As filed with the Securities and Exchange Commission on September 26, 2008
Registration No. 333-153091

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1
to
Form S-1
REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

McJUNKIN RED MAN HOLDING CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**1311**	**20-5956993**
(State or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

8023 East 63rd Place
Tulsa, Oklahoma 74133
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(Address, Including Zip Code, and Telephone Number,Including Area Code, of Registrant's Principal Executive Offices)

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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. o

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. o

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. o

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. o

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. (Check one):

Large accelerated filer o Accelerated filer o Non-accelerated filer ☑ Smaller reporting company o
(Do not check if 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, $0.01 par value	$750,000,000	$29,475 (3)

(1) Includes offering price of shares of common stock which the underwriters have the option to purchase.
(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) of the Securities Act of 1933, as amended.
(3) Previously paid.

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 the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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

Subject to Completion. Dated September 26, 2008.

Shares

McJunkin Red Man Holding Corporation

Common Stock

This is an initial public offering of shares of common stock of McJunkin Red Man Holding Corporation. The selling stockholder identified in this prospectus is offering all of the shares to be sold in the offering. We will not receive any of the proceeds from the sale of the shares. PVF Holdings LLC intends to distribute the net proceeds of this offering, after giving effect to the underwriting discount, to its members, which include certain members of our board of directors and senior management team and various of their affiliates, and affiliates of Goldman Sachs & Co., which is one of the book-running managers for this offering.

Prior to this offering, there has been no public market for the common stock. It is currently estimated that the initial public offering price per share will be between $ and $. We intend to apply to have our common stock listed on the New York Stock Exchange under the symbol “MRC”.

See “Risk Factors” beginning on page 18 to read about factors you should consider before buying shares of the common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to the selling stockholder	$	$

To the extent that the underwriters sell more than shares of common stock, the underwriters have the option to purchase up to an additional shares from the selling stockholder at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on , 2008.

Goldman, Sachs & Co. **Lehman Brothers**

JPMorgan **Deutsche Bank Securities**

Robert W. Baird & Co. **Credit Suisse** **Stephens Inc.**

Prospectus dated , 2008.

Table of Contents

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TABLE OF CONTENTS

Prospectus

Through and including , 2008 (the 25th day after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus or any free writing prospectus prepared by or on behalf of us. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. You should carefully read the entire prospectus, including the "Risk Factors" and the consolidated financial statements and related notes included elsewhere in this prospectus, before making an investment decision. In this prospectus, all references to "the Company", "McJunkin Red Man", "we", "us", and "our" refer to McJunkin Red Man Holding Corporation and its consolidated subsidiaries, unless the context otherwise requires or where otherwise indicated, and references to the "Red Man Transaction" are to the October 2007 business combination of McJunkin Corporation ("McJunkin") and Red Man Pipe & Supply Co. ("Red Man"). We use non-GAAP measures in this prospectus, including Adjusted EBITDA. For a reconciliation of this measure to Net income, see footnote 3 under "— Summary Consolidated Financial Information."

Our Business

We are the largest North American distributor of pipe, valves and fittings ("PVF") and related products and services to the energy industry based on sales and the leading PVF distributor serving this industry across each of the upstream (exploration, production, and extraction of underground oil and gas), midstream (gathering and transmission of oil and gas, gas utilities, and the storage and distribution of oil and gas) and downstream (crude oil refining and petrochemical processing) markets. We have an unmatched presence of over 250 branches that are located in the most active oil and gas regions in North America. We offer an extensive array of PVF and oilfield supplies encompassing over 100,000 products, we are diversified by geography and end market and we seek to provide best-in-class service to our customers by satisfying the most complex, multi-site needs of some of the largest companies in the energy and industrials sectors as their primary supplier. As a result, we have an average relationship of over 20 years with our top ten customers and our pro forma sales in 2007 were over twice as large as our nearest competitor in the energy industry. We believe the critical role we play in our customers' supply chain, our unmatched scale and extensive product offering, our broad North American geographic presence, our customer-linked scalable information systems and our efficient distribution capabilities serve to solidify our long-standing customer relationships and drive our growth.

We have benefited in recent years from several growth trends within the energy industry including high levels of expansion and maintenance capital expenditures by our customers. This growth in spending has been driven by several factors, including underinvestment in North American energy infrastructure, production and capacity constraints and anticipated strength in the oil, natural gas, refined products and petrochemical markets. While current prices for oil and natural gas are high relative to historical levels, we believe that investment in the energy sector by our customers would continue at prices well below current levels. In addition, our products are often used in extreme operating environments leading to the need for a regular replacement cycle. As a result, over 50% of our historical and pro forma sales in 2007 were attributable to multi-year maintenance, repair and operations ("MRO") contracts where we have demonstrated an over 99% average annual retention rate since 2000. The combination of these ongoing factors has helped increase demand for our products and services, resulting in record levels of customer orders to be shipped as of September 2008. For the twelve months ended December 31, 2007 on a pro forma basis, we generated sales of $3,952.7 million, Adjusted EBITDA of $370.4 million and net income of $150.8 million. In addition, for the eleven months ended December 31, 2007, without giving pro forma effect to the Red Man Transaction, we generated sales of $2,124.9 million, EBITDA of $171 million and net income of $56.9 million, and for the twelve months ended October 31, 2007, before giving effect to the Red Man Transaction, Red Man generated sales of $1,982.0 million, EBITDA of $170 million and net income of $82.2 million.

We have established a position as the largest North American PVF distributor to the energy industry based on sales. We distribute products throughout North America and the Gulf of Mexico, including in PVF intensive, rapidly expanding oil and natural gas production areas such as the

Bakken, Barnett, Fayetteville, Haynesville and Marcellus shales. Growth in these oil and natural gas production areas is driven by improved production technology, favorable market trends and robust capital expenditure budgets. Furthermore, our Canadian subsidiary Midfield Supply ULC and its subsidiaries ("Midfield"), one of the three largest Canadian PVF distributors based on sales, provides PVF products to oil and gas companies operating primarily in Western Canada, including the Western Canadian Sedimentary Basin, Alberta Oil Sands and heavy oil markets. These regions are still in the early stages of infrastructure investment with numerous companies seeking to facilitate the long-term harvesting of difficult to extract and process crude oil.

McJunkin Red Man Locations

Across our extensive North American platform we offer a broad complement of products and services to the upstream, midstream and downstream sectors of the energy industry, as well as other industrial (including general manufacturing, pulp and paper, food and beverage) and other energy (power generation, liquefied natural gas, coal, alternative energy) end markets. During the twelve months ended December 31, 2007 on a pro forma basis, approximately 46% of our sales were attributable to upstream activities, approximately 22% were attributable to midstream activities and approximately 32% were attributable to downstream and other processing activities which include the refining, chemical and other industrial and energy end markets. In addition, before giving pro forma effect to the Red Man Transaction, during the twelve months ended December 31, 2007, approximately 36% of our sales were attributable to upstream activities, approximately 18% were attributable to midstream activities and approximately 46% were attributable to downstream and other processing activities.

We offer more than 100,000 products including an extensive array of PVF, oilfield supply, automation, instrumentation and other general and specialty products to our customers across our various end markets. Due to the demanding operating conditions in the energy industry and high costs associated with equipment failure, customers prefer highly reliable products and vendors with established qualifications and experience. As our PVF products typically represent a fraction of the total cost of the project, our customers place a premium on service given the high cost to them of maintenance or new project delays. Our products are typically used in high-volume, high-stress, abrasive applications such as the gathering and transmission of oil and natural gas, in high-pressure,

extreme temperature and high-corrosion applications such as in heating and desulphurization in the processing and refining industries and in steam generation units in the power industry.

With over 250 locations servicing the energy and industrial sectors, we are an important link between our more than 10,000 customers and our more than 10,000 suppliers. We add value to our customers and suppliers in a number of ways:

- ***Broad Product Offering and High Customer Service Levels:*** The breadth and depth of our product offering enables us to provide a high level of service to our energy and industrial customers. Given our North American inventory coverage and branch network, we are able to fulfill orders more quickly, including orders for less common and specialty items, and provide our customers with a greater array of value added services, including multiple daily deliveries, volume purchasing, product testing and supplier assessments, inventory management and warehousing, technical support, just-in-time delivery, order consolidation, product tagging and tracking, and system interfaces customized to customer and supplier specifications, than if we operated on a smaller scale and/or only at a local or regional level. Thus our clients, particularly those operating throughout North America, can quickly and efficiently source the most suitable products with the least amount of downtime and at the lowest total transaction cost.
- ***Approved Manufacturer List ("AML") Services:*** Our customers rely on us to provide a high level of quality control for their PVF products. We do this by regularly auditing many of our suppliers for quality assurance through our Supplier Registration Process. We use our resulting Approved Supplier List (the "MRM ASL") to supply products across many of the markets we support, particularly for downstream and midstream customers. This process has enabled us to achieve a preferred vendor status with many key end users in the industry that utilize our AML services to help devise and maintain their own approved manufacturer listings. In this manner, we seek to ensure that our customers timely receive reliable and high quality products without incurring additional administrative and procurement expenses. Our suppliers in turn look to us as a key partner, which has been important in establishing us as an important link in the supply chain and a leader in the industry.
- ***Customized and Integrated Service Offering:*** We offer our customers integrated supply services including product procurement, product quality assurance, physical warehousing, and inventory management and analysis using our proprietary customized information technology platform. This is part of an overall strategy to promote a "one stop" shop for PVF purchases across the upstream-midstream-downstream spectrum and throughout North America through integrated supply agreements and MRO contracts that enable our customers to focus on their core operations and increase the efficiency of their business.

Our Industry

We primarily serve the North American oil and gas industry, generating over 90% of our sales from supplying PVF products and various services to customers throughout the energy industry. Given the diverse requirements and various factors that drive the growth of the upstream, midstream and downstream energy markets, our sales to each sector may vary from time to time, though the overall strength of the global energy market is typically a good indicator of our performance. The underinvestment in North American energy infrastructure, together with production and capacity constraints and anticipated strength in the oil, natural gas, refined products and petrochemical markets, have spurred high levels of expansion and maintenance capital expenditures in our energy end markets by our customers. Furthermore, as participants in the energy industry continue to focus on raising operating efficiency, they have been increasingly looking to outsource their procurement and related administrative functions to distributors like us.

Beyond the oil and gas industry, we also supply products and services to other energy sectors such as coal, power generation, liquefied natural gas and alternative energy facilities. We also provide

products such as automation and instrumentation products and corrosion resistant piping products to more general industrial end markets such as pulp and paper, metals processing, fabrication, pharmaceutical, food and beverage and manufacturing companies.

Our Competitive Strengths

We consider the following to be our key competitive strengths:

Market Leader with Complete North American Coverage and Significant Scale. We are the leading North American distributor of PVF and related products to the energy industry based on sales, with at least twice the sales of our nearest competitor in the energy industry in 2007. Our North American network of over 250 locations in 38 U.S. states and in Canada gives us a significant market presence and provides us with substantial economies of scale that we believe make us a more effective competitor. The benefits of our size and extensive North American presence include: (1) the ability to act as a single-source supplier to large, multi-location customers operating across all segments of the energy industry; (2) the ability to commit significant financial resources to further develop our operating infrastructure, including our information systems, and provide a strong platform for future expansion; (3) volume purchasing benefits from our suppliers; (4) an ability to leverage our extensive North American inventory coverage to provide greater overall breadth and depth of product offerings; (5) the ability to attract and retain effective managers and salespeople; and (6) a business model exhibiting a high degree of operating leverage. Our presence and scale have also enabled us to establish an efficient supply chain and logistics platform, allowing us to better serve our customers and further differentiate us from our competitors.

High Level of Integration and MRO Contracts with a Blue Chip Customer Base. We have a diversified customer base with over 10,000 active customers and serve as the sole or primary supplier in all end markets or in specified end markets or geographies for many of our customers. Our top ten customers, with whom we have had relationships for more than 20 years on average, accounted for less than 30% of 2007 pro forma sales and no single customer accounted for more than 5% of 2007 pro forma sales. Before giving pro forma effect to the Red Man Transaction, our top ten customers accounted for approximately 30% of our 2007 sales and our largest customer accounted for approximately 6% of our 2007 sales. We enjoy fully integrated relationships, including interconnected technology systems and daily communication, with many of our customers and we provide an extensive range of integrated and outsourced supply services, allowing us to market a “total transaction cost” concept as opposed to individual product prices. We provide such services as multiple daily deliveries, zone stores management, valve tagging, truck stocking and significant system support for tracking and replenishing inventory, which we believe results in deeply integrated customer relationships. We sell products to many of our customers through multi-year MRO contracts which are typically renegotiated every three to five years. Although there are typically no guaranteed minimum purchase amounts under these contracts, these MRO customers, representing over 50% of both our 2007 historical and pro forma sales, provide a relatively stable revenue stream and help mitigate against industry downturns. We believe we have been able to retain customers by ensuring a high level of service and integration, as evidenced by our annual average MRO contract retention rate of over 99% since 2000. Furthermore, we have recently signed new MRO contracts displacing competitors that provide opportunities for us to gain new customers and broaden existing customer relationships.

Business and Geographic Diversification in High-Growth Areas. We are well diversified across the upstream, midstream and downstream operations of the energy industry, as well as through our participation in selected industrial end markets. During the twelve months ended December 31, 2007 on a pro forma basis, we generated approximately 46% of our sales in the upstream sector, 22% in the midstream sector, and 32% in the downstream, industrial and other energy end markets. Before giving pro forma effect to the Red Man Transaction, during the twelve months ended December 31, 2007, approximately 36% of our sales were attributable to upstream

activities, approximately 18% were attributable to midstream activities and approximately 46% were attributable to downstream and other processing activities. This diversification affords us some measure of protection in the event of a downturn in any one end market while providing us the ability to offer “one stop” shopping for most of our integrated energy customers. In addition, our more than 250 branches are located near major hydrocarbon and refining regions throughout North America, including rapidly expanding oil and natural gas exploration and production (“E&P”) areas in North America, such as the Bakken, Barnett, Fayetteville, Haynesville and Marcellus shales. Our geographic diversity enhances our ability to respond to customers quickly, gives us a strong presence in these high growth E&P areas and reduces our exposure to a downturn in any one region.

Strategic Supplier Relationships. We have extensive relationships with our suppliers and have key supplier relationships dating back in certain instances over 60 years. We purchased approximately $1 billion of products from our top ten suppliers for the twelve months ended December 31, 2007 on a pro forma basis, representing approximately 32% of our purchases. Before giving pro forma effect to the Red Man Transaction, during the twelve months ended December 31, 2007 we purchased approximately $431 million of products from our top ten suppliers, representing approximately 30.7% of our purchases. We believe our customers view us as an industry leader for the formal processes we use to evaluate vendor performance and product quality. We employ individuals, certified by the International Registry of Certificated Auditors, who specialize in conducting manufacturer assessments both domestically and internationally. Our Supplier Registration Process (“SRP”), which allows us to maintain the MRM ASL, serves as a significant strategic advantage to us in developing, maintaining and institutionalizing key supplier relationships. For our suppliers, being included on the MRM ASL represents an opportunity for them to increase their product sales to our customers. The SRP also adds value to our customers, as they collaborate with us regarding specific manufacturer performance, our past experiences with products and the results of our on-site supplier assessments. Having a timely, uninterrupted supply of those mission critical products from approved vendors is an essential part of our customers’ day-to-day operations and we work to fulfill that need through our SRP.

A Leading IT Platform Focused on Customer Service. Our business is supported by our integrated, scalable and customer-linked customized information systems. These systems and our more than 3,400 employees are linked by a wide area network. We are currently implementing an initiative, expected to be completed in 2009, that will combine our business operations onto one enterprise server-based system. This will enable real-time access to our business resources, including customer order processing, purchasing and material requests, distribution requirements planning, warehousing and receiving, inventory control and accounting and financial functions. Significant elements of our systems include firm-wide pricing controls resulting in disciplined pricing strategies, advanced scanning and customized bar-coding capabilities, allowing for efficient warehousing activities at customer as well as our own locations, and significant levels of customer-specific integrations. We believe that the customized integration of our customers’ systems into our own information systems has increased customer retention by reducing their expenses, thus creating switching costs when comparing us to alternative sources of supply. Typically, smaller regional and local competitors do not have IT capabilities that are as advanced as ours.

Highly Efficient, Flexible Operating Platform Drives Significant Free Cash Flow Generation. We place a particular emphasis on practicing financial discipline as evidenced by our strong focus on return on assets, minimal capital expenditures and high free cash flow generation. Our disciplined cost control, coupled with our active asset management strategies, result in a business model exhibiting a high degree of operating leverage. As is typical with the flexibility associated with a distribution operating model, our variable cost base includes substantially all of our cost of goods sold and a significant portion of our operating costs. Furthermore, our maintenance capital expenditures were less than 0.2% of our pro forma sales for the year ended December 31, 2007. This cost structure allows us to adjust to changing industry dynamics and, as a result, during

periods of decreased sales activity, we typically generate significant free cash flow as our costs are reduced and working capital contracts.

Experienced and Motivated Management Team. Our senior management team has an average of over 25 years of experience in the oilfield and industrial supply business, the majority of which has been with McJunkin Red Man or its predecessors. After giving effect to this offering, senior management will own % of our company indirectly through their equity interests in PVF Holdings LLC. We also seek to incentivize and align management with shareholder interests through equity-linked compensation plans. Furthermore, executive compensation is based on profitability and return-on-investment targets which we believe drives accountability and further aligns the organization with our shareholders.

Our Business Strategy

Our goal is to become the largest global distributor of PVF and related products to the energy and industrials sectors. We intend to grow our business by leveraging our existing position as the largest North American distributor of PVF products and services to the energy industry based on sales. Our strategy is focused on pursuing growth by increasing organic market share and growing our business with current customers, expanding into new geographies and end markets, further penetrating the Canadian Oil Sands and downstream sector, pursuing selective strategic acquisitions and investments, increasing recurring revenues through integrated supply, MRO and project contracts, and continuing to increase our operational efficiency.

Increase Organic Market Share and Grow Business with Current Customers. We are committed to expanding upon existing deep relationships with our current customer base while at the same time striving to secure new customers. To accomplish this, we are focused on providing a “one stop” PVF procurement solution throughout North America and across the upstream, midstream and downstream sectors of the energy industry, cross-selling by leveraging our expanded product offering resulting from the business combination between McJunkin Corporation (“McJunkin”) and Red Man Pipe & Supply Co. (“Red Man”) in October 2007, and increasing our penetration of existing customers’ new multiyear projects.

The migration of existing customer relationships to sole or primary sourcing arrangements is a core strategic focus. We seek to position ourselves as the sole or primary provider of a broad complement of PVF products and services for a particular customer, often by end market and/or geography, or in certain instances across all of a customer’s North American upstream, midstream and downstream operations. Several of our largest customers have recently switched to sole or primary sourcing contracts with us. Additionally, we believe that significant opportunities exist to expand upon heritage McJunkin and Red Man existing deep customer and supplier relationships and thereby increase our market share. While we believe that the heritage McJunkin and Red Man organizations each maintained robust product offerings, there also remain opportunities to cross-sell certain products into the other heritage organization’s customer base and branch network. As part of these efforts, we are working to further strengthen our service offerings by augmenting our product portfolio, management expertise and sales force.

We also aim to increase our penetration of our existing customers’ new projects. For example, while we often provide nearly 100% of the PVF products for certain customers under MRO contracts, increased penetration of those customers’ new downstream and midstream projects remains a strategic priority. Initiatives are in place to deepen relationships with engineering and construction firms and to extend our product offering into certain niches. We recently integrated core project groups in several locations to focus solely on capturing new multi-year project opportunities and we are encouraged by these initial efforts.

Expand into New Geographies and End Markets. We intend to selectively establish new branches in order to facilitate our expansion into new geographies, and enter end markets where

extreme operating environments generate high PVF product replacement rates. We continue to evaluate establishing branches and service and supply centers, entering into joint ventures, and making acquisitions in select domestic and international regions. While we believe that we are one of three PVF distributors with branches throughout North America, there is opportunity to expand via new branch openings in certain geographic areas.

While our near term strategy is to continue to expand within North America, we believe that attractive opportunities exist to expand internationally. Though we currently maintain only one branch outside North America, we continue to actively evaluate opportunities to extend our offering to key international markets, particularly in West Africa, the Middle East, Europe and South America. The E&P opportunity and current installed base of energy infrastructure internationally is significantly larger than in North America and as a result we believe represents an attractive long term opportunity both for ourselves and our largest customers. While our near term focus internationally will be centered on growing our business with our already largely global customer base, the increased focus, particularly by foreign-owned integrated oil companies, on efficiency, cost savings, process improvements and core competencies has also generated potential growth opportunities to add new customers that we will continue to monitor closely.

We also believe opportunities exist for expansion into new and under penetrated end markets where PVF products are used in specialized, highly corrosive applications. These end markets include pulp and paper, food and beverage and other general industrial markets, in addition to other energy end markets such as power generation, liquefied natural gas, coal, nuclear and ethanol. We believe our extensive North American branch platform, comprehensive PVF product offering, and reputation for high customer service and technical expertise positions us to participate in the growth in these end markets.

We believe there also remains an opportunity to continue to expand into certain niche and specialty products that complement our current extensive product offering. These products include automated valves, instrumentation, stainless, chrome and high nickel alloy PVF, large diameter carbon steel pipe and certain specialty items, including steam products.

Further Penetrate the Canadian Oil Sands, Particularly the Downstream Sector. The Canadian Oil Sands region and its attendant downstream markets represent very attractive growth areas for our company. Improvements in mining and in-situ technology are driving significant investment in the area and, according to the Alberta Energy and Utilities Board, the Canadian Oil Sands contain an ultimately recoverable crude bitumen resource of 315 billion barrels, with established reserves of almost 173 billion barrels at December 2007. Canada has the second largest recoverable crude oil reserves in the world, behind Saudi Arabia. Capital and maintenance investments in the Canadian Oil Sands are expected to experience dramatic growth due to rising global energy demand and advancements in recovery and upgrading technologies. According to the Alberta Ministry of Energy, an estimated CDN$67 billion (US$66.2 billion) was invested in Canadian Oil Sands projects from 2000 to 2007. These large facilities require significant ongoing PVF maintenance well in excess of traditional energy infrastructure, given the extremely harsh operating environments and highly corrosive conditions. According to the Alberta Ministry of Energy, almost CDN$170 billion (US$168 billion) in Canadian Oil Sands-related projects were underway or proposed as of June 2008, which we estimate could generate significant PVF expenditures.

While Midfield has historically focused on the upstream and midstream sectors in Canada, we believe that a significant opportunity exists to penetrate the Canadian Oil Sands downstream market which includes the upgrader and refinery markets. We are the leading provider of PVF products to the downstream market in the U.S. and believe this sector expertise and existing customer relationships can be utilized by our upstream and midstream Canadian operations to grow our downstream sector presence in this region. We also believe there is a significant opportunity to penetrate the Canadian Oil Sands extraction market involving in-situ recovery methods, including SAGD (steam assisted gravity drainage) and CSS (cyclic steam stimulation) techniques used to extract the bitumen. We have

formed a full team overseen by senior management, have made recent inventory and facility investments in Canada, including a new 60,000 square foot distribution center facility located near Edmonton, and have opened additional locations in Western Canada to address this opportunity. Finally, we also believe that an attractive opportunity exists to more fully penetrate the MRO market in Canada, including refineries, petrochemical facilities, utilities and pulp and paper and other general industrial markets.

Pursue Selective Strategic Acquisitions and Investments. Acquisitions have been a core focus and acquisition integration a core competency for us. We continue to seek opportunities to strengthen our franchise through selective acquisitions and strategic investments. In particular, we will consider investments that enhance our presence in the energy infrastructure market and enable us to leverage our existing operations, either through acquiring new branches or by acquiring companies offering complementary products or end market breadth. Our industry remains highly fragmented and we believe a significant number of small and larger acquisition opportunities remain that offer favorable synergy potential and attractive growth characteristics. Acquisitions have been a core focus for both the heritage McJunkin and Red Man organizations which we plan to continue. In addition to the business combination between McJunkin and Red Man, since 2000 we have integrated 19 acquisitions which collectively represented over $900 million in sales in the year of acquisition. Important recent acquisitions include Midfield, one of the three largest oilfield supply companies in Canada with 68 branches, and Midway-Tristate Corporation (“Midway”), a leading oilfield distributor primarily serving the Rockies and Appalachia regions. Historically, our operating scale and integration capabilities have enabled us to realize important synergies, while minimizing execution risk, which we intend to focus on with future acquisitions.

Increase Recurring Revenues through Integrated Supply, MRO and Project Contracts. We have entered into and continue to pursue integrated supply, MRO and project contracts with certain of our customers. These arrangements generally designate us as the sole or primary source provider of the upstream, midstream, and/or downstream requirements of our customers. In certain instances we are the sole or primary source provider for our customers across all the energy sectors and/or North American geographies within which the customer operates.

Our customers have, over time, increasingly moved toward centralized PVF procurement management at the corporate level rather than at individual local units. While these developments are partly due to significant consolidation among our customer base, sole or primary sourcing arrangements allow customers to focus on their core operations and provide economic benefits by generating immediate savings for the customer through administrative cost and working capital reductions, while providing for increased volumes, more stable revenue streams and longer term visibility for us. We believe we are well positioned to obtain these arrangements due to our (1) geographically diverse and strategically located branch network, (2) experience, technical expertise and reputation for premier customer service operating across all segments of the energy industry, (3) breadth of available product lines and value added services, and (4) existing deep relationships with customers and suppliers.

We also have exclusive and non-exclusive MRO contracts and new project contracts in place. Our customers are increasing their maintenance and capital spending, which is being driven by aging infrastructure, their increased utilization of existing facilities and the decreasing quality of energy feedstocks. Our customers benefit from MRO agreements through lower inventory investment and the reduction of transaction costs associated with the elimination of the bid submission process, and our company benefits from the recurring revenue stream that occurs with an MRO contract in place. We believe there are additional opportunities to utilize MRO arrangements for servicing the requirements of our customers and we are actively pursuing such agreements.

Continued Focus on Operational Efficiency. We strive for continued operational excellence. Our branch managers, regional management and corporate leadership team continually examine branch profitability, working capital management, and return on managed assets and utilize this

information to optimize national, regional and local strategies, reduce operating costs and maximize cash flow generation. As part of this effort, management incentives are centered on meeting EBITDA and return on assets targets.

In order to improve efficiencies and profitability, we work to leverage operational best practices, optimize our vendor relationships, purchasing, and inventory levels, and source inventory internationally when appropriate. As part of this strategy, we have integrated our heritage purchasing functions and believe we have developed strong relationships with vendors that value both our national footprint and volume purchasing capabilities. Because of this, we are often considered the preferred distribution channel. As we continue to consolidate our vendor relationships, we plan to devote additional resources to assist our customers in identifying products that improve their processes, day-to-day operations and overall operating efficiencies. We believe that offering these value added services maximizes our value to our customers and helps differentiate us from competitors.

Risk Factors

While our business has grown in recent years, we face various risks. For example, decreased capital expenditures in the energy industry could lead to decreased demand for our products and services and could therefore have a material adverse effect on our business, results of operations and financial condition. We face other risks including, among others, fluctuations in steel prices, economic downturns, our lack of long-term contracts with many of our customers and suppliers and the absence of minimum purchase obligations under the long-term customer contracts that we do have, and risks associated with the integration of our predecessor companies, McJunkin and Red Man. Additionally, we have significant indebtedness. As of June 26, 2008, we had total debt outstanding of $1,284.7 million and we had borrowing availability of $542.5 million under our credit facilities. Our significant indebtedness could limit our ability to obtain additional financing, our ability to use operating cash flow in other areas of our business, and our ability to compete with other companies that are less leveraged, and could have other negative consequences. See “Risk Factors” for a more detailed discussion of these risks and other risks associated with our business.

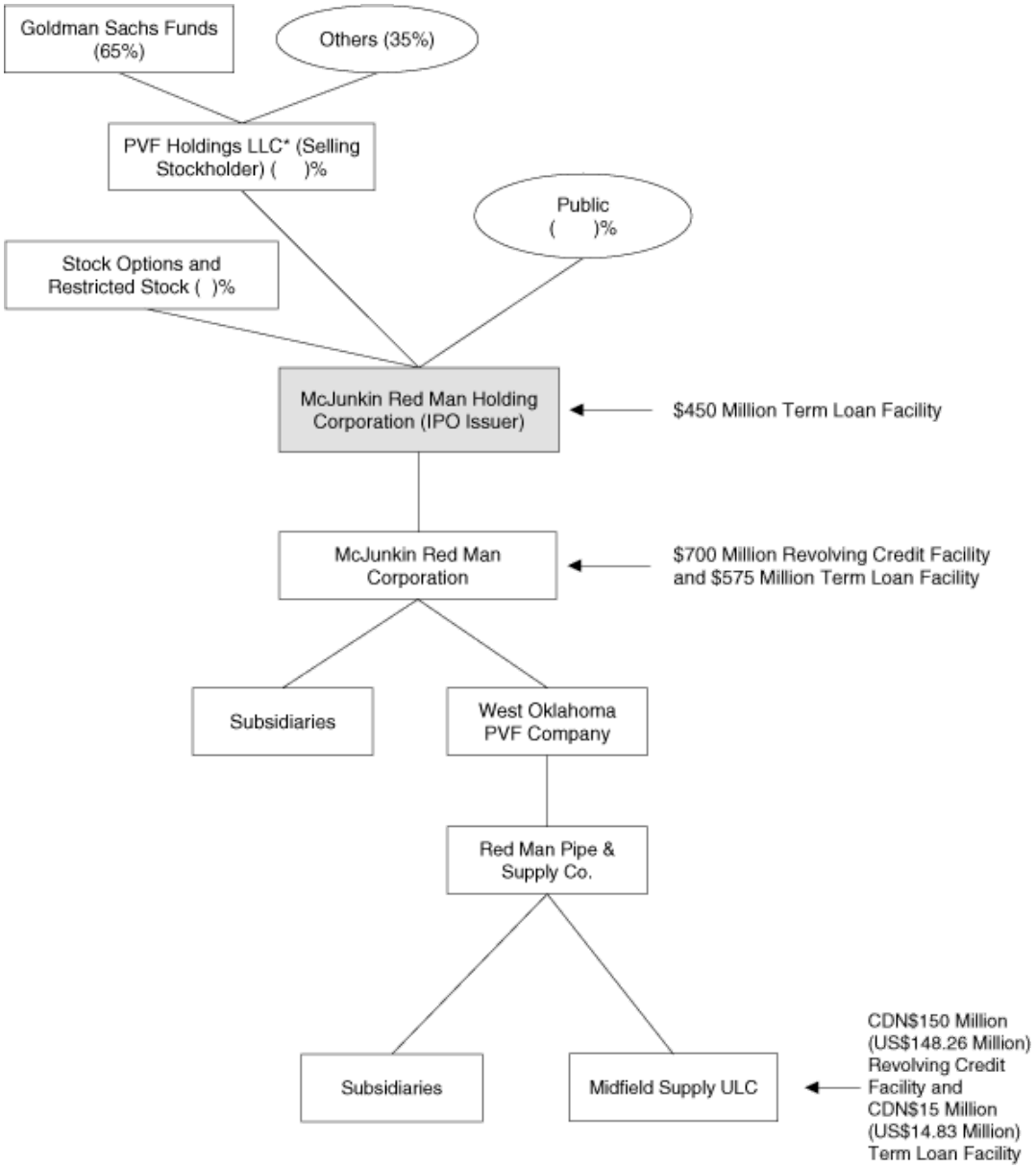
Recent Developments

On July 31, 2008, we acquired the remaining approximate 49% minority voting interest in our Canadian subsidiary, Midfield Supply ULC, one of the three largest oilfield supply companies in Canada with 68 branches, for total payments of approximately $135.67 million.

On September 5, 2008, we entered into an agreement to acquire LaBarge Pipe & Steel Company (“LaBarge”). LaBarge is engaged in the sale and distribution of carbon steel pipes (predominantly large diameter pipe) for use primarily in the North American energy infrastructure market and had net sales revenue of $200.6 million in 2007. We agreed to pay $160 million for LaBarge on a debt-free, cash-free basis, subject to a working capital adjustment and customary indemnification provisions, plus up to an additional $45 million if LaBarge meets certain EBITDA targets in 2008 and 2009. The transaction is expected to close early in the fourth quarter of 2008 and is subject to the satisfaction or waiver of several customary closing conditions, including regulatory approval.

Organizational Structure

The following chart illustrates our organizational structure upon the completion of this offering:



* PVF Holdings LLC is offering all of the shares to be sold in this offering. PVF Holdings LLC intends to distribute the net proceeds of this offering, after giving effect to the underwriting discount, to its members, which include certain of our directors and executive officers. See the table on page 139 for information regarding the amount of offering proceeds to be distributed to each of our directors and executive officers.

The Offering

Issuer	McJunkin Red Man Holding Corporation.
Common stock offered by the selling stockholder	shares.
Option to purchase additional shares of common stock from the selling stockholder	shares.
Common stock outstanding immediately after the offering	shares.
Use of proceeds	The proceeds from the sale of shares of our common stock in the offering are solely for the account of PVF Holdings LLC, the selling stockholder. We will not receive any proceeds from the sale of our common stock by the selling stockholder. See “Use of Proceeds”. PVF Holdings LLC intends to distribute the net proceeds of this offering, after giving effect to the underwriting discount, to its members, which include certain members of our board of directors and senior management team and various of their affiliates. See “Principal and Selling Stockholders” and “Underwriting”. Additionally, affiliates of Goldman, Sachs & Co. own a majority interest in PVF Holdings LLC. Accordingly, such affiliates will receive a significant portion of the proceeds from this offering. See “Underwriting”.
Proposed New York Stock Exchange symbol	“MRC”.
Risk Factors	See “Risk Factors” beginning on page 18 of this prospectus for a discussion of factors that you should carefully consider before deciding to invest in shares of our common stock.

The number of shares of common stock to be outstanding after the offering:

- gives effect to a for split of our common stock to be effected prior to the pricing of this offering;
- excludes shares of common stock issuable upon the exercise of stock options granted to certain of our employees and directors pursuant to the McJ Holding Corporation 2007 Stock Option Plan; and
- excludes shares of non-vested restricted stock awarded to certain of our employees pursuant to the McJ Holding Corporation 2007 Restricted Stock Plan.

McJunkin Red Man Holding Corporation (formerly known as McJ Holding Corporation) was incorporated in Delaware on November 20, 2006. Our principal executive offices are located at 8023 East 63rd Place, Tulsa, Oklahoma 74133 and 835 Hillcrest Drive, Charleston, West Virginia 25311. Our telephone number is (918) 250-8541. Our website address is www.mcjunkinredman.com. Information contained on our website is not a part of this prospectus.

The data included in this prospectus regarding the industrial and oilfield pipe, valves and fittings distribution industry, including trends in the market and our position and the position of our competitors within this industry, are based on our estimates, which have been derived from management’s knowledge and experience in the areas in which our business operates, and

information obtained from customers, suppliers, trade and business organizations, internal research, publicly available information, industry publications and surveys and other contacts in the areas in which our business operates. We have also cited information compiled by industry publications, governmental agencies and publicly available sources.

Depending on market conditions at the time of pricing of this offering and other considerations, the selling stockholder may sell fewer or more shares than the number set forth on the cover page of this prospectus.

In this prospectus, unless otherwise indicated, Canadian dollar amounts are converted into U.S. dollar amounts at the exchange rate in effect on June 26, 2008, the last day of our second quarter.

Summary Consolidated Financial Information

On January 31, 2007, McJunkin Red Man Holding Corporation, an affiliate of The Goldman Sachs Group, Inc., acquired a majority of the equity of the entity now known as McJunkin Red Man Corporation (then known as McJunkin Corporation) (the "GS Acquisition"). In this prospectus, the term "Predecessor" refers to McJunkin Corporation and its subsidiaries prior to January 31, 2007 and the term "Successor" refers to the entity now known as McJunkin Red Man Holding Corporation and its subsidiaries on and after January 31, 2007. As a result of the change in McJunkin Corporation's basis of accounting in connection with the GS Acquisition, Predecessor's financial statement data for the one month ended January 30, 2007 and earlier periods is not comparable to Successor's financial data for the eleven months ended December 31, 2007 and subsequent periods.

McJunkin Corporation completed a business combination transaction with Red Man Pipe & Supply Co. (the "Red Man Transaction") on October 31, 2007. At that time McJunkin Corporation was renamed McJunkin Red Man Corporation. Operating results for the eleven-month period ended December 31, 2007 include the results of McJunkin Red Man Holding Corporation for the full period and the results of Red Man Pipe & Supply Co. ("Red Man") for the two months after the business combination on October 31, 2007. Accordingly, our results for the 11 months ended December 31, 2007 are not comparable to McJunkin's results for the years ended December 31, 2006 and 2005.

The summary consolidated financial information presented below under the captions Statement of Operations Data and Other Financial Data for the one month ended January 30, 2007 (Predecessor) and the eleven months ended December 31, 2007, and the summary consolidated financial information presented below under the caption Balance Sheet Data as of December 31, 2007, have been derived from the consolidated financial statements of McJunkin Red Man Holding Corporation included elsewhere in this prospectus that have been audited by Ernst & Young LLP, independent registered public accounting firm. The summary consolidated financial information presented below as of and for the years ended December 31, 2005 and 2006 has been derived from the consolidated financial statements of our predecessor, McJunkin Corporation, included elsewhere in this prospectus that have been audited by Schneider Downs & Co., Inc., independent registered public accounting firm.

The summary unaudited interim consolidated financial information presented below under the captions Statement of Operations Data and Other Financial Data for the six months ended June 26, 2008 and the five months ended June 28, 2007, and the summary unaudited consolidated financial information presented below under the caption Balance Sheet Data as of June 26, 2008, have been derived from our unaudited interim consolidated financial statements, which are included elsewhere in this prospectus and have been prepared on the same basis as our audited consolidated financial statements. In the opinion of management, the interim data reflect all adjustments, consisting of normal and recurring adjustments, necessary for a fair presentation of results for these periods. Operating results for the six months ended June 26, 2008 include the results of McJunkin Corporation and Red Man for the full period. Operating results for the five-month period ending June 28, 2007 do not reflect the operating results of Red Man, as the Red Man Transaction did not occur until October 31, 2007. Accordingly, the results for the six months ended June 26, 2008 are not comparable to the results for the five months ended June 28, 2007. In addition, operating results for the six-month period ended June 26, 2008 are not necessarily indicative of the results that may be expected for the year ended December 31, 2008.

The summary unaudited pro forma consolidated statements of operations data for the six months ended June 28, 2007 and the year ended December 31, 2007 give pro forma effect to (1) the GS Acquisition and the Red Man Transaction, as if each such transaction had occurred on January 1, 2007, and (2) our entering into our $575 million term loan facility and our $700 million revolving credit facility, as if we had entered into these facilities on January 1, 2007.

