with the security interest granted to the Agent under the Amended and Restated General Security Agreement dated as of March 21, 2014 (as amended from time to time, the "Security Agreement") provided by the Grantor to the Agent. The rights and remedies of the Agent with respect to the security interest granted herein are without prejudice to, and are in addition to those set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this Agreement are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the ____ day of June, 2014.

SANJEL CANADA LTD., Grantor

By _____
Title:

ALBERTA TREASURY BRANCHES,
Administrative Agent

By _____
Title:

Exhibit 1

STATE OF)
) ss.:
COUNTY OF)

On this ____ day of June, 2014, before me personally came _____ who, being by me duly sworn, did state as follows: that [s]he is _____ of Sanjel Canada Ltd., that [s]he is authorized to execute the foregoing Agreement on behalf of said company and that [s]he did so by authority of the Board of Directors of said company.

Notary Public

Exhibit 1

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TRADEMARK
REEL: 005366 FRAME: 0769

STATE OF)
) ss.:
COUNTY OF)

On this ____ day of June, 2014, before me personally came _____ who, being by me duly sworn, did state as follows: that [s]he is _____ of Alberta Treasury Branches, that [s]he is authorized to execute the foregoing Agreement on behalf of said corporation and that [s]he did so by authority of the Board of Directors of said corporation.

Notary Public

Exhibit 1

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TRADEMARK
REEL: 005366 FRAME: 0770

SCHEDULE A

PATENTS

Patents	Country	App./Reg. Date	Serial No./ Registration No
Oil and gas well cement systems using elemental sulfur	U.S.	December 3, 2013	8,596,363
Oil and gas well cement systems using elemental sulfur	U.S.	September 18, 2012	8,268,072
Pumice containing compositions for cementing a well	U.S.	January 11, 2011	7,867,954

Exhibit 1

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TRADEMARK
REEL: 005366 FRAME: 0771

SCHEDULE B

TRADEMARKS

<u>Trademarks</u>	<u>Country</u>	<u>App./Reg. Date</u>	<u>Serial No./ Registration No</u>
SANJEL	U.S.	October 9, 2007	3,306,977
SANJEL Design Sanjel	U.S.	December 4, 2007	3,348,386
CYCLES PAL	U.S.	November 27, 2007	3,343,885
SAN ₂ CYCLE	U.S.	March 10, 2009	3,587,134
SHOCKFRAC	U.S.	March 6, 2012	4,107,221

Exhibit 1

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TRADEMARK
REEL: 005366 FRAME: 0772

**SECURITY INTEREST
IN UNITED STATES PATENTS AND TRADEMARKS**

FOR GOOD AND VALUABLE CONSIDERATION, receipt and sufficiency of which are hereby acknowledged, Sanjel Canada Ltd., a corporation incorporated and existing under the law of Alberta (the "Grantor"), having its registered office at 200, 505 – 2nd Street S.W., Calgary, Alberta, T2P 1N8, hereby grants to Alberta Treasury Branches, as Administrative Agent, with principal offices at 600, 444 – 7th Avenue SW, Calgary Alberta Canada T2P 0X8 (the "Agent"), a security interest in (i) all of the Grantor's right, title and interest in and to the United States patents and patent applications (the "Patents") set forth on Schedule A attached, (ii) all of the Grantor's right, title and interest in and to the United States trademarks and trademark applications (the "Trademarks") set forth on Schedule B attached, in each case together with (iii) all Proceeds (as such term is defined in the Security Agreement referred to below) from all such patents and trademarks, (iv) all causes of action arising prior to or after the date hereof for infringement of any of the Patents and the Trademarks.

THIS SECURITY INTEREST is made to secure the satisfactory performance and payment of all the Guaranteed Obligations of the Grantor, as such term is defined in the Loan Party Guarantee dated as of August 25, 2011 as amended by the Consent and Acknowledgement attached to the Amended and Restated Credit Agreement dated as of March 21, 2014 among Sanjel Corporation, as borrower, and Agent, as administrative agent, and a syndicate of financial institutions party thereto from time to time as lenders (as amended from time to time, the "Guarantee Agreement"). Upon the payment in full and release of the Guaranteed Obligations (as defined in the Guarantee Agreement), the Agent shall, upon such satisfaction, execute, acknowledge, and deliver to the Grantor an instrument in writing releasing the security interest in the Patents and Trademarks acquired under this Grant.

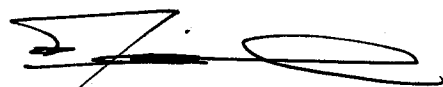
This security interest has been made in conjunction with the security interest granted to the Agent under the Amended and Restated General Security Agreement dated as of March 21, 2014 (as amended from time to time, the "Security Agreement") provided by the Grantor to the Agent. The rights and remedies of the Agent with respect to the security interest granted herein are without prejudice to, and are in addition to those set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this Agreement are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the 18th day of June, 2014.

SANJEL CANADA LTD., Grantor

By 
Title: _____

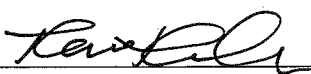
ALBERTA TREASURY BRANCHES,
Administrative Agent

By 
Title: _____

**Malcolm Tinsley
Managing Director
Loan Syndications**

~~ss~~
✓ Province ✓
STATE OF Alberta)
✓ City ✓) ss.:
COUNTY OF Calgary)


On this 18 day of June, 2014, before me personally came
Cam Barton who, being by me duly sworn, did state as follows: that [s]he is
officer of Sanjel Canada Ltd., that [s]he is authorized to execute the foregoing
Agreement on behalf of said company and that [s]he did so by authority of the Board of
Directors of said company.



Notary Public
Ravi K. Parhar
Student-at-Law

AK
STATE OF *Alberta*)
Province) ss.:
COUNTY OF *Calgary*)
City

On this ___ day of June, 2014, before me personally came *Malcolm Tinsley* who, being by me duly sworn, did state as follows: that [s]he is *officer* of Alberta Treasury Branches, that [s]he is authorized to execute the foregoing Agreement on behalf of said corporation and that [s]he did so by authority of the Board of Directors of said corporation.



Notary Public

ANDREW PERRY KUZMA
A Commissioner for Oaths/Notary Public
In and for the Province of Alberta

SCHEDULE A

PATENTS

Patents	Country	App./Reg. Date	Serial No./ Registration No
Oil and gas well cement systems using elemental sulfur	U.S.	December 3, 2013	8,596,363
Oil and gas well cement systems using elemental sulfur	U.S.	September 18, 2012	8,268,072
Pumice containing compositions for cementing a well	U.S.	January 11, 2011	7,867,954

SCHEDULE B

TRADEMARKS

<u>Trademarks</u>	<u>Country</u>	<u>App./Reg. Date</u>	<u>Serial No./ Registration No</u>
SANJEL	U.S.	October 9, 2007	3,306,977
SANJEL Design Sanjel	U.S.	December 4, 2007	3,348,386
CYCLES PAL	U.S.	November 27, 2007	3,343,885
SAN ₂ CYCLE	U.S.	March 10, 2009	3,587,134
SHOCKFRAC	U.S.	March 6, 2012	4,107,221