The pro forma statement of operations data for the six months ended June 28, 2007 includes McJunkin Corporation's results for the one month ended January 30, 2007 (before the GS

Acquisition), McJunkin Red Man Holding Corporation's results for the five months ended June 28, 2007 (before the Red Man Transaction), and Red Man's results for the six months ended April 30, 2007. The pro forma statement of operations data for the year ended December 31, 2007 includes McJunkin Corporation's results for the one month ended January 30, 2007, McJunkin Red Man Holding Corporation's results for the eleven months ended December 31, 2007 (reflecting the results of McJunkin Corporation for the full eleven months but excluding the results of Red Man for the two months ended December 31, 2007), and Red Man's results for the twelve months ended October 31, 2007.

All information in this prospectus assumes that in conjunction with the initial public offering, we will effect a for stock split.

The historical data presented below has been derived from financial statements that have been prepared using United States generally accepted accounting principles, or GAAP. This data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes included elsewhere in this prospectus.

	Predecessor	Successor	Pro Forma	Successor
	One Month Ended January 30, 2007	Five Months Ended June 28, 2007	Six Months Ended June 28, 2007	Six Months Ended June 26, 2008
		(Unaudited)	(Unaudited)	(Unaudited)
	(In millions, except per share and share data)			
Statement of Operations Data:				
Sales	$ 142.5	$ 784.9	$ 1,862.1	$ 2,196.0
Costs and expenses				
Cost of sales (exclusive of depreciation and amortization shown separately below)	114.6	635.9	1,529.9	1,803.8
Selling, general and administrative expenses	14.6	80.7	169.2	200.1
Depreciation and amortization	0.3	1.7	5.4	5.2
Amortization of intangibles(1)	—	4.6	12.3	15.6
Profit sharing	1.3	5.6	11.3	13.5
Stock-based compensation	—	1.3	2.3	3.3
Total costs and expenses	130.8	729.8	1,730.4	2,041.5
Operating income	11.7	55.1	131.7	154.5
Other income (expense)				
Interest expense	(0.1)	(24.3)	(30.4)	(35.0)
Minority interests	(0.4)	—	(0.1)	(0.1)
Other, net	—	(0.9)	(0.7)	(0.3)
Total other income (expense)	(0.5)	(25.2)	(31.2)	(35.4)
Income before income taxes	11.2	29.9	100.5	119.1
Income tax expense	4.6	12.3	37.7	43.2
Net income(2)	$ 6.6	$ 17.6	$ 62.8	$ 75.9
Pro forma earnings per share, basic				
Pro forma earnings per share, diluted				
Pro forma weighted average shares, basic				
Pro forma weighted average shares, diluted				
Other Financial Data:				
Net cash provided by (used in) operating activities	$ 6.6	$ 1.9	—	$ 70.5
Net cash provided by (used in) investing activities	(0.2)	(933.3)	—	(16.4)
Net cash provided by (used in) financing activities	(8.3)	945.9	—	(55.2)
Adjusted EBITDA(3)	26.0	151.3	163.4	249.9

	Predecessor			Successor	Pro Forma
	Year Ended December 31, 2005	Year Ended December 31, 2006	One Month Ended January 30, 2007	Eleven Months Ended December 31, 2007	Year Ended December 31, 2007 (Unaudited)
	(In millions, except per share and share data)				
Statement of Operations Data:					
Sales	$ 1,445.8	$ 1,713.7	$ 142.5	$ 2,124.9	$ 3,952.7
Costs and expenses					
Cost of sales (exclusive of depreciation and amortization shown separately below)	1,177.1	1,394.3	114.6	1,734.6	3,229.2
Selling, general and administrative expenses	155.7	173.9	14.6	201.9	365.7
Depreciation and amortization	3.7	3.9	0.3	5.4	10.8
Amortization of intangibles	0.3	0.3	—	10.5(1)	24.6(1)
Profit sharing	13.1	15.1	1.3	13.2	13.5
Stock-based compensation	—	—	—	3.0	2.9
Total costs and expenses	1,349.9	1,587.5	130.8	1,968.6	3,646.7
Operating income	95.9	126.2	11.7	156.3	306.0
Other income (expense)					
Interest expense	(2.7)	(2.8)	(0.1)	(61.7)	(60.8)
Minority interests	(2.8)	(4.1)	(0.4)	(0.1)	0.0
Other, net	(1.3)	(1.4)	—	(1.1)	(3.9)
Total other income (expense)	(6.8)	(8.3)	(0.5)	(62.9)	(64.7)
Income before income taxes	89.1	117.9	11.2	93.4	241.3
Income tax expense	36.6	48.3	4.6	36.5	90.5
Net income(2)	$ 52.5	$ 69.6	$ 6.6	$ 56.9	$ 150.8
Pro forma earnings per share, basic					
Pro forma earnings per share, diluted					
Pro forma weighted average shares, basic					
Pro forma weighted average shares, diluted					
Other Financial Data:					
Net cash provided by operating activities	$ 30.4	$ 18.4	$ 6.6	$ 110.2	—
Net cash (used in) investing activities	(6.7)	(3.3)	(0.2)	(1,788.9)	—
Net cash (used in) provided by financing activities	(21.1)	(17.2)	(8.3)	1,687.2	—
Adjusted EBITDA(3)	115.6	139.1	26.0	344.9	370.4

	Predecessor		Successor		
	December 31, 2005	December 31, 2006	December 31, 2007	Actual June 26, 2008	As Adjusted(4) June 26, 2008
			(In millions)		
Balance Sheet Data:					
Cash and cash equivalents	$ 5.9	$ 3.7	$ 10.1	$ 8.8	$ 8.8
Working capital	129.0	212.3	663.5	686.1	686.1
Total assets	434.0	481.0	2,925.0	3,294.3	3,294.3
Total debt, including current portion	3.1	13.0	868.4	1,284.7	1,390.1
Minority interest in subsidiaries	11.5	15.6	100.7	95.2	—
Stockholders' equity	168.8	242.6	1,210.0	824.4	819.0

(1) Represents amortization of intangibles included as a result of the GS Acquisition, our acquisition of Midway-Tristate Corporation, and the Red Man Transaction, plus associated transaction fees.

(2) The following are certain charges and costs incurred in each of the relevant periods that are meaningful to understanding our net income and in evaluating our performance:

	Predecessor			Successor	Pro Forma	Successor	Pro Forma	Successor
	Year Ended December 31, 2005	Year Ended December 31, 2006	One Month Ended January 30, 2007	Eleven Months Ended December 31, 2007	Year Ended December 31, 2007	Five Months Ended June 28, 2007	Six Months Ended June 28, 2007	Six Months Ended June 26, 2008
				(in millions)				
LIFO expense	$20.2	$12.2	—	$10.3	$10.3	$3.0	$ 3.0	$55.6
Amortization of intangibles	0.3	0.3	—	10.5	24.6	4.6	12.3	15.6
Amortization of financing fees	—	—	—	8.0	3.8	1.6	1.9	2.3

(3) Adjusted EBITDA is used in our senior secured term loan facility, senior secured revolving credit facility, and junior term loan facility in the ratio of consolidated total debt to consolidated adjusted EBITDA, and is also used in our senior secured term loan facility and junior term loan facility in the ratio of consolidated adjusted EBITDA to consolidated interest expense. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Revolving Credit Facility and Term Loan Facility — Covenants”. Adjusted EBITDA is defined in our credit facilities as net income plus depreciation and amortization, amortization of intangibles, interest expense, income tax expense, stock-based compensation, LIFO expense, certain non-recurring and transaction-related expenses (including transaction costs associated with the GS Acquisition, our acquisition of Midway-Tristate Corporation, and the Red Man Transaction), minority interest, charges in connection with an employee profit sharing plan for certain employees of our subsidiary Midfield Supply ULC, and certain other adjustments, including franchise taxes and pro forma adjustments relating to acquisitions. We present Adjusted EBITDA because it is a material component of material covenants in our senior secured term loan facility and junior term loan facility. In addition, we believe it is a useful indicator of our operating performance. We believe this for the following reasons:

- Our management uses Adjusted EBITDA for planning purposes, including the preparation of our annual operating budget and financial projections, as well as for determining a significant portion of the compensation of our executive officers;
- Adjusted EBITDA is widely used by investors to measure a company’s operating performance without regard to items, such as interest expense, income tax expense, and depreciation and amortization, that can vary substantially from company to company depending upon their financing and accounting methods, the book value of their assets, their capital structures and the method by which their assets were acquired; and
- securities analysts use Adjusted EBITDA as a supplemental measure to evaluate the overall operating performance of companies.

Particularly, we believe that Adjusted EBITDA is a useful indicator of our operating performance because:

- Our lenders believed Adjusted EBITDA was the appropriate performance measure for the key operational covenants in our senior secured term loan facility and junior term loan facility (see “Description of Our Indebtedness”);
- Adjusted EBITDA measures our company’s operating performance without regard to LIFO expense, which is high due to recent inflation and therefore reflects an overstatement of the cost of goods sold over recent periods, and we believe that this adjustment assists in comparing us to our peers, because many of our peers do not use the LIFO method of inventory valuation; and
- Adjusted EBITDA measures our company’s operating performance without regard to non-recurring and transaction-related expenses incurred in connection with business combination transactions such as the Red Man Transaction.

Adjusted EBITDA, however, does not represent and should not be considered as an alternative to net income, cash flow from operations, or any other measure of financial performance calculated and presented in accordance with GAAP. Our Adjusted EBITDA may not be comparable to similar measures reported by other companies because other companies may not calculate Adjusted EBITDA in the same manner as we do. Although we use Adjusted EBITDA as a measure to assess the operating performance of our business, Adjusted EBITDA has significant limitations as an analytical tool because it excludes certain material costs. For example, it does not include interest expense, which has been a necessary element of our costs. Because we use capital assets, depreciation expense is a necessary element of our costs and our ability to generate revenue. In addition, the omission of the amortization expense associated with our intangible assets further limits the usefulness of this measure. Adjusted EBITDA also does not include the payment of certain taxes, which is also a necessary element of our operations. Furthermore, Adjusted EBITDA does not account for LIFO expense, and therefore to the extent that recently purchased inventory accounts for a relatively large portion of our sales, Adjusted EBITDA may overstate our operating performance. Because Adjusted EBITDA does not account for certain expenses, its utility as a measure of our operating performance has material limitations. Because of these limitations management does not view Adjusted EBITDA in isolation or as a primary performance measure and also uses other measures, such as net income and sales, to measure operating performance.

The following table presents a reconciliation of Adjusted EBITDA to Net income:

	Predecessor			Successor	Pro Forma	Successor	Pro Forma	Successor
	Year Ended December 31, 2005	Year Ended December 31, 2006	One Month Ended January 30, 2007	Eleven Months Ended December 31, 2007	Year Ended December 31, 2007 (Unaudited)	Five Months Ended June 28, 2007 (Unaudited)	Six Months Ended June 28, 2007 (Unaudited)	Six Months Ended June 26, 2008 (Unaudited)
	(In millions)							
Net income	$ 52.5	$ 69.6	$ 6.6	$ 56.9	$150.8	$ 17.6	$ 62.8	$ 75.9
Plus:								
Interest expense	2.7	2.8	0.1	61.7	60.8	24.3	30.4	35.0
Income tax expense	36.6	48.3	4.6	36.5	90.5	12.3	37.7	43.2
Amortization of intangibles	0.3	0.3	—	10.5	24.6	4.6	12.3	15.6
Depreciation and amortization	3.7	3.9	0.3	5.4	10.8	1.7	5.4	5.2
Stock-based compensation	—	—	—	3.0	2.9	1.3	2.3	3.3
Red Man pre-merger contribution	—	—	13.1	142.2	—	74.5	—	—
Midway pre-acquisition contribution	—	—	1.0	2.8	3.8	2.8	—	—
LIFO expense	20.2	12.2	—	10.3	10.3	3.0	3.0	55.6
Non-recurring and transaction-related expenses(a)	—	0.4	—	12.7	12.7	9.1	9.1	11.9
Minority interest / Midfield employee profit sharing plan	—	—	0.4	0.9	1.3	—	0.4	3.1
Transaction cost savings	—	—	—	1.1	1.1	—	—	—
Other(b)	(0.4)	1.6	(0.1)	0.9	0.8	0.1	—	1.1
Adjusted EBITDA	$115.6	$139.1	$26.0	$344.9	$370.4	$151.3	$163.4	$249.9

(a) Includes transaction costs associated with the GS Acquisition, our acquisition of Midway-Tristate Corporation, and the Red Man Transaction.

(b) Includes franchise tax expense, certain consulting fees, gains and losses on the sale of assets and other nonrecurring items.

In addition, we have also presented in this prospectus our EBITDA for the eleven months ended December 31, 2007 and Red Man's EBITDA for the twelve months ended December 31, 2007. The most comparable GAAP measure to EBITDA is Net income. We calculate our EBITDA for the eleven months ended December 31, 2007 ($171 million) by adding our Net income for this period ($56.9 million) with our interest expense ($61.7 million), income tax expense ($36.5 million), amortization of intangibles ($10.5 million), and depreciation and amortization ($5.4 million) for the same period. We calculate Red Man's EBITDA for the twelve months ended October 31, 2007 ($170 million) by adding Red Man's Net income for this period ($82.2 million) with Red Man's interest expense ($20.6 million), income tax expense ($57.6 million), and depreciation and amortization ($9.7 million) for the same period.

We present EBITDA because we believe it is a useful indicator of our operating performance, as described above with respect to Adjusted EBITDA. EBITDA, however, does not represent and should not be considered an alternative to measures of financial performance calculated and presented in accordance with GAAP, as described above with respect to Adjusted EBITDA.

(4)Adjusted to give effect (1) to an estimated $5.4 million of expenses incurred in connection with this offering and (2) for our purchase on July 31, 2008 of the approximate 49% minority voting interest in Midfield Supply ULC, one of our subsidiaries. Our total debt, including current portion, would increase by $5.4 million due to offering-related expenses based on our estimate of such expenses. In connection with our purchase of the minority voting interest in Midfield, our total debt, including current portion, increased from $1,284.7 million to $1,384.7 million because we incurred an additional $100 million of debt in order to fund the purchase. Our minority interest in subsidiaries was eliminated upon consummation of the purchase because we had no minority interest in subsidiaries other than the purchased interest. Our stockholders' equity has decreased from $824.4 million to $819.0 million, or by $5.4 million, on account of the $5.4 million of offering-related expenses.

RISK FACTORS

You should carefully consider each of the following risks and all of the information set forth in this prospectus before deciding to invest in our common stock. If any of the following risks and uncertainties develops into actual events, our business, results of operations and financial condition could be materially and adversely affected. In that case, the price of our common stock could decline and you could lose some or all of your investment.

Risks Related to Our Business

Decreased capital expenditures in the energy industry, which can result from decreased oil and natural gas prices among other things, can materially and adversely affect our business, results of operations and financial condition.

A large portion of our revenue depends upon the level of capital expenditures in the oil and gas industry, including capital expenditures in connection with exploration, drilling, production, gathering, transportation, refining and processing operations. Demand for our products and services is particularly sensitive to the level of exploration, development and production activity of, and the corresponding capital expenditures by, oil and natural gas companies. A material decline in oil or natural gas prices could depress levels of exploration, development and production activity, and therefore could lead to a decrease in our customers' capital expenditures. If our customers' capital expenditures decline, our business will suffer.

Prices for oil and natural gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty, and a variety of other factors that are beyond our control. Oil and natural gas prices are currently at levels higher than historical long term averages, and worldwide oil and gas drilling and exploration activity is also at very high levels. A decline in oil and natural gas prices could result in decreased capital expenditures in the oil and gas industry, and could therefore have a material adverse effect on our business, results of operations and financial condition.

Many factors affect the supply of and demand for energy and therefore influence oil and gas prices, including:

- the level of domestic and worldwide oil and gas production and inventories;
- the level of drilling activity and the availability of attractive oil and gas field prospects, which may be affected by governmental actions, such as regulatory actions or legislation, or other restrictions on drilling, including those related to environmental concerns;
- the discovery rate of new oil and gas reserves and the expected cost of developing new reserves;
- the actual cost of finding and producing oil and gas;
- depletion rates;
- domestic and worldwide refinery overcapacity or undercapacity and utilization rates;
- the availability of transportation infrastructure and refining capacity;
- increases in the cost of the products that we provide to the oil and gas industry, which may result from increases in the cost of raw materials such as steel;
- shifts in end-customer preferences toward fuel efficiency and the use of natural gas;
- the economic and/or political attractiveness of alternative fuels, such as coal, hydrocarbon, wind, solar energy and biomass-based fuels;

- increases in oil and gas prices and/or historically high oil and gas prices, which could lower demand for oil and gas products;
- worldwide economic activity including growth in countries that are not members of the Organisation for Economic Co-operation and Development ("non-OECD countries"), including China and India;
- interest rates and the cost of capital;
- national government policies, including government policies which could nationalize or expropriate oil and gas exploration, production, refining or transportation assets;
- the ability of the Organization of Petroleum Exporting Countries (OPEC) to set and maintain production levels and prices for oil;
- the impact of armed hostilities, or the threat or perception of armed hostilities;
- pricing and other actions taken by competitors that impact the market;
- environmental regulation;
- technological advances;
- global weather conditions and natural disasters;
- an increase in the value of the U.S. dollar relative to foreign currencies; and
- tax policies.

Oil and gas prices have been and are expected to remain volatile. This volatility has historically caused oil and gas companies to change their strategies and expenditure levels from year to year. We have experienced in the past, and we will likely experience in the future, significant fluctuations in operating results based on these changes. In particular, such volatility in the oil and gas markets could materially adversely affect our business, results of operations and financial condition.

Our business, results of operations and financial condition may be materially and adversely affected by general economic conditions.

Many aspects of our business, including demand for our products and the pricing and availability of supplies, are affected by U.S. and global general economic conditions. General economic conditions and predictions regarding future economic conditions also affect our forecasts, and a decrease in demand for our products or other adverse effects resulting from an economic downturn may cause us to fail to achieve our anticipated financial results. General economic factors beyond our control that affect our business and end markets include interest rates, recession, inflation, deflation, consumer credit availability, consumer debt levels, performance of housing markets, energy costs, tax rates and policy, unemployment rates, commencement or escalation of war or hostilities, the threat or possibility of war, terrorism or other global or national unrest, political or financial instability, and other matters that influence spending by our customers. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency or increase in magnitude. An economic downturn could adversely affect our business, results of operations and financial condition and could also lead to a decrease in the market price of our common stock.

We may be unable to compete successfully with other companies in our industry.

We sell our products and services in very competitive markets. In some cases, we compete with large oilfield services providers with substantial resources and smaller regional players that may increasingly be willing to provide similar products and services at lower prices. Our revenues and earnings could be adversely affected by competitive actions such as price reductions, improved delivery and other actions by competitors. Our business, results of operations and financial condition could be materially and adversely affected to the extent that our competitors are successful in

reducing our customers' purchases of our products and services. Competition could also cause us to lower our prices which could reduce our margins and profitability.

Demand for our products could decrease if manufacturers of our products were to sell a substantial amount of goods directly to end users in the markets we serve.

We do not manufacture any of the products that we distribute. Historically, users of PVF and related products in the United States, in contrast to users of PVF and related products outside the United States, have purchased such products through distributors and not directly from manufacturers. If customers were to purchase the products that we sell directly from manufacturers, or if manufacturers sought to increase their efforts to sell directly to end users, our business, results of operations and financial condition could be materially and adversely affected. These or other developments that remove us from, or limit our role in, the distribution chain, may harm our competitive position in the marketplace and reduce our sales and earnings.

We may experience unexpected supply shortages.

We distribute products from a wide variety of manufacturers and suppliers. Nevertheless, in the future we may have difficulty obtaining the products we need from suppliers and manufacturers as a result of unexpected demand or production difficulties. Also, products may not be available to us in quantities sufficient to meet our customer demand. Our inability to obtain sufficient products from suppliers and manufacturers, in sufficient quantities, could have a material adverse effect on our business, results of operations and financial condition.

We may experience cost increases by suppliers, which we may be unable to pass on to our customers.

In the future, we may face supply cost increases due to, among other things, unexpected increases in demand for supplies, decreases in production of supplies or increases in the cost of raw materials or transportation. Our inability to pass supply price increases on to our customers could have a material adverse effect on our business, results of operations and financial condition. For example, we may be unable to pass increased supply costs on to our customers because significant amounts of our sales are derived from stocking program arrangements, contracts and maintenance, repair and operations ("MRO") arrangements which provide our customers time limited price protection, which may obligate us to sell products at a set price for a specific period. In addition, if supply costs increase, our customers may elect to purchase smaller amounts of products or may purchase products from other distributors. While we may be able to work with our customers to reduce the effects of unforeseen price increases because of our relationships with them, we may not be able to reduce the effects of such cost increases. In addition, to the extent that competition leads to reduced purchases of our products or services or reduction of our prices, and such reductions occur concurrently with increases in the prices for selected commodities which we use in our operations, including steel, nickel and molybdenum, the adverse effects described above would likely be exacerbated and could result in a prolonged downturn in profitability.

We do not have contracts with most of our suppliers. The loss of a significant supplier would require us to rely more heavily on our other existing suppliers or to develop relationships with new suppliers, and such a loss may have a material adverse effect on our business, results of operations and financial condition.

Given the nature of our business, and consistent with industry practice, we do not have contracts with most of our suppliers. Purchases are generally made through purchase orders. Therefore, most of our suppliers have the ability to terminate their relationships with us at any time. Approximately 32% of our total purchases during 2007 on a pro forma basis were from our ten largest suppliers. Before giving pro forma effect to the Red Man Transaction, approximately 30.7% of our total purchases during 2007 were from our ten largest suppliers. Although we believe there are numerous

manufacturers with the capacity to supply our products, the loss of one or more of our major suppliers could have a material adverse effect on our business, results of operations and financial condition. Such a loss would require us to rely more heavily on our other existing suppliers or develop relationships with new suppliers, which may cause us to pay higher prices for products due to, among other things, a loss of volume discount benefits currently obtained from our major suppliers.

Price reductions by suppliers of products sold by us could cause the value of our inventory to decline. Also, such price reductions could cause our customers to demand lower sales prices for these products, possibly decreasing our margins and profitability on sales to the extent that our inventory of such products was purchased at the higher prices prior to supplier price reductions and we are required to sell such products to our customers at the lower market prices.

The value of our inventory could decline as a result of price reductions by manufacturers of products sold by us. We believe the risk of a material reduction in the value of our inventory is mitigated due to the fact that we do not carry a significant amount of speculative inventory, our significant supply commitments are generally for relatively short-term periods, and we have been selling the same types of products to our customers for many years (and therefore do not expect that our inventory will become obsolete). However, there is no assurance that a substantial decline in product prices would not result in a write-down of our inventory value. Such a write-down could have a material adverse effect on our financial condition.

Also, decreases in the market prices of products sold by us could cause customers to demand lower sale prices from us. These price reductions could reduce our margins and profitability on sales with respect to such lower-priced products to the extent that we purchase such products at the higher prices prior to supplier price reductions and we are required to sell such products to our customers at the lower market prices. Reductions in our margins and profitability on sales could have a material adverse effect on our business, results of operations, and financial condition.

A substantial decrease in the price of steel could significantly lower our gross profit.

We distribute many products manufactured from steel and, as a result, our business is significantly affected by the price and supply of steel. When steel prices are lower, the prices that we charge customers for products may decline, which affects our gross profit. The steel industry as a whole is cyclical and at times pricing and availability of steel can be volatile due to numerous factors beyond our control, including general domestic and international economic conditions, labor costs, sales levels, competition, consolidation of steel producers, fluctuations in the costs of raw materials necessary to produce steel, import duties and tariffs and currency exchange rates. This volatility can significantly affect the availability and cost of steel for our suppliers. When steel prices decline, customer demands for lower prices and our competitors' responses to those demands could result in lower sale prices and, consequently, lower gross profit.

If steel prices rise, we may be unable to pass along the cost increases to our customers.

We maintain inventories of steel products to accommodate the lead time requirements of our customers. Accordingly, we purchase steel products in an effort to maintain our inventory at levels that we believe to be appropriate to satisfy the anticipated needs of our customers based upon historic buying practices, contracts with customers and market conditions. Our commitments to purchase steel products are generally at prevailing market prices in effect at the time we place our orders. If steel prices increase between the time we order steel products and the time of delivery of such products to us, our suppliers may impose surcharges that require us to pay for increases in steel prices during such period. Demand for our products, the actions of our competitors, and other factors will influence whether we will be able to pass such steel cost increases and surcharges on to our customers, and we may be unsuccessful in doing so.

We do not have long-term contracts with many of our customers and while we generated more than 50% of our pro forma sales in 2007 from multi-year maintenance, repair and operations ("MRO") contracts, our contracts, including our MRO contracts, generally do not commit our customers to any minimum purchase volume. The loss of a significant customer may have a material adverse effect on our business, results of operations and financial condition.

Given the nature of our business, and consistent with industry practice, we do not have long-term contracts with many of our customers and our contracts, including our maintenance, repair and operations contracts, generally do not commit our customers to any minimum purchase volume. Therefore, a significant number of our customers may terminate their relationships with us or reduce their purchasing volume at any time, and even our MRO customers are not required to purchase products from us. Furthermore, the long-term customer contracts that we do have are generally terminable without cause on short notice. Our 10 largest customers represented approximately 29% of our total pro forma sales for the fiscal year ended December 31, 2007. Before giving pro forma effect to the Red Man Transaction, our ten largest customers represented approximately 30% of our total sales for the fiscal year ended December 31, 2007. The products that we may sell to any particular customer depend in large part on the size of that customer's capital expenditure budget in a particular year and on the results of competitive bids for major projects. Consequently, a customer that accounts for a significant portion of our sales in one fiscal year may represent an immaterial portion of our sales in subsequent fiscal years. The loss of a significant customer, or a substantial decrease in a significant customer's orders, may have a material adverse effect on our business, results of operations and financial condition.

Changes in our customer and product mix could cause our gross margin percentage to fluctuate.

From time to time, we may experience changes in our customer mix and in our product mix. Changes in our customer mix may result from geographic expansion, daily selling activities within current geographic markets, and targeted selling activities to new customer segments. Changes in our product mix may result from marketing activities to existing customers and needs communicated to us from existing and prospective customers. If customers begin to require more lower-margin products from us and fewer higher-margin products, our business, results of operations and financial condition may suffer.

We face risks associated with our business combination with Red Man Pipe & Supply Co. in October 2007, and this business combination may not yield all of its intended benefits.

We are currently continuing the process of integrating the McJunkin and Red Man businesses, which were previously operated independently and sometimes competed with one another. If we cannot successfully integrate these two businesses, there may be a material adverse effect on our combined business, results of operations and financial condition. The difficulty of combining the companies presents challenges to our management, including:

- operating a significantly larger combined company with operations in more geographic areas and with more business lines;
- integrating personnel with diverse backgrounds and organizational cultures;
- coordinating sales and marketing functions;
- retaining key employees, customers or suppliers;
- integrating the information systems;
- preserving the collaboration, distribution, marketing, promotion and other important relationships; and
- consolidating other corporate and administrative functions.

If the risks associated with the Red Man Transaction materialize and we are unable to sufficiently address them, there is a possibility that the results of operations of our combined company could be less successful than the separate results of operations of McJunkin and Red Man, taken together, if the Red Man Transaction had never occurred.

We may be unable to successfully execute or effectively integrate acquisitions.

One of our key operating strategies is to selectively pursue acquisitions, including large scale acquisitions, in order to continue to grow and increase profitability. However, acquisitions, particularly of a significant scale, involve numerous risks and uncertainties, including intense competition for suitable acquisition targets; the potential unavailability of financial resources necessary to consummate acquisitions in the future; increased leverage due to additional debt financing that may be required to complete an acquisition; dilution of our stockholders' net current book value per share if we issue additional equity securities to finance an acquisition; difficulties in identifying suitable acquisition targets or in completing any transactions identified on sufficiently favorable terms; and the need to obtain regulatory or other governmental approvals that may be necessary to complete acquisitions. In addition, any future acquisitions may entail significant transaction costs and risks associated with entry into new markets.

In addition, even when acquisitions are completed, integration of acquired entities can involve significant difficulties, such as:

- failure to achieve cost savings or other financial or operating objectives with respect to an acquisition;
- strain on the operational and managerial controls and procedures of our business, and the need to modify systems or to add management resources;
- difficulties in the integration and retention of customers or personnel and the integration and effective deployment of operations or technologies;
- amortization of acquired assets, which would reduce future reported earnings;
- possible adverse short-term effects on our cash flows or operating results;
- diversion of management's attention from the ongoing operations of our business;
- failure to obtain and retain key personnel of an acquired business; and
- assumption of known or unknown material liabilities or regulatory non-compliance issues.

Failure to manage these acquisition growth risks could have a material adverse effect on our business, results of operations and financial condition.

Our significant indebtedness may affect our ability to operate our business, and may have a material adverse effect on our business, results of operations and financial condition.

We have now and will likely continue to have a significant amount of indebtedness. As of June 26, 2008, we had total debt outstanding of $1,284.7 million and we had borrowing availability of $542.5 million under our credit facilities. We and our subsidiaries may incur significant additional indebtedness in the future. If new indebtedness is added to our current indebtedness, the risks described below could increase. Our significant level of indebtedness could have important consequences, such as:

- limiting our ability to obtain additional financing to fund our working capital, acquisitions, expenditures, debt service requirements or other general corporate purposes;
- limiting our ability to use operating cash flow in other areas of our business because we must dedicate a substantial portion of these funds to service debt;

- limiting our ability to compete with other companies who are not as highly leveraged;
- subjecting us to restrictive financial and operating covenants in the agreements governing our and our subsidiaries' long-term indebtedness;
- exposing us to potential events of default (if not cured or waived) under financial and operating covenants contained in our or our subsidiaries' debt instruments that could have a material adverse effect on our business, results of operations and financial condition;
- increasing our vulnerability to a downturn in general economic conditions or in pricing of our products; and
- limiting our ability to react to changing market conditions in our industry and in our customers' industries.

In addition, borrowings under our credit facilities bear interest at variable rates. If market interest rates increase, such variable-rate debt will create higher debt service requirements, which could adversely affect our cash flow. Our pro forma interest expense for the twelve months ended December 31, 2007 was $60.8 million. Without giving pro forma effect to the Red Man Transaction, our interest expense for the eleven months ended December 31, 2007 was $61.7 million.

Our ability to make scheduled debt payments, to refinance our obligations with respect to our indebtedness and to fund capital and non-capital expenditures necessary to maintain the condition of our operating assets, properties and systems software, as well as to provide capacity for the growth of our business, depends on our financial and operating performance, which, in turn, is subject to prevailing economic conditions and financial, business, competitive, legal and other factors. Our business may not generate sufficient cash flow from operations, and future borrowings may not be available to us under our credit facilities in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. We may seek to sell assets to fund our liquidity needs but may not be able to do so. We may also need to refinance all or a portion of our indebtedness on or before maturity. We may not be able to refinance any of our indebtedness on commercially reasonable terms or at all.

In addition, we are and will be subject to covenants contained in agreements governing our present and future indebtedness. These covenants include and will likely include restrictions on certain payments and investments, the redemption and repurchase of capital stock, the issuance of stock of subsidiaries, the granting of liens, the incurrence of additional indebtedness, dividend restrictions affecting us and our subsidiaries, asset sales, transactions with affiliates and mergers and acquisitions. They also include financial maintenance covenants which contain financial ratios we must satisfy each quarter. Any failure to comply with these covenants could result in a default under our credit facilities. Upon a default, unless waived, the lenders under our secured credit facilities would have all remedies available to a secured lender, and could elect to terminate their commitments, cease making further loans, institute foreclosure proceedings against our or our subsidiaries' assets, and force us and our subsidiaries into bankruptcy or liquidation.

In addition, any defaults under our credit facilities or our other debt could trigger cross defaults under other or future credit agreements and may permit acceleration of our other indebtedness. If our indebtedness is accelerated, we cannot be certain that we will have sufficient funds available to pay the accelerated indebtedness or that we will have the ability to refinance the accelerated indebtedness on terms favorable to us or at all. For a description of our credit facilities, please see "Description of Our Indebtedness".

We are a holding company and depend upon our subsidiaries for our cash flow.

We are a holding company. Our subsidiaries conduct all of our operations and own substantially all of our assets. Consequently, our cash flow and our ability to meet our obligations or to pay dividends or make other distributions in the future will depend upon the cash flow of our subsidiaries

and the payment of funds by our subsidiaries to us in the form of dividends, tax sharing payments or otherwise. In addition, McJunkin Red Man Corporation, our direct subsidiary and the primary obligor under our $1,275 million senior secured credit facilities, is also dependent to a significant extent on the cash flow of its subsidiaries in order to meet its debt service obligations.

The ability of our subsidiaries to make any payments to us will depend on their earnings, the terms of their current and future indebtedness, tax considerations and legal and contractual restrictions on the ability to make distributions. In particular, our subsidiaries' credit facilities currently impose significant limitations on the ability of our subsidiaries to make distributions to us and consequently our ability to pay dividends to our stockholders. Subject to limitations in our credit facilities, our subsidiaries may also enter into additional agreements that contain covenants prohibiting them from distributing or advancing funds or transferring assets to us under certain circumstances, including to pay dividends.

Our subsidiaries are separate and distinct legal entities. Any right that we have to receive any assets of or distributions from any of our subsidiaries upon the bankruptcy, dissolution, liquidation or reorganization of any such subsidiary, or to realize proceeds from the sale of their assets, will be junior to the claims of that subsidiary's creditors, including trade creditors and holders of debt issued by that subsidiary.

Changes in our credit profile may affect our relationship with our suppliers, which could have a material adverse effect on our liquidity.

Changes in our credit profile may affect the way our suppliers view our ability to make payments and may induce them to shorten the payment terms of their invoices, particularly given our high level of outstanding indebtedness. Given the large dollar amounts and volume of our purchases from suppliers, a change in payment terms may have a material adverse effect on our liquidity and our ability to make payments to our suppliers, and consequently may have a material adverse effect on our business, results of operations and financial condition.

Our business, results of operations and financial condition could be materially and adversely affected if restrictions on imports of line pipe, oil country tubular goods, or certain of the other products that we sell are lifted.

U.S. law currently imposes tariffs and duties on imports from certain foreign countries of line pipe and oil country tubular goods, and, to a lesser extent, on imports of certain other products that we sell. If these restrictions are lifted, if the tariffs are reduced or if the level of such imported products otherwise increases, and these imported products are accepted by our customer base, our business, results of operations and financial condition could be materially and adversely affected to the extent that we would then have higher-cost products in our inventory or if prices and margins are driven down by increased supplies of such products. If prices of these products were to decrease significantly, we might not be able to profitably sell these products and the value of our inventory would decline. In addition, significant price decreases could result in a significantly longer holding period for some of our inventory, which could also have a material adverse effect on our business, results of operations and financial condition.

We are subject to strict environmental, health and safety laws and regulations that may lead to significant liabilities.

We are subject to a variety of federal, state, local, foreign and provincial environmental, health and safety laws and regulations, including those governing the discharge of pollutants into the air or water, the management, storage and disposal of hazardous substances and wastes, the responsibility to investigate and cleanup contamination and occupational health and safety. Fines and penalties may be imposed for non-compliance with applicable environmental, health and safety requirements and the failure to have or to comply with the terms and conditions of required permits. Historically, the costs to

comply with environmental and health and safety requirements have not been material. However, the failure by us to comply with applicable environmental, health and safety requirements could result in fines, penalties, enforcement actions, third party claims for property damage and personal injury, requirements to clean up property or to pay for the costs of cleanup, or regulatory or judicial orders requiring corrective measures, including the installation of pollution control equipment or remedial actions.

Under certain laws and regulations, such as the federal Superfund law, the obligation to investigate and remediate contamination at a facility may be imposed on current and former owners or operators or on persons who may have sent waste to that facility for disposal. Liability under these laws and regulations may be without regard to fault or to the legality of the activities giving rise to the contamination. Although we are not aware of any active litigation against us under the federal Superfund law or its state equivalents, contamination has been identified at several of our current and former facilities, and we have incurred and will continue to incur costs to investigate and remediate these conditions.

Moreover, we may incur liabilities in connection with environmental conditions currently unknown to us relating to our existing, prior, or future sites or operations or those of predecessor companies whose liabilities we may have assumed or acquired. We believe that indemnities contained in certain of our acquisition agreements may cover certain environmental conditions existing at the time of the acquisition, subject to certain terms, limitations and conditions. However, if these indemnification provisions terminate or if the indemnifying parties do not fulfill their indemnification obligations, we may be subject to liability with respect to the environmental matters that may be covered by such indemnification obligations.

In addition, environmental, health and safety laws and regulations applicable to our business and the business of our customers, including laws regulating the energy industry, and the interpretation or enforcement of these laws and regulations, are constantly evolving and it is impossible to predict accurately the effect that changes in these laws and regulations, or their interpretation or enforcement, may have upon our business, financial condition or results of operations. In particular, legislation and regulations limiting emissions of greenhouse gases, including carbon dioxide associated with the burning of fossil fuels, are at various stages of consideration and implementation, and if fully implemented, could negatively impact the market for our products and, consequently, our business. Should environmental laws and regulations, or their interpretation or enforcement, become more stringent, our costs could increase, which may have a material adverse effect on our business, financial condition and results of operations.

We may not have adequate insurance for potential liabilities, including liabilities arising from litigation.

In the ordinary course of business, we have and in the future may 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 potential claims by individuals alleging exposure to hazardous materials as a result of our products or operations. Some of these claims may 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 products are sold primarily for use in the energy industry, which is subject to inherent risks that could result in death, personal injury, property damage, pollution or loss of production. In addition, defects in our products could result in death, personal injury, property damage, pollution or damage to equipment and facilities. Actual or claimed defects in the products we distribute may give rise to claims against us for losses and expose us to claims for damages.

We maintain insurance to cover certain of our potential losses, and we are subject to various self-retentions, deductibles and caps under our insurance. It is possible, however, that judgments could be rendered against us in cases in which we would be uninsured and beyond the amounts that

we currently have reserved or anticipate incurring for such matters. Even a partially uninsured claim, if successful and of significant size, could have a material adverse effect on our business, results of operations and financial condition. Furthermore, we may not be able to continue to obtain insurance on commercially reasonable terms in the future, and we may incur losses from interruption of our business that exceed our insurance coverage. Finally, even in cases where we maintain insurance coverage, our insurers may raise various objections and exceptions to coverage which could make uncertain the timing and amount of any possible insurance recovery.

Due to our position as a distributor, we are subject to personal injury, product liability and environmental claims involving allegedly defective products.

Certain of our products are used in potentially hazardous applications that can result in personal injury, product liability and environmental claims. A catastrophic occurrence at a location where our products are used may result in us being named as a defendant in lawsuits asserting potentially large claims, even though we did not manufacture the products, and applicable law may render us liable for damages without regard to negligence or fault. Particularly, certain environmental laws provide for joint and several and strict liability for remediation of spills and releases of hazardous substances. Certain of these risks are reduced by the fact that we are a distributor of products produced by third-party manufacturers, and thus in certain circumstances we may have third-party warranty or other claims against the manufacturer of products alleged to have been defective. However, there is no assurance that such claims could fully protect us or that the manufacturer would be able financially to provide such protection. There is no assurance that our insurance coverage will be adequate to cover the underlying claims and our insurance does not provide coverage for all liabilities (including liability for certain events involving pollution).

We are a defendant in asbestos-related lawsuits, and exposure to these and any future lawsuits could have a material adverse effect on our business, results of operations and financial condition.

We are a defendant in lawsuits involving approximately 835 plaintiffs as of September 24, 2008 alleging, among other things, personal injury, including mesothelioma and other cancers, arising from exposure to asbestos-containing materials included in products distributed by us in the past. The complaints in these lawsuits typically name many other defendants. In the majority of these lawsuits, little or no information is known regarding the nature of the plaintiffs' alleged injuries or their connection with the products we distributed. Based on our experience with asbestos litigation to date, as well as the existence of certain insurance coverage, we do not believe that the outcome of these cases will have a material impact on us. However, the potential liability associated with asbestos lawsuits is subject to many uncertainties, including negative developments in the cases pending against us, the current or future insolvency of co-defendants, adverse changes in relevant laws or the interpretation thereof, and the extent to which insurance will be available to pay for defense costs, judgments or settlements. Further, we expect that additional claims will be filed against us in the future, but we are unable to predict the number, timing and magnitude of such future claims with any certainty. Therefore, we cannot assure you that pending or future asbestos litigation will not ultimately have a material adverse effect on our business, results of operations and financial condition. See "Risk Factors — We may not have adequate insurance for potential liabilities, including liabilities arising from litigation", "Management's Discussion and Analysis of Financial Condition and Results of Operations — Contractual Obligations, Commitments and Contingencies — Legal Proceedings" and "Business — Overview of Our Business — Legal Proceedings" for more information.

If we lose any of our key personnel, we may be unable to effectively manage our business or continue our growth.

Our future performance depends to a significant degree upon the continued contributions of our management team and our ability to attract, hire, train and retain qualified managerial, sales and

marketing personnel. Particularly, we rely on our sales and marketing teams to create innovative ways to generate demand for our products. The loss or unavailability to us of any member of our management team or a key sales or marketing employee could have a material adverse effect on our business, results of operations and financial condition to the extent we are unable to timely find adequate replacements. We face competition for these professionals from our competitors, our customers and other companies operating in our industry. We may be unsuccessful in attracting, hiring, training and retaining qualified personnel, and our business, results of operations and financial condition could be materially and adversely effected under such circumstances.

Interruptions in the proper functioning of our information systems or failure to timely and properly complete our current information systems integration project could disrupt operations and cause increases in costs and/or decreases in revenues.

The proper functioning of our information systems is critical to the successful operation of our business. We depend on our information technology systems to process orders, track credit risk, manage inventory and monitor accounts receivable collections. Our information systems also allow us to efficiently purchase products from our vendors and ship products to our customers on a timely basis, maintain cost-effective operations and provide superior service to our customers. Although our information systems are protected through physical and software safeguards and remote processing capabilities exist, information systems are still vulnerable to natural disasters, power losses, telecommunication failures and other problems. If critical information systems fail or are otherwise unavailable, our ability to procure products to sell, process and ship customer orders, identify business opportunities, maintain proper levels of inventories, collect accounts receivable and pay accounts payable and expenses could be adversely affected. Our ability to integrate our systems with our customers' systems would also be significantly affected. We maintain information systems controls designed to protect against, among other things, unauthorized program changes and unauthorized access to data on our information systems. If our information systems controls do not function properly, we face increased risks of unexpected errors and unreliable financial data.

In addition, we are currently integrating the information systems of our predecessor companies McJunkin Corporation and Red Man Pipe & Supply Co. and our Canadian subsidiary, Midfield Supply ULC. Our failure to timely and properly complete this project and train our staff in the use of the integrated system could cause similar negative effects.

The loss of third-party transportation providers upon whom we depend, or conditions negatively affecting the transportation industry, could increase our costs or cause a disruption in our operations.

We depend upon third-party transportation providers for delivery of products to our customers. Strikes, slowdowns, transportation disruptions or other conditions in the transportation industry, including, but not limited to, shortages of truck drivers, disruptions in rail service, increases in fuel prices and adverse weather conditions, could increase our costs and disrupt our operations and our ability to service our customers on a timely basis. We cannot predict whether or to what extent recent increases or anticipated increases in fuel prices may impact our costs or cause a disruption in our operations going forward.

We may need additional capital in the future and it may not be available on acceptable terms.

We may require more capital in the future to:

- fund our operations;
- finance investments in equipment and infrastructure needed to maintain and expand our distribution capabilities;

- enhance and expand the range of products we offer; and
- respond to potential strategic opportunities, such as investments, acquisitions and international expansion.

We cannot assure you that additional financing will be available on terms favorable to us, or at all. The terms of available financing may place limits on our financial and operating flexibility. If adequate funds are not available on acceptable terms, we may be forced to reduce our operations or delay, limit or abandon expansion opportunities. Moreover, even if we are able to continue our operations, the failure to obtain additional financing could reduce our competitiveness.

Hurricanes or other adverse weather events could negatively affect our local economies or disrupt our operations, which could have an adverse effect on our business or results of operations.

Certain areas in which we operate in the United States, including areas in the southeastern United States, are susceptible to hurricanes and other adverse weather conditions. Such weather events can disrupt our operations, result in damage to our properties and negatively affect the local economies in which we operate. Additionally, we may experience communication disruptions with our customers, vendors and employees. In late August 2005 and September 2005, Hurricanes Katrina and Rita struck the Gulf Coast of Louisiana, Mississippi, Alabama and Texas and caused extensive and catastrophic physical damage to those market areas. Hurricanes can cause physical damage to our branches and require us to close branches in order to secure our employees. Additionally, our sales order backlog and shipments can experience a temporary decline immediately following hurricanes.

We cannot predict whether or to what extent damage caused by future hurricanes and tropical storms will affect our operations or the economies in regions where we operate. Such adverse weather events could result in disruption of our purchasing and/or distribution capabilities, interruption of our business that exceeds our insurance coverage, our inability to collect from customers and increased operating costs. Our business or results of operations may be adversely affected by these and other negative effects of hurricanes or other adverse weather events.

The failure of Red Man Distributors LLC to continue to be certified as a minority business enterprise could result in the loss of customers or volume which may have a material adverse effect on our business, results of operations and financial condition.

Our wholly owned subsidiary, McJunkin Red Man Corporation owns 49% of the outstanding equity interests in Red Man Distributors LLC (“RMD”), an Oklahoma limited liability company formed on November 1, 2007 for the purposes of distributing oil country tubular goods in North America as a certified minority supplier. RMD is currently certified by each of the Oklahoma Minority Supplier Development Council and the North Central Texas Regional Certification Agency as a minority business enterprise. If for any reason RMD ceases to be certified as a minority business enterprise, then customers who may derive advantages from purchasing products from RMD as a result of its status as a certified minority business enterprise could terminate their relationships with RMD or reduce their purchasing volume. The loss of a significant customer of RMD, or a significant decrease in a customer’s orders, may have a material adverse effect on our business, results of operations and financial condition.

We have a substantial amount of goodwill and other intangibles recorded on our balance sheet, partly because of our recent acquisitions and business combination transactions. The amortization of acquired assets will reduce our future reported earnings and, furthermore, if our goodwill or other intangible assets become impaired, we may be required to recognize charges that would reduce our income.

As of June 26, 2008, we had $1.8 billion of goodwill and other intangibles recorded on our balance sheet. A substantial portion of these intangible assets result from our use of purchase accounting in connection with the GS Acquisition, our acquisition of Midway-Tristate Corporation, and the Red Man Transaction. In accordance with the purchase accounting method, the excess of the cost of purchased assets over the fair value of such assets is assigned to intangible assets and is amortized over a period of time. The amortization expense associated with our intangible assets will have a negative effect on our future reported earnings. Many other companies, including many of our competitors, will not have the significant acquired intangible assets that we have because they have not participated in recent acquisitions and business combination transactions similar to ours. Thus, their reported earnings will not be as negatively affected by the amortization of intangible assets as our reported earnings will be.

Additionally, under U.S. generally accepted accounting principles, goodwill and certain other intangible assets are not amortized but must be reviewed for possible impairment annually, or more often in certain circumstances if events indicate that the asset values are not recoverable. Such reviews could result in an earnings charge for the impairment of goodwill, which would reduce our income and negatively affect our stock price even though there would be no impact on our underlying cash flow.

We face risks associated with conducting business in markets outside of North America.

Nigeria is currently the only country outside of North America in which we conduct business, though we are aware that our customers use our products outside of North America as well. In addition, we are evaluating the possibility of establishing distribution networks in certain other foreign countries, particularly in West Africa, the Middle East, Europe and South America. Though our revenue from business in developing countries is currently not significant, our business, results of operations and financial condition could be materially and adversely affected by changes in the developing countries in which we do business in the future or in which we expand our business, particularly those countries which have historically experienced a high degree of political and/or economic instability. Examples of risks inherent in such non-North American activities include changes in the political and economic conditions in the countries in which we operate, including civil uprisings and terrorist acts, unexpected changes in regulatory requirements, changes in tariffs, the adoption of foreign or domestic laws limiting exports to certain foreign countries, fluctuations in currency exchange rates and the value of the U.S. dollar, restrictions on repatriation of earnings, expropriation of property without fair compensation, governmental actions that result in the deprivation of contract or proprietary rights, the acceptance of business practices which are not consistent with or antithetical to prevailing business practices we are accustomed to in North America, and governmental sanctions. If we begin doing business in a foreign country in which we do not presently operate, we may also face difficulties in operations and diversion of management time in connection with establishing our business there.

The requirements of being a public company, including compliance with the reporting requirements of the Exchange Act and the requirements of the Sarbanes-Oxley Act, may strain our resources, increase our costs and distract management, and we may be unable to comply with these requirements in a timely or cost-effective manner.

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, or the Exchange Act, and the corporate governance standards of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and the New York Stock Exchange. These requirements may place a strain on our management, systems and resources. The Exchange Act will

require that we file annual, quarterly and current reports with respect to our business and financial condition within specified time periods. The Sarbanes-Oxley Act will require that we maintain effective disclosure controls and procedures and internal control over financial reporting. Due to our limited operating history, our disclosure controls and procedures and internal controls may not meet all of the standards applicable to public companies subject to the Sarbanes-Oxley Act. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. This may divert management's attention from other business concerns, which could have a material adverse effect on our business, financial condition, results of operations and the price of our common stock.

We also expect that it could be difficult and will be significantly more expensive to obtain directors' and officers' liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our board of directors or as executive officers. Advocacy efforts by shareholders and third parties may also prompt even more changes in governance and reporting requirements. We cannot predict or estimate the amount of additional costs we may incur or the timing of such costs.

We will be exposed to risks relating to evaluations of controls required by Section 404 of the Sarbanes-Oxley Act.

We are in the process of evaluating our internal controls systems to allow management to report on, and our independent auditors to audit, our internal control over financial reporting. We will be performing the system and process evaluation and testing (and any necessary remediation) required to comply with the management certification and auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, and will be required to comply with Section 404 in our annual report for the year ended December 31, 2009 (subject to any change in applicable SEC rules). Furthermore, upon completion of this process, we may identify control deficiencies of varying degrees of severity under applicable U.S. Securities and Exchange Commission, or SEC, and Public Company Accounting Oversight Board, or PCAOB, rules and regulations that remain unremediated. As a public company, we will be required to report, among other things, control deficiencies that constitute a "material weakness" or changes in internal controls that, or that are reasonably likely to, materially affect internal control over financial reporting. A "material weakness" is a significant deficiency or combination of significant deficiencies in internal control over financial reporting that results in a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

If we fail to implement the requirements of Section 404 in a timely manner, we might be subject to sanctions or investigation by regulatory authorities such as the SEC or the PCAOB. If we do not implement improvements to our disclosure controls and procedures or to our internal controls in a timely manner, our independent registered public accounting firm may not be able to certify as to the effectiveness of our internal control over financial reporting pursuant to an audit of our internal control over financial reporting. This may subject us to adverse regulatory consequences or a loss of confidence in the reliability of our financial statements. We could also suffer a loss of confidence in the reliability of our financial statements if our independent registered public accounting firm reports a material weakness in our internal controls, if we do not develop and maintain effective controls and procedures or if we are otherwise unable to deliver timely and reliable financial information. Any loss of confidence in the reliability of our financial statements or other negative reaction to our failure to develop timely or adequate disclosure controls and procedures or internal controls could result in a decline in the price of our common stock. In addition, if we fail to remedy any material weakness, our financial statements may be inaccurate, we may face restricted access to the capital markets and our stock price may be adversely affected.

We are a "controlled company" within the meaning of the New York Stock Exchange rules and, as a result, will qualify for, and may rely on, exemptions from certain corporate governance requirements.

A company of which more than 50% of the voting power is held by an individual, a group or another company is a "controlled company" within the meaning of the New York Stock Exchange rules and may elect not to comply with certain corporate governance requirements of the New York Stock Exchange, including:

- the requirement that a majority of our board of directors consist of independent directors;
- the requirement that we have a nominating/corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the requirement that we have a compensation committee that is composed entirely of independent directors.

Following this offering, we will rely on all of the exemptions listed above. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the New York Stock Exchange.

We are a newly combined company with a limited combined operating history, and the financial statements presented in this prospectus may therefore not give you an accurate indication of what our future results of operations are likely to be.

The Red Man Transaction closed on October 31, 2007 and we have operated as a combined company only since that time. Our limited combined operating history may make it difficult to forecast our future operating results and financial condition. Because of the significance of the Red Man Transaction, the financial statements for periods prior to the transaction are not comparable with those after the transaction, and the lack of comparable data may make it difficult to evaluate our results of operations and future prospects. The only historical financial statements of our combined company included in this prospectus are audited financial statements for the eleven months ended December 31, 2007 (which includes McJunkin's results for the full eleven-month period and Red Man's results for only the two months following October 31, 2007) and unaudited financial statements for the six months ended June 26, 2008. Pro forma financial information that assumes that the Red Man Transaction closed on January 1, 2007 as opposed to the actual closing date of October 31, 2007 is presented with respect to the twelve months ended December 31, 2007 and the six months ended June 28, 2007. However, due to our limited combined operating history, these historical financial statements and the related pro forma information 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 and financial condition are likely to be. In addition, we acquired Midway-Tristate Corporation in April 2007, and we acquired the remaining approximate 49% minority voting interest in Midfield in July 2008, but our pro forma financial statements do not (and are not required to) give effect to either of these transactions.

Additionally, other historical financial statements reflecting the separate historical results of operations, financial position and cash flows of McJunkin and Red Man prior to the Red Man Transaction are also included in this prospectus. These financial statements reflect the results of operations, financial condition and cash flows of McJunkin and Red Man as stand-alone companies and thus they may not give you an accurate indication of what our combined results would have been if the Red Man Transaction had been completed at an earlier time or of what our future results of operations and financial condition are likely to be.

Risks Related to this Offering and our Common Stock

There is no existing market for our common stock, and we do not know if one will develop to provide you with adequate liquidity. If our stock price fluctuates after this offering, you could lose a significant part of your investment.

Prior to this offering, there has not been a public market for our common stock. If an active trading market does not develop, you may have difficulty selling any of our common stock that you buy. The initial public offering price for the shares will be determined by negotiations among the Company, the selling stockholder and the underwriters and may not be indicative of prices that will prevail in the open market following this offering. Consequently, you may not be able to sell shares of our common stock at prices equal to or greater than the price you paid in this offering. The market price of our common stock may be influenced by many factors including:

- fluctuations in oil and natural gas prices;
- the failure of securities analysts to cover our common stock after this offering or changes in financial estimates by analysts;
- announcements by us or our competitors of significant contracts or acquisitions or other business developments;
- variations in quarterly results of operations;
- loss of a large customer or supplier;
- U.S. and international general economic conditions;
- increased competition;
- terrorist acts;
- future sales of our common stock or the perception that such sales may occur; and
- investor perceptions of us and the industries in which our products are used.

As a result of these factors, investors in our common stock may not be able to resell their shares at or above the initial offering price. In addition, the stock market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies like us. These broad market and industry factors may significantly reduce the market price of our common stock, regardless of our operating performance.

Following the completion of this offering, certain affiliates of The Goldman Sachs Group, Inc. will continue to control us and may have conflicts of interest with other stockholders. Conflicts of interest may arise because affiliates of our principal stockholder have continuing agreements and business relationships with us.

Upon completion of this offering, certain affiliates of The Goldman Sachs Group, Inc. (the “Goldman Sachs Funds”) will control % of our outstanding common stock, or % if the underwriters exercise their option in full. As a result, the Goldman Sachs Funds will continue to be able to control the election of our directors, determine our corporate and management policies and determine, without the consent of our other stockholders, the outcome of any corporate transaction or other matter submitted to our stockholders for approval, including potential mergers or acquisitions, asset sales and other significant corporate transactions. The Goldman Sachs Funds will also have sufficient voting power to amend our organizational documents.

Conflicts of interest may arise between our principal stockholder and us. Affiliates of our principal stockholder engage in transactions with our company. One affiliate of our principal stockholder, Goldman Sachs Credit Partners, L.P., is the joint lead arranger for our $1,275 million senior secured credit facilities and our $450 million term loan facility. See “Certain Relationships and Related Party

Transactions". Further, the Goldman Sachs Funds are in the business of making investments in companies and may, from time to time, acquire and hold interests in businesses that compete directly or indirectly with us and they may either directly, or through affiliates, also maintain business relationships with companies that may directly compete with us. In general, the Goldman Sachs Funds or their affiliates could pursue business interests or exercise their voting power as stockholders in ways that are detrimental to us but beneficial to themselves or to other companies in which they invest or with whom they have a material relationship. Conflicts of interest could also arise with respect to business opportunities that could be advantageous to the Goldman Sachs Funds and they may pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us. Under the terms of our amended and restated certificate of incorporation, the Goldman Sachs Funds will have no obligation to offer us corporate opportunities. See "Description of Our Capital Stock — Corporate Opportunities".

As a result of these relationships, the interests of the Goldman Sachs Funds may not coincide with the interests of our company or other holders of our common stock. So long as the Goldman Sachs Funds continue to control a significant amount of the outstanding shares of our common stock, the Goldman Sachs Funds will continue to be able to strongly influence or effectively control our decisions, including potential mergers or acquisitions, asset sales and other significant corporate transactions. See "Certain Relationships and Related Party Transactions".

We do not currently intend to pay dividends in the foreseeable future.

It is uncertain when, if ever, we will declare dividends to our stockholders. We do not currently intend to pay dividends in the foreseeable future. Our ability to pay dividends is constrained by our holding company structure under which we are dependent on payments by our subsidiaries. Additionally, we and our subsidiaries are parties to credit agreements which restrict our ability and their ability to pay dividends. See "Dividend Policy" and "Description of our Indebtedness". You should not rely on an investment in us if you require dividend income. In the foreseeable future, the only possible return on an investment in us would come from an appreciation of our common stock and there can be no assurance that our common stock will appreciate after this offering.

Shares eligible for future sale may cause the price of our common stock to decline.

Sales of substantial amounts of our common stock in the public market, or the perception that these sales may occur, could cause the market price of our common stock to decline. This could also impair our ability to raise additional capital through the sale of our equity securities. Under our amended and restated certificate of incorporation, we are authorized to issue up to shares of common stock, of which shares of common stock are currently outstanding. Of these shares, the shares of common stock sold in this offering will be freely transferable without restriction or further registration under the Securities Act by persons other than "affiliates", as that term is defined in Rule 144 under the Securities Act. Our principal stockholder, directors and executive officers, who collectively beneficially own shares, will enter into lock-up agreements, pursuant to which they will agree, subject to certain exceptions, not to sell or transfer, directly or indirectly, any shares of our common stock for a period of 180 days from the date of this prospectus, subject to extension in certain circumstances. Upon the expiration of these lock-up agreements, all of these shares of common stock will be tradable subject to limitations imposed by Rule 144 under the Securities Act. See "Shares Eligible for Future Sale".

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. Statements that are predictive in nature, that depend upon or refer to future events or conditions or that include the words “believe”, “expect”, “anticipate”, “intend”, “estimate” and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters identify forward-looking statements. Our forward-looking statements include, among others, statements about our business strategy, our industry, our future profitability, and the costs of operating as a public company. These statements involve known and unknown risks, uncertainties and other factors, including the factors described under “Risk Factors”, that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements. Such risks and uncertainties include, among other things:

- decreases in oil and gas prices;
- decreases in oil and gas industry expenditure levels, which may result from decreased oil and natural gas prices or other factors;
- increased usage of alternative fuels, which may negatively affect oil and gas industry expenditure levels;
- U.S. and international general economic conditions;
- our ability to compete successfully with other companies in our industry;
- the risk that manufacturers of our products will sell a substantial amount of goods directly to end users in the markets that we serve;
- unexpected supply shortages;
- cost increases by our suppliers;
- our lack of long-term contracts with most of our suppliers;
- increases in customer, manufacturer and distributor inventory levels;
- price reductions by suppliers of products sold by us, which could cause the value of our inventory to decline;
- decreases in steel prices, which could significantly lower our profit;
- increases in steel prices, which we may be unable to pass along to our customers, which could significantly lower our profit;
- our lack of long-term contracts with many of our customers and our lack of contracts with customers that require minimum purchase volumes;
- changes in our customer and product mix;
- the potential adverse effects associated with integrating Red Man into our business and whether the Red Man Transaction will yield its intended benefits;
- ability to integrate acquired companies into our business;
- the success of our acquisition strategies;
- our significant indebtedness;
- the dependence on our subsidiaries for cash to meet our debt obligations;
- changes in our credit profile;
- a decline in demand for certain of our products if import restrictions on these products are lifted;

- environmental, health and safety laws and regulations;
- the sufficiency of our insurance policies to cover losses, including liabilities arising from litigation;
- product liability claims against us;
- pending or future asbestos-related claims against us;
- the potential loss of key personnel;
- interruption in the proper functioning of our information systems or failure to timely and properly complete our current information systems integration project;
- loss of third-party transportation providers;
- potential inability to obtain necessary capital;
- risks related to hurricanes and other adverse weather events;
- the failure of Red Man Distributors LLC to continue to be certified as a minority business enterprise;
- impairment of our goodwill or other intangible assets;
- adverse changes in political or economic conditions in the countries in which we operate;
- potential increases in costs and distraction of management resulting from the requirements of being a public company;
- risks relating to evaluations of internal controls required by Section 404 of the Sarbanes-Oxley Act;
- the operation of our company as a “controlled company”; and
- our limited operating history as a combined company.

You should not place undue reliance on our forward-looking statements. Although forward-looking statements reflect our good faith beliefs, reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise.

USE OF PROCEEDS

We will not receive any of the proceeds from the sale of shares of our common stock by PVF Holdings LLC, the selling stockholder. PVF Holdings LLC intends to distribute the net proceeds of this offering, after giving effect to the underwriting discount, to its members, which include certain members of our board of directors and senior management team and various of their affiliates. See “Principal and Selling Stockholders”.

Additionally, affiliates of Goldman, Sachs & Co. own a majority interest in PVF Holdings LLC. Accordingly, such affiliates will receive a significant portion of the proceeds from this offering. See “Underwriting”.

DIVIDEND POLICY

Following the completion of this offering, we do not anticipate paying any cash dividends in the foreseeable future. We currently intend to retain future earnings from our business, if any, to finance operations and the expansion of our business. Any future determination to pay cash dividends will be at the discretion of our board of directors and will be dependent upon our financial condition, results of operations, capital requirements and other factors that the board deems relevant. In addition, the covenants contained in our subsidiaries' credit facilities limit the ability of our subsidiaries to pay dividends to us, which limits our ability to pay dividends to our stockholders. Our ability to pay dividends is also limited by the covenants contained in our $450 million term loan facility, and our ability to pay dividends may be further limited by covenants contained in the instruments governing future indebtedness that we or our subsidiaries may incur in the future. See "Description of Our Indebtedness".

On May 21, 2008, our board of directors approved a dividend of $475 million to our stockholders, of which $474,096,204 was distributed to PVF Holdings LLC and $903,796 was held by us in accordance with the terms of our restricted stock award agreements with holders of our restricted stock. PVF Holdings LLC distributed its share of the proceeds of the dividend to its members, including certain members of our board of directors and management team, in accordance with the terms and conditions of the Limited Liability Company Agreement of PVF Holdings LLC. See "Certain Relationships and Related Party Transactions — Transactions with the Goldman Sachs Funds — May 2008 Dividend". For a list of our executive officers and directors who received proceeds of this dividend and the amount of proceeds that each received, see the table in "Certain Relationships and Related Party Transactions — Transactions with Executive Officers and Directors — May 2008 Dividend" on page 147. This dividend is not indicative of future dividends we may pay to our stockholders.

CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents and capitalization as of June 26, 2008:

- on an actual basis; and
- on an as adjusted basis to give effect to (1) the payment of expenses in connection with this offering and (2) transactions in connection with our purchase of the minority interest in Midfield Supply ULC, one of our subsidiaries, on July 31, 2008.

You should read this table in conjunction with “Unaudited Pro Forma Consolidated Financial Statements”, “Selected Historical Consolidated Financial Data”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and related notes included elsewhere in this prospectus.

	June 26, 2008	
	Actual	As Adjusted
	(in millions)	
Cash and cash equivalents	$ 8.8	$
Debt (including current portion):		
Senior secured revolving credit facility(1)	204.4	
Senior secured term loan facility	567.8	
Junior term loan facility	450.0	
Midfield revolving credit facility(2)	51.7	
Midfield term loan facility	9.8	
Midfield notes payable	1.0	
Total debt before Midfield shareholder loans	1,284.7	
Midfield shareholder loans(3)	29.1	
Total debt	1,313.8	
Minority interest in subsidiaries(3)		
Stockholders’ equity:		
Common stock, $0.01 par value per share; shares authorized, shares issued and outstanding(4)		
Preferred stock, $0.01 par value per share; no shares authorized, issued or outstanding, actual; shares authorized; no shares issued and outstanding as adjusted		
Additional paid-in capital		
Total stockholders’ equity	825.7	
Total capitalization	$	$

(1) As of June 26, 2008, we had outstanding $204.4 million of borrowings and availability of $490.9 million under our senior secured revolving credit facility.

(2) As of June 26, 2008, we had outstanding $51.7 million of borrowings and availability of $51.6 million under the Midfield revolving credit facility. The as adjusted amount includes $5.4 million in drawings under our revolving credit facility for purposes of paying expenses in connection with this offering.

(3) The as adjusted column gives effect to total payments made in connection with our purchase on July 31, 2008 of all of the minority interest in Midfield Supply ULC, one of our subsidiaries. Total

payments consisted of CDN$90.04 million (US$87.97 million) paid to shareholders of and lenders to Midfield Holdings (Alberta) Ltd., the holder of the minority interest, and approximately US$47.7 million paid to former shareholders of Red Man pursuant to the stock purchase agreement entered into in connection with the Red Man Transaction. In connection with the purchase of the minority interest, the Midfield shareholder loans were paid in full. Our minority interest in subsidiaries was eliminated upon consummation of the purchase because we had no minority interest in subsidiaries other than the purchased interest.

(4) The number of shares of common stock outstanding on an actual and as adjusted basis:

- excludes shares of common stock issuable upon the exercise of stock options granted to certain of our employees pursuant to the McJ Holding Corporation 2007 Stock Option Plan; and
- excludes shares of non-vested restricted stock awarded to certain of our employees and directors pursuant to the McJ Holding Corporation 2007 Restricted Stock Plan.

DILUTION

Our pro forma net tangible book value per share as of June 26, 2008, both before and after giving effect to this offering, was approximately $ million. Pro forma net tangible book value per share represents the amount of tangible assets less total liabilities divided by the pro forma number of shares of common stock outstanding (giving effect to the for split of our common stock which will occur prior to the pricing of this offering). There will be no increase in our pro forma net tangible book value per share on account of this offering because we will not receive any proceeds from the sale of shares in this offering. Purchasers of shares in this offering will not incur immediate dilution because our pro forma net tangible book value per share will not be affected by this offering.

The following table sets forth as of June 26, 2008 the number of shares of common stock purchased from us or to be purchased from the selling stockholder, total consideration paid or to be paid and the average price per share paid by our existing stockholders and by new investors, on a pro forma basis to give effect to the for split of our common stock which will occur prior to the pricing of this offering:

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing stockholders(1)		%	$	%	$
New investors(2)(3)					
Total		%	$	%	$

(1) Total consideration and average price per share paid by the existing stockholders give effect to the $475 million distribution made to the existing stockholders in May 2008 using proceeds from our senior secured revolving credit facility and junior term loan facility. If the table were adjusted to not give effect to these payments, existing stockholders' total consideration for their shares would be $ with an average share price of $.

(2) A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) total consideration paid by new investors and total consideration paid by all stockholders by $ million, assuming the number of shares offered by the selling stockholder, as set forth on the cover page of the prospectus, remains the same.

(3) If the underwriters exercise their option to purchase shares from the selling stockholder in full, then new investors would purchase shares, or approximately % of shares outstanding, and the total consideration paid by new investors would increase to $, or % of the total consideration paid (based on the midpoint of the range set forth on the cover page of this prospectus).

As of June 26, 2008, there were options outstanding to purchase shares of our common stock, with exercise prices ranging from $ to $ per share and a weighted average exercise price of $ per share (after taking into account the for split of our common stock which will occur prior to the pricing of this offering). Also, as of June 26, 2008, there were shares of unvested restricted stock outstanding (after giving effect to the stock split). The tables and calculations above assume that those options have not been exercised and the restricted stock has not vested. If these options were exercised at the weighted average exercise price and the restricted stock was fully vested, the additional dilution per share to new investors would be $.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

On January 31, 2007, McJunkin Red Man Holding Corporation, an affiliate of The Goldman Sachs Group, Inc., acquired a majority of the equity of the entity now known as McJunkin Red Man Corporation (then known as McJunkin Corporation) (the "GS Acquisition"). In this prospectus, the term "Predecessor" refers to McJunkin Corporation and its subsidiaries prior to January 31, 2007 and the term "Successor" refers to the entity now known as McJunkin Red Man Holding Corporation and its subsidiaries on and after January 31, 2007. As a result of the change in McJunkin Corporation's basis of accounting in connection with the GS Acquisition, Predecessor's financial statement data for the one month ended January 30, 2007 and earlier periods is not comparable to Successor's financial data for the eleven months ended December 31, 2007 and subsequent periods.

McJunkin Corporation completed a business combination transaction with Red Man Pipe & Supply Co. (the "Red Man Transaction") on October 31, 2007. At that time McJunkin Corporation was renamed McJunkin Red Man Corporation. Operating results for the eleven-month period ended December 31, 2007 include the results of McJunkin Red Man Holding Corporation for the full period and the results of Red Man Pipe & Supply Co. ("Red Man") for the two months after the business combination on October 31, 2007. Accordingly, our results for the 11 months ended December 31, 2007 are not comparable to McJunkin's results for the years ended December 31, 2006 and 2005.

The selected consolidated financial information presented below under the captions Statement of Operations Data and Other Financial Data for the one month ended January 30, 2007 (Predecessor) and the eleven months ended December 31, 2007, and the selected consolidated financial information presented below under the caption Balance Sheet Data as of December 31, 2007, have been derived from the consolidated financial statements of McJunkin Red Man Holding Corporation included elsewhere in this prospectus that have been audited by Ernst & Young LLP, independent registered public accounting firm. The selected consolidated financial information presented below as of and for the years ended December 31, 2005 and 2006 has been derived from the consolidated financial statements of our Predecessor, McJunkin Corporation, included elsewhere in this prospectus that have been audited by Schneider Downs & Co., Inc., independent registered public accounting firm. The selected consolidated financial information presented below as of and for the years ended December 31, 2003 and 2004 has been derived from the audited consolidated financial statements of our predecessor, McJunkin Corporation, that are not included in this prospectus.

The selected unaudited interim consolidated financial information presented below under the captions Statement of Operations Data and Other Financial Data for the six months ended June 26, 2008 and the five months ended June 28, 2007, and the selected unaudited consolidated financial information presented below under the caption Balance Sheet Data as of June 26, 2008, have been derived from our unaudited interim consolidated financial statements, which are included elsewhere in this prospectus and have been prepared on the same basis as our audited consolidated financial statements. In the opinion of management, the interim data reflect all adjustments, consisting of normal and recurring adjustments, necessary for a fair presentation of results for these periods. Operating results for the six months ended June 26, 2008 include the results of McJunkin Corporation and Red Man for the full period. Operating results for the five-month period ending June 28, 2007 do not reflect the operating results of Red Man, as the Red Man Transaction did not occur until October 31, 2007. Accordingly, the results for the six months ended June 26, 2008 are not comparable to the results for the five months ended June 28, 2007. In addition, operating results for the six-month period ended June 26, 2008 are not necessarily indicative of the results that may be expected for the year ended December 31, 2008.

The purchase price allocation for the GS Acquisition has been finalized but the purchase price allocation for the Red Man Transaction has not been finalized. We expect the purchase price allocation for the Red Man Transaction to be finalized by October 31, 2008. The purchase price has been finalized for both the GS Acquisition and the Red Man Transaction and the consideration for such transactions will not increase.

The selected historical consolidated financial data presented below has been derived from financial statements that have been prepared using United States generally accepted accounting principles, or GAAP. This data should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and related notes included elsewhere in this prospectus.

	Predecessor	Successor	
	One Month Ended January 30, 2007	Five Months Ended June 28, 2007 (Unaudited)	Six Months Ended June 26, 2008 (Unaudited)
	(In millions, except per share and share data)		
Statement of Operations Data:			
Sales	$ 142.5	$ 784.9	$ 2,196.0
Costs and expenses			
Cost of sales (exclusive of depreciation and amortization shown separately below)	114.6	635.9	1,803.8
Selling, general and administrative expenses	14.6	80.7	200.1
Depreciation and amortization	0.3	1.7	5.2
Amortization of intangibles	—	4.6	15.6
Profit sharing	1.3	5.6	13.5
Stock-based compensation	—	1.3	3.3
Total costs and expenses	130.8	729.8	2,041.5
Operating income	11.7	55.1	154.5
Other income (expense)			
Interest expense	(0.1)	(24.3)	(35.0)
Minority interests	(0.4)	—	(0.1)
Other, net	—	(0.9)	(0.3)
Total other income (expense)	(0.5)	(25.2)	(35.4)
Income before income taxes	11.2	29.9	119.1
Income tax expense	4.6	12.3	43.2
Net income	$ 6.6	$ 17.6	$ 75.9
Earnings per share, basic	$ 376.70	$ 171.69	$ 245.41
Earnings per share, diluted	376.70	171.36	244.92
Weighted average shares, basic	17,510	102,594	309,421
Weighted average shares, diluted	17,510	102,792	310,034
Pro forma earnings per share, basic			
Pro forma earnings per share, diluted			
Pro forma weighted average shares, basic			
Pro forma weighted average shares, diluted			
Dividends per common share	$ —	$ —	$ 1,523
Balance Sheet Data:			
Cash and cash equivalents	$ 2.0	$ 16.5	$ 8.8
Working capital	211.1	324.0	686.1
Total assets	474.2	1,551.7	3,294.3
Total debt, including current portion	4.8	747.4	1,284.7
Minority interest in subsidiaries	16.0	—	95.2
Stockholders’ equity	245.2	392.9	824.4
Other Financial Data:			
Net cash provided by (used in) operating activities	$ 6.6	$ 1.9	$ 70.5
Net cash provided by (used in) investing activities	(0.2)	(933.3)	(16.4)
Net cash provided by (used in) financing activities	(8.3)	945.9	(55.2)

	Predecessor					Successor
	Year Ended December 31, 2003	Year Ended December 31, 2004	Year Ended December 31, 2005	Year Ended December 31, 2006	One Month Ended January 30, 2007	11 Months Ended December 31, 2007
	(In millions, except as otherwise indicated)					
Statement of Operations Data:						
Sales	$ 798.2	$ 1,081.2	$ 1,445.8	$ 1,713.7	$ 142.5	$ 2,124.9
Costs and expenses						
Cost of sales (exclusive of depreciation and amortization shown separately below)	644.5	867.6	1,177.1	1,394.3	114.6	1,734.6
Selling, general and administrative expenses	118.7	140.5	155.7	173.9	14.6	201.9
Depreciation and amortization	4.3	3.9	3.7	3.9	0.3	5.4
Amortization of intangibles	0.5	0.5	0.3	0.3	—	10.5
Profit sharing	5.1	11.5	13.1	15.1	1.3	13.2
Stock-based compensation	—	—	—	—	—	2.9
Total costs and expenses	773.1	1,024.0	1,349.9	1,587.5	130.8	1,968.5
Operating income	25.1	57.2	95.9	126.2	11.7	156.4
Other income (expense)						
Interest expense	(2.5)	(2.5)	(2.7)	(2.8)	(0.1)	(61.7)
Minority interests	(0.6)	(1.9)	(2.8)	(4.1)	(0.4)	(0.1)
Other, net	(0.9)	(0.1)	(1.3)	(1.4)	—	(1.1)
Total other income (expense)	(4.0)	(4.5)	(6.8)	(8.3)	(0.5)	(62.9)
Income before income taxes	21.1	52.7	89.1	117.9	11.2	93.5
Income tax expense	8.9	21.3	36.6	48.3	4.6	36.6
Net income	$ 12.2	$ 31.4	$ 52.5	$ 69.6	$ 6.6	$ 56.9
Earnings per share — Class A, basic	$ 2,994.24	$ 2,960.24	$ 2,952.12	$ 3,972.08	—	—
Earnings per share — Class A, diluted	$ 2,994.24	$ 2,960.24	$ 2,952.12	$ 3,972.08	—	—
Weighted average shares — Class A, basic	16,940	16,940	16,940	16,940	—	—
Weighted average shares — Class A, diluted	16,940	16,940	16,940	16,940	—	—
Earnings per share — Class B, basic	$ 3,190.49	$ 4,200.98	$ 4,442.12	$ 4,012.08	—	—
Earnings per share — Class B, diluted	$ 3,190.49	$ 4,200.98	$ 4,442.12	$ 4,012.08	—	—
Weighted average shares — Class B, basic	570	570	570	570	—	—
Weighted average shares — Class B, diluted	570	570	570	570	—	—
Earnings per share, basic			—	—	$ 376.70	$ 410.64
Earnings per share, diluted			—	—	$ 376.70	$ 409.84
Weighted average shares, basic			—	—	17,510	138,627
Weighted average shares, diluted			—	—	17,510	138,899
Pro forma earnings per share, basic						
Pro forma earnings per share, diluted						
Pro forma weighted average shares, basic						
Pro forma weighted average shares, diluted						
Dividends per common share, Class A	$ 975	$ 6,200	$ 1,490	$ 40	$ —	$ —
Dividends per common share, Class B	$ 1,950	$ 12,400	$ 2,980	$ 80	$ —	$ —

	Predecessor					Successor
	Year Ended December 31, 2003	Year Ended December 31, 2004	Year Ended December 31, 2005	Year Ended December 31, 2006	One Month Ended January 30, 2007	11 Months Ended December 31, 2007
	(In millions, except as otherwise indicated)					
Balance Sheet Data:						
Cash and cash equivalents	$ 6.3	$ 10.4	$ 5.9	$ 3.7	$ 2.0	$ 10.1
Working capital	112.3	115.6	129.0	212.3	211.1	663.5
Total assets	265.3	323.9	434.0	481.0	474.2	2,925.0
Total debt, including current portion	24.7	14.2	3.1	13.0	4.8	868.4
Minority interest in subsidiaries	6.8	8.7	11.5	15.6	16.0	100.7
Stockholders' equity	120.9	132.3	168.8	242.6	245.2	1,210.0
Other Financial Data:						
Net cash provided by operating activities	$ 25.1	$ 32.3	$ 30.4	$ 18.4	$ 6.6	$ 110.2
Net cash (used in) investing activities	(8.5)	(1.4)	(6.7)	(3.3)	(0.2)	(1,788.9)
Net cash (used in) provided by financing activities	(15.5)	(26.8)	(21.1)	(17.2)	(8.3)	1,687.2

PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

On January 31, 2007, McJunkin Red Man Holding Corporation, an affiliate of The Goldman Sachs Group, Inc., acquired a majority of the equity of McJunkin Red Man Corporation (then known as McJunkin Corporation) (the "GS Acquisition"). In connection with the GS Acquisition, McJunkin Corporation entered into a $575 million term loan facility on January 31, 2007. On October 31, 2007, McJunkin Corporation completed a business combination transaction with Red Man Pipe & Supply Co. (the "Red Man Transaction"). At that time McJunkin Corporation was renamed McJunkin Red Man Corporation. McJunkin Red Man Corporation entered into a $650 million revolving credit facility on October 31, 2007 in connection with the Red Man Transaction. This revolving credit facility was upsized to $700 million on June 10, 2008.

The unaudited pro forma consolidated income statement of McJunkin Red Man Holding Corporation for the twelve months ended December 31, 2007 has been derived from (1) the audited consolidated statement of income of McJunkin Corporation for the one month ended January 30, 2007 (before the GS Acquisition), (2) the audited consolidated statement of income of McJunkin Red Man Holding Corporation for the eleven months ended December 31, 2007 (which includes the results of McJunkin for 11 months and the results of Red Man for the two months ended December 31, 2007), and (3) the audited statement of operations of Red Man Pipe & Supply Co. for the twelve months ended October 31, 2007. The unaudited pro forma consolidated income statement of McJunkin Red Man Holding Corporation for the twelve months ended December 31, 2007 has been adjusted to exclude the results of Red Man for the two months ended December 31, 2007 and to give pro forma effect to (1) the GS Acquisition and the Red Man Transaction as if each such transaction had occurred on January 1, 2007, and (2) our entering into our $575 million term loan facility and our $700 million revolving credit facility, as if we had entered into these facilities on January 1, 2007.

The unaudited pro forma consolidated income statement of McJunkin Red Man Holding Corporation for the six months ended June 28, 2007 has been derived from (1) the audited consolidated statement of income of McJunkin Corporation for the one month ended January 30, 2007 (before the GS Acquisition), (2) the unaudited consolidated statement of income of McJunkin Red Man Holding Corporation for the five months ended June 28, 2007 (before the Red Man Transaction), and (3) the unaudited consolidated statement of operations of Red Man Pipe & Supply Co. for the six months ended April 30, 2007. The unaudited pro forma consolidated income statement of McJunkin Red Man Holding Corporation for the six months ended June 28, 2007 has been adjusted to give pro forma effect to (1) the GS Acquisition and the Red Man Transaction as if each such transaction had occurred on January 1, 2007, and (2) our entering into our $575 million term loan facility and our $700 million revolving credit facility, as if we had entered into these facilities on January 1, 2007.

The purchase price allocation for the GS Acquisition has been finalized but the purchase price allocation for the Red Man Transaction has not been finalized. We expect the purchase price allocation for the Red Man Transaction to be finalized by October 31, 2008. The purchase price has been finalized for both the GS Acquisition and the Red Man Transaction and the consideration for such transactions will not increase.

The unaudited pro forma consolidated financial statements do not give effect to our acquisition of Midway-Tristate Corporation ("Midway") on April 30, 2007 and therefore do not include Midway's results for the four months ended April 30, 2007 nor do they give pro forma effect to Midway as if the acquisition had occurred on January 1, 2007. Midway was not a "significant" acquisition within the meaning of Rule 3-05 of Regulation S-X. The unaudited pro forma income statements also do not give effect to our purchase of the approximate 49% minority voting interest in Midfield, one of our subsidiaries, on July 31, 2008. Red Man originally acquired 51% of Midfield in 2005 and the purchase of the remaining 49% in July 2008 was not a "significant" acquisition within the meaning of Rule 3-05 of Regulation S-K. The assets and liabilities of Midfield are included in the audited consolidated financial statements of MRM at December 31, 2007.

The unaudited pro forma consolidated financial statements are provided for informational purposes only and do not purport to represent or be indicative of the results that actually would have been obtained

had the transactions described above occurred on January 1, 2007 and are not intended to project our consolidated financial position or results of operations for any future period. The pro forma adjustments are based on available information and certain assumptions that we believe are reasonable. The pro forma adjustments and certain assumptions are described in the accompanying notes. Other information included under this heading has been presented to provide additional analysis. We will expense the costs of this offering.

The unaudited pro forma consolidated financial statements below should be read in conjunction with the historical financial statements, the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

PRO FORMA INCOME STATEMENT FOR THE SIX MONTHS ENDED JUNE 28, 2007

	McJunkin One Month Ended January 30, 2007	McJunkin Red Man Five Months Ended June 28, 2007	Red Man Six Months Ended April 30, 2007	Pro Forma Adjustments	Pro Forma Combined Six Months Ended June 28, 2007
		(Unaudited)	(Unaudited) (In millions)	(Unaudited)	(Unaudited)
Sales	$ 142.5	$ 784.9	$ 934.7		$ 1,862.1
Costs and expenses					
Cost of sales (exclusive of depreciation and amortization shown separately below)	114.6	635.9	779.4		1,529.9
Selling, general and administrative expenses	14.6	80.7	73.9		169.2
Depreciation and amortization	0.3	1.7	2.8	0.6(a)	5.4
Amortization of intangibles	—	4.6	1.6	6.1(b)	12.3
Profit sharing	1.3	5.6	4.4		11.3
Stock-based compensation	—	1.3	1.0	1.0(c)	3.3
Total costs and expenses	130.8	729.8	863.1	7.7	1,731.4
Operating income	11.7	55.1	71.6	(7.7)	130.7
Other income (expense)					
Interest expense	(0.1)	(24.3)	(9.1)	3.1(d)	(30.4)
Minority interest	(0.4)	—	(0.1)	0.4(e)	(0.1)
Other, net	—	(0.9)	0.2		(0.7)
Total other income (expense)	(0.5)	(25.2)	(9.0)	3.5	(31.2)
Income before income taxes	11.2	29.9	62.6	(4.2)	99.5
Income tax expense	4.6	12.3	23.4	(3.1)(f)	37.7
Net income	$ 6.6	$ 17.6	$ 39.2	$ (1.4)	$ 61.8
Earnings per share, basic	$ 376.70	$ 171.69	$ 220.22	—	—
Earnings per share, diluted	376.70	171.36	220.22	—	—
Weighted average shares, basic	17,510	102,594	178,000	—	—
Weighted average shares, diluted	17,510	102,792	178,000	—	—
Pro forma earnings per share, basic					
Pro forma earnings per share, diluted					
Pro forma weighted average shares, basic(g)					
Pro forma weighted average shares, diluted(g)					

(a) Reflects the increase in depreciation resulting from the revaluation of our property, plant and equipment in connection with the GS Acquisition and the Red Man Transaction, as if these transactions had each occurred on January 1, 2007. All significant assets that were acquired in each of these transactions were revalued to their estimated fair value. The pro forma adjustment was determined by dividing the fair value of each asset over the newly determined life of the respective asset as determined as of the date of the transactions. This methodology assumes that a valuation completed as of January 1, 2007 would have yielded a similar result. Utilizing this asset-by-asset approach, we determined that six months of depreciation for the assets acquired in the GS Acquisition would have equated to $2.5 million, and six months of depreciation for the assets acquired in the Red Man Transaction would have equated to $2.9 million. Therefore, the pro forma adjustment includes a $544,000 increase in depreciation in connection with the revaluation of property, plant and equipment acquired in the GS Acquisition, and a $80,000 increase in depreciation in connection with the revaluation of property, plant and equipment acquired in the Red Man Transaction, for an adjustment of $624,000 overall.

Fair Value of Fixed Assets Acquired in the GS Acquisition

Asset Description	Fair Value (in millions)	Average Life
Land	$ 5.0	
Buildings and improvements	10.1	40
Machinery, shop equipment, and vehicles	15.7	5
Furniture, fixtures, and office equipment	2.9	3

Fair Value of Fixed Assets Acquired in the Red Man Transaction

Asset Description	Fair Value (in millions)	Average Life
Land	$ 1.3	
Buildings and improvements	3.2	40
Machinery, shop equipment, and vehicles	4.4	8
Furniture, fixtures, and office equipment	6.1	3

(b) Reflects the increase in amortization of intangibles in connection with the GS Acquisition and the Red Man Transaction, as if these transactions had each occurred on January 1, 2007. In accordance with the purchase accounting method, the fair value of certain identifiable assets is amortized over the asset's estimated life. The pro forma adjustment was determined by dividing the fair value of the intangible asset over the estimated life of the asset. This methodology assumes that a valuation completed as of January 1, 2007 would have yielded a similar result. Using straight line amortization, we determined that the six month amortization expense for the assets related to the GS Acquisition is $5.3 million, and the six month amortization expense for the assets related to the Red Man Transaction is $6.9 million. Therefore the pro forma adjustment includes a $707,500 increase in the amortization of intangibles in connection with the assets acquired in the GS Acquisition, and a $5,371,000 increase in amortization of intangibles in connection with the assets acquired in the Red Man Transaction, for an adjustment of $6,078,500 overall.

GS Acquisition-related Amortizable Intangibles

Amortizable Intangible	Value (in millions)	Estimated Life (in Years)
Backlog	$ 1.6	1
Customer Base	356.0	40
Non-Compete Agreements	1.0	5

Red Man Transaction-related Amortizable Intangibles

Amortizable Intangible	Value (in millions)	Estimated Life (in Years)
Red Man Backlog	$ 2.0	1
Red Man Customer Base	229.0	17

(c) Reflects compensation expense relating to the equity awards granted to certain employees in connection with the GS Acquisition and the Red Man Transaction, as if each had occurred on January 1, 2007. A Black-Scholes option pricing model was used to estimate the fair value of the stock options granted in 2007. For purposes of measuring compensation, we relied on a calculated value that requires certain assumptions including the volatility based on the appropriate industry sector. For a discussion of these assumptions, see Note 9 to our historical financial statements for the eleven months ended December 31, 2007. This adjustment was calculated based on the actual expense recorded in June 2008, because this would have reflected six months of stock-based compensation expense using the aforementioned assumptions. Any forfeitures would have been immaterial in determining this adjustment.

(d) Reflects the interest expense for (1) interest resulting from our entering into our $575 million term loan facility and the $700 million revolving credit facility, as if we entered into these facilities on January 1, 2007 and (2) amortization of the related deferred financing costs. To calculate interest expense, an average interest rate of 7.11% based on LIBOR was multiplied by an average annual debt balance of $802 million. The total annual interest expense based on the assumptions described is $57.5 million, and the total for six months would be $28.5 million. The total adjustment to the pro forma financials for interest expense is a decrease of $3.3 million. Deferred financing fees for both the GS Acquisition and the Red Man Transaction were recorded at the closing dates, and the pro forma adjustment assumes that both transactions occurred as of January 1, 2007. The deferred financing fees for the GS Acquisition were $15.5 million and the deferred financing fees for the Red Man Transaction were $7.7 million. These fees are amortized using the straight line amortization method over 74 months. Therefore, the six month amortization expense related to the deferred financing fees for six months is $1,896,000. The total adjustment to the pro forma financials for deferred financing fees is an increase of $326,000. Actual interest expense may be higher or lower depending upon fluctuations in interest rates. A $^1/_8$% change in interest rates would have resulted in a $501,000 change in interest expense for the six-month period. No pro forma adjustment has been made to reflect an increase in interest expense that would have resulted had we entered into our $450 million junior term loan facility at any time during the six-month period because our entry into this facility was not related to funding the Red Man Transaction or the GS Acquisition.

(e) Reflects elimination of our minority interest related to McJunkin Appalachian Oilfield Supply Company in connection with the GS Acquisition on January 31, 2007 as if we acquired the minority interest on January 1, 2007.

(f) Reflects the reduction in income tax expense as a result of (1) the pro forma adjustments described above, which resulted in a lower amount of pre-tax income, and (2) the lower effective income tax rate applicable to our combined company, which is lower than the historical income tax rates applicable to McJunkin and Red Man separately, as if our combined company's current income tax rate was in effect from January 1, 2007 onward. The tax rate assumed in this calculation was 37.5%. The total adjustment necessary was calculated by multiplying this rate with the total adjusted pre-tax income. The adjustment needed is the difference between this calculated rate and the tax recorded in the respective financial statements.

(g) Stock options are disregarded in the calculation of earnings per share if they are determined to be anti-dilutive. At June 28, 2007, the company's anti-dilutive stock options totaled 1,169.

PRO FORMA INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2007

	McJunkin One Month Ended January 30, 2007	McJunkin Red Man Eleven Months Ended December 31, 2007	Red Man Twelve Months Ended October 31, 2007	Red Man Adjustments Two Months Ended December 31, 2007* (Unaudited)	Pro Forma Adjustments (Unaudited)	Pro Forma Combined Twelve Months Ended December 31, 2007 (Unaudited)
			(In millions)			
Sales	$ 142.5	$ 2,124.9	$ 1,982.0	$ (296.7)		$ 3,952.7
Costs and expenses						
Cost of sales (exclusive of depreciation and amortization shown separately below)	114.6	1,734.6	1,632.3	(252.3)		3,229.2
Selling, general and administrative expenses	14.6	201.9	176.9	(27.7)		365.7
Depreciation and amortization	0.3	5.4	6.0	(1.1)	0.2(a)	10.8
Amortization of intangibles	—	10.5	3.7		10.4(b)	24.6
Profit sharing	1.3	13.2		(1.0)		13.5
Stock-based compensation	—	2.9			3.7(c)	6.6
Total costs and expenses	130.8	1,968.5	1,818.9	(282.1)	14.6	3,650.4
Operating income	11.7	156.4	163.1	(14.6)	(14.6)	302.3
Other income (expense)						
Interest expense	(0.1)	(61.7)	(20.6)	7.3	14.3(d)	(60.8)
Minority interests	(0.4)	(0.1)	—	0.1	0.4(e)	0.0
Other, net	—	(1.1)	(2.7)	(0.1)		(3.9)
Total other income (expense)	(0.5)	(62.9)	(23.3)	7.3	14.7	64.7
Income before income taxes	11.2	93.5	139.8	(7.3)	0.1	237.6
Income tax expense	4.6	36.6	57.6	(2.4)	(7.3)(f)	89.1
Net income	$ 6.6	$ 56.9	$ 82.2	$ (4.9)	$ 7.4	$ 148.5
Earnings per share, basic	$ 376.70	$ 410.64	$ 461.70	—	—	—
Earnings per share, diluted	376.70	409.84	$ 461.70	—	—	—
Weighted average shares, basic	17,510	138,627	178,000	—	—	—
Weighted average shares, diluted	17,510	138,899	178,000	—	—	—
Pro forma earnings per share, basic						
Pro forma earnings per share, diluted						
Pro forma weighted average shares, basic(g)						
Pro forma weighted average shares, diluted(g)						

* Represents actual amounts recorded by Red Man during the period; no transaction-related costs have been reversed.

(a) Reflects the increase in depreciation resulting from the revaluation of our property, plant and equipment in connection with the GS Acquisition and the Red Man Transaction, as if these transactions had each occurred on January 1, 2007. All significant assets that were acquired in each of these transactions were revalued to their estimated fair value. The pro forma adjustment was determined by dividing the fair value of each asset over the newly determined life of the respective asset as determined as of the date of the transactions. This methodology assumes that a valuation completed as of January 1, 2007 would have yielded a similar result. Utilizing this asset-by-asset approach, we determined that a full year of depreciation for the assets acquired in the GS Acquisition would have equated to $5.1 million, and the full year of

depreciation for the assets acquired in the Red Man Transaction would have equated to $5.7 million. Therefore, the pro forma adjustment includes a $590,000 decrease in depreciation in connection with the revaluation of property, plant and equipment acquired in the GS Acquisition, and a $760,000 increase in depreciation in connection with the revaluation of property, plant and equipment acquired in the Red Man Transaction, for an adjustment of $170,000 overall.

Fair Value of Fixed Assets Acquired in the GS Acquisition

Asset Description	Fair Value (in millions)	Average Life
Land	$ 5.0	
Buildings and improvements	10.1	40
Machinery, shop equipment, and vehicles	15.7	5
Furniture, fixtures, and office equipment	2.9	3

Fair Value of Fixed Assets Acquired in the Red Man Transaction

Asset Description	Fair Value (in millions)	Average Life
Land	$ 1.3	
Buildings and improvements	3.2	40
Machinery, shop equipment, and vehicles	4.4	8
Furniture, fixtures, and office equipment	6.1	3

(b) Reflects the increase in amortization of intangibles in connection with the GS Acquisition and the Red Man Transaction, as if these transactions had each occurred on January 1, 2007. In accordance with the purchase accounting method, the fair value of certain identifiable assets is amortized over the asset's estimated life. The pro forma adjustment was determined by dividing the fair value of the intangible asset over the estimated life of the asset. This methodology assumes that a valuation completed as of January 1, 2007 would have yielded a similar result. Using straight line amortization, we determined that the full year amortization expense for the assets related to the GS Acquisition is $10.7 million, and the full year amortization expense for the assets related to the Red Man Transaction is $13.9 million. Therefore, the pro forma adjustment includes a $190,000 increase in the amortization of intangibles in connection with the assets acquired in the GS Acquisition, and a $10,250,000 increase in amortization of intangibles in connection with the assets acquired in the Red Man Transaction, for an adjustment of $10,440,000 overall.

GS Acquisition-related Amortizable Intangibles

Amortizable Intangible	Value (in millions)	Estimated Life (in Years)
Backlog	$ 1.6	1
Customer Base	356.0	40
Non-Complete Agreements	1.0	5

Red Man Transaction-related Amortizable Intangibles

Amortizable Intangible	Value (in millions)	Estimated Life (in Years)
Red Man Backlog	$ 2.0	1
Red Man Customer Base	229.0	17
Midfield Customer Base	31.4	13

(c) Reflects compensation expense relating to the equity awards granted to certain employees in connection with the GS Acquisition and the Red Man Transaction, as if each had occurred on January 1, 2007. A Black-Scholes option pricing model was used to estimate the fair value of the stock options granted in 2007. For purposes of measuring compensation, we relied on a calculated value that requires certain assumptions including the volatility based on the appropriate industry sector. For a discussion of these assumptions, see Note 9 to our audited historical statements for the eleven months ended December 31, 2007 for these assumptions. This adjustment was calculated based on the actual expense recorded in June 2008, because this would have reflected six months of stock based-compensation expense using the aforementioned assumptions. The adjustment was calculated by annualizing the actual 2008 expense. Any forfeitures would have been immaterial in determining this adjustment.

(d) Reflects the interest expense for (1) interest resulting from our entering into our $575 million term loan facility and the $700 million revolving credit facility, as if we entered into these facilities on January 1, 2007 and (2) amortization of the related deferred financing costs. To calculate interest expense, an average interest rate of 7.11% based on LIBOR was multiplied by an average annual debt balance of $802 million. The total annual interest expense based on the assumptions described is $57.5 million. The total adjustment to the pro forma financials for interest expense is a decrease of $14.6 million. Deferred financing fees for both the GS Acquisition and the Red Man Transaction were recorded at the closing date, and the pro forma adjustment assumes that both transactions occurred as of January 1, 2007. The deferred financing fees for the GS Acquisition were $15.5 million and the deferred financing fees for the Red Man Transaction were $7.7 million. These fees are amortized using the straight line amortization method over 74 months. Therefore, the amortization expense related to the deferred financing fees for the full year is $3,792,000. The total adjustment to the pro forma financials for deferred financing fees is an increase of $338,000. Actual interest expense may be higher or lower depending upon fluctuations in interest rates. A 1/8% change in interest rates would have resulted in a $1,002,000 change in interest expense for the twelve-month period. No pro forma adjustment has been made to reflect an increase in interest

expense that would have resulted had we entered into our $450 million junior term loan facility at any time during the twelve-month period because our entry into this facility was not related to funding the Red Man Transaction or the GS Acquisition.

(e) Reflects elimination of our minority interest related to McJunkin Appalachian Oilfield Supply Company in connection with the GS Acquisition on January 31, 2007 as if we acquired the minority interest on January 1, 2007.

(f) Reflects the reduction in income tax expense as a result of (1) the pro forma adjustments described above, which resulted in a lower amount of pre-tax income, and (2) the lower effective income tax rate applicable to our combined company, which is lower than the historical income tax rates applicable to McJunkin and Red Man separately, as if our combined company's current income tax rate was in effect from January 1, 2007 onward. The tax rate assumed in this calculation was 37.5%. The total adjustment necessary was calculated by multiplying this rate with the total adjusted pre-tax income. The adjustment needed is the difference between this calculated rate and the tax recorded in the respective financial statements.

(g) Stock options are disregarded in the calculation of earnings per share if they are determined to be anti-dilutive. At December 31, 2007, the company's anti-dilutive stock options totaled 3,533.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our financial statements and related notes included elsewhere in this prospectus. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including, but not limited to, those set forth under "Risk Factors", "Cautionary Note Regarding Forward-Looking Statements" and elsewhere in this prospectus.

Overview

We are the largest North American distributor of pipe, valves and fittings ("PVF") and related products and services to the energy industry based on sales and the leading PVF distributor serving this industry across each of the upstream (exploration, production, and extraction of underground oil and gas), midstream (gathering and transmission of oil and gas, gas utilities, and the storage and distribution of oil and gas) and downstream (crude oil refining and petrochemical processing) markets. We have an unmatched presence of over 250 branches that are located in the most active oil and gas regions in North America. We offer an extensive array of PVF and oilfield supplies encompassing over 100,000 products, we are diversified by geography and end market and we seek to provide best-in-class service to our customers by satisfying the most complex, multi-site needs of some of the largest companies in the energy and industrial sectors as their primary supplier. As a result, we have an average relationship of over 20 years with our top ten customers and our pro forma sales in 2007 were over twice as large as our nearest competitor in the energy industry. We believe the critical role we play in our customers' supply chain, our unmatched scale and extensive product offering, our broad North American geographic presence, our customer-linked scalable information systems and our efficient distribution capabilities serve to solidify our long-standing customer relationships and drive our growth.

We have benefited in recent years from several growth trends within the energy industry including high levels of expansion and maintenance capital expenditures by our customers. This growth in spending has been driven by several factors, including underinvestment in North American energy infrastructure, production and capacity constraints and anticipated strength in the oil, natural gas, refined products and petrochemical markets. While current prices for oil and natural gas are high relative to historical levels, we believe that investment in the energy sector by our customers would continue at prices well below current levels. In addition, our products are often used in extreme operating environments leading to the need for a regular replacement cycle. As a result, over 50% of our historical and pro forma sales in 2007 were attributable to multi-year maintenance, repair and operations ("MRO") contracts where we have demonstrated an over 99% average annual retention rate since 2000. The combination of these ongoing factors has helped increase demand for our products and services, resulting in record levels of customer orders to be shipped as of September 2008. For the twelve months ended December 31, 2007 on a pro forma basis, we generated sales of $3,952.7 million, Adjusted EBITDA of $370.4 million and net income of $150.8 million. During the twelve months ended December 31, 2007 on a pro forma basis, approximately 46% of our sales were attributable to upstream activities, approximately 22% were attributable to midstream activities, and approximately 32% were attributable to downstream activities. In addition, for the eleven months ended December 31, 2007, without giving pro forma effect to the Red Man Transaction, we generated sales of $2,124.9 million, EBITDA of $171 million and net income of $56.9 million, and for the twelve months ended October 31, 2007, before giving effect to the Red Man Transaction, Red Man generated sales of $1,982.0 million, EBITDA of $170 million and net income of $82.2 million.

Key Factors Affecting Our Business

Our revenues are predominantly derived from the sale of PVF and other oilfield service supplies to the energy industry in North America. Our business is therefore dependent upon conditions in the energy sector and, in particular, maintenance and expansionary capital expenditures by our customers in the upstream, midstream and downstream sectors of the energy industry. Growth in spending has been, and we believe will continue to be, driven by several factors, including underinvestment in North American energy infrastructure, production and capacity constraints, and anticipated strength in the oil, natural gas, refined products and petrochemical markets. The outlook for future oil, natural gas, refined products and petrochemical prices are influenced by numerous factors, including but not limited to the factors listed in "Risk Factors" beginning on page 18 as well as the following factors:

- ***Oil and gas price volatility.*** Proceeds from the sale of PVF and related products to the oil and gas industry constitute a significant portion of our sales. As a result, we depend upon the oil and gas industry and its ability and willingness to make capital expenditures to explore for, develop and produce oil and gas and refined products. If these expenditures decline due to declining prices or otherwise, our business will suffer.
- ***Fluctuations in steel prices.*** Fluctuations in steel prices can lead to volatility in the pricing of our products, which can influence the buying patterns of our customers and have a negative impact on our results of operations.
- ***Economic downturns.*** The demand for our products is dependent on the general economy, the energy and industrials sectors and other factors. Downturns in the general economy or in the energy and industrials sectors (domestically or internationally) could cause demand for our products to materially decrease.
- ***Increases in customer, manufacturer and distributor inventory levels of PVF and related products.*** Customer, manufacturer and distributor inventory levels of PVF and related products can change significantly from period to period. Increases in our customers' inventory levels can have a direct adverse affect on the demand for our products when customers draw from inventory rather than purchase new products. Reduced demand, in turn, would likely result in reduced sales volume and overall profitability. Increased inventory levels by manufacturers or other distributors can cause an oversupply of PVF and related products in our markets and reduce the prices that we are able to charge for our products. Reduced prices, in turn, would likely reduce our profitability.

History

McJunkin Corporation ("McJunkin") and Red Man Pipe & Supply Co. ("Red Man"), two leading national PVF distributors, completed a business combination transaction in October 2007 to create our combined company ("McJunkin Red Man"). The combination created the largest North American PVF distributor to the energy industry based on sales, with pro forma sales of more than twice those of our nearest competitor in the energy industry.

McJunkin Corporation

McJunkin Corporation (formerly known as McJunkin Supply Company) was founded in 1921 in Charleston, West Virginia by brothers-in-law Jerry McJunkin and H. Bernard Wehrle and initially primarily served the local oil and gas industry. Following post-war economic expansion, by the end of the 1960s McJunkin had 29 branches in 18 states with sales of approximately $60 million, focusing primarily on the downstream sector. In 1989 McJunkin broadened its upstream presence by merging its oil and gas division with Appalachian Pipe & Supply Co. to form McJunkin Appalachian Oilfield Supply Company ("McJunkin Appalachian"), which focused primarily on upstream oil and gas customers. Since 2001, McJunkin Corporation has integrated eight acquisitions, with pro forma

revenues in the respective years of acquisition totaling approximately $300 million, and became a leading supplier of PVF products to customers in the Appalachian region and California.

In January 2007, affiliates of Goldman Sachs Capital Partners (the “Goldman Sachs Funds”) acquired a controlling interest in McJunkin Corporation. The Goldman Sachs Funds are part of Goldman Sachs’ Principal Investment Area, a leading private equity and mezzanine investor.

Red Man Pipe & Supply Co.

Red Man was founded in 1977 in Tulsa, Oklahoma by the late Lewis B. Ketchum, a member and former Chief of the Delaware Indian Tribe headquartered in Oklahoma. The heritage and tradition of the Delaware Indian was very important to Mr. Ketchum and was the basis upon which he gave the company the name “Red Man”. Red Man began as a distributor to the upstream energy sector and subsequently expanded into the midstream and downstream energy sectors. Since then, Red Man has grown organically and through a number of acquisitions in the United States. In 2005, Red Man acquired an approximate 51% voting interest in Canadian oilfield distributor Midfield, giving Red Man a significant presence in the Western Canadian Sedimentary Basin. We acquired the remaining voting interest and equity interest in Midfield on July 31, 2008.

In October 2007, McJunkin and Red Man completed a business combination transaction (the “Red Man Transaction”) to form the combined company, McJunkin Red Man.

Results of Operations

Our results of operations for the year ended December 31, 2007 consist of McJunkin Red Man Holding Corporation’s results of operations for the eleven months ended December 31, 2007 and McJunkin Corporation’s results of operations for the one month ended January 30, 2007. Our financial statements for 2007 include two reporting periods because on January 31, 2007, the entity now known as McJunkin Red Man Holding Corporation, an affiliate of the Goldman Sachs Funds, acquired a majority of the equity of the entity now known as McJunkin Red Man Corporation (then known as McJunkin Corporation, or McJunkin), and McJunkin’s basis of accounting was deemed to have changed on that date. As a result, we have compared below (1) our results of operations for the six months ended June 26, 2008 with our results of operations for the five months ended June 28, 2007 and McJunkin’s results of operations for the one month ended January 30, 2007, (2) our results of operations for the eleven months ended December 31, 2007 and McJunkin’s results of operations for the one month ended January 30, 2007 with McJunkin’s results of operations for the year ended December 31, 2006, and (3) McJunkin’s results of operations for the year ended December 31, 2006 with McJunkin’s results of operations for the year ended December 31, 2005. McJunkin Red Man Holding Corporation’s results of operations for periods subsequent to January 30, 2007 (before the GS Acquisition occurred) may not be comparable to McJunkin’s results of operations prior to that date.

Operating results for the eleven-month period ended December 31, 2007 include the results of McJunkin Red Man Holding Corporation for the full period and the results of Red Man for the two months after the business combination on October 31, 2007. Accordingly, results for the year ended December 31, 2006 (which do not reflect the operating results of Red Man) are not comparable to the results for the eleven months ended December 31, 2007 (which include the operating results of Red Man for two months). Operating results for the five-month period ending June 28, 2007 do not reflect the operating results of Red Man, as the Red Man Transaction did not occur until October 31, 2007. Accordingly, the results for the six months ended June 26, 2008 (which include the operating results of Red Man for the full period) are not comparable to the results for the five months ended June 28, 2007.

Given the materiality of Red Man’s financial results to our business, we have also compared (1) the results of operations of Red Man for the year ended October 31, 2007 with Red Man’s results

of operations for the year ended October 31, 2006 and (2) the results of operations of Red Man for the year ended October 31, 2006 with Red Man's results of operations for the year ended October 31, 2005. Red Man's results of operations are included in our results of operations beginning after October 31, 2007.

Six Months Ended June 26, 2008 (Successor) Compared to the Five Months Ended June 28, 2007 (Successor) and the One Month Ended January 30, 2007 (Predecessor)

Sales. Sales include the revenue recognized from the sales of our products and services to customers and freight billings to customers, less cash discounts taken by customers in return for their early payment of our invoices to them. Our sales were $2,196 million for the six months ended June 26, 2008 as compared to $785 million for the five months ended June 28, 2007 and McJunkin's sales of $143 million for the one month ended January 30, 2007. The increase of $1,268 million for the six months ended June 26, 2008 as compared to the combined six-month period ended June 28, 2007 was due to the inclusion of $1,047 million of Red Man sales in the six months ended June 26, 2008, as well as the inclusion of Midway Tri-State's sales for the full six months of 2008 compared with only May and June of 2007 of approximately $48 million and significant increases in our exploration and production and petroleum refining business.

Cost of Sales. Cost of sales consists of the cost of our products at their weighted average actual cost, in-bound and out-bound freight expense, LIFO expense, manufacturers' rebates, physical inventory gains/losses, and inventory obsolescence charges, less cash discounts that we earn by early payment of vendor invoices. Our cost of sales was $1,804 million for the six months ended June 26, 2008 as compared to $636 million for the five months ended June 28, 2007 and McJunkin's cost of sales of $115 million for the one month ended January 30, 2007. As a percentage of sales, cost of sales was 82.1% for the six months ended June 26, 2008 as compared to 81.0% for the five months ended June 28, 2007 and 80.4% for the one-month period ended January 30, 2007. The increase of $1.053 billion for the six months ended June 26, 2008 as compared to the combined six-month period ended June 28, 2007 was due to the inclusion of $882 million of Red Man cost of sales, the inclusion of Midway's cost of sales for the full six months of 2008 compared with only May and June of 2007 of approximately $40 million, increases in our exploration and production and petroleum refining business, and additional LIFO expense resulting from greater rates of inflation in the cost of our products in 2008. Certain purchasing costs and warehousing activities (including receiving, inspection, stocking, picking and packing costs), as well as general warehousing expenses, are included in selling, general and administrative expenses and not in cost of sales. As such, our gross profit may not be comparable to others who may include these expenses as a component of cost of goods sold. Purchasing and warehousing activities costs approximated $24.0 million for the six months ended June 26, 2008 compared to $11.4 million for the five months ended June 28, 2007 and McJunkin's $2.3 million expense for the one month ended January 30, 2007.

Selling, General and Administrative Expenses. Costs such as salaries, wages, employee benefits, rent, utilities, communications, insurance, fuel, and taxes (other than state and federal income taxes) that are necessary to operate our branch and corporate operations are included in selling, general and administrative expenses. Also contained in this category are certain items that are non-operational in nature, including certain costs of acquiring and integrating other businesses. Our selling, general and administrative expenses were $200.1 million for the six months ended June 26, 2008 as compared to $80.7 million for the five months ended June 28, 2007 and McJunkin's selling, general and administrative expenses of $14.6 million for the one month ended January 30, 2007. As a percentage of sales, selling, general and administrative expenses were 9.1% for the six months ended June 26, 2008 as compared to 10.3% for the combined six-month period ended June 28, 2007. The increase of $104.8 million for the six months ended June 26, 2008 as compared to the combined six-month period ended June 28, 2007 was due to the inclusion of Red Man's $98.7 million of selling, general and administrative expenses; the absence of $8.6 million of expenses incurred in the 2007 periods related to the GS Acquisition (including payments of $6.2 million to former McJunkin

Appalachian shareholders); an increase in wages and benefits of $8.7 million; Red Man integration expenses of $2.3 million; and an increase in fuel expense of $0.8 million.

Depreciation and Amortization. Our depreciation and amortization was $5.2 million for the six months ended June 26, 2008 as compared to $1.7 million for the five months ended June 28, 2007 and McJunkin's depreciation and amortization of $0.3 million for the one month ended January 30, 2007. The increase of $3.2 million for the six months ended June 26, 2008 as compared to the combined six-month period ended June 28, 2007 was due to the inclusion of depreciation on the Midway Supply and Red Man assets from the date of each transaction as well as the write up of assets to fair value in purchase accounting for the GS Acquisition and the Midway and Red Man transactions. Depreciation increased $234,000 due to the Midway transaction, and $2.6 million due to the Red Man transaction.

Amortization of Intangibles. In connection with the January 2007 acquisition of a controlling interest in McJunkin by the Goldman Sachs Funds, the April 2007 acquisition of Midway Tristate by McJunkin, and the October 2007 business combination between Red Man and McJunkin, the fair values of intangible assets were determined based upon assumptions related to future cash flows, discounts rates and asset lives. These amortizable intangible assets consist of sales order backlog at the date of the transactions, the customer base of each entity, and non-compete agreements which are amortized over a weighted average amortization period of 30.3 years. Our amortization of intangibles was $15.6 million for the six months ended June 26, 2008 as compared to $4.6 million for the five months ended June 28, 2007 and McJunkin's amortization of intangibles of $0.02 million for the one month ended January 30, 2007. The increase of $11.0 million for the six months ended June 26, 2008 as compared to the combined six-month period ended June 28, 2007 was the result of the timing of each of the three transactions described above. In particular, the six months ended June 26, 2008 included $10.5 million of amortization expense associated with the Red Man Transaction for which there were no corresponding amounts for the five months ended June 28, 2007 and one month ended January 30, 2007. This $10.5 million of amortization expense includes $2.6 million of amortization which was estimated in 2007 because the business combination occurred late in the year and the purchase price allocation was preliminary pending receipt of appraisals and valuations at year-end. Further, amortization of intangibles increased $335,000 for the six months ended June 26, 2008 as compared to the combined six-month period ended June 28, 2007 due to amortization expense related to the Midway transaction.

Profit Sharing. We have a qualified, defined-contribution plan for employees who meet eligibility requirements, generally six months of service. This plan provides for annual discretionary contributions generally based upon company operating results. Our profit sharing expense was $13.5 million for the six months ended June 26, 2008 as compared to $5.6 million for the five months ended June 28, 2007 and McJunkin's profit sharing of $1.3 million for the one month ended January 30, 2007. The increase of $6.6 million for the six months ended June 26, 2008 as compared to the combined six-month period ended June 28, 2007 was due to an increase in the number of our employees primarily as a result of the Midway and Red Man transactions. Profit sharing increased $7.1 million due to the Red Man Transaction.

Stock-Based Compensation. Our equity-based compensation consists of restricted common units in PVF Holdings LLC, profit units in PVF Holdings LLC, restricted stock and non-qualified stock options. In conjunction with the acquisition of McJunkin by the Goldman Sachs Funds, certain key employees received restricted common units in PVF Holdings LLC, and in conjunction with the acquisition of McJunkin by the Goldman Sachs Funds and the Red Man Transaction, certain key employees received profits units in PVF Holdings LLC. In addition, effective March 27, 2007, our board of directors approved the formation of the 2007 Restricted Stock Plan and the 2007 Stock Option Plan. The purpose of these plans is to aid us in recruiting and retaining key employees, directors and consultants of outstanding ability and to motivate such key employees, directors and consultants to exert their best efforts on our behalf by providing them incentives in the form of restricted stock and stock options. It is expected that the Company will benefit from the added interest

which such key employees, directors and consultants will have in the welfare of the Company as a result of their proprietary interest in the Company's success. Our stock-based compensation was $3.3 million for the six months ended June 26, 2008 as compared to $1.3 million for the five months ended June 28, 2007 and no stock-based compensation for the one month ended January 30, 2007. The increase of $2.0 million for the six months ended June 26, 2008 as compared to the combined six-month period ended June 28, 2007 was due to the adoption of our equity plans in January and March 2007 and the addition of incremental participants as a result of the Red Man Transaction in October 2007. Stock-based compensation increased $1.7 million due to the addition of the Red Man participants in October 2007.

Operating Income. As a result of the aforementioned items, our operating income was $154.5 million for the six months ended June 26, 2008 as compared to $55.1 million for the five months ended June 28, 2007 and McJunkin's operating income of $11.7 million for the one month ended January 30, 2007, an increase of $87.7 million for the six months ended June 26, 2008 as compared to the combined six-month period ended June 28, 2007.

Interest Expense. Our interest expense was $35.0 million for the six months ended June 26, 2008 as compared to $24.3 million for the five months ended June 28, 2007 and McJunkin's interest expense of $0.1 million for the one month ended January 30, 2007. The increase of $10.6 million for the six months ended June 26, 2008 as compared to the combined six-month period ended June 28, 2007 was primarily due to increased amounts of debt incurred and/or assumed in conjunction with the GS Acquisition and the Midway and Red Man transactions, including Midfield's Canadian debt. We incurred approximately $83 million of debt on our asset-backed revolving credit facility in connection with the acquisition of Midway resulting in an increase in interest expense of approximately $1.4 million. Interest expense was further increased by approximately $8.4 million as a result of the incurrence of approximately $190 million of incremental borrowings under our asset-backed revolving credit facility and the assumption of approximately $68 million of debt in connection with the Red Man Transaction. Interest expense for the six months ended June 26, 2008 also reflects approximately $2.6 million of expense associated with the Junior Term Loan Facility which was entered into on May 22, 2008, the proceeds of which were used to fund a dividend to our shareholders.

Minority Interests. Our minority interests were $0.1 million for the six months ended June 26, 2008 (all related to Midfield) as compared to none for the five months ended June 28, 2007 and McJunkin's minority interests of $0.4 million for the one month ended January 30, 2007 (which was due to McJunkin Appalachian). The decrease of $0.3 million for the six months ended June 26, 2008 as compared to the combined six-month period ended June 28, 2007 was due to the repurchase of the minority interest held by McJunkin Appalachian's management in January 2007. In connection with our 1989 transaction with Appalachian Pipe and Supply which formed our McJunkin Appalachian subsidiary, certain members of Appalachian's management group retained a minority ownership in the combined company. As part of the acquisition of McJunkin by the Goldman Sachs Funds in January 2007, these minority shareholders were bought out and McJunkin Appalachian became a wholly owned subsidiary of McJunkin. On December 31, 2007, McJunkin Appalachian was merged into McJunkin Red Man Corporation. In addition, in 2005 Red Man acquired an approximate 51% interest in Midfield.

Other Income (Expense), Net. Our other expense, net was $0.3 million for the six months ended June 26, 2008 as compared to other expense, net of $0.9 million for the five months ended June 28, 2007 and McJunkin's other expense, net of $15,000 for the one month ended January 30, 2007. The decrease of $0.6 million for the six months ended June 26, 2008 as compared to the combined six-month period ended June 28, 2007 was due in part to $0.4 million derivatives expense, $0.1 million increase in bank charges, and $0.1 million increase in directors' fees.

Income Tax Expense. Our income tax expense was $43.2 million for the six months ended June 26, 2008 as compared to $12.3 million for the five months ended June 28, 2007 and McJunkin's income tax expense of $4.6 million for the one month ended January 30, 2007. The increase of

$26.3 million for the six months ended June 26, 2008 as compared to the combined six-month period ended June 28, 2007 was due to the inclusion of Red Man's results, which added $10.3 million to our income tax expense, and higher pre-tax income, partially offset by certain tax savings in the six months ended June 26, 2008. Our effective tax rates were 36.26% for the six months ended June 26, 2008, 41.18% for the five months ended June 28, 2007 and 41.08% for the one month ended January 30, 2007. These rates differ from the federal statutory rate of 35% principally as a result of state income taxes. The rate for the six months ended June 26, 2008 is lower than the rates for the five months ended June 28, 2007 and the one month ended January 30, 2007 primarily due to lower state taxes.

Net Income. Our net income was $75.9 million for the six months ended June 26, 2008 as compared to $17.6 million for the five months ended June 28, 2007 and McJunkin's net income of $6.6 million for the one month ended January 30, 2007. Net income increased $51.7 million for the six months ended June 26, 2008 as compared to the combined six-month period ended June 28, 2007.

Eleven Months Ended December 31, 2007 (Successor) and One Month Ended January 30, 2007 (Predecessor) Compared to Year Ended December 31, 2006 (Predecessor)

Sales. Our sales were $2.1 billion for the eleven months ended December 31, 2007 and McJunkin's sales were $142.5 million for the one month ended January 30, 2007, as compared to McJunkin's sales of $1.7 billion for the year ended December 31, 2006. The increase of $554 million for the combined twelve-month period ended December 31, 2007 as compared to the year ended December 31, 2006 was due to the inclusion of Red Man's sales of $297 million and Midway's sales of approximately $98 million during the 2007 periods, and increases in our exploration and production and petroleum refining business.

Cost of Sales. Our cost of sales was $1.7 billion for the eleven months ended December 31, 2007 and McJunkin's cost of sales was $115 million for the one month ended January 30, 2007, as compared to McJunkin's cost of sales of $1.4 billion for the year ended December 31, 2006. As a percentage of sales, cost of sales was 81.6% for the combined twelve-month period ended December 31, 2007 as compared to 81.4% for the year ended December 31, 2006. The increase in cost of sales of $455 million for the combined twelve-month period ended December 31, 2007 as compared to the year ended December 31, 2006 was due to the inclusion of Red Man's cost of sales of $252 million and Midway's cost of sales of approximately $83 million, and increases in our exploration and production and petroleum refining business, partially offset by a decrease in LIFO expense of $6.5 million due to decreased inflation rates in the cost of our products in 2007. Certain purchasing costs and warehousing activities (including receiving, inspection, stocking, picking and packing costs), as well as general warehousing expenses, are included in selling, general and administrative expenses and not in cost of sales. As such, our gross profit may not be comparable to others who may include these expenses as a component of cost of goods sold. Purchasing and warehousing activities costs approximated $34.1 million for the year ended December 31, 2007 compared to $26.9 million for the year ended December 31, 2006.

Selling, General and Administrative Expenses. Our selling, general and administrative expenses were $201.9 million for the eleven months ended December 31, 2007 and McJunkin's selling, general and administrative expenses were $14.6 million for the one month ended January 30, 2007, as compared to McJunkin's selling, general and administrative expenses of $173.9 million for the year ended December 31, 2006. As a percentage of sales, selling, general and administrative expenses were 9.5% for the combined twelve-month period ended December 31, 2007 as compared to 10.1% for the year ended December 31, 2006. The increase of $42.6 million for the combined twelve-month period ended December 31, 2007 as compared to the year ended December 31, 2006 was due to the inclusion of two months of Red Man's selling, general and administrative expenses totaling $28.0 million in the twelve-months ended December 31, 2007; payments of $6.2 million to the former McJunkin Appalachian shareholders in 2007; eight months of expenses of approximately $4.4 million from the Midway operations acquired at the end of April 2007; $4.2 million of expenses

related to the GS Acquisition in 2007; an increase in franchise taxes of $1.3 million due to the increase in shareholders equity resulting from the GS Acquisition; $0.8 million in acquisition and integration expenses related to Red Man; a $0.6 million increase in fuel costs; and $0.3 million in acquisition and integration expenses related to Midway.

Depreciation and Amortization. Our depreciation and amortization was $5.4 million for the eleven months ended December 31, 2007 and McJunkin's depreciation and amortization was $0.3 million for the one month ended January 30, 2007, as compared to McJunkin's depreciation and amortization of $3.9 million for the year ended December 31, 2006. The increase of $1.8 million for the combined twelve-month period ended December 31, 2007 as compared to the year ended December 31, 2006 was primarily due to the recording of depreciation expense with respect to the Red Man and Midway transactions in 2007, and the write up of McJunkin's assets to fair value in conjunction with the GS Acquisition in January 2007. Depreciation increased $143,000 in connection with the write up of the fixed assets related to the GS Acquisition. Depreciation also increased $1.1 million and $235,000 due to the Red Man and Midway transactions, respectively.

Amortization of Intangibles. Our amortization of intangibles was $10.5 million for the eleven months ended December 31, 2007 and McJunkin's amortization of intangibles was $16,000 for the one month ended January 30, 2007, as compared to McJunkin's amortization of intangibles of $0.3 million for the year ended December 31, 2006. The increase of $10.2 million for the combined twelve-month period ended December 31, 2007 as compared to the year ended December 31, 2006 was due to the acquisition of McJunkin by the Goldman Sachs Funds in January 2007 ($9.8 million) and the Midway acquisition in April 2007 ($0.7 million). Intangibles amortization totaling $2.6 million with respect to the Red Man Transaction was recorded in the six months ended June 26, 2008.

Profit Sharing. Our profit sharing was $13.2 million for the eleven months ended December 31, 2007 and McJunkin's profit sharing was $1.3 million for the one month ended January 30, 2007, as compared to McJunkin's profit sharing of $15.1 million for the year ended December 31, 2006. The decrease of $0.6 million for the combined twelve-month period ended December 31, 2007 as compared to the year ended December 31, 2006 was due to lower non-qualified plan contributions as a result of the departure of several members of management who left the company in connection with the GS Acquisition, offset in part by an increase of approximately 100 employees added with the Midway acquisition on April 30, 2007.

Stock-Based Compensation. Our stock-based compensation was $3.0 million for the eleven months ended December 31, 2007. McJunkin had no stock based compensation for the one month ended January 30, 2007 or for the year ended December 31, 2006. Our equity-based compensation consists of restricted common units in PVF Holdings LLC, profit units in PVF Holdings LLC, restricted stock and non-qualified stock options. In conjunction with the acquisition of McJunkin by the Goldman Sachs Funds, certain key employees received restricted common units in PVF Holdings LLC, and in conjunction with the acquisition of McJunkin by the Goldman Sachs Funds and the Red Man Transaction, certain key employees received profits units in PVF Holdings LLC. In addition, effective March 27, 2007 our board of directors approved the formation of the 2007 Restricted Stock Plan and the 2007 Stock Option Plan.

Operating Income. Our operating income was $156.3 million for the eleven months ended December 31, 2007 and McJunkin's operating income was $11.7 million for the one month ended January 30, 2007, as compared to McJunkin's operating income of $126.2 million for the year ended December 31, 2006. Operating income increased by $41.9 million for the combined twelve-month period ended December 31, 2007 as compared to the year ended December 31, 2006 as a result of the items mentioned above.

Interest Expense. Our interest expense was $61.7 million for the eleven months ended December 31, 2007 and McJunkin's interest expense was $0.1 million for the one month ended January 30, 2007, as compared to McJunkin's interest expense of $2.8 million for the year ended December 31, 2006. The increase of $59.0 million for the combined twelve-month period ended

December 31, 2007 as compared to the year ended December 31, 2006 was primarily due to our entering into and borrowing under our then-existing $300 million asset-backed revolving credit facility and our $575 million term loan facility to finance the acquisition of McJunkin by the Goldman Sachs Funds on January 31, 2007.

Minority Interests. Our minority interests were $0.1 million for the eleven months ended December 31, 2007 and McJunkin's minority interests were $0.4 million for the one month ended January 30, 2007, as compared to McJunkin's minority interests of $4.1 million for the year ended December 31, 2006. The decrease of $3.6 million for the combined twelve-month period ended December 31, 2007 as compared to the year ended December 31, 2006 was primarily due to the minority shareholders in McJunkin Appalachian selling their interests as part of the January 2007 acquisition of McJunkin by the Goldman Sachs Funds whereby McJunkin Appalachian became a wholly owned subsidiary.

Other Income (Expense), Net. Our other expense, net was $1.1 million for the eleven months ended December 31, 2007 and McJunkin's other expense, net was $15,000 for the one month ended January 30, 2007, as compared to McJunkin's other expense, net of $1.4 million for the year ended December 31, 2006. The decrease of $0.2 million expense for the combined twelve-month period ended December 31, 2007 as compared to the year ended December 31, 2006 was due to a change in our corporate charitable contributions policy in 2007 which reduced contribution expense in 2007 by $0.4 million and a decrease in board of directors' fees of $0.2 million, offset in part by the absence of gains from the sales of various parcels of real estate ($0.5 million) and life insurance proceeds received by McJunkin upon the deaths of certain stockholders not actively involved in management of the company, which were lower in 2007 as compared to 2006 by $0.3 million.

Income Tax Expense. Our income tax expense was $36.5 million for the eleven months ended December 31, 2007 and McJunkin's income tax expense was $4.6 million for the one month ended January 30, 2007, as compared to McJunkin's income tax expense of $48.3 million for the year ended December 31, 2006. The decrease of $7.2 million for the combined twelve-month period ended December 31, 2007 as compared to the year ended December 31, 2006 was due to (1) a decrease in pretax income of $13.2 million, permanent items decreased by $3.5 million due to one month of minority interest compared to 12 months in 2006, (2) a decrease in state taxable income of $14.6 million which resulted in a decrease in state income tax expense, and (3) a foreign tax credit of $.8 million in 2007 which we did not have in 2006, offset in part by an increase of $2.4 million relating to the inclusion of Red Man's results for the last two months of 2007.

The total provision for income taxes varied from the U.S. federal statutory rate due to the following:

	Successor		Predecessor			
	Period		Period		Period	
	Eleven Months Ended December 31, 2007		One Month Ended January 30, 2007		Year Ended December 31, 2006	
	(dollars in thousands)					
Federal tax expense at statutory rate	$32,721	35%	$3,918	35%	$41,270	35%
State taxes net of federal income tax benefit	3,971	4.2%	502	4.5%	5,653	4.8%
Non-deductible expenses	424	0.5%	26	0.2%	409	0.3%
Foreign	(827)	(0.9)%	0	0.0%	0	0.0%
Other	270	0.3%	153	1.4%	1,008	0.9%
Income tax provision	$36,559	39.1%	$4,599	41.1%	$48,340	41.0%

Net Income. Our net income was $56.9 million for the eleven months ended December 31, 2007 and McJunkin's net income was $6.6 million for the one month ended January 30, 2007, as compared to McJunkin's net income of $69.6 million for the year ended December 31, 2006. The decrease of $6.1 million for the combined twelve-month period ended December 31, 2007 as compared to the year ended December 31, 2006 was due to the factors described above.

Year Ended December 31, 2006 (Predecessor) Compared to the Year Ended December 31, 2005 (Predecessor)

Sales. McJunkin's sales were $1.7 billion for the year ended December 31, 2006 as compared to $1.4 billion for the year ended December 31, 2005. The increase of $268 million for the year ended December 31, 2006 as compared to the year ended December 31, 2005 was due to increases in our sales to the exploration and production, gas transmission and distribution, and petroleum refining end markets.

Cost of Sales. McJunkin's cost of sales was $1.4 billion for the year ended December 31, 2006 as compared to $1.2 billion for the year ended December 31, 2005. As a percentage of sales, McJunkin's cost of sales was 81.4% for the year ended December 31, 2006 as compared to 81.4% for the year ended December 31, 2005. The increase of $217 million for the year ended December 31, 2006 as compared to the year ended December 31, 2005 was due to increases in our sales to the exploration and production, gas transmission and distribution, and petroleum refining end markets, partially offset by a decrease in LIFO expense of $7.9 million resulting from a decrease in the inflation rate experienced in the cost of our products. Certain purchasing costs and warehousing activities (including receiving, inspection, stocking, picking and packing costs), as well as general warehousing expenses, are included in selling, general and administrative expenses and not in cost of sales. As such, our gross profit may not be comparable to others who may include these expenses as a component of cost of goods sold. Purchasing and warehousing activities costs approximated $26.9 million for the year ended December 31, 2006 compared to $25.1 million for the year ended December 31, 2005.

Selling, General and Administrative Expenses. McJunkin's selling, general and administrative expenses were $173.9 million for the year ended December 31, 2006 as compared to $155.7 million for the year ended December 31, 2005. As a percentage of sales, McJunkin's selling, general and administrative expenses were 10.2% for the year ended December 31, 2006 as compared to 10.8% for the year ended December 31, 2005. The increase of $18.2 million for the year ended December 31, 2006 as compared to the year ended December 31, 2005 was due to an $8.4 million increase in incentive compensation expense due to higher levels of sales and profitability; a $4.6 million increase in employee salaries, wages, overtime, benefits, and temporary labor due to increased sales activity; $3.0 million of consulting fees for strategic planning services; an increase in fuel costs of $0.6 million; and $0.4 million of expenses related to the acquisition of McJunkin by the Goldman Sachs Funds. Additionally, in 2005 we recorded losses of $0.7 million related to Hurricanes Katrina and Rita on which insurance recoveries were higher than anticipated. As a result of these insurance recoveries, 2006 expenses were reduced by $0.3 million.

Depreciation and Amortization. McJunkin's depreciation and amortization was $3.9 million for the year ended December 31, 2006 as compared to $3.7 million for the year ended December 31, 2005. The increase of $0.2 million for the year ended December 31, 2006 as compared to the year ended December 31, 2005 was due to the depreciation recorded in 2006 regarding certain distribution center expansions that were made in 2005.

Amortization of Intangibles. McJunkin's amortization of intangibles was $0.3 million for the year ended December 31, 2006 and $0.3 million for the year ended December 31, 2005.

Profit Sharing Expenses. McJunkin's profit sharing expenses were $15.1 million for the year ended December 31, 2006 as compared to $13.1 million for the year ended December 31, 2005. The increase of $2.0 million for the year ended December 31, 2006 as compared to the year ended

December 31, 2005 was due to increased compensation, primarily management incentive compensation, increased profitability and an increase in the number of employees from year to year.

Operating Income. As a result of the items mentioned above, McJunkin's operating income was $126.2 million for the year ended December 31, 2006 as compared to $95.9 million for the year ended December 31, 2005, an increase of $30.3 million.

Interest Expense. McJunkin's interest expense was $2.8 million for the year ended December 31, 2006 as compared to $2.7 million for the year ended December 31, 2005, an increase of $0.1 million attributable to marginally higher levels of debt.

Minority Interests. McJunkin's minority interests were $4.1 million for the year ended December 31, 2006 as compared to $2.8 million for the year ended December 31, 2005. The increase of $1.3 million for the year ended December 31, 2006 as compared to the year ended December 31, 2005 was due to a $9.5 million increase in net income at McJunkin Appalachian to $28.7 million for the year ended December 31, 2006 from $19.2 million for the year ended December 31, 2005.

Other Expenses, Net. McJunkin's other expenses, net were $1.4 million for the year ended December 31, 2006 as compared to $1.3 million for the year ended December 31, 2005. The increase of $0.1 million for the year ended December 31, 2006 as compared to the year ended December 31, 2005 was partly due to a $0.3 million increase in allowance for doubtful accounts receivable, offset by a decrease in charitable contributions expense in 2006 of $0.6 million due to the absence in 2006 of certain special contributions made in 2005, including $0.1 million in contributions made to Hurricane Katrina relief efforts. Additionally, we realized a gain of $0.7 million on the sale of real estate in 2006, realized a gain of $0.9 million on the sale of stock in PrimeEnergy in 2005, and received income of $0.5 million from swap valuation in 2005 (the swap instrument expired in 2005).

Income Tax Expense. McJunkin's income tax expense was $48.3 million for the year ended December 31, 2006 as compared to $36.6 million for the year ended December 31, 2005. The increase of $11.7 million for the year ended December 31, 2006 as compared to the year ended December 31, 2005 was due to pre-tax income increased $28.8 million and permanent items increased $1.0 million primarily due to increased minority interest income related to McJunkin Appalachian.

The total provision for income taxes varied from the U.S. federal statutory rate due to the following:

	Predecessor			
	Period		Period	
	Year Ended December 31, 2006		Year Ended December 31, 2005	
	(dollars in thousands)			
Federal tax expense at statutory rate	$41,270	35%	$31,193	35%
State taxes net of federal income tax benefit	5,653	4.8%	4,254	4.8%
Non-deductible expenses	409	0.3%	372	0.4%
Other	1,008	0.9%	764	0.9%
Income tax provision	$48,340	41.0%	$36,583	41.0%

Net Income. McJunkin's net income was $69.6 million for the year ended December 31, 2006 as compared to $52.5 million for the year ended December 31, 2005. The increase of $17.1 million for the year ended December 31, 2006 as compared to the year ended December 31, 2005 was due to the factors described above.

Red Man: Year Ended October 31, 2007 Compared to the Year Ended October 31, 2006.

Sales. Red Man's sales were $2.0 billion for the year ended October 31, 2007 as compared to $1.8 billion for the year ended October 31, 2006. The increase of $166.7 million for the year ended October 31, 2007 as compared to the year ended October 31, 2006 was due primarily to an increase of $179.5 million in Red Man US sales to $1,499.2 million for the year ended October 31, 2007 as compared to $1,319.7 million for the year ended October 31, 2006, partially offset by a $12.8 million decrease in Midfield sales to $482.8 million for the year ended October 31, 2007 as compared to $495.6 million for the year ended October 31, 2006. The increase in Red Man US sales was primarily attributable to growth in upstream and midstream oil & gas operations reflecting higher spending by exploration, production and field services companies associated with increased drilling and completion activities. The decrease in Midfield sales was attributable to a slowing of spending by exploration, production and field services companies associated with decreased drilling and completion activities in Canada.

Cost of Products Sold. Red Man's cost of products sold was $1.6 billion for the year ended October 31, 2007 as compared to $1.6 billion for the year ended October 31, 2006. As a percentage of sales, Red Man's cost of products sold was 82.4% for the year ended October 31, 2007 as compared to 85.4% for the year ended October 31, 2006. The increase of $81.2 million for the year ended October 31, 2007 as compared to the year ended October 31, 2006 was due primarily to an increase in sales of $166.7 million to $1,982.0 million in the year ended October 31, 2007 as compared to $1,815.3 million for the year ended October 31, 2006 due primarily to growth in upstream and midstream oil & gas operations reflecting higher spending by exploration, production and field services companies associated with increased drilling and completion activities. The decrease in the percentage of cost of product sold of 82.4% in 2007 as compared with 85.4% in 2006 was due to lower cost of product sold percentages for both the Midfield business and the Red Man US business in 2007 as compared to 2006, due to lower cost of product sold percentages of other pipe, valve and fittings partially offset by an overall increase in tubulars cost of product sold percentages in 2007 as compared to 2006. Also, Red Man had an $8.0 million decrease in the LIFO reserve in 2007 as compared to a $35.9 million increase in the LIFO reserve in 2006. Certain purchasing costs and warehousing activities (including receiving, inspection, stocking, picking and packing costs), as well as general warehousing expenses, are included in selling, general and administrative expenses and not in cost of products sold. As such, our gross profit may not be comparable to others who may include these expenses as a component of cost of goods sold. Purchasing and warehousing activities costs approximated $17.2 million for the year ended October 31, 2007 compared to $14.8 million for the year ended October 31, 2006.

Selling, General and Administrative Expenses. Red Man's selling, general and administrative expenses were $186.6 million for the year ended October 31, 2007 as compared to $172.2 million for the year ended October 31, 2006. As a percentage of sales, Red Man's selling, general and administrative expenses were 9.4% for the year ended October 31, 2007 as compared to 9.5% for the year ended October 31, 2006. The increase of $14.4 million, or 8.4%, for the year ended October 31, 2007 as compared to the year ended October 31, 2006 was due to an increase in sales of $166.7 million in 2007 compared with 2006, which represents a 9.2% increase in sales, which resulted in increased selling, general and administrative expenses commensurate with the sales activity increase.

Operating Income. Red Man's operating income was $163.1 million for the year ended October 31, 2007 as compared to $92.0 million for the year ended October 31, 2006. The increase of $71.1 million for the year ended October 31, 2007 as compared to the year ended October 31, 2006 was due to the factors described above.

Interest Expense. Red Man's interest expense was $20.6 million for the year ended October 31, 2007 as compared to $15.0 million for the year ended October 31, 2006. The increase of

$5.6 million for the year ended October 31, 2007 as compared to the year ended October 31, 2006 was due to higher average borrowings during 2007 as compared to 2006.

Other Income (Expense), Net. Red Man's other income (expense), net was $(2.7) million for the year ended October 31, 2007 as compared to $3.3 million for the year ended October 31, 2006. The decrease of $6.0 million for the year ended October 31, 2007 as compared to the year ended October 31, 2006 was primarily due to a goodwill impairment loss on Midfield of $5.1 million recorded in the year ended October 31, 2007. Red Man performed an impairment analysis for its goodwill and intangible assets and engaged an independent valuation specialist to determine the fair values of Red Man's business units. The valuation analysis determined that the fair value of the Nusco pipe division's goodwill and intangible assets was lower than their carrying value as of July 31, 2007.

Income Tax Expense. Red Man's income tax expense was $57.6 million for the year ended October 31, 2007 as compared to $26.5 million for the year ended October 31, 2006. The increase of $31.1 million for the year ended October 31, 2007 as compared to the year ended October 31, 2006 was primarily due to an increase in earnings before income taxes of $59.5 million to $139.8 million for the year ended October 31, 2007 as compared to $80.3 million for the year ended October 31, 2006 as well as an increase in the effective income tax rate in 2007 as compared to 2006.

Non-Controlling Interest. Red Man's non-controlling interest was $0.1 million for the year ended October 31, 2007 as compared to $0.2 million for the year ended October 31, 2006.

Earnings From Discontinued Operations. Red Man earnings from discontinued operations were $(2.2) million for the year ended October 31, 2006. These earnings are associated with Nusco Mfg., a division of Midfield Supply ULC, which was disposed of in June 2006.

Gain on Sale of Discontinued Operations. Red Man recorded a gain on sale of discontinued operations of $8.2 million for the year ended October 31, 2006 in connection with the disposition in June 2006 of Nusco Mfg., a division of Midfield Supply ULC.

Net Income. Red Man's net income was $82.2 million for the year ended October 31, 2007 as compared to $59.6 million for the year ended October 31, 2006. The increase of $22.6 million for the year ended October 31, 2007 as compared to the year ended October 31, 2006 was due to the factors described above.

Red Man: Year Ended October 31, 2006 Compared to the Year Ended October 31, 2005.

Sales. Red Man's sales were $1.8 billion for the year ended October 31, 2006 as compared to $1.2 billion for the year ended October 31, 2005. The increase of $591.2 million for the year ended October 31, 2006 as compared to the year ended October 31, 2005 was primarily due to the acquisition of a controlling interest in Midfield in June 2005. Sales of Midfield were $495.6 million for the year ended October 31, 2006 as compared with $158.7 million for the year ended October 31, 2005, an increase of $336.9 million due to a full year of sales in 2006. In addition, Red Man US sales were $1,319.7 million for the year ended October 31, 2006 as compared with $1,065.4 million for the year ended October 31, 2005, an increase of $254.3 million due primarily to growth in upstream and midstream oil & gas operations reflecting higher spending by exploration, production & field services companies associated with increased drilling and completion activities.

Cost of Products Sold. Red Man's cost of products sold was $1.6 billion for the year ended October 31, 2006 as compared to $1.0 billion for the year ended October 31, 2005. As a percentage of sales, Red Man's cost of products sold was 85.4% for the year ended October 31, 2006 as compared to 83.6% for the year ended October 31, 2005. The increase of $528.1 million for the year ended October 31, 2006 as compared to the year ended October 31, 2005 was primarily due to the acquisition of Midfield in June 2005 and growth in upstream and midstream oil and gas operations in the United States. In addition, Red Man US cost of products sold was $1,132.5 million for the year ended October 31, 2006 as compared with $886.7 million for the year ended October 31, 2005, an increase of $245.8 million, primarily due to growth in upstream and midstream oil and gas operations

reflecting higher spending by exploration, production and field services companies associated with increased drilling and completion activities. The increase in cost of product sold as a percentage of sales of 85.4% in 2006 as compared with 83.6% in 2005 was due to higher cost of product sold percentages for the Midfield business which was a larger percentage of the overall Red Man business in 2006 as compared to 2005 and an overall increase in tubulars cost of product sold percentages in the United States in 2006 as compared to 2005, partially offset by lower cost of product sold percentages of other pipe, valve and fittings business in the United States. Also, Red Man had a $35.9 million increase in the LIFO reserve in 2006, which increased its cost of products sold as a percentage of sales as compared with a $0.7 million reduction in 2005, which decreased its cost of products sold as a percentage of sales. Certain purchasing costs and warehousing activities (including receiving, inspection, stocking, picking and packing costs), as well as general warehousing expenses, are included in selling, general and administrative expenses and not in cost of products sold. As such, our gross profit may not be comparable to others who may include these expenses as a component of cost of goods sold. Purchasing and warehousing activities costs approximated $14.8 million for the year ended October 31, 2006 compared to $10.0 million for the year ended October 31, 2005.

Selling, General and Administrative Expenses. Red Man's selling, general and administrative expenses were $172.2 million for the year ended October 31, 2006 as compared to $100.2 million for the year ended October 31, 2005. As a percentage of sales, Red Man's selling, general and administrative expenses were 9.5% for the year ended October 31, 2006 as compared to 8.2% for the year ended October 31, 2005. The increase of $72.0 million for the year ended October 31, 2006 as compared to the year ended October 31, 2005 was due primarily to an additional $47.7 million in expenses for Midfield due to including them for a full year in 2006. In addition, there was an additional $18.2 million in employee related expenses in the United States due primarily to a 12.4% increase in the overall average headcount in 2006 as compared with 2005 due to increased business activities. The increase in selling, general and administrative expenses as a percentage of sales of 9.5% in 2006 as compared with 8.2% in 2005 was primarily due to higher Midfield expenses as a percentage of overall expenses in 2006 as compared with 2005.

Operating Income. Red Man's operating income was $92.0 million for the year ended October 31, 2006 as compared to $100.9 million for the year ended October 31, 2005. The decrease of $8.9 million for the year ended October 31, 2006 as compared to the year ended October 31, 2005 was due to an increase in the LIFO reserve of $35.9 million in 2006 as compared to a $0.7 million reduction in 2005, and an increase in selling, general and administrative expenses to $172.2 million in 2006 as compared to $100.2 million in 2005, partially offset by an increase in pre-LIFO gross margin of $300.1 million in 2006 as compared to $200.4 million in 2005.

Interest Expense. Red Man's interest expense was $15.0 million for the year ended October 31, 2006 as compared to $8.4 million for the year ended October 31, 2005. The increase of $6.6 million for the year ended October 31, 2006 as compared to the year ended October 31, 2005 was due primarily to $7.3 million of interest on debt of Midfield for the year ended October 31, 2006 as compared to $2.2 million for the year ended October 31, 2005. This increase was primarily due to a full year of interest in 2006 as compared to four and one-half months in 2005 due to the acquisition of Midfield in June 2005. In addition, Red Man U.S. interest expense for the year ended October 31, 2006 was $7.7 million as compared to $6.2 million for the year ended October 31, 2005 due primarily to increased borrowings in 2006 versus 2005.

Other Income (Expense), Net. Red Man's other income (expense), net was $3.3 million for the year ended October 31, 2006 as compared to $1.0 million for the year ended October 31, 2005. The increase of $2.3 million for the year ended October 31, 2006 as compared to the year ended October 31, 2005 was primarily due to an insurance settlement related to Hurricanes Katrina and Rita in 2006.

Income Tax Expense. Red Man's income tax expense was $26.5 million for the year ended October 31, 2006 as compared to $34.2 million for the year ended October 31, 2005. The decrease of

$7.7 million for the year ended October 31, 2006 as compared to the year ended October 31, 2005 was due primarily to a decrease in earnings before income taxes of $13.2 million in 2006 as compared to 2005 as well as a lower effective income tax rate in 2006 as compared to 2005.

Non-Controlling Interest. Red Man's non-controlling interest was $0.2 million for the year ended October 31, 2006 as compared to none for the year ended October 31, 2005.

Earnings From Discontinued Operations. Red Man's earnings from discontinued operations were $(2.2) million for the year ended October 31, 2006 as compared to $0.5 million for the year ended October 31, 2005. These earnings are associated with Nusco Mfg., a division of Midfield Supply ULC, which was disposed of in June 2006.

Gain on Sale of Discontinued Operations. Red Man recorded a gain on sale of discontinued operations of $8.2 million for the year ended October 31, 2006 in connection with the disposition by Midfield of Nusco Mfg. in June 2006.

Net Income. Red Man's net income was $59.6 million for the year ended October 31, 2006 as compared to $59.8 million for the year ended October 31, 2005, a decrease of $0.2 million.

Liquidity and Capital Resources

Our primary sources of liquidity consist of cash generated from our operating activities, existing cash balances and borrowings under our existing revolving credit facilities. Our ability to generate sufficient cash flows from our operating activities will continue to be primarily dependent on our sales of pipe, valves, fittings and other products and services to our customers at margins sufficient to cover fixed and variable expenses. As of June 26, 2008 we had cash and cash equivalents of $8.8 million and up to $542.5 million available under our revolving credit facilities.

We believe our sources of liquidity will be sufficient to satisfy the anticipated cash requirements associated with our existing operations for at least the next twelve months. However, our future cash requirements could be higher than we currently expect as a result of various factors. Additionally, our ability to generate sufficient cash from our operating activities depends on our future performance, which is subject to general economic, political, financial, competitive and other factors beyond our control.

Our credit facilities consist of a $575 million term loan facility, a $700 million revolving credit facility, a $450 million junior term loan facility, and the two credit facilities of our subsidiary Midfield. The $575 million term loan facility was entered into for purposes of financing the GS Acquisition in January 2007, and was subsequently amended in connection with the Red Man Transaction in October 2007. The $700 million revolving credit facility was entered into for purposes of financing the Red Man Transaction in October 2007. The $450 million junior term loan facility was entered into in connection with our May 2008 recapitalization and the proceeds of the facility were distributed by way of a dividend to stockholders of McJunkin Red Man Holding Corporation.

Revolving Credit Facility and Term Loan Facility

Our subsidiary McJunkin Red Man Corporation is the borrower under a $700 million revolving credit facility (the "Revolving Credit Facility") and a $575 million term loan facility (the "Term Loan Facility" and, together with the Revolving Credit Facility, the "Senior Secured Facilities"). $204.4 million of borrowings were outstanding and $490.9 million were available under the Revolving Credit Facility as of June 26, 2008. Goldman Sachs Credit Partners L.P. and Lehman Brothers Inc. are co-lead arrangers and joint bookrunners for each of these facilities.

McJunkin Red Man Corporation entered into the Term Loan Facility, as well as a $300 million asset-backed revolving credit facility with The CIT Group/Business Credit, Inc., and the other financial institutions party thereto, in January 2007 for purposes of financing the acquisition of McJunkin Corporation by affiliates of Goldman Sachs. The Term Loan Facility was amended, and the Revolving

Credit Facility was entered into, for purposes of financing the Red Man Transaction in October 2007 and refinancing the $300 million asset-backed revolving credit facility. The Revolving Credit Facility was upsized on June 10, 2008 from $650 million to $700 million.

Letter of Credit and Swingline Sublimits. The Revolving Credit Facility provides for the extension of both revolving loans and swingline loans and the issuance of letters of credit. The aggregate principal amount of revolving loans outstanding at any time under the Revolving Credit Facility may not exceed $700 million, subject to adjustments based on changes in the borrowing base and less the sum of aggregate letters of credit outstanding and the aggregate principal amount of swingline loans outstanding, provided that the borrower may elect to increase the limit on the revolving loans or term loans outstanding as described in "— Incremental Facilities" below. There is a $60 million sub-limit on swingline loans and the total letters of credit outstanding at any time may not exceed $60 million.

Maturity. The revolving loans have a maturity date of October 31, 2013 and the swingline loans have a maturity date of October 24, 2013. Any letters of credit outstanding under the Revolving Credit Facility will expire on October 24, 2013. The maturity date of the term loans under the Term Loan Facility is January 31, 2014.

Interest Rate and Fees. The term loans bear interest at a rate per annum equal to, at the borrower's option, either (i) the greater of the prime rate and the federal funds effective rate plus 0.50%, plus in either case 2.25%; or (ii) LIBOR plus 3.25%. On June 26, 2008, $567.8 million was outstanding under the Term Loan Facility and the interest rate on these loans was 6.13%.

The revolving loans bear interest at a rate per annum equal to, at the borrower's option, either (i) the greater of the prime rate and the federal funds effective rate plus 0.50%, plus in either case (a) 0.50% if the borrower's consolidated total debt to consolidated adjusted EBITDA ratio is greater than or equal to 2.75 to 1.00, (b) 0.25% if such ratio is greater than or equal to 2.00 to 1.00 but less than 2.75 to 1.00, or (c) 0.00% if such ratio is less than 2.00 to 1.00; or (ii) LIBOR plus (a) 1.50% if the borrower's consolidated total debt to consolidated adjusted EBITDA ratio is greater than or equal to 2.75 to 1.00, (b) 1.25% if such ratio is greater than or equal to 2.00 to 1.00 but less than 2.75 to 1.00, or (c) 1.00% if such ratio is less than 2.00 to 1.00. Interest on swingline loans is calculated on the basis of the rate described in clause (i) of the preceding sentence. The weighted average interest rate on the revolving loans as of June 26, 2008 was 4.14% and the interest rate on the swingline loans was 5.25%.

Additionally, the borrower is required to pay a commitment fee with respect to unutilized revolving credit commitments at a rate per annum equal to (i) 0.375% if the borrower's consolidated total debt to consolidated adjusted EBITDA ratio is greater than or equal to 2.75 to 1.00 and (ii) 0.25% if such ratio is less than 2.75 to 1.00. The borrower is also required to pay fees on the stated amounts of outstanding letters of credit for the account of all revolving lenders at a per annum rate equal to (i) 1.375% if the borrower's consolidated total debt to consolidated adjusted EBITDA ratio is greater than or equal to 2.75 to 1.00, (ii) 1.125% if such ratio is greater than or equal to 2.00 to 1.00 but less than 2.75 to 1.00, or (iii) 0.875% if such ratio is less than 2.00 to 1.00. The borrower is required to pay a fronting fee for the account of the letter of credit issuer in respect of each letter of credit issued by it at a rate for each day equal to 0.125% per annum on the average daily stated amount of such letter of credit. The borrower is also obligated to pay directly to the letter of credit issuer upon each issuance of, drawing under, and/or amendment of, a letter of credit issued by it such amount as the borrower and the letter of credit issuer agree upon for issuances of, drawings under or amendments of, letters of credit issued by the letter of credit issuer.

Prepayments. The borrower may voluntarily prepay revolving loans, swingline loans and term loans in whole or in part at the borrower's option, in each case without premium or penalty. If the borrower refinances the term loans on certain terms prior to October 31, 2008, the borrower will be

subject to a prepayment penalty of 1.00% of the aggregate principal amount of such payment. The borrower is required to prepay outstanding term loans with 100% of the net cash proceeds of:

- a disposition of any business units, assets or other property of the borrower or any of the borrower's restricted subsidiaries not in the ordinary course of business, subject to certain exceptions for permitted asset sales;
- a casualty event with respect to collateral for which the borrower or any of its restricted subsidiaries receives insurance proceeds, or proceeds of a condemnation award or other compensation;
- the issuance or incurrence by the borrower or any of its restricted subsidiaries of indebtedness, subject to certain exceptions; and
- any sale-leaseback transaction permitted under the Term Loan Facility.

Not later than the date that is 90 days after the last day of any fiscal year, the borrower under the Term Loan Facility will be required to prepay the outstanding term loans under the Term Loan Facility with an amount equal to (i) 50% of "excess cash flow" for such fiscal year, provided that (a) the percentage will be reduced to 25% if the borrower's ratio of consolidated total debt to consolidated EBITDA for the most recent four consecutive fiscal quarters is no greater than 2.50 to 1.00 but greater than 2.00 to 1.00, and (b) no prepayment of term loans with excess cash flow is required if the borrower's ratio of consolidated total debt to consolidated EBITDA for the most recent four consecutive fiscal quarters is no greater than 2.00 to 1.00, minus (ii) the principal amount of term loans under the Term Loan Facility voluntarily prepaid during such fiscal year.

In addition, if at any time the aggregate amount of outstanding loans, unreimbursed letter of credit drawings and undrawn letters of credit under the Revolving Credit Facility exceeds the total revolving credit commitments and (ii) the borrowing base, the borrower will be required to repay outstanding loans or cash collateralize letters of credit in an aggregate amount equal to such excess, with no reduction of the commitment amount. If the amount available under the Revolving Credit Facility is less than 7% of total revolving credit commitments for any period of five consecutive business days, or an event of default pursuant to certain provisions of the Revolving Credit Facility has occurred, the borrower would be required to transfer funds from certain blocked accounts daily into a collection account under the exclusive control of the agent under the Revolving Credit Facility.

Amortization. The term loans are repayable in quarterly installments in an amount equal to the principal amount of the term loans outstanding on the quarterly installment date multiplied by 0.25%, with the balance of the principal amount due on the term loan maturity date of January 31, 2014.

Incremental Facilities. Subject to certain terms and conditions, the borrower may request an increase in revolving loan commitments and term loan commitments. The increase in revolving loan commitments may not exceed the sum of (i) $150 million, plus (ii) only after the entire amount in the preceding clause (i) is drawn, an amount such that on a pro forma basis after giving effect to the new revolving credit commitments and certain other specified transactions, the secured leverage ratio will be no greater than 4.75 to 1.00. The borrower's ability to borrow under such incremental facilities, however, would still be limited by the borrowing base. The incremental term loan commitments may not exceed the difference between (i) up to $100 million, and (ii) the sum of all incremental revolving commitments and incremental term loan commitments taken together. Any lender that is offered to provide all or part of the new revolving loan commitments or new term loan commitments may elect or decline, in its sole discretion, to provide such new commitments. No lender is required to fund any of such amounts.

Collateral and Guarantors. The obligations under the Senior Secured Facilities are guaranteed by the borrower's wholly owned domestic subsidiaries. The obligations under the Revolving Credit Facility are secured, subject to certain significant exceptions, by substantially all of

the assets of the borrower and the subsidiary guarantors, including (i) a first-priority security interest in personal property consisting and arising from inventory and accounts receivable; (ii) a second-priority pledge of certain of the capital stock held by the borrower or any subsidiary guarantor; and (iii) a second-priority security interest in, and mortgages on, substantially all other tangible and intangible assets of the borrower and each subsidiary guarantor. The obligations under the Term Loan Facility are secured, subject to exceptions, by substantially all of the assets of the borrower and the subsidiary guarantors, including (i) a second-priority security interest in personal property consisting of and arising from inventory and accounts receivable; (ii) a first-priority pledge of certain of the capital stock held by the borrower or any subsidiary guarantor; and (iii) a first-priority security interest in, and mortgages on, substantially all other tangible and intangible assets of the borrower and each subsidiary guarantor.

Covenants. The Senior Secured Facilities contain customary covenants. These agreements, among other things, restrict, subject to certain exceptions, the ability of the borrower and its subsidiaries to incur additional indebtedness, create liens on assets, engage in mergers, consolidations or sales of assets, dispose of subsidiary interests, make investments, loans or advances, pay dividends, make payments with respect to subordinated indebtedness, enter into sale and leaseback transactions, change the business conducted by the borrower and its subsidiaries taken as a whole, and enter into agreements that restrict subsidiary dividends or limit the ability of the borrower or any subsidiary guarantor to create or keep liens for the benefit of the lenders with respect to the obligations under the Senior Secured Facilities. The Senior Secured Facilities require the borrower to enter into interest rate swap, cap and hedge agreements for purposes of ensuring that no less than 50% of the aggregate principal amount of the total indebtedness of the borrower and its subsidiaries then outstanding is either subject to such interest rate agreements or bears interest at a fixed rate.

The Term Loan Facility requires the borrower to maintain a maximum ratio of consolidated total debt to consolidated adjusted EBITDA and a minimum ratio of consolidated adjusted EBITDA to consolidated interest expense. Each of these ratios is calculated for the period that is four consecutive fiscal quarters prior to the date of calculation. These financial covenants are set forth in the table below:

Four Consecutive Fiscal Quarters Ending on:	Maximum Consolidated Total Debt to Consolidated Adjusted EBITDA Ratio	Minimum Consolidated Adjusted EBITDA to Consolidated Interest Expense Ratio
June 30, 2008	4.25:1.00(a)	3.00:1.00(b)
September 30, 2008	4.25:1.00	3.00:1.00
December 31, 2008	4.25:1.00	3.00:1.00
March 31, 2009	3.50:1.00	3.25:1.00
June 30, 2009	3.50:1.00	3.25:1.00
September 30, 2009	3.50:1.00	3.25:1.00
December 31, 2009	3.50:1.00	3.25:1.00
March 31, 2010	2.75:1.00	3.25:1.00
June 30, 2010	2.75:1.00	3.25:1.00
September 30, 2010	2.75:1.00	3.25:1.00
December 31, 2010	2.75:1.00	3.25:1.00
March 31, 2011	2.50:1.00	3.25:1.00
June 30, 2011	2.50:1.00	3.25:1.00
September 30, 2011	2.50:1.00	3.25:1.00
December 31, 2011	2.50:1.00	3.25:1.00
March 31, 2012 and thereafter	2.50:1.00	3.50:1.00

(a) The borrower's actual consolidated total debt to consolidated Adjusted EBITDA ratio was 2.44:1.00 for the four fiscal quarters ending on December 31, 2007 and was 1.95:1.00 for the four fiscal quarters ending on June 30, 2008.

(b) The borrower's actual consolidated Adjusted EBITDA to consolidated interest expense ratio was 5.27:1.00 for the four fiscal quarters ending on December 31, 2007 and was 6.86:1.00 for the four fiscal quarters ending on June 30, 2008.

If the borrower fails to comply with the consolidated total debt to consolidated adjusted EBITDA ratio, then within ten days after the date on which financial statements for the applicable period are due under the Term Loan Facility, the Goldman Sachs Funds and other investors in the borrower (or any direct or indirect parent of the borrower) have a cure right which allows any of them to make a direct or indirect equity investment in the borrower or any restricted subsidiary of the borrower in cash. If such cure right is exercised, the consolidated total debt to consolidated adjusted EBITDA ratio of the borrower will be recalculated to give pro forma effect to the net cash proceeds received from the exercise of the cure right. The cure right is subject to certain limitations. For the four prior consecutive fiscal quarters, there must be at least one fiscal quarter in which the cure right is not exercised. Additionally, the equity investment contributed under the cure right may not exceed the amount necessary to bring the borrower back into compliance with the restrictions regarding the borrower's consolidated total debt to consolidated adjusted EBITDA ratio.

The computation of the consolidated total debt to consolidated adjusted EBITDA ratio and the consolidated adjusted EBITDA to consolidated interest expense ratio are governed by the specific terms of the Term Loan Facility. The computation of these ratios requires a calculation of consolidated adjusted EBITDA. In general, under the terms of our Revolving Credit Facility, Term Loan Facility and our Junior Term Loan Facility (as described below), adjusted EBITDA is defined as consolidated net income, plus (without duplication and to the extent already deducted in arriving at consolidated net income):

- total interest expense and to the extent not reflected in such total interest expense, any losses on hedging obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, net of interest income and gains on such hedging obligations and costs of surety bonds in connection with financing activities;
- provisions for taxes based on income, profits or capital, including state, franchise and similar taxes and foreign withholding taxes paid or accrued;
- depreciation and amortization;
- other non-cash charges;
- extraordinary losses and unusual or non-recurring charges, severance, relocation costs and curtailments or modifications to pension and post-retirement employee benefit plans;
- restructuring charges or reserves;
- any deductions attributable to minority interests;
- management, monitoring, consulting and advisory fees and related expenses paid to the Goldman Sachs Funds and their affiliates;
- any costs or expenses incurred pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of McJunkin Red Man Corporation or net cash proceeds of an issuance of stock or stock equivalents of McJunkin Red Man Corporation; and
- (i) for any period that includes a fiscal quarter occurring prior to the fifth fiscal quarter occurring after January 31, 2007, certain specified cost savings and (ii) for any period that includes a fiscal quarter occurring thereafter, the amount of net cost savings that we project in good faith to be realized as a result of specified actions taken by us in connection with certain

specified transactions, including the Red Man Transaction (calculated on a pro forma basis as though such cost savings had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions, subject to certain limitations and exceptions with respect to clause (ii) above;

less, without duplication and to the extent included in arriving at consolidated net income, the sum of the following:

- extraordinary gains and unusual or non-recurring gains;
- non-cash gains (excluding any non-cash gain to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced consolidated net income in any prior period);
- gains on asset sales (other than asset sales in the ordinary course of business);
- any net after-tax income from the early extinguishment of indebtedness or hedging obligations or other derivative instruments; and
- all gains from investments recorded using the equity method;

provided that certain adjustments, such as certain currency translation gains and losses and adjustments resulting from the application of Statement of Financial Accounting Standards No. 133, shall be excluded from the calculation of consolidated adjusted EBITDA to the extent they are included in consolidated net income. Additionally, to the extent included in consolidated net income, the adjusted EBITDA of properties, businesses or assets acquired during the applicable period shall be included in the calculation of consolidated adjusted EBITDA to the extent not subsequently disposed of, and the adjusted EBITDA of properties, businesses and assets sold during the applicable period shall be excluded from the calculation of adjusted EBITDA.

Also, the calculation of consolidated adjusted EBITDA with respect to any period includes, to the extent included in consolidated net income, for the four consecutive fiscal quarters last ended to the extent such four-quarter period includes all or any part of a fiscal quarter included in a “post-acquisition period” (a period beginning on the date that a permitted acquisition is consummated and ending on the last day of the fourth full fiscal quarter immediately following the date that the permitted acquisition is consummated), a pro forma adjustment equal to the increase or decrease in consolidated adjusted EBITDA projected by us in good faith as a result of (i) actions taken during such post-acquisition period for the purposes of realizing reasonably identifiable and factually supportable cost savings or (ii) any additional costs incurred during such post-acquisition period, in each case in connection with the combination of the operations of such acquired entity or business with our operations. For purposes of this calculation, it may be assumed that such cost savings will be realizable during the entirety of the four consecutive fiscal quarters last ended, and that any such pro forma increase or decrease to consolidated adjusted EBITDA shall be without duplication for cost savings or additional costs already included in consolidated adjusted EBITDA for the four consecutive fiscal quarters last ended.

We present consolidated adjusted EBITDA, or Adjusted EBITDA, because it is a material component of material covenants within our Term Loan Facility and Junior Term Loan Facility and also affects the interest rate charged on revolving loans under our Revolving Credit Facility. As such, it has a material impact on our liquidity and financial position. However, Adjusted EBITDA is not a defined term under GAAP and should not be considered as an alternative to net income as a measure of

operating results or as an alternative to cash flows as a measure of liquidity. Adjusted EBITDA is calculated as follows:

	Predecessor			Successor	Pro Forma	Successor	Pro Forma	Successor
	Year Ended December 31, 2005	Year Ended December 31, 2006	One Month Ended January 30, 2007	Eleven Months Ended December 31, 2007	Year Ended December 31, 2007	Five Months Ended June 28, 2007	Six Months Ended June 28, 2007	Six Months Ended June 26, 2008
				(In millions)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net income	$ 52.5	$ 69.6	$ 6.6	$ 56.9	$ 150.8	$ 17.6	$ 62.8	$ 75.9
Plus:								
Interest expense	2.7	2.8	0.1	61.7	60.8	24.3	30.4	35.0
Income tax expense	36.6	48.3	4.6	36.5	90.5	12.3	37.7	43.2
Amortization of intangibles	0.3	0.3	—	10.5	24.6	4.6	12.3	15.6
Depreciation and amortization	3.7	3.9	0.3	5.4	10.8	1.7	5.4	5.2
Stock-based compensation	—	—	—	3.0	2.9	1.3	2.3	3.3
Red Man pre-merger contribution	—	—	13.1	142.2	—	74.5	—	—
Midway pre-acquisition contribution	—	—	1.0	2.8	3.8	2.8	—	—
LIFO expense	20.2	12.2	—	10.3	10.3	3.0	3.0	55.6
Non-recurring and transaction-related expenses(a)	—	0.4	—	12.7	12.7	9.1	9.1	11.9
Minority interest / Midfield employee profit sharing plan	—	—	0.4	0.9	1.3	—	0.4	3.1
Transaction cost savings	—	—	—	1.1	1.1	—	—	—
Other(b)	(0.4)	1.6	(0.1)	0.9	0.8	0.1	—	1.1
Adjusted EBITDA	$ 115.6	$ 139.1	$ 26.0	$ 344.9	$ 370.4	$ 151.3	$ 163.4	$ 249.9

(a) Includes transaction costs associated with the GS Acquisition, our acquisition of Midway-Tristate Corporation, and the Red Man Transaction.
(b) Includes franchise tax expense, certain consulting fees, gains and losses on the sale of assets and other nonrecurring items.

Although the Revolving Credit Facility does not require the borrower to comply with any financial ratio maintenance covenants, if less than 7% of the then-outstanding credit commitments are available to be borrowed under the Revolving Credit Facility at any time, the borrower will not be permitted to borrow additional amounts unless its pro forma ratio of consolidated adjusted EBITDA to consolidated fixed charges is at least 1.00 to 1.00.

The Term Loan Facility provides that the borrower and its restricted subsidiaries may not make, or commit to make, capital expenditures in excess of $25 million in any year. If the actual amount of capital expenditures made in any fiscal year is less than the amount permitted to be made in such fiscal year, the amount of such difference may be carried forward and used to make capital expenditures in the succeeding fiscal year, though the carried forward amount may not be used beyond the immediately succeeding fiscal year.

Events of Default. The Senior Secured Facilities contain customary events of default. The events of default include the failure to pay interest and principal when due, failure to pay fees and any other amounts owed under the Senior Secured Facilities when due, a breach of certain covenants in the Senior Secured Facilities, a breach of any representation or warranty contained in the Senior Secured Facilities in any material respect, defaults in payments with respect to any other indebtedness in excess of $15 million (under the Term Loan Facility) or in excess of $30 million (under the Revolving Credit Facility), defaults with respect to other indebtedness in excess of $15 million (under the Term Loan Facility) or in excess of $30 million (under the Revolving Credit Facility) that has the effect of accelerating such indebtedness, bankruptcy, certain events relating to employee benefits plans, failure of a material subsidiary's guarantee to remain in full force and effect, failure of the

security agreement, pledge agreements pursuant to which the stock of any material subsidiary is pledged, or any mortgage for the benefit of the lenders under the Term Loan Facility to remain in full force and effect, entry of one or more judgments or decrees against the borrower or its restricted subsidiaries involving a liability of $15 million or more in the aggregate (under the Term Loan Facility) or $30 million or more in the aggregate (under the Revolving Credit Facility), and the invalidation of subordination provisions of any document evidencing permitted additional debt having a principal amount in excess of $15 million.

The Senior Secured Facilities also contain an event of default upon the occurrence of a change of control. Under the Senior Secured Facilities, a "change of control" shall have occurred if (i) the Goldman Sachs Funds and certain of their affiliates shall cease to beneficially own at least 35% of the voting power of the outstanding voting stock of the borrower (other than as a result of one or more widely distributed offerings of the common stock of the borrower or any direct or indirect parent of the borrower); or (ii) any person, entity or "group" (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended) shall have acquired beneficial ownership of a percentage of the voting power of the outstanding voting stock of the borrower that exceeds the percentage of the voting power of such voting stock then beneficially owned, in the aggregate, by the Goldman Sachs Funds and certain of their affiliates, unless, in the case of either clause (i) or (ii) above, the Goldman Sachs Funds and certain of their affiliates have, at such time, the right or the ability by voting power, contract or otherwise to elect or designate for election at least a majority of the board of directors of the borrower; or (iii) a majority of the board of directors of the borrower ceases to consist of "continuing directors", defined as individuals who (a) were members of the board of directors of the borrower on October 31, 2007 (or January 31, 2007 for purposes of determining whether an event of default has occurred under the Term Loan Facility), (b) who have been a member of the board of directors for at least 12 preceding months, (c) who have been nominated to be a member of the board of directors, directly or indirectly, by the Goldman Sachs Funds and certain of their affiliates or persons nominated by the Goldman Sachs Funds and certain of their affiliates or (d) who have been nominated to be a member of the board of directors by a majority of the other continuing directors then in office.

Junior Term Loan Facility

On May 22, 2008, McJunkin Red Man Holding Corporation, as the borrower, entered into a $450 Million Term Loan Credit Agreement (the "Junior Term Loan Facility"). Goldman Sachs Credit Partners L.P. and Lehman Brothers Inc. were the co-lead arrangers and joint bookrunners under this facility. The proceeds from the Junior Term Loan Facility, along with $25 million in proceeds from revolving loans drawn under the Revolving Credit Facility, were used to fund a dividend to McJunkin Red Man Holding Corporation's stockholders, including PVF Holdings LLC. PVF Holdings LLC distributed the proceeds it received from the dividend to its members, including the Goldman Sachs Funds and certain of our directors and members of our management. See "Certain Relationships and Related Party Transactions — Transactions with the Goldman Sachs Funds — May 2008 Dividend". The term loans under the Junior Term Loan Facility are not subject to amortization and the principal of such loans must be repaid on January 31, 2014.

Interest Rate and Fees. The term loans under the Junior Term Loan Facility bear interest at a rate per annum equal to, at the borrower's option, either (i) the greater of the prime rate and the federal funds effective rate plus 0.50%, plus in either case 2.25%, or (ii) LIBOR multiplied by the statutory reserve rate plus 3.25%.

Prepayments. We may voluntarily prepay term loans under the Junior Term Loan Facility in whole or in part at our option, without premium or penalty. After the payment in full of the term loans

under the Term Loan Facility, we will be required to prepay outstanding term loans under the Junior Term Loan Facility with 100% of the net cash proceeds of:

- a disposition of any of our or our restricted subsidiaries' business units, assets or other property not in the ordinary course of business, subject to certain exceptions for permitted asset sales;
- a casualty event with respect to collateral for which we or any of our restricted subsidiaries receives insurance proceeds, or proceeds of a condemnation award or other compensation;
- the issuance or incurrence by us or any of our restricted subsidiaries of indebtedness, subject to certain exceptions; and
- any sale-leaseback transaction permitted under the Junior Term Loan Facility.

Also, after the payment in full of the term loans under the Term Loan Facility, not later than the date that is 90 days after the last day of any fiscal year, we will be required to prepay the outstanding term loans under the Junior Term Loan Facility with an amount equal to (i) 50% of "excess cash flow" for such fiscal year, provided that (a) the percentage will be reduced to 25% if the borrower's ratio of consolidated total debt to consolidated adjusted EBITDA for the most recent four consecutive fiscal quarters is no greater than 2.50 to 1.00 but greater than 2.00 to 1.00, and (b) no prepayment of term loans with excess cash flow is required if the borrower's ratio of consolidated total debt to consolidated adjusted EBITDA for the most recent four consecutive fiscal quarters is no greater than 2.00 to 1.00, minus (ii) the principal amount of term loans under the Junior Term Loan Facility voluntarily prepaid during such fiscal year.

We must also prepay the principal amount of the term loans under the Junior Term Loan Facility with 50% of the cash proceeds received by us from a "Qualified IPO", net of underwriting discounts and commissions and other related reasonable costs and expenses. A "Qualified IPO" is defined as a bona fide underwritten sale to the public of our common stock or the common stock of any of our direct or indirect subsidiaries or our direct or indirect parent companies pursuant to a registration statement that is declared effective by the SEC or the equivalent offering on a private exchange or platform. Prepayment is only required if we or one of our subsidiaries receives cash proceeds from the Qualified IPO.

Collateral. The term loans under the Junior Term Loan Facility are secured by perfected security interests in and liens on substantially all of the personal property and certain real property of McJunkin Red Man Holding Corporation, including the common stock we hold of McJunkin Red Man Corporation. The term loans are not guaranteed by any of our subsidiaries or by PVF Holdings LLC.

Certain Covenants and Events of Default. The Junior Term Loan Facility contains customary covenants for a holding company facility. These agreements, among other things, restrict, subject to certain exceptions, the ability of the borrower to incur additional indebtedness, create liens on assets, and engage in activities or own assets other than certain specified activities and assets. Also, the Junior Term Loan Facility requires the borrower to maintain a maximum ratio of consolidated total debt to consolidated adjusted EBITDA and a minimum ratio of consolidated adjusted EBITDA to consolidated interest expense. Each of these ratios is calculated for the period that is four consecutive

fiscal quarters prior to the date of calculation. These financial covenants are set forth in the table below:

Four Consecutive Fiscal Quarters Ending on:	Maximum Consolidated Total Debt to Consolidated Adjusted EBITDA Ratio	Minimum Consolidated Adjusted EBITDA to Consolidated Interest Expense Ratio
June 30, 2008	4.75:1.00(a)	2.50:1.00(b)
September 30, 2008	4.75:1.00	2.50:1.00
December 31, 2008	4.75:1.00	2.50:1.00
March 31, 2009	4.00:1.00	2.75:1.00
June 30, 2009	4.00:1.00	2.75:1.00
September 30, 2009	4.00:1.00	2.75:1.00
December 31, 2009	4.00:1.00	2.75:1.00
March 31, 2010	3.25:1.00	2.75:1.00
June 30, 2010	3.25:1.00	2.75:1.00
September 30, 2010	3.25:1.00	2.75:1.00
December 31, 2010	3.25:1.00	2.75:1.00
March 31, 2011	3.00:1.00	2.75:1.00
June 30, 2011	3.00:1.00	2.75:1.00
September 30, 2011	3.00:1.00	2.75:1.00
December 31, 2011	3.00:1.00	2.75:1.00
March 31, 2012 and thereafter	3.00:1.00	3.00:1.00

(a) The borrower's actual consolidated total debt to consolidated Adjusted EBITDA ratio was 2.44:1.00 for the four fiscal quarters ending on December 31, 2007 and was 1.95:1.00 for the four fiscal quarters ending on June 30, 2008.

(b) The borrower's actual consolidated Adjusted EBITDA to consolidated interest expense ratio was 5.27:1.00 for the four fiscal quarters ending on December 31, 2007 and was 6.86:1.00 for the four fiscal quarters ending on June 30, 2008.

Consolidated adjusted EBITDA is calculated under the Junior Term Loan Facility in a similar manner as under the Senior Secured Facilities. See "Description of Our Indebtedness — Revolving Credit Facility and Term Loan Facility — Covenants".

The Junior Term Loan Facility provides that the borrower and its restricted subsidiaries may not make, or commit to make, capital expenditures in excess of $30 million in any year. If the actual amount of capital expenditures made in any fiscal year is less than the amount permitted to be made in such fiscal year, the amount of such difference may be carried forward and used to make capital expenditures in the succeeding fiscal year, though the carried forward amount may not be used beyond the immediately succeeding fiscal year.

If the borrower fails to comply with the consolidated total debt to consolidated adjusted EBITDA ratio, then the Goldman Sachs Funds and other investors in the borrower have a cure right that is similar to the cure right provided with respect to the Term Loan Facility. See "Description of Our Indebtedness — Revolving Credit Facility and Term Loan Facility — Covenants".

The Junior Term Loan Facility also contains customary events of default that are similar to the events of default under the Senior Secured Credit Facilities, including an event of default upon a change of control. See "Description of Our Indebtedness — Revolving Credit Facility and Term Loan Facility — Events of Default".

Purchases of Outstanding Loans. Subject to certain terms and conditions, the Goldman Sachs Funds and their affiliates may from time to time seek to purchase term loans under the Junior Term Loan Facility from the lenders under the facility pursuant to open market purchases in an aggregate amount not to exceed 30% of the aggregate principal amount of the loans outstanding under the Junior Term Loan Facility. The Goldman Sachs Funds and their affiliates may contribute such purchased loans to PVF Holdings LLC as an equity contribution in return for equity interests in PVF Holdings LLC and PVF Holdings LLC will then contribute such loans to the borrower under the Junior Term Loan Facility as an equity contribution in return for additional stock of the borrower. In the case of such purchases of term loans by the Goldman Sachs Funds and their affiliates followed by contributions of the purchased loans to PVF Holdings LLC and then to the borrower, the loans subject to such purchases and contributions shall be cancelled.

In addition, the borrower under the Junior Term Loan Facility may from time to time seek to purchase, subject to certain terms and conditions, term loans under the Junior Term Loan Facility from the lenders under the facility pursuant to open market purchases. In the case of such purchases by the borrower, the loans subject to such purchases shall be cancelled.

Midfield CDN$150 Million (US$148.26 Million) Revolving Credit Facility

One of our subsidiaries, Midfield Supply ULC, is the borrower under a CDN$150 million (US$148.26 million) revolving credit facility (the “Midfield Revolving Credit Facility”) with Bank of America, N.A. and certain other lenders from time to time parties thereto. Proceeds from this facility may be used by Midfield for working capital and other general corporate purposes. As of June 26, 2008, US$51.7 million of borrowings were outstanding and US$51.6 million were available under the Midfield Revolving Credit Facility. The facility provides for the extension of up to CDN$150 million (US$148.26 million) in revolving loans, subject to adjustments based on the borrowing base and less the aggregate letters of credit outstanding under the facility. Letters of credit may be issued under the facility subject to certain conditions, including a CDN$10 million (US$9.88 million) sub-limit. The revolving loans have a maturity date of November 2, 2010. All letters of credit issued under the facility must expire at least 20 business days prior to November 2, 2010.

Interest Rate and Fees. The revolving loans bear interest at a rate equal to either (i) the Canadian prime rate, plus (a) 0.25% if the “average daily availability” (as defined in the loan and security agreement for the facility) for the previous fiscal quarter was less than CDN$30 million (US$29.65 million) or (b) 0.00% if the average daily availability for the previous fiscal quarter was greater than or equal to CDN$30 million (US$29.65 million), or, at the borrower’s option, (ii) the rate of interest per annum equal to the rates applicable to Canadian Dollar Bankers’ Acceptances having a comparable term as the proposed loan displayed on the “CDOR Page” of Reuter Monitor Money Rates Service, plus (a) 1.75% if the average daily availability for the previous fiscal quarter was less than CDN$30 million (US$29.65 million), (b) 1.50% if the average daily availability for the previous fiscal quarter was greater than or equal to CDN$30 million (US$29.65 million) but less than CDN$60 million (US$59.3 million), or (c) 1.25% if the if the average daily availability for the previous fiscal quarter was greater than or equal to CDN$60 million (US$59.3 million).

The borrower must pay a monthly unused line fee with respect to unutilized revolving loan commitments equal to (i) 0.25% if the outstanding amount of borrowings under the facility for the immediately preceding fiscal quarter are greater than 50% of the revolving loan commitments, or (ii) 0.375% if otherwise. The borrower must pay a monthly fronting fee equal to 0.125% per annum of the stated amount of letters of credit issued and must also pay a monthly fee to the agent on the average daily stated amount of letters of credit issued equal to (i) 1.75% if the average daily availability for the previous fiscal quarter was less than CDN$30 million (US$29.65 million), (ii) 1.50% if the average daily availability for the previous fiscal quarter was greater than or equal to CDN$30 million (US$29.65 million) but less than CDN$60 million (US$59.3 million), or (iii) 1.25% if the average daily availability for the previous fiscal quarter was greater than or equal to CDN$60 million (US$59.3 million).

Prepayments. The borrower may prepay the revolving loans from time to time without premium or penalty.

Collateral and Guarantors. The Midfield Revolving Credit Facility is secured by substantially all of the personal property of Midfield Supply ULC and its subsidiary guarantors, Mega Production Testing Inc. and Hagan Oilfield Supply Ltd.

Certain Covenants and Events of Default. The Midfield Revolving Credit Facility contains customary covenants. These agreements, among other things, restrict, subject to certain exceptions, the ability of the borrower and its subsidiaries to incur additional indebtedness, create liens on assets, make distributions, make investments, sell, lease or transfer assets, make loans or advances, pay certain debt, amalgamate, merge, combine or consolidate with another entity, enter into certain types of restrictive agreements, engage in any business other than the business conducted by the borrower and its subsidiaries on the closing date of the Midfield Revolving Credit Facility, enter into transactions with affiliates, become a party to certain employee benefit plans, enter into certain amendments with respect to subordinated debt, make acquisitions, enter into transactions which would reasonably be expected to have a material adverse effect or cause a default, enter into sale and leaseback transactions, and terminate certain agreements.

Additionally, the Midfield Revolving Credit Facility requires the borrower to maintain a leverage ratio of no greater than 3.50 to 1.00 (measured on a monthly basis) and to maintain a fixed charge coverage ratio of at least 1.15 to 1.00 (measured on a monthly basis). The facility also prohibits the borrower and its subsidiaries from making capital expenditures in excess of $5 million in the aggregate during any fiscal year, subject to exceptions for certain expenditures and provided that if the actual amount of capital expenditures made in any fiscal year is less than the amount permitted to be made in such fiscal year, up to $250,000 of such excess may be carried forward and used to make capital expenditures in the succeeding fiscal year.

The Midfield Revolving Credit Facility contains customary events of default. The events of default include, among others, the failure to pay interest, principal and other obligations under the facility's loan documents when due, a breach of any representation or warranty contained in the loan documents, breaches of certain covenants, the failure of any loan document to remain in full force and effect, a default with respect to other indebtedness in excess of $250,000 if the other indebtedness may be accelerated due to such default, judgments against the borrower and its subsidiaries in excess of $250,000 in the aggregate, the occurrence of any loss or damage with respect to the collateral if the amount not covered by insurance exceeds $100,000, cessation or governmental restraint of a material part of the borrower's or a subsidiary's business, insolvency, certain events related to benefits plans, the criminal indictment of a senior officer of the borrower or a guarantor or the conviction of a senior officer of the borrower or a guarantor of certain crimes, an amendment to the shareholders agreement among Midfield Supply ULC, the entity now known as McJunkin Red Man Canada Ltd. and Midfield Holdings (Alberta) Ltd. without the prior written consent of Bank of America, N.A., and any event or condition that has a material adverse effect on the borrower or a guarantor.

A "change of control" is also an event of default. A "change of control" occurs if (i) McJunkin Red Man Canada Ltd. ceases to own and control, directly or indirectly, 51% or more of the voting equity interests of Midfield Supply ULC, (ii) a change in the majority of directors of Midfield Supply ULC occurs, unless approved by the then-majority of directors, or (iii) all or substantially all of Midfield Supply ULC's assets are sold or transferred.

Midfield CDN$15 Million (US$14.83 Million) Facility

One of our subsidiaries, Midfield Supply ULC, is also the borrower under a CDN$15 million (US$14.83 million) credit facility with Alberta Treasury Branches. The facility is secured by substantially all of the real property and equipment of Midfield Supply ULC and its subsidiary guarantors. The facility contains customary covenants and events of default. The borrower's leverage

ratio must not exceed 3.50 to 1.00, its fixed charge coverage ratio must be at least 1.15 to 1.00, and its ratio of tangible asset value to borrowings outstanding must be at least 2.00 to 1.00.

The Midfield CDN$15 million (US$14.83 million) facility and the Midfield CDN$150 million (US$148.26 million) facility are subject to an intercreditor agreement which relates to, among other things, priority of liens and proceeds of sale of collateral.

Cash Flows

The following table sets forth our cash flows for the periods indicated below:

	Red Man Standalone			Predecessor			Successor		
	Year Ended October 31,			Year Ended December 31,		Month Ended January 30,	Eleven Months Ended December 31,	Five Months Ended June 28,	Six Months Ended June 26,
	2005	2006	2007	2005	2006	2007	2007	2007 (Unaudited)	2008 (Unaudited)
	(In thousands)								
Net cash provided by (used in)									
Operating activities	$(11,419)	$(56,459)	$102,284	$ 30,385	$ 18,352	$ 6,617	$ 110,226	$ 1,895	$ 70,497
Investing activities	(50,411)	3,497	(12,510)	(6,701)	(3,262)	(158)	(1,788,920)	(933,256)	(16,437)
Financing activities	60,904	52,663	(78,170)	(21,084)	(17,207)	(8,254)	1,687,188	945,860	(55,233)
Effect of exchange rates on cash and cash equivalents	18	(161)	1,805	—	—	—	(372)		(141)
Net increase (decrease) in cash and cash equivalents	$ (908)	$ (460)	$ 13,409	$ 2,600	$ (2,117)	$ (1,795)	$ 8,122	$ 14,499	$ (1,314)

Cash Flows Provided by (Used in) Operating Activities

McJunkin Red Man

Our net cash provided by operating activities for the six months ended June 26, 2008 was $70.5 million. Cash provided by operations was primarily attributable to net income of $75.9 million plus non-cash charges, primarily depreciation, amortization and stock-based compensation, of $25.6 million. These increases were partially offset by increases in operating assets of $200.9 million (primarily accounts receivable and inventory) and increases in accounts payable and other current liabilities of $169.9 million.

Our net cash provided by operating activities for the five months ended June 28, 2007 was $1.9 million. Cash provided by operations was primarily attributable to net income of $17.6 million plus non-cash charges, primarily depreciation, amortization and stock-option based compensation, of $7.4 million. These increases were partially offset by increases in operating assets of $33.2 million (primarily accounts receivable) and increases in accounts payable and other current liabilities of $10.0 million.

Net cash provided by Red Man's operations is included in our net cash provided by operating activities for the six months ended June 26, 2008, but not in our net cash provided by operating

activities for the five months ended June 28, 2007. As a result, our cash flows for the two periods are not necessarily comparable.

Our net cash provided by operating activities for the eleven months ended December 31, 2007 was $110.2 million. Cash provided by operations was primarily attributable to net income of $56.9 million plus non-cash charges, primarily depreciation, amortization and stock-based compensation, of $26.9 million. In addition, we had decreases in operating assets of $78.7 million (primarily accounts receivable and inventory), partially offset by decreases in accounts payable and other current liabilities of $52.3 million.

McJunkin

McJunkin's net cash provided by operating activities for the one month ended January 31, 2007 was $6.6 million. Cash provided by operations was primarily attributable to net income of $6.6 million plus non-cash charges, primarily depreciation, amortization and stock based compensation, of $0.6 million. The company's decrease in operating assets of $10.1 million was offset by a decrease in accounts payable and other current liabilities of $10.7 million.

McJunkin's net cash provided by operating activities for the year ended December 31, 2006 was $18.4 million. Cash provided by operations was attributable to net income of $69.6 million plus non-cash charges, primarily depreciation, amortization and deferred income taxes, of $11.9 million, including $4.1 million relating to our minority interest in McJunkin Appalachian. These increases were partially offset by increases in operating assets of $47.9 million (primarily inventory) and decreases in accounts payable and other current liabilities of $15.0 million.

McJunkin's net cash provided by operating activities for the year ended December 31, 2005 was $30.4 million. Cash provided by operations was attributable to net income of $52.5 million plus non-cash charges of $1.6 million (primarily depreciation of $3.7 million, deferred taxes of ($4.9) million, and $2.8 million relating to our minority interest in McJunkin Appalachian. In addition, McJunkin had increases in operating assets of $83.1 million (primarily accounts receivable and inventory) and increases in accounts payable and other current liabilities of $60.6 million.

Red Man

Red Man's net cash provided by operating activities for the year ended October 31, 2007 was $102.3 million. Cash provided by operations was attributable to net income of $82.2 million plus non-cash charges, primarily depreciation, amortization and write-off of obsolete inventories and deferred income taxes, of $20.0 million, plus a non-cash charge for impairment loss on goodwill and intangible assets of $5.1 million, plus a decrease in operating assets, including accounts receivable and inventories, of $10.1 million, offset by a decrease in accounts payable and other net liabilities of $15.1 million.

Red Man's net cash used in operating activities for the year ended October 31, 2006 was $56.5 million. Cash used by operations was attributable to net income of $59.7 million plus non-cash charges, primarily depreciation, amortization and write-off of obsolete inventories, of $9.4 million, plus an increase in accounts payable and other net liabilities of $52.5 million, offset by increases in operating assets, including accounts receivable and inventories of $161.5 million and reduced by a gain on discontinued operations of $16.6 million which was included in net income.

Red Man's net cash used in operating activities for the year ended October 31, 2005 was $11.4 million. Cash used by operations was attributable to net income of $59.8 million plus non-cash charges, primarily depreciation, amortization and deferred income taxes, of $20.5 million, plus an increase in accounts payable and other net liabilities of $32.6 million, offset by increases in operating assets, including accounts receivable and inventories of $124.3 million.

Cash Flows Provided by (Used in) Investing Activities

McJunkin Red Man

Our net cash used in investing activities for the six months ended June 26, 2008 was $16.4 million. We used $11.4 million in conjunction with the acquisition of Red Man Pipe & Supply and $7.6 million for purchases of property, plant and equipment.

Our net cash used in investing activities for the five months ended June 28, 2007 was $933.3 million. This was attributable to the GS Acquisition of McJunkin Corporation in January 2007 ($849.1 million) and our acquisition of Midway-Tristate Corporation in April 2007 ($83.3 million). We also used $2.2 million to purchase property, plant and equipment and had investment income of $1.3 million.

Our net cash used in investing activities for the eleven months ended December 31, 2007 was $1.8 billion. This was attributable to the GS Acquisition of McJunkin Corporation in January 2007 ($849.1 million), our acquisition of Midway-Tristate Corporation in April 2007 ($83.3 million), and the business combination with Red Man ($852.4 million). We also used $5.5 million to purchase property, plant and equipment.

McJunkin

McJunkin's net cash used in investing activities for the one month ended January 31, 2007 was $0.2 million. The company used $0.4 million to purchase property, plant and equipment and received proceeds of $0.2 million from the sale of certain investments.

McJunkin's net cash used in investing activities for the year ended December 31, 2006 was $3.3 million. The company used $5.3 million to purchase property, plant and equipment and received $1.6 million in life insurance proceeds related to a shareholder who was not active in the business.

McJunkin's net cash used in investing activities for the year ended December 31, 2005 was $6.7 million. Primarily, the company used $8.7 million to purchase property, plant and equipment and had net proceeds of $1.0 million from the disposal of certain property, plant and equipment. The company also received proceeds of $1.0 million from the sale of certain investments.

Red Man

Red Man's net cash used in investing activities for the year ended October 31, 2007 was $12.5 million. The company used $12.2 million to purchase property, plant and equipment. In April and May, 2007, Red Man purchased 100% interests in two separate companies in Canada for an aggregate of $3.7 million. Red Man also had net proceeds of $3.4 million from the disposal of certain property, plant and equipment assets.

Red Man's net cash provided by investing activities for the year ended October 31, 2006 was $3.5 million. Red Man sold the Nusco Manufacturing division of Midfield Supply ULC in June 2006 for cash proceeds of $35.2 million. Red Man used $14.4 million of cash to purchase property, plant and equipment. In June 2006 Red Man purchased certain assets from Bear Tubular, Inc. for $4.6 million in cash. In 2006 through a series of transactions, Red Man acquired 100% interests in four separate companies in Canada for an aggregate of $8.2 million in cash. Red Man also made cash advances to a related party of $4.9 million. Red Man also had net proceeds from other investing activities of $0.4 million.

Red Man's net cash used in investing activities for the year ended October 31, 2005 was $50.4 million. Red Man purchased a 51% controlling interest in Midfield Supply ULC in June 2005 for $45.9 million. In addition, $5.8 million was used to purchase property, plant and equipment. These uses were partially offset by proceeds from other investing activities of $1.3 million.

Cash Flows Provided by (Used in) Financing Activities

McJunkin Red Man

Our net cash used in financing activities for the six months ended June 26, 2008 was $55.2 million. We used $31.4 million for payments on long-term obligations, as well as $9.3 million for debt issuance costs. We received cash equity contributions of $5.0 million and proceeds from long-term obligations of $454.5 million, which was used to fund $475 million of dividends to our shareholders.

Our net cash provided by financing activities for the five months ended June 28, 2007 was $945.9 million. This was attributable to financings for the acquisitions noted above ($747.4 million proceeds from long-term borrowings and cash equity contributions of $226.2 million). We also made payments of $4.9 million on other long-term obligations and $22.8 million for debt issuance costs.

Our net cash used in financing activities for the eleven months ended December 31, 2007 was $1.7 billion. This was attributable to financings for the acquisitions noted above ($897.5 million proceeds from long-term borrowings and cash equity contributions of $899.2 million). We also made payments of $78.8 million on other long-term obligations and $30.6 million for debt issuance costs.

McJunkin

McJunkin's net cash used in financing activities for the one month ended January 31, 2007 was $8.3 million, which consisted of payments on long-term obligations.

McJunkin's net cash used in financing activities for the year ended December 31, 2006 was $17.2 million. We paid dividends of $26.9 million to our shareholders which were partially funded with $10.1 million of long-term debt.

McJunkin's net cash used in financing activities for the year ended December 31, 2005 was $21.1 million. The company used $11.2 million to reduce long-term obligations and paid $9.8 million in dividends to shareholders.

Red Man

Red Man's net cash used in financing activities for the year ended October 31, 2007 was $78.2 million. Red Man used cash to pay down net borrowings of $45.3 million. In addition, Red Man paid off its existing line of credit of $120.0 million in connection with the merger transaction with McJunkin. Also, Red Man paid $27.6 million on its operating line of credit, $7.1 million on repayments of notes payable and $6.2 million in payments to minority shareholders. These amounts were partially offset by $120.0 million in advances from McJunkin in connection with the merger transaction and $6.2 million in capital contributions associated with the merger. There was an additional $1.8 million of cash provided by other net financing activities.

Red Man's net cash provided by financing activities for the year ended October 31, 2006 was $52.7 million. Red Man had cash provided by net borrowings on its line of credit of $64.0 million. Additionally, Red Man had $13.1 million provided in advances from minority shareholders. These amounts of cash provided were partially offset by $20.4 million used in payments of notes payable and net payments were $4.0 million on other debt items.

Red Man's net cash provided by financing activities for the year ended October 31, 2005 was $60.9 million. Red Man had cash provided by net borrowings on its line of credit of $49.2 million. Additionally, Red Man had $20.4 million provided by additional notes payable. These amounts of cash provided were partially offset by $8.0 million in payments to minority shareholders and net payments on $0.7 million on other debt items.

Working Capital

Our working capital at June 26, 2008 was $686.1 million, consisting of $1,355.2 million in current assets and $669.1 million in current liabilities. Working capital at December 31, 2007 was $663.5 million, consisting of $1,159.7 million in current assets and $496.2 million in current liabilities. In addition, we had available borrowing capacity under our revolving credit facilities of $542.5 million at June 26, 2008 and $384.0 million at December 31, 2007.

Contractual Obligations, Commitments and Contingencies

Contractual Obligations

The following table summarizes our minimum payment obligations as of December 31, 2007 relating to long-term debt, interest payments, capital leases, operating leases, purchase obligations and other long-term liabilities for the periods indicated.

	Amount of Commitment Expiration per Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
			(in millions)		
Contractual Obligations					
Long-term debt(1)	$ 868.4	$ 19.8	$ 62.5	$ 11.5	$774.6
Interest payments(2)	366.7	64.2	123.8	118.9	59.8
Interest rate swap	81.3	27.1	54.2		
Capital leases	10.1	0.9	1.9	1.9	5.4
Operating leases	46.9	18.3	18.9	7.5	2.2
Purchase obligations(3)	846.7	846.7			
Other long-term liabilities reflected on our balance sheet under GAAP	49.1	25.0	24.1	—	—
Total	$2,269.2	$1,002.0	$285.4	$139.8	$842.0

(1) Long-term debt amortization is based on the contractual terms of our credit facilities. As of December 31, 2007, $868.4 million was outstanding under these facilities. On May 22, 2008, we entered into a $450 million junior term loan facility. As of June 26, 2008, giving effect to this new facility, a total of $1,284.8 million was outstanding under our credit facilities. See “Description of Our Indebtedness”. As of June 26, 2008, our total minimum amortization payments with respect to long-term debt were $1,284.8 million, with payments of $16.6 million due within less than one year from June 26, 2008, $63.2 million due within one to three years of that date, $11.5 million due within three to five years of that date, and $1,193.5 million due more than five years from that date.

(2) Interest payments are based on interest rates in effect at December 31, 2007 and assume contractual amortization payments.

(3) Purchase obligations reflect our commitments to purchase PVF products in the ordinary course of business. Information presented with respect to purchase obligations is presented (1) with respect to U.S. purchase obligations, as of June 26, 2008 and (2) with respect to Canadian purchase obligations, as of August 2008.

Our ability to make payments on and to refinance our indebtedness, to fund planned capital expenditures and to satisfy our other capital and commercial commitments will depend on our ability to generate cash flow in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. However, our business may not generate sufficient cash flow from operations, and future borrowings may not be available to us

under our credit facilities in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. We may seek to sell assets to fund our liquidity needs but may not be able to do so. We may also need to refinance all or a portion of our indebtedness on or before maturity. We may not be able to refinance any of our indebtedness on commercially reasonable terms or at all.

Standby Letters of Credit

In the normal course of business with customers, vendors and others, we are contingently liable for performance under standby letters of credit and bid, performance and surety bonds. We were contingently liable for approximately $8.2 million of standby letters of credit and bid, performance and surety bonds at December 31, 2007. Management does not expect any material amounts to be drawn on these instruments.

Legal Proceedings

We are a defendant in various legal proceedings, including numerous asbestos claims. Although we believe that we have currently established sufficient reserves with respect to these claims, we cannot assure you that the assumptions on which our reserves are based will not need to be revised in the future. Accordingly, if our actual liability for current and future asbestos claims is higher than the amounts reserved for these claims, it could have a material adverse effect on our business, results of operations and financial condition. See “Business — Legal Proceedings” for more information.

Seasonality

Our business experiences mild seasonal effects as demand for our products is generally higher during the months of August, September and October. Demand for our products during the months of November and December and early in the year generally tends to be lower due to a lower level of activity in our end markets near the end of the calendar year. As a result, our results of operations for the third quarter are generally stronger than those for our fourth quarter. In addition, certain E & P activities typically experience a springtime reduction due to seasonal thaws and regulatory restrictions, limiting the ability of drilling rigs to operate effectively during these periods.

Off-Balance Sheet Arrangements

We do not have any “off-balance sheet arrangements” as such term is defined within the rules and regulations of the SEC.

Critical Accounting Policies

We prepare our consolidated financial statements in accordance with GAAP. In order to apply these principles, management must make judgments and assumptions and develop estimates based on the best available information at the time. Actual results may differ based on the accuracy of the information utilized and subsequent events. Our accounting policies are described in the notes to our audited financial statements included elsewhere in this prospectus. These critical accounting policies could materially affect the amounts recorded in our financial statements. We believe the following describes significant judgments and estimates used in the preparation of our consolidated financial statements:

Investments: Investments are carried at fair value based on quoted market prices. Prior to the acquisition of McJunkin by the Goldman Sachs Funds on January 31, 2007, these available for sale investments were recorded at fair value and reflected as investments on the balance sheets. Changes to the fair value of the assets were recorded in other comprehensive income, net of related deferred taxes. On January 31, 2007, these investments were reclassified as assets held for sale as more fully described in Assets Held for Sale below.

Assets Held for Sale: Certain of the Company's assets, consisting principally of certain available for sale securities and certain real estate holdings, were designated as non-core assets under the terms of the acquisition of McJunkin by the Goldman Sachs Funds. The Company has classified these as assets held for sale in the balance sheet. A corresponding liability to predecessor shareholders, net of related deferred income taxes, has been recognized to reflect the obligation to the shareholders of record at the date of the acquisition. Upon the sale of these assets, 95% of the proceeds net of associated taxes will be distributed to the predecessor shareholders. No gain or loss will be recognized as the result of the sale of these assets.

Allowance for Doubtful Accounts: A portion of our accounts receivable will not be collected due to non-payment, bankruptcies and sales returns. Our accounting policy for the provision for doubtful accounts requires providing an amount based on the evaluation of the aging of accounts receivable, trend analysis, detailed analysis of potential high-risk customers' accounts, and the overall market and economic conditions of our customers. Because this process is subjective and based on estimates, ultimate losses may differ significantly from those estimates. Receivable balances are written off when we determine that the balance is uncollectible.

Derivatives and Hedging: The Company uses derivative financial instruments, primarily interest rate swaps to reduce its exposure to potential interest rate increases. The Company records all derivatives on the balance sheet at fair value, which is determined by independent market quotes. The Company's swap is designated as a cash flow hedge and it measures the effectiveness of the hedge, or the degree that the gain (loss) for the hedging instrument offsets the loss (gain) on the hedged item, at each reporting period. The effective portion of the gain (loss) on the derivative instrument is recognized in other comprehensive income as a component of equity and, subsequently, reclassified into earnings when the forecasted transaction affects earnings. The ineffective portion of a derivative's change in fair value is recognized in earnings immediately. Derivatives that do not qualify for hedge treatment are recorded at fair value with gains (losses) recognized in earnings in the period of change.

Goodwill and Other Intangible Assets: Goodwill represents the excess of cost over the fair value of net assets acquired. Recorded goodwill balances are not amortized but, instead, are evaluated for impairment annually or more frequently if circumstances indicate that an impairment may exist.

Intangible assets are initially recorded at fair value at the date of acquisition. The determination of fair value involves key assumptions regarding discount rates and cash flow estimates. Amortization is provided using the straight-line method over their estimated useful lives. The carrying value of intangible assets is subject to an impairment test on an annual basis, or more frequently if events or circumstances indicate a possible impairment. The measure of impairment is based on the estimated fair values.

Income Taxes: Deferred tax assets and liabilities are recorded for differences between the financial and tax bases of assets and liabilities using the tax rate expected to be in effect when tax benefits and costs will be realized.

The Company adopted Financial Accounting Standards Board (FASB) Interpretation (FIN) 48, Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109, which provides specific guidance on the financial statement recognition, measurement, reporting and disclosure of uncertain tax positions taken or expected to be taken in a tax return. We recognize the impact of our tax positions in our financial statements if those positions will more likely than not be sustained on audit, based on the technical merit of the position.

Inventories: The Company's inventories are generally valued at the lower of cost (principally last-in, first-out method) or market. The Company believes the LIFO method more fairly presents the results of operations by more closely matching current costs with current revenues. The use of the last-in, first-out (LIFO) method of accounting for inventories results in a substantial recognition of the

effects of inflation in the Company's financial statements. LIFO expense or income is determined consistently year to year in a manner which is in accordance with the guidance in the 1984 AICPA LIFO Issues Paper, "Identification and Discussion of Certain Financial Accounting and Reporting Issues Concerning LIFO Inventories." Certain inventories held in Canada totaling $78.6 million, at December 31, 2007, are valued at the lower of weighted average cost or market. Periodically, the Company evaluates inventory for estimated net realizable value at the lower of cost or market based upon excess slow moving or obsolete inventory.

Revenue Recognition: The Company recognizes revenue as products are shipped, title has transferred to the customer, and the customer assumes the risk and rewards of ownership. Out-bound shipping and handling costs are reflected in cost of goods sold, and freight charges billed to customers are reflected in revenues. Unusual arrangements are subject to management approval.

Equity-Based Compensation: The Company's equity-based compensation consists of restricted common units, profit units, restricted stock and non-qualified stock options. The cost of employee services received in exchange for an award of an equity instrument is measured based on the grant-date fair value of the award. The Company's policy is to expense stock-based compensation using the fair-value of awards granted, modified or settled. Restricted common units, profit units, and restricted stock are credited to equity as they are expensed over their vesting periods based on the current market value of the shares to be granted.

The fair value of non-qualified stock options is measured on the grant date of the related equity instrument using the Black-Scholes option-pricing model and is recognized as compensation expense over the applicable vesting period.

Recently Issued Accounting Standards

In September 2006, the Financial Accounting Standards Board ("FASB") issued SFAS No. 157, *Fair Value Measurements*, which establishes a framework for reporting fair values and expands disclosures about fair value measurement. Certain provisions of SFAS 157 became effective beginning January 1, 2008. The adoption of this standard had no material impact on our financial position or results of operations. At June 26, 2008, the only financial assets and financial liabilities that are measured at fair value on a recurring basis are our derivative instruments.

In February 2008, the FASB issued FASB Staff Position 157-2 which defers the effective date of SFAS 157 for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in an entity's financial statements on a recurring basis (at least annually). We will be required to adopt SFAS 157 for these nonfinancial assets and nonfinancial liabilities as of January 1, 2009. Management has not determined the impact that the adoption of SFAS 157 deferral provisions will have on our financial position or earnings.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* (SFAS 159), which allows entities to choose to measure many financial instruments and certain other items at fair value. The provisions of SFAS 159 were effective as of January 1, 2008. We did not elect the fair value option for any asset or liability. Therefore, the adoption of SFAS 159 did not impact our consolidated financial statements as of the six months ended June 26, 2008.

In December 2007, the FASB issued SFAS No. 141(R), *Business Combinations*. This statement defines the acquirer as the entity that obtains control of one or more businesses in the business combination, establishes the acquisition date as the date that the acquirer achieves control and requires the acquirer to recognize the assets acquired, liabilities assumed and any non-controlling interest at their fair values as of the acquisition date. This statement also requires that acquisition-related costs of the acquirer be recognized separately from the business combination and such costs will generally be expensed as incurred. We will be required to adopt this statement as of January 1, 2009. The impact of adopting SFAS 141(R) has not been determined.

In December 2007, the FASB issued SFAS No. 160, *Non-controlling Interests in Consolidated Financial Statements — an amendment of ARB No. 51.* SFAS 160 establishes accounting and reporting standards for the non-controlling interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a non-controlling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. SFAS 160 requires retroactive adoption of the presentation and disclosure requirements for existing minority interests. All other requirements of SFAS 160 must be applied prospectively. SFAS 160 is effective for us beginning January 1, 2009. We are currently evaluating the potential impact of the adoption of SFAS 160 on our consolidated financial statements

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities— an amendment of FASB Statement No. 133*. This statement will change the disclosure requirements for derivative instruments and hedging activities. Entities are required to provide enhanced disclosures about how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations, and how derivative instruments and related hedged items affect an entity's financial position, net earnings, and cash flows. We will be required to adopt this statement as of January 1, 2009. The adoption of SFAS 161 is not expected to have a material impact on our consolidated financial statements.

Quantitative and Qualitative Disclosures About Market Risk

The risk inherent in our market risk sensitive instruments and positions is the potential loss from adverse changes in interest rates.

As of June 26, 2008, all of our $1,284.7 million of outstanding term debt was at floating rates. An increase of 1.0% in the LIBOR rate would result in an increase in our interest expense of approximately $10.2 million per year.

As of June 26, 2008, all of our $256.1 million of outstanding revolving debt was at floating rates. If this amount remained outstanding for an entire year, an increase of 1.0% in the LIBOR rate would result in an increase in our interest expense of approximately $2.6 million per year.

We use derivative financial instruments to help manage our interest rate risk. On December 3, 2007, we entered into a floating to fixed interest rate swap agreement, effective December 31, 2007, for a notional amount of $700.0 million to limit our exposure to interest rate increases relating to a portion of our floating rate indebtedness. The interest rate swap agreement terminates after three years. At June 26, 2008, the fair value of our interest rate swap agreement was a loss of approximately $3.2 million, which amount is included in accrued liabilities. As of the effective date of the interest rate swap agreement, we designated the interest rate swap as a cash flow hedge. As a result, the effective portion of changes in the fair value of our swap was recorded as a component of other comprehensive income. At June 26, 2008, $1.6 million of unrecognized losses, net of tax, on the interest rate swap agreement was included in other comprehensive income.

As a result of the interest rate swap agreement, our effective interest rates as to the $700.0 million floating rate indebtedness will be 4.868% for associated indebtedness on our Revolving Credit Facility and 7.118% for associated indebtedness on the Term Loan Facility per quarter through 2010 and result in an average fixed rate of 6.672%.

BUSINESS

General

We are the largest North American distributor of pipe, valves and fittings ("PVF") and related products and services to the energy industry based on sales and the leading PVF distributor serving this industry across each of the upstream (exploration, production, and extraction of underground oil and gas), midstream (gathering and transmission of oil and gas, gas utilities, and the storage and distribution of oil and gas) and downstream (crude oil refining and petrochemical processing) markets. We have an unmatched presence of over 250 branches that are located in the most active oil and gas regions in North America. We offer an extensive array of PVF and oilfield supplies encompassing over 100,000 products, we are diversified by geography and end market and we seek to provide best-in-class service to our customers by satisfying the most complex, multi-site needs of some of the largest companies in the energy and industrials sectors as their primary supplier. As a result, we have an average relationship of over 20 years with our top ten customers and our pro forma sales in 2007 were over twice as large as our nearest competitor in the energy industry. We believe the critical role we play in our customers' supply chain, our unmatched scale and extensive product offering, our broad North American geographic presence, our customer-linked scalable information systems and our efficient distribution capabilities serve to solidify our long-standing customer relationships and drive our growth.

We have benefited in recent years from several growth trends within the energy industry including high levels of expansion and maintenance capital expenditures by our customers. This growth in spending has been driven by several factors, including underinvestment in North American energy infrastructure, production and capacity constraints and anticipated strength in the oil, natural gas, refined products and petrochemical markets. While current prices for oil and natural gas are high relative to historical levels, we believe that investment in the energy sector by our customers would continue at prices well below current levels. In addition, our products are often used in extreme operating environments leading to the need for a regular replacement cycle. As a result, over 50% of our historical and pro forma sales in 2007 were attributable to multi-year maintenance, repair and operations ("MRO") contracts where we have demonstrated an over 99% annual average retention rate since 2000. The combination of these ongoing factors has helped increase demand for our products and services, resulting in record levels of customer orders to be shipped as of September 2008. For the twelve months ended December 31, 2007 on a pro forma basis, we generated sales of $3,952.7 million, Adjusted EBITDA of $370.4 million and net income of $150.8 million. In addition, for the eleven months ended December 31, 2007, without giving pro forma effect to the Red Man Transaction, we generated sales of $2,124.9 million, EBITDA of $171 million and net income of $56.9 million, and for the twelve months ended October 31, 2007, before giving effect to the Red Man Transaction, Red Man generated sales of $1,982.0 million, EBITDA of $170 million and net income of $82.2 million.

We have established a position as the largest North American PVF distributor to the energy industry based on sales. We distribute products throughout North America and the Gulf of Mexico, including in PVF intensive, rapidly expanding oil and natural gas production areas such as the Bakken, Barnett, Fayetteville, Haynesville and Marcellus shales. The Bakken shale is located in the Williston Basin and is primarily in Montana, North Dakota and Saskatchewan, the Barnett shale is located in the Fort Worth Basin in Texas, the Fayetteville shale is located in the Arkoma Basin and is primarily in northern Arkansas, the Haynesville shale is located primarily in southwestern Arkansas, northwestern Louisiana and east Texas, and the Marcellus shale is located in the Appalachian Basin and is primarily in Ohio, West Virginia, Pennsylvania and New York. Growth in these oil and natural gas production areas is driven by improved production technology, favorable market trends and robust capital expenditure budgets. Furthermore, Midfield, one of the three largest Canadian PVF distributors based on sales, provides PVF products to oil and gas companies operating primarily in Western Canada, including the Western Canadian Sedimentary Basin, Alberta Oil Sands and heavy oil markets. These regions are still in the early stages of infrastructure investment with numerous companies seeking to facilitate the long-term harvesting of difficult to extract and process crude oil.

McJunkin Red Man Locations

Across our extensive North American platform we offer a broad complement of products and services to the upstream, midstream and downstream sectors of the energy industry, as well as other industrial (including general manufacturing, pulp and paper, food and beverage) and other energy (power generation, liquefied natural gas, coal, alternative energy) end markets. During the twelve months ended December 31, 2007 on a pro forma basis, approximately 46% of our sales were attributable to upstream activities, approximately 22% were attributable to midstream activities and approximately 32% were attributable to downstream and other processing activities which include the refining, chemical and other industrial and energy end markets. In addition, before giving pro forma effect to the Red Man Transaction, during the twelve months ended December 31, 2007, approximately 36% of our sales were attributable to upstream activities, approximately 18% were attributable to midstream activities and approximately 46% were attributable to downstream and other processing activities.

We offer more than 100,000 products including an extensive array of PVF, oilfield supply, automation, instrumentation and other general and specialty products to our customers across our various end markets. Due to the demanding operating conditions in the energy industry and high costs associated with equipment failure, customers prefer highly reliable products and vendors with established qualifications and experience. As our PVF products typically represent a fraction of the total cost of the project, our customers place a premium on service given the high cost to them of maintenance or new project delays. Our products are typically used in high-volume, high-stress, abrasive applications such as the gathering and transmission of oil and natural gas, in high-pressure, extreme temperature and high-corrosion applications such as in heating and desulphurization in the processing and refining industries and in steam generation units in the power industry.

With over 250 locations servicing the energy and industrial sectors, we are an important link between our more than 10,000 customers and our more than 10,000 suppliers. We add value to our customers and suppliers in a number of ways:

- ***Broad Product Offering and High Customer Service Levels:*** The breadth and depth of our product offering enables us to provide a high level of service to our energy and industrial customers. Given our North American inventory coverage and branch network, we are able to fulfill orders more quickly, including orders for less common and specialty items, and provide

our customers with a greater array of value added services, including multiple daily deliveries, volume purchasing, product testing and supplier assessments, inventory management and warehousing, technical support, just-in-time delivery, order consolidation, product tagging and tracking, and system interfaces customized to customer and supplier specifications, than if we operated on a smaller scale and/or only at a local or regional level. Thus our clients, particularly those operating throughout North America, can quickly and efficiently source the most suitable products with the least amount of downtime and at the lowest total transaction cost.

- ***Approved Manufacturer List ("AML") Services:*** Our customers rely on us to provide a high level of quality control for their PVF products. We do this by regularly auditing many of our suppliers for quality assurance through our Supplier Registration Process. We use the resulting MRM ASL to supply products across many of the markets we support, particularly for downstream and midstream customers. This process has enabled us to achieve a preferred vendor status with many key end users in the industry that utilize our AML services to help devise and maintain their own approved manufacturer listings. In this manner, we seek to ensure that our customers timely receive reliable and high quality products without incurring additional administrative and procurement expenses. Our suppliers in turn look to us as a key partner, which has been important in establishing us as an important link in the supply chain and a leader in the industry.
- ***Customized and Integrated Service Offering:*** We offer our customers integrated supply services including product procurement, product quality assurance, physical warehousing, and inventory management and analysis using our proprietary customized information technology platform. This is part of an overall strategy to promote a "one stop" shop for PVF purchases across the upstream-midstream-downstream spectrum and throughout North America through integrated supply agreements and MRO contracts that enable our customers to focus on their core operations and increase the efficiency of their business.

Industry Overview and Trends

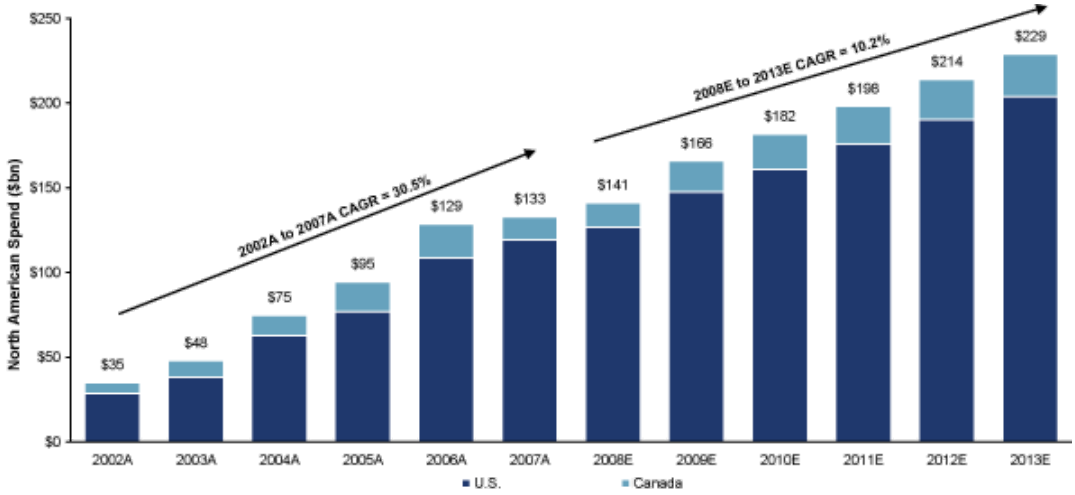
We primarily serve the North American oil and gas industry, generating over 90% of our revenues from supplying PVF products and various services to customers throughout the energy industry. Given the diverse requirements and various factors that drive the growth of the upstream, midstream and downstream energy sectors, our sales to each sector may vary from time to time, though the overall strength of the energy market is typically a good indicator of our performance. Globally, the energy industry is experiencing a number of favorable supply and demand dynamics that have led companies to make substantial investments to expand their physical infrastructure and processing capacities. On the demand side, world energy markets are benefiting from the increased consumption of energy, caused in part by the industrialization of China, India, and other non-OECD countries, as well as continued global energy infrastructure expansion. At the same time, energy supply has been constrained due to increasing scarcity of natural resources, declining excess capacity of existing energy assets, geopolitical instability, natural and other unforeseen disasters, and more stringent regulatory, safety and environmental standards. These demand and supply dynamics underscore the need for investment in energy infrastructure and the next level of global exploration, extraction, production, transportation, refining and processing of energy inputs.

Upstream: Oil and Gas. Exploration and production ("E&P") companies, commonly referred to as upstream companies, search for gas and oil underground and extract it to the surface. Representative companies include BP p.l.c., Chesapeake Energy Corporation, Chevron Corporation, ConocoPhillips Company, Canadian Natural Resources Ltd., EnCana Corporation, Exxon Mobil Corporation, Husky Energy Inc., Royal Dutch Shell plc, and Suncor Corporation. Exploration and production companies typically purchase oilfield supplies including tools, sucker rods, pumps, storage

tanks and meters while producers primarily purchase high density polyethylene pipe, valves and general oilfield supplies.

The capital spending budgets of North American oil and gas companies have grown in recent years as tight supply conditions and strong global demand have spurred companies to expand their operations. According to the June 2008 Drilling and Production Outlook prepared by Spears & Associates, Inc., North American drilling and completion spending has grown by a 30.5% compound annual growth rate from 2002 to 2007 and is projected to grow by 10.2% from 2008 to 2013. Much of this growth is expected to come from a need to compensate for accelerating depletion rates in existing domestic oil and natural gas reservoirs, improved E&P technologies, increased demand for natural gas, especially from power generation, and an anticipated rebound in Canadian upstream activity.

North American Oil and Gas Drilling and Completion Spending



Year Over Year % Increase	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E
U.S.	34%	64%	23%	41%	10%	6%	16%	9%	9%	8%	7%
Canada	49	25	46	13	(31)	5	26	13	8	7	6
North America	37	56	26	36	3	6	17	10	9	8	7

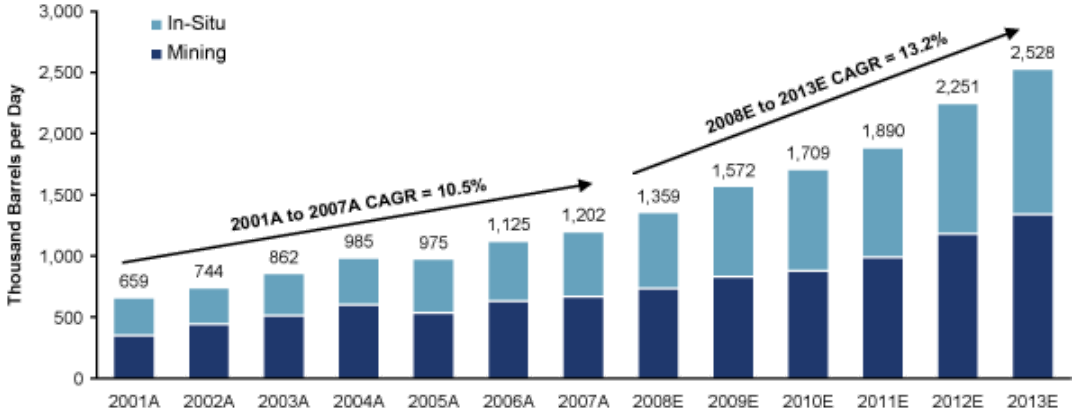
Source: Spears & Associates

Due to this unprecedented level of exploration expenditures, U.S. and Canadian rig counts are expected to increase at a 4.8% and a 5.7% compound annual growth rate, respectively, between 2007 and 2012, according to the June 2008 Drilling and Production Outlook prepared by Spears & Associates, Inc. Furthermore, more technically sophisticated drilling methods, such as deep and horizontal drilling, which tend to have higher PVF requirements, coupled with higher oil and natural gas prices relative to long term averages, are making E&P in previously underdeveloped areas like Appalachia and the Rockies more economically feasible. As part of this trend, there has been growing commercial interest by our customers in several shale deposit areas in the U.S., including the Bakken, Barnett, Fayetteville, Haynesville and Marcellus shales, where we have a strong local presence.

In Canada, improvements in mining and in-situ technology are driving increased investment in the Canadian Oil Sands which, according to the Alberta Energy and Utilities Board, contain established reserves of almost 174 billion barrels. This represents the second largest recoverable crude oil reserve in the world, behind Saudi Arabia. As a result, according to Canadian Oil Sands Supply Costs and Development Projects (2007-2027), a report prepared by the Canadian Energy Research Institute, projected annual capital expenditures in the Canadian Oil Sands could increase

from CDN$24.9 billion (US$24.61 billion) in 2008 to CDN$53.1 billion (US$52.84 billion) by 2011, a 28.7% compound annual growth rate, assuming that all Oil Sands projects that are currently announced enter the production phase. As a result of these factors, we believe that the North American upstream market presents strong growth prospects on which we are well positioned to capitalize.

Canadian Oil Sands Production



Source: Canadian Association of Petroleum Producers

Midstream: Energy. The midstream sector of the oil and gas industry is comprised of companies that provide gathering, storage, transmission, distribution, and other services related to the movement of oil, natural gas, and refined petroleum products from sources of production to demand centers. Representative midstream companies include Atmos Energy Corporation, AGL Resources Inc., Buckeye Partners, L.P., Consolidated Edison, Inc., DCP Midstream Partners, LP, Enterprise Products Partners L.P., Kinder Morgan Energy Partners, L.P., Magellan Midstream Partners, L.P., NiSource, Inc., Vectren Energy, and Williams Partners L.P. Core products supplied for midstream infrastructure include carbon steel line pipe for gathering and transporting oil and gas, actuation systems for the remote opening and closing of valves, plastic pipe for “last mile” transmission to end user locations, and metering equipment for the measurement of oil and gas delivery.

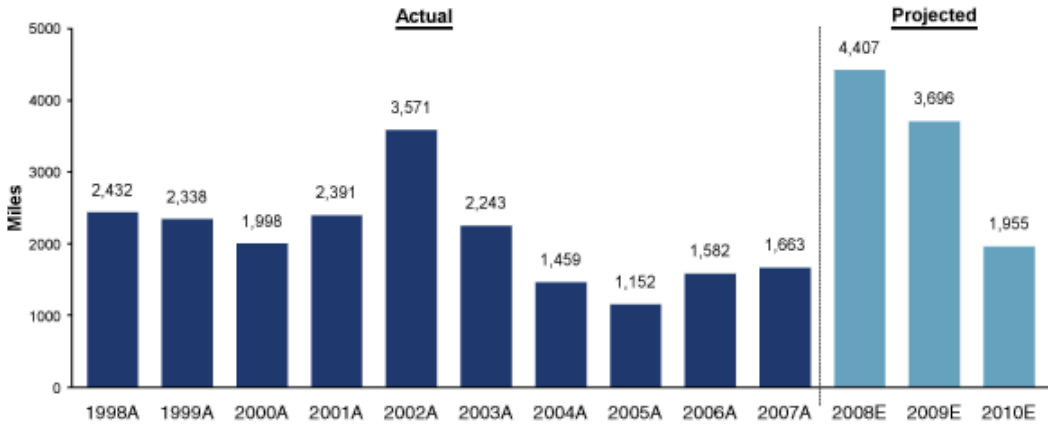
Midstream: Gas Utilities. The gas utilities portion of the midstream sector has been one of McJunkin Red Man’s fastest growing markets since regulatory changes enacted in the late 1990s permitted utilities to outsource their PVF purchasing and procurement needs. Outsourcing provides significant labor and working capital savings to customers through the consolidation of product procurement spending and the delegation of warehousing operations to us. We estimate that approximately one third of gas utilities currently outsource and we anticipate that several of the remaining large gas utilities will most likely switch from the direct sourcing model to a distributor model. Furthermore, gas utilities will increasingly seek operating efficiencies as large natural gas pipelines and related distribution networks continue to be built, and will increasingly rely on companies such as ours to optimize their supply chains.

Midstream: Oil and Gas Transmission. The pipeline and transmission sector is anticipated to exhibit significant growth over the next three years due to the new discoveries of gas reserves in various oil and natural gas shale gas fields and the need for additional pipelines to carry heavy sour crude from Canada to refineries in the United States. Recent heightened activity in oil and gas fields such as the Bakken, Barnett, Fayetteville, Haynesville and Marcellus shales remain largely

unsupported by transmission facilities of the appropriate scale necessary to bring the oil and natural gas to market. This need for large pipelines to transport energy feedstocks to markets is creating significant growth for PVF and other products we sell. According to the EIA, 200 planned or approved projects (as of April 2008), call for 10,100 miles of new pipeline between 2008 and 2010, more than twice the level from the prior three-year period, and are estimated to cost over $28 billion. Drivers of this pipeline development and growth include the development of natural gas production in new geographies, the need for increased pipeline interconnection to lower price differences within regions, and the need to link facilities, liquefied natural gas and otherwise, that may be developed over the next decade.

The need for increased safety and governmental demands for pipeline integrity has also accelerated the MRO cycle for PVF products in this segment. After 2000, the U.S. Department of Transportation mandated programs that hasten, based on population densities and other considerations, the testing of existing lines to ensure that the integrity of the pipe remains consistent with its original design criteria. All pipe falling outside the necessary performance criteria as it relates to safety and overall integrity must be replaced. These new regulations for pipeline integrity management will continue to stimulate MRO demand for products as older pipelines are inspected and eventually replaced.

Additions to Natural Gas Pipeline Mileage 1998-2010



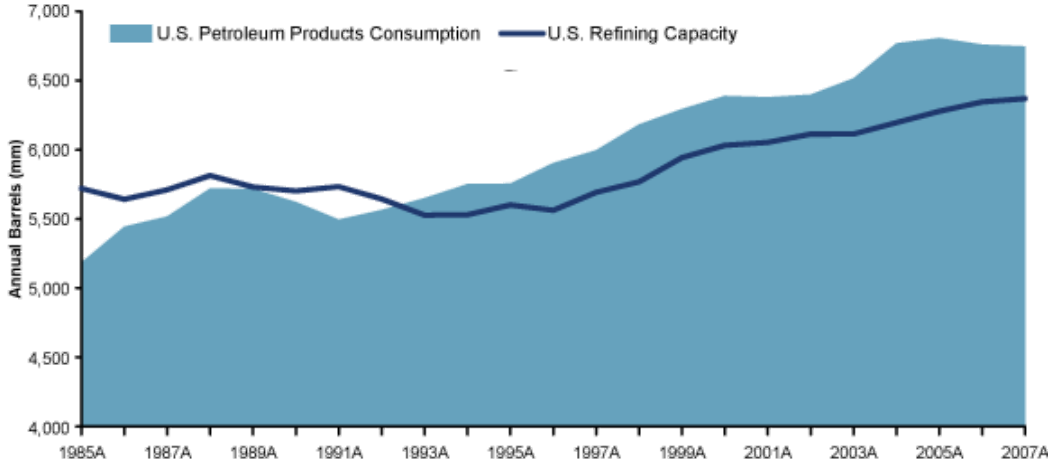
Source: EIA

Downstream and Other Processing Industries: Oil and Gas. Typical downstream activities include the refining of crude oil and the selling and distribution of products derived from crude oil, as well as the production of petrochemicals. Representative downstream companies include BP plc, Chevron, ConocoPhillips Company, Exxon Mobil Corporation, Marathon Oil Corporation, Shell Oil, and Valero Energy Corporation. Refinery infrastructure products include carbon steel line pipe and gate valves, fittings to construct piping infrastructure and chrome or high alloy pipe and fittings for high heat and pressure applications. Chemical/petrochemical products include corrosive-resistant stainless steel or high alloy pipes, multi-turn valves and quarter-turn valves.

Total U.S. refinery capacity utilization remains high, averaging approximately 90% over the last twenty-three years according to data provided by the Energy Information Administration. No new refineries have been built in the U.S. since 1976, and the number of refineries has declined from 223 in 1985 to 149 in 2006 where it has since remained constant. This continued high level of refinery utilization has stressed the existing refinery infrastructure and accelerated PVF product replacement

rates. Furthermore, we expect that additional increases in production to meet growing demand for refined products will result in a greater number of expansion projects at existing refineries. According to the EIA, cumulative capacity additions are expected to increase nearly threefold, or from approximately 0.5 Mmbl/day in 2007 to approximately 1.4 Mmbl/day by 2010. We believe that this trend of increased new project and MRO activities, coupled with continued high capacity utilization and the need to reinvest in existing plants, will generate significant new project and MRO contract opportunities for us.

U.S. Petroleum Products Consumption vs. U.S. Refining Capacity



Source: EIA

As refineries look for ways to improve margins and value-added capabilities, they are also increasingly investing in broadening the crudes that they process to include heavier, sourer crude. Increasingly heavy and sour crude is harsher and more corrosive than light sweet crude and requires high-grade alloys in many parts of the refining process. As a result of these corrosive characteristics, processing heavier and sourer crudes shortens product replacement cycles and, as a result, creates additional MRO contract opportunities for us following project completion. Thus, we believe that our specialty products will be in high demand to meet this need. Our specialty products include, among others, corrosion resistant components and steam products used in various process applications in refineries.

Petrochemical plants generally use crude oil, natural gas, or coal as a basis to produce a variety of primary petrochemicals (e.g. ethylene and propylene) that are the building blocks for most of the manufactured goods produced in the world today. The burgeoning economies in China, India and other non-OECD countries have generated increasing demand for petrochemicals and we expect that future increases in demand will require additional capital expenditures to increase capacity. Industry participants include integrated oil and gas companies with significant petrochemical operations and large industrial chemical companies, such as BP Chemicals, Celanese Chemicals, E.I. du Pont de Nemours and Company, Eastman Chemicals Company, Exxon Mobil Corporation and Lyondell Chemical Company.

Other Industries Served. Beyond the oil and gas industry, we also supply products to other energy sectors such as coal, power generation, liquefied natural gas and alternative energy facilities. We also serve more general industrial end markets such as pulp and paper, metals processing,

fabrication, pharmaceutical, food and beverage and manufacturing companies, which together make use of products such as corrosion resistant piping products as well as automation and instrumentation products. Some of the customers we serve in these markets include Alcoa, Inc., Arcelor Mittal, Eli Lilly and Company, Georgia Pacific Corporation, International Paper Company and U.S. Steel Corporation. These other markets are typically characterized by large physical plants requiring significant ongoing maintenance and capital programs to ensure efficient and reliable operations.

Overview of Our Business

Competitive Strengths

We consider the following to be our key competitive strengths:

Market Leader with Complete North American Coverage and Significant Scale. We are the leading North American distributor of PVF and related products to the energy industry based on sales, with at least twice the sales of our nearest competitor in the energy industry in 2007. Our North American network of over 250 locations in 38 U.S. states and in Canada gives us a significant market presence and provides us with substantial economies of scale that we believe make us a more effective competitor. The benefits of our size and extensive North American presence include: (1) the ability to act as a single-source supplier to large, multi-location customers operating across all segments of the energy industry; (2) the ability to commit significant financial resources to further develop our operating infrastructure, including our information systems, and provide a strong platform for future expansion; (3) volume purchasing benefits from our suppliers; (4) an ability to leverage our extensive North American inventory coverage to provide greater overall breadth and depth of product offerings; (5) the ability to attract and retain effective managers and salespeople; and (6) a business model exhibiting a high degree of operating leverage. Our presence and scale have also enabled us to establish an efficient supply chain and logistics platform, allowing us to better serve our customers and further differentiate us from our competitors.

High Level of Integration and MRO Contracts with a Blue Chip Customer Base. We have a diversified customer base with over 10,000 active customers and serve as the sole or primary supplier in all end markets or in specified end markets or geographies for many of our customers. Our top ten customers, with whom we have had relationships for more than 20 years on average, accounted for less than 30% of 2007 pro forma sales and no single customer accounted for more than 5% of 2007 pro forma sales. Before giving pro forma effect to the Red Man Transaction, our top ten customers accounted for approximately 30% of our 2007 sales and our largest customer accounted for approximately 6% of our 2007 sales. We enjoy fully integrated relationships, including interconnected technology systems and daily communication, with many of our customers and we provide an extensive range of integrated and outsourced supply services, allowing us to market a “total transaction cost” concept as opposed to individual product prices. We provide such services as multiple daily deliveries, zone stores management, valve tagging, truck stocking and significant system support for tracking and replenishing inventory, which we believe results in deeply integrated customer relationships. We sell products to many of our customers through multi-year MRO contracts which are typically renegotiated every three to five years. Although there are typically no guaranteed minimum purchase amounts under these contracts, these MRO customers, representing over 50% of both our 2007 historical and pro forma sales, provide a relatively stable revenue stream and help mitigate against industry downturns. We believe we have been able to retain customers by ensuring a high level of service and integration, as evidenced by our annual average MRO contract retention rate of over 99% since 2000. Furthermore, we have recently signed new MRO contracts displacing competitors that provide opportunities for us to gain new customers and broaden existing customer relationships.

Business and Geographic Diversification in the High-Growth Areas. We are well diversified across the upstream, midstream and downstream operations of the energy industry, as well as through our participation in selected industrial end markets. During the twelve months ended December 31, 2007 on a pro forma basis, we generated approximately 46% of our sales in the upstream sector, 22% in the midstream sector, and 32% in the downstream, industrial and other energy end markets. Before giving pro forma effect to the Red Man Transaction, during the twelve months ended December 31, 2007, approximately 36% of our sales were attributable to upstream activities, approximately 18% were attributable to midstream activities and approximately 46% were attributable to downstream and other processing activities. This diversification affords us some measure of protection in the event of a downturn in any one end market while providing us the ability to offer "one stop" shopping for most of our integrated energy customers. In addition, our more than 250 branches are located near major hydrocarbon and refining regions throughout North America, including rapidly expanding oil and natural gas E&P areas in North America, such as the Bakken, Barnett, Fayetteville, Haynesville and Marcellus shales. Our geographic diversity enhances our ability to respond to customers quickly, gives us a strong presence in these high growth E&P areas and reduces our exposure to a downturn in any one region.

Strategic Supplier Relationships. We have extensive relationships with our suppliers and have key supplier relationships dating back in certain instances over 60 years. We purchased approximately $1 billion of products from our top ten suppliers for the twelve months ended December 31, 2007 on a pro forma basis, representing approximately 32% of our purchases. Before giving pro forma effect to the Red Man Transaction, during the twelve months ended December 31, 2007 we purchased approximately $431 million of products from our top ten suppliers, representing approximately 30.7% of our purchases. We believe our customers view us as an industry leader for the formal processes we use to evaluate vendor performance and product quality. We employ individuals, certified by the International Registry of Certificated Auditors, who specialize in conducting manufacturer assessments both domestically and internationally. Our Supplier Registration Process ("SRP"), which allows us to maintain the MRM ASL, serves as a significant strategic advantage to us in developing, maintaining and institutionalizing key supplier relationships. For our suppliers, being included on the MRM ASL represents an opportunity for them to increase their product sales to our customers. The SRP also adds value to our customers, as they collaborate with us regarding specific manufacturer performance, our past experiences with products and the results of our on-site supplier assessments. Having a timely, uninterrupted supply of those mission critical products from approved vendors is an essential part of our customers' day-to-day operations and we work to fulfill that need through our SRP.

A Leading IT Platform Focused on Customer Service. Our business is supported by our integrated, scalable and customer-linked customized information systems. These systems and our more than 3,400 employees are linked by a wide area network. We are currently implementing an initiative, expected to be completed in 2009, that will combine our business operations onto one enterprise server-based system. This will enable real-time access to our business resources, including customer order processing, purchasing and material requests, distribution requirements planning, warehousing and receiving, inventory control and all accounting and financial functions. Significant elements of our systems include firm-wide pricing controls resulting in disciplined pricing strategies, advanced scanning and customized bar-coding capabilities, allowing for efficient warehousing activities at customer as well as our own locations, and significant levels of customer-specific integrations. We believe that the customized integration of our customers' systems into our own information systems has increased customer retention by reducing their expenses, thus creating switching costs when comparing us to alternative sources of supply. Typically, smaller regional and local competitors do not have IT capabilities that are as advanced as ours.

Highly Efficient, Flexible Operating Platform Drives Significant Free Cash Flow Generation. We place a particular emphasis on practicing financial discipline as evidenced by our strong focus on return on assets, minimal capital expenditures and high free cash flow generation. Our disciplined cost control, coupled with our active asset management strategies, result in a

business model exhibiting a high degree of operating leverage. As is typical with the flexibility associated with a distribution operating model, our variable cost base includes substantially all our cost of goods sold and a significant portion of our operating costs. Furthermore, our maintenance capital expenditures were less than 0.2% of our pro forma sales for the year ended December 31, 2007. This cost structure allows us to adjust to changing industry dynamics and, as a result, during periods of decreased sales activity, we typically generate significant free cash flow as our costs are reduced and working capital contracts.

Experienced and Motivated Management Team. Our senior management team has an average of over 25 years of experience in the oilfield and industrial supply business, the majority of which has been with McJunkin Red Man or its predecessors. After giving effect to this offering, senior management will own % of our company indirectly through their equity interests in PVF Holdings LLC. We also seek to incentivize and align management with shareholder interests through equity-linked compensation plans. Furthermore, executive compensation is based on profitability and return-on-investment targets which we believe drives accountability and further aligns the organization with our shareholders.

Business Strategy

Our goal is to become the largest global distributor of PVF and related products to the energy and industrials sectors. We intend to grow our business by leveraging our existing position as the largest North American distributor of PVF products and services to the energy industry based on sales. Our strategy is focused on pursuing growth by increasing organic market share and growing our business with current customers, expanding into new geographies and end markets, further penetrating the Canadian Oil Sands and downstream sector, pursuing selective strategic acquisitions and investments, increasing recurring revenues through integrated supply, MRO and project contracts, and continuing to increase our operational efficiency.

Increase Organic Market Share and Grow Business with Current Customers. We are committed to expanding upon existing deep relationships with our current customer base while at the same time striving to secure new customers. To accomplish this, we are focused on providing a “one stop” PVF procurement solution throughout North America and across the upstream, midstream and downstream sectors of the energy industry, cross-selling by leveraging our expanded product offering resulting from the business combination between McJunkin and Red Man in October 2007, and increasing our penetration of existing customers’ new multiyear projects.

The migration of existing customer relationships to sole or primary sourcing arrangements is a core strategic focus. We seek to position ourselves as the sole or primary provider of a broad complement of PVF products and services for a particular customer, often by end market and/or geography, or in certain instances across all of a customer’s North American upstream, midstream and downstream operations. Several of our largest customers have recently switched to sole or primary sourcing contracts with us. Additionally, we believe that significant opportunities exist to expand upon heritage McJunkin and Red Man existing deep customer and supplier relationships and thereby increase our market share. While we believe that both heritage McJunkin and Red Man organizations each maintained robust product offerings, there also remain opportunities to cross-sell certain products into the other heritage organization’s customer base and branch network. As part of these efforts, we are working to further strengthen our service offerings by augmenting our product portfolio, management expertise and sales force.

We also aim to increase our penetration of our existing customers’ new projects. For example, while we often provide nearly 100% of the PVF products for certain customers under MRO contracts, increased penetration of those customers’ new downstream and midstream projects remains a strategic priority. Initiatives are in place to deepen relationships with engineering and construction firms and to extend our product offering into certain niches. We recently integrated core project groups in several locations to focus solely on capturing new multi-year project opportunities and we are encouraged by these initial efforts.

Expand into New Geographies and End Markets. We intend to selectively establish new branches in order to facilitate our expansion into new geographies, and enter end markets where extreme operating environments generate high PVF product replacement rates. We continue to evaluate establishing branches and service and supply centers, entering into joint ventures, and making acquisitions in select domestic and international regions. While we believe that we are one of three PVF distributors with branches throughout North America, there is opportunity to expand via new branch openings in certain geographies and end markets.

While our near term strategy is to continue to expand within North America, we believe that attractive opportunities exist to expand internationally. Though we currently maintain only one branch outside of North America, we continue to actively evaluate opportunities to extend our offering to key international markets, particularly in West Africa, the Middle East, Europe and South America. The E&P opportunity and current installed base of energy infrastructure internationally is significantly larger than in North America and as a result we believe represents an attractive long term opportunity both for ourselves and our largest customers. While our near term focus internationally will be centered on growing our business with our already largely global customer base, the increased focus, particularly by foreign-owned integrated oil companies, on efficiency, cost savings, process improvements and core competencies has also generated potential growth opportunities to add new customers that we will continue to monitor closely.

We also believe opportunities exist for expansion into new and under penetrated end markets where PVF products are used in specialized, highly corrosive applications. These end markets include pulp and paper, food and beverage and other general industrial markets, in addition to other energy end markets such as power generation, liquefied natural gas, coal, nuclear and ethanol. We believe our extensive North American branch platform, comprehensive PVF product offering, and reputation for high customer service and technical expertise positions us to participate in the growth in these end markets.

We believe there also remains an opportunity to continue to expand into certain niche and specialty products that complement our current extensive product offering. These products include automated valves, instrumentation, stainless, chrome and high nickel alloy PVF, large diameter carbon steel pipe and certain specialty items, including steam products.

Further Penetrate the Canadian Oil Sands, Particularly the Downstream Sector. The Canadian Oil Sands region and its attendant downstream markets represent very attractive growth areas for our company. Improvements in mining and in-situ technology are driving significant investment in the area and, according to the Alberta Energy and Utilities Board, the Canadian Oil Sands contain an ultimately recoverable crude bitumen resource of 315 billion barrels, with established reserves of almost 173 billion barrels at December 2007. Canada has the second largest recoverable crude oil reserves in the world, behind Saudi Arabia. Capital and maintenance investments in the Canadian Oil Sands are expected to experience dramatic growth due to rising global energy demand and advancements in recovery and upgrading technologies. According to the Alberta Ministry of Energy, an estimated CDN$67 billion (US$66.2 billion) was invested in Canadian Oil Sands projects from 2000 to 2007. These large facilities require significant ongoing PVF maintenance well in excess of traditional energy infrastructure, given the extremely harsh operating environments and highly corrosive conditions. According to the Alberta Ministry of Energy, almost CDN$170 billion (US$168 billion) in Canadian Oil Sands-related projects were underway or proposed as of June 2008, which we estimate could generate significant PVF expenditures.

While Midfield has historically focused on the upstream and midstream sectors in Canada, we believe that a significant opportunity exists to penetrate the Canadian Oil Sands downstream market which includes the upgrader and refinery markets. We are the leading provider of PVF products to the downstream market in the U.S. and believe this sector expertise and existing customer relationships can be utilized by our upstream and midstream Canadian operations to grow our downstream sector presence in this region. We also believe there is a significant opportunity to penetrate the Canadian

Oil Sands extraction market involving in-situ recovery methods, including SAGD (steam assisted gravity drainage) and CSS (cyclic steam stimulation) techniques used to extract the bitumen. We have formed a full team overseen by senior management, have made recent inventory and facility investments in Canada, including a new 60,000 square foot distribution center facility located near Edmonton, and have opened additional locations in Western Canada to address this opportunity. Finally, we also believe that an attractive opportunity exists to more fully penetrate the MRO market in Canada, including refineries, petrochemical facilities, utilities and pulp and paper and other general industrial markets.

Pursue Selective Strategic Acquisitions and Investments. Acquisitions have been a core focus and acquisition integration a core competency for us. We seek opportunities to strengthen our franchise through selective acquisitions and strategic investments. In particular, we will consider investments that enhance our presence in the energy infrastructure market and enable us to leverage our existing operations, either through acquiring new branches or by acquiring companies offering complementary products or end market breadth. Our industry remains highly fragmented and we believe a significant number of small and larger acquisition opportunities remain that offer favorable synergy potential and attractive growth characteristics. Acquisitions have been a core focus for both the heritage McJunkin and Red Man organizations which we plan to continue. In addition to the business combination between McJunkin and Red Man, since 2000 we have integrated 19 acquisitions which collectively represented over $900 million in sales in the year of acquisition. Important recent acquisitions include Midfield, one of the three largest oilfield supply companies in Canada with 68 branches, and Midway-Tristate Corporation (“Midway”), an oilfield distributor primarily serving the Rockies and Appalachia regions. Historically, our operating scale and integration capabilities have enabled us to realize important synergies, while minimizing execution risk, which we intend to focus on with future acquisitions.

Increase Recurring Revenues through Integrated Supply, MRO and Project Contracts. We have entered into and continue to pursue integrated supply, MRO and project contracts with certain of our customers. These arrangements generally designate us as the sole source or primary provider of the upstream, midstream, and/or downstream requirements of our customers. In certain instances we are the sole or primary source provider for our customers across all the energy sectors and/or North American geographies within which the customer operates.

Our customers have, over time, increasingly moved toward centralized PVF procurement management at the corporate level rather than at individual local units. While these developments are partly due to significant consolidation among our customer base, sole or primary sourcing arrangements allow customers to focus on their core operations and provide economic benefits by generating immediate savings for the customer through administrative cost and working capital reductions while providing for increased volumes, more stable revenue streams and longer term visibility for us. We believe we are well positioned to obtain these arrangements due to our (1) geographically diverse and strategically located branch network, (2) experience, technical expertise and reputation for premier customer service operating across all segments of the energy industry, (3) breadth of available product lines and value added services, and (4) existing deep relationships with customers and suppliers.

We also have exclusive and non-exclusive MRO contracts and new project contracts in place. Our customers are increasing their maintenance and capital spending, which is being driven by aging infrastructure, their increased utilization of existing facilities and the decreasing quality of energy feedstocks. Our customers benefit from MRO agreements through lower inventory investment and the reduction of transaction costs associated with the elimination of the bid submission process, and our company benefits from the recurring revenue stream that occurs with an MRO contract in place. We believe there are additional opportunities to utilize MRO arrangements for servicing the requirements of our customers and we are actively pursuing such agreements.

Continued Focus on Operational Efficiency. We strive for continued operational excellence. Our branch managers and regional management corporate leadership team continually examine

branch profitability, working capital management, and return on managed assets and utilize this information to optimize national, regional and local strategies, reduce operating costs and maximize cash flow generation. As part of this effort, management incentives are centered on meeting EBITDA and return on assets targets.

In order to improve efficiencies and profitability, we work to leverage operational best practices, optimize our vendor relationships, purchasing, and inventory levels and source inventory internationally when appropriate. As part of this strategy, we have integrated our heritage purchasing functions and believe we have developed strong relationships with vendors that value both our national footprint and volume purchasing capabilities. Because of this, we are often considered the preferred distribution channel. As we continue to consolidate our vendor relationships, we plan to devote additional resources to assist our customers in identifying products that improve their processes, day-to-day operations and overall operating efficiencies. We believe that offering these value added services maximizes our value to our customers and helps differentiate us from competitors.

Products

Through our over 250 strategic locations in North America, we distribute over 100,000 products from over 10,000 suppliers primarily used in specialized applications in the energy infrastructure market. Our products are used in the construction, maintenance, repair and overhaul of equipment used in extreme operating conditions such as high pressure, high/low temperature, high corrosive and high abrasive environments.

The breadth and depth of our product offerings and our extensive North American presence allow us to provide high levels of service to our customers. Due to our national inventory coverage, we are able to fulfill more orders more quickly, including those with lower volume and specialty items, than we would be able to if we operated on a smaller scale and/or only at a local or regional level. Approximately two-thirds of our pro forma sales for the twelve months ended December 31, 2007 consisted of sales of carbon, stainless and alloy pipe, valves and specialty products. Sales of oilfield and industrial supplies, fittings, gas products and other products comprised the remainder. Before giving pro forma effect to the Red Man Transaction, approximately three quarters of our sales for the twelve months ended December 31, 2007 consisted of sales of carbon, stainless and alloy pipe, valves and specialty products, while sales of oilfield and industrial supplies, fittings, gas products and other products comprised the remainder. Key product groups are described below:

Carbon and Alloy Pipe. Carbon pipes are typically used in high-yield, high-stress, abrasive applications such as gathering and transmission of oil, natural gas and phosphates. Steel alloy pipes are composed of iron, carbon, and one or more other elements such as chromium, cobalt or nickel. Alloy products are principally used in high-pressure, extreme temperature and high-corrosion applications such as in heating and desulphurization in the processing and refining industries and in steam generation units in the power industry.

Valves and Specialty Products. Products offered include ball, butterfly, gate, globe, check, needle and plug valves which are manufactured from cast steel, stainless/alloy steel, forged steel, carbon steel or cast and ductile iron. Valves are generally used in oilfield and industrial applications to control direction, velocity and pressure of fluids and gases within transmission networks. Specialty products include corrosion resistant components and steam products used in various process applications in refineries and petrochemical plants.

Oilfield and Industrial Supplies. Products include high density polyethylene pipe, valves, well heads, pumping units, rods and other related oilfield and production equipment.

Carbon Fittings. Products include carbon weld fittings, flanges and accessory items used primarily to connect piping and valve systems for the transmission of various liquids and gases.

Gas Products. Products include risers, meters, polyethylene pipe and fittings and various other gas carrying materials that are used primarily in the distribution of natural gas to residential and commercial customers.

Stainless Pipe and Fittings. Products include stainless, alloy and corrosion resistant pipe, tubing, fittings and flanges that are used primarily in chemical process applications.

Services

We provide our customers, including our customers with MRO contracts, with a comprehensive array of services including multiple daily deliveries, zone stores management, valve tagging, truck stocking and significant system interfaces that directly tie the customer into our proprietary information systems. Our proprietary information systems allow us to interface with our customers' IT systems, thereby providing a seamless and integrated supply service. Such services strengthen our position with our customers as we become more integrated into the customer's business and supply chain and are able to market a "total transaction cost" concept rather than individual product prices.

Our comprehensive information systems platform, which provides for customer and supplier electronic integrations, information sharing, and e-commerce applications, further strengthens our ability to provide high levels of service to our customers. Our highly specialized implementation group focuses on the integration of our information systems and implementation of improved business processes with those of a new customer during the initiation phase. By maintaining a specialized team, we are able to utilize best practices to implement our systems and processes, thereby providing solutions to customers in a more organized, efficient and effective manner. This approach is valuable to large, multi-location customers who have demanding service requirements.

As major integrated and large independent energy companies have implemented efficiency initiatives to focus on their core business, many of these companies have begun outsourcing their procurement and inventory management requirements. In response to these initiatives and to satisfy customer service requirements, we offer integrated supply services to customers who wish to outsource all or a part of the administrative burden associated with sourcing PVF and other related products, and we also have employees on-site at many customer locations. Our integrated supply group offers procurement-related services, physical warehousing services, product quality assurance and inventory ownership and analysis services.

Customers

Our principal customers are companies active in the upstream, midstream and downstream sectors of the energy industry as well as in other industrial and energy sectors. Due to the demanding operating conditions in the energy industry and high costs associated with equipment failure, customers prefer highly reliable products and vendors with established qualifications and experience. As our PVF products typically represent a fraction of the total cost of the project, our customers place a premium on service given the high cost to them of maintenance or new project delays. We strive to build long-term relationships with our customers by maintaining our reputation as a supplier of high-quality, efficient and reliable products and value-added services and solutions.

We have a diverse customer base with over 10,000 active customers. We are not dependent on any one customer or group of customers. A majority of our customers are offered terms of net, 30 days (due within 30 days of the customer's receipt of the invoice). Customers generally have a right to return our products. However, returns have been immaterial to our total sales. For the twelve months ended December 31, 2007, our top ten customers represented less than 30% of our pro forma sales. For the twelve months ended December 31, 2007, before giving pro forma effect to the Red Man Transaction, our top ten customers accounted for approximately 30% of our sales. For many of our largest customers, we are often their sole or primary

provider by end market or geography, their largest or second largest supplier in aggregate, or in certain instances the sole provider for their upstream, midstream and downstream procurement needs. We believe that many customers for which we are not the end market exclusive or comprehensive North American sole source PVF provider will continue to reduce their number of suppliers in an effort to reduce costs and administrative burdens and focus on their core operations. As such, we believe these customers will seek to select PVF distributors with the most extensive product offering and broadest geographic presence. Furthermore, we believe our business will strengthen as companies in the energy industry continue to consolidate and the larger, resulting companies look to larger distributors such as ourselves as their sole or primary source PVF provider.

Suppliers

We source our products from more than 10,000 suppliers. Our suppliers benefit from access to our diversified customer base and, by consolidating customer orders, we benefit from stronger purchasing power and preferred vendor programs. During the twelve months ended December 31, 2007 on a pro forma basis, we purchased approximately $1 billion of products from our top 10 suppliers, representing approximately 32% of our total purchases. Before giving pro forma effect to the Red Man Transaction, during the twelve months ended December 31, 2007 we purchased approximately $431 million of products from our top ten suppliers, representing approximately 30.7% of our purchases. Our largest supplier accounted for approximately 9% of our total purchases in 2007 on a pro forma basis and accounted for approximately 7% of our total purchases in 2007 before giving pro forma effect to the Red Man Transaction. We source a significant majority of our products directly from the manufacturer.

We believe our customers and suppliers recognize us as an industry leader for the formal processes we use to evaluate the performance of our vendors as well as the products they furnish to our company. This assessment process is referred to as the MRM Supplier Registration Process, which involves employing individuals, certified by the International Registry of Certificated Auditors, who specialize in conducting on-site assessments of our manufacturers as well as monitoring and evaluating the quality of goods produced. The result of this process is the MRM ASL. Products from the manufacturers on this list are supplied across many of the end markets we support. Given that many of our largest customers, especially those in the refinery and chemical industries, maintain their own formal AML listing, we are recognized as an important source of information sharing with our key customers regarding the results of our on-site assessment. For this reason, together with management’s commitment to promote high quality products that bring the best overall value to our customers, we often become the preferred provider of AML products to these customers. Many of our customers regularly collaborate with us regarding specific manufacturer performance, our own experience with vendors’ products and the results of our on-site supplier assessments. The emphasis placed on the MRM ASL by both our customers and suppliers helps secure our central and critical position in the global PVF supply chain.

We utilize a variety of freight carriers in addition to our corporate fleet to ensure timely and efficient delivery of our product. Our strategy is to build volume with selected “core” common carriers in order to obtain a pricing advantage and to align responsibility for customer service. Placing freight regularly with over 50 different carriers provides us with a substantial pool of qualified carriers to draw from as market conditions change.

Sales and Marketing

We distribute our products to a wide variety of end-users. Our broad distribution network and customer base allow us to capitalize on our extensive inventory base. Local relationships, depth of inventory, service and timely delivery are critical to the sales process in the PVF distribution industry. Our marketing efforts are customer and product driven, and provide a system that is more responsive to changing customer and product needs than a traditional, fully centralized structure.

Our sales model applies a two-pronged approach to address both the regional and national markets. Regional sales teams, led by eight senior vice presidents with an average tenure of 26 years at McJunkin Red Man or its predecessors, are based in our core geographic regions and the national accounts sales team is focused on specific customer types, including large national customers and gas utility customers, supported by groups with specific expertise, including integrated supply and implementation. Our overall sales force is internally divided into outside and inside sales forces.

Our 342 (as of December 31, 2007) outside sales representatives develop relationships with prospective and existing customers in an effort to better understand their needs and to increase the number of our products specified or approved by a given customer. Outside sales representatives may be branch outside sales representatives, focused on customer relationships in specific geographies, or technical outside sales representatives, who focus on specific products and provide detailed technical support to customers.

In order to address the needs of our customer base, our inside sales force of 762 individuals (as of December 31, 2007) is responsible for processing orders generated by new and existing customers as well as by our outside sales force. The inside sales force prepares packages based on specific customer needs, interfaces with manufacturers to determine product availability, ensures on-time delivery and establishes pricing of materials and services based on guidelines and predetermined metrics set by management.

Information Systems

Our technology approach allows for extensive integration and customization with our clients. We believe that this is accretive to the customer's value proposition and increases customer loyalty. Thus, our customized information systems enable on-line real-time access to appropriate resources and are an integral part of our competitive advantage, particularly among larger customers whose own information systems we integrate with seamlessly.

Third party and web-based applications are incorporated in our platform to further enhance the IT offering. Customer and supplier electronic integrations, information sharing, and e-commerce applications help support and secure long-standing relationships and foster additional business with our customers. Scanning and customized bar-coding systems increase efficiency. Our corporate Intranet also includes web-based applications such as its Sales History Analysis Reporting Program ("SHARP"), a Wizard Document and Report Library and a Document Imaging application that includes more than 5 million documents and reports. As of December 31, 2007, we had a staff of approximately 60 IT professionals.

We currently operate two primary information systems inherited from the combination of McJunkin and Red Man. Management has thoroughly evaluated both systems for functionality, degree of customer and internal integration, controls, accounting and reporting capability, acquisition implementation, scalability, reliability, speed and Sarbanes-Oxley upgradeability. Information systems have been a critical focus and a three-step integration plan has been put in place with the final transition to an enhanced hybrid information system platform combining certain elements of the heritage McJunkin and Red Man systems expected to be fully completed in 2009. This plan enables the company to leverage the benefits of both systems while reducing the risk associated with any major system change.

Upon completion of our information systems integration initiative, our branches will be linked by our wide area networks into an existing integrated, scalable, enterprise server-based system allowing online, real-time access to all business resources including customer order processing, purchasing and material request, distributing requirements planning, warehousing and receiving, inventory control and all accounting and financial functions. Prior to project completion, we are merging geographically overlapping locations and migrating these and certain other locations to the chosen information systems platform. We have already successfully transitioned 10 locations in this manner. This serves

as both a validation of our approach and a confirmation of our conversion process, a key to minimizing information systems risk and any disruption to the business and customer base.

Employees

As of June 26, 2008, we had approximately 3,484 employees worldwide. Thirty employees belong to the International Brotherhood of Teamsters and are covered by collective bargaining agreements. We believe we have good relationships with our employees and have not had any major issues such as strikes or business interruptions during the past several years.

Properties

We operate a modified hub and spoke model that is centered around our 6 distribution centers in North America with more than 250 locations which have inventory and local employees. Additionally, in order to maintain strong customer relationships, we hold inventory at approximately 700 on-site customer locations.

The company maintains two corporate headquarters, the precedent McJunkin headquarters in Charleston, WV, which focuses on downstream, gas utilities (midstream), and Appalachian upstream activities, and the precedent Red Man headquarters in Tulsa, OK, which focuses on upstream and pipeline (midstream) activities. We also maintain a main corporate office for our Canadian operations in Calgary, Alberta.

Competition

We are the largest PVF distributor to the energy industry in North America based on sales. The broad PVF distribution industry is fragmented and includes large, nationally recognized distributors, major regional distributors and many smaller local distributors, with the potential for further consolidation. The principal methods of competition include offering prompt local service, fulfilment capability, breadth of product and service offerings, price and total costs to the customer. Our competitors include national recognized distributors, such as Wilson Industries, Inc. (a subsidiary of Smith International, Inc.) and National Oilwell Varco, Inc., several large regional or product-specific competitors, and many local, family-owned PVF distributors.

Environmental Matters

We are subject to a variety of federal, state, local, foreign and provincial environmental, health and safety laws and regulations, including those governing the discharge of pollutants into the air or water, the management, storage and disposal of hazardous substances and wastes, the responsibility to investigate and cleanup contamination and occupational health and safety. Fines and penalties may be imposed for non-compliance with applicable environmental, health and safety requirements and the failure to have or to comply with the terms and conditions of required permits. Historically, the costs to comply with environmental and health and safety requirements have not been material. We are not aware of any pending environmental compliance or remediation matters that, in the opinion of management, are reasonably likely to have a material effect on our business, financial position or results of operations. However, the failure by us to comply with applicable environmental, health and safety requirements could result in fines, penalties, enforcement actions, third party claims for property damage and personal injury, requirements to clean up property or to pay for the costs of cleanup, or regulatory or judicial orders requiring corrective measures, including the installation of pollution control equipment or remedial actions.

Under certain laws and regulations, such as the federal Superfund law, the obligation to investigate and remediate contamination at a facility may be imposed on current and former owners or operators or on persons who may have sent waste to that facility for disposal. Liability under these

laws and regulations may be without regard to fault or to the legality of the activities giving rise to the contamination. Although we are not aware of any active litigation against us under the federal Superfund law or its state equivalents, contamination has been identified at several of our current and former facilities, and we have incurred and will continue to incur costs to investigate and remediate these conditions. Moreover, we may incur liabilities in connection with environmental conditions currently unknown to us relating to our prior, existing or future sites or operations or those of predecessor companies whose liabilities we may have assumed or acquired.

In addition, environmental, health and safety laws and regulations applicable to our business and the business of our customers, including laws regulating the energy industry, and the interpretation or enforcement of these laws and regulations, are constantly evolving and it is impossible to predict accurately the effect that changes in these laws and regulations, or their interpretation or enforcement, may have upon our business, financial condition or results of operations. In particular, legislation and regulations limiting emissions of greenhouse gases, including carbon dioxide associated with the burning of fossil fuels, are at various stages of consideration and implementation, and if fully implemented, could negatively impact the market for our products and, consequently, our business. Should environmental laws and regulations, or their interpretation or enforcement, become more stringent, our costs could increase, which may have a material adverse effect on our business, financial condition and results of operations.

Legal Proceedings

From time to time, we have been subject to various claims and involved in legal proceedings incidental to the nature of our businesses. We maintain insurance coverage to reduce financial risk associated with certain of these claims and proceedings. It is not possible to predict the outcome of these claims and proceedings. However, in our opinion, there are no material pending legal proceedings that are likely to have a material effect on our business, financial condition or results of operations, although it is possible that the resolution of certain actual or threatened claims or proceedings could have a material adverse effect on our business, financial condition or results of operation in the period of resolution.

We are a defendant in lawsuits involving approximately 835 plaintiffs as of September 24, 2008 alleging, among other things, personal injury, including mesothelioma and other cancers, arising from exposure to asbestos-containing materials included in products distributed by us in the past. The complaints in these lawsuits typically name many other defendants. In the majority of these lawsuits, little or no information is known regarding the nature of the plaintiffs' alleged injuries or their connection with the products we distributed. As of June 2008, lawsuits involving approximately 11,240 claims have been brought against us. Of these claims, approximately 10,414 have been resolved (7,140 have been dismissed, 33 have been settled and 3,241 were resolved prior to 1995 as part of two mass settlements with payments not allocated to individual claims). No asbestos lawsuit has resulted in a judgment against us to date. In 2008, we along with outside accounting and financial consultants, conducted an analysis of pending and probable asbestos-related claims to determine the adequacy of our accrual for these claims. This analysis consisted of developing per claim settlement estimates for each category of claim by alleged disease type based on our historical settlement experience. These estimates were applied to each of our pending individual claims. Liability with respect to mass filings was estimated by determining the number of individual plaintiffs included in the mass filings likely to have claims resulting in settlements based on our historical experience with mass filings. Finally, likely claims expected to be asserted against us over the next fifteen years were predicted based on public health estimates of future incidences of certain asbestos-related diseases in the general U.S. population and per claim settlement estimates were applied to those estimated claims. Based on our analysis and the existence of certain insurance coverage, we do not believe that the outcome of our pending and probable cases will have a material impact on us. The potential liability associated with asbestos lawsuits, however, is subject to many uncertainties, including negative developments in the cases pending against us, the current or future insolvency of co-

defendants, adverse changes in relevant laws or the interpretation thereof, and the extent to which insurance will be available to pay for defense costs, judgments or settlements. Further, we anticipate that additional claims will be filed against us in the future, but are unable to predict the number, timing and magnitude of such future claims with any certainty. Therefore, we cannot assure you that the pending or future asbestos litigation will not ultimately have a material adverse effect on our business, results of operations and financial condition.

MANAGEMENT

Executive Officers and Directors

The following table sets forth the names, ages (as of June 26, 2008) and positions of each person who is an executive officer or director of McJunkin Red Man Holding Corporation and who will be an executive officer or director of McJunkin Red Man Holding Corporation upon completion of this offering.

Name	Age	Position
Andrew Lane	48	Chief Executive Officer and Director
James F. Underhill	53	Executive Vice President and Chief Financial Officer
Dee Paige	55	Executive Vice President of Canadian Operations and Business Development
Stephen D. Wehrle	55	Executive Vice President — Branch Sales and Operations
Jeffrey Lang	52	Executive Vice President — Branch Sales and Operations
Randy K. Adams	58	Senior Corporate Vice President — Sales & Marketing (Upstream)
Rory M. Isaac	58	Senior Corporate Vice President — Sales & Marketing (Downstream/Gas Utilities)
Gary A. Ittner	56	Senior Corporate Vice President of Supply Chain Management (based in Charleston)
Dennis Niver	60	Senior Corporate Vice President of Supply Chain Management (based in Tulsa)
Ken Hayes	52	Senior Corporate Vice President of Standard and Line Pipe
Stephen W. Lake	44	Senior Corporate Vice President, General Counsel and Corporate Secretary
David Fox, III	59	Senior Regional Vice President of the Appalachian Region
Craig Ketchum	51	Chairman of the Board of Directors
Rhys J. Best	61	Director
Henry Cornell	52	Director
Christopher A.S. Crampton	30	Director
John F. Daly	42	Director
Harry K. Hornish, Jr.	63	Director
Sam B. Rovit	50	Director
H.B. Wehrle, III	56	Director

Andrew Lane has served as the chief executive officer of our company since September 2008. He has also served as a director of our company since September 2008. From December 2004 to December 2007, he served as executive vice president and chief operating officer of Halliburton Company, where he was responsible for Halliburton's overall operational performance, managed over 50,000 employees worldwide and oversaw several mergers and acquisitions integrations. Prior to that, he held a variety of leadership roles within Halliburton, serving as president and chief executive officer of Kellogg Brown & Root, Inc. from July 2004 to November 2004, as senior vice president, global operations of Halliburton Energy Services Group from April 2004 to July 2004, as president of the Landmark Division of Halliburton Energy Services Group from May 2003 to March 2004, and as president and chief executive officer of Landmark Graphics Corporation from April 2002 to April 2003. He was also chief operating officer of Landmark Graphics from January 2002 to March 2002 and vice president, production enhancement PSL, completion products PSL and tools/testing/TCP of Halliburton Energy Services Group from January 2000 to December 2001. Mr. Lane also served as a

director of KBR, Inc. from June 2006 to April 2007. He began his career in the oil and gas industry as a field engineer for Gulf Oil Corporation in 1982, and later worked as a production engineer in Gulf Oil's Pipeline Design and Permits Group. Mr. Lane received a B.S. in mechanical engineering from Southern Methodist University. He is a member of the executive board of the Southern Methodist University School of Engineering.

James F. Underhill has served as executive vice president and chief financial officer of our company and of McJunkin Red Man Corporation, our subsidiary, since November 2007. At McJunkin, he served as chief financial officer from May 2006 through October 2007, as senior vice president of accounting and information services from 1994 to May 2006, and vice president and controller from 1987 to 1994. Prior to 1987, Mr. Underhill served as controller, assistant controller, and corporate accounting manager. Mr. Underhill joined McJunkin in 1980 and has since overseen McJunkin's accounting, information systems, and mergers and acquisitions areas. He has been involved in numerous implementations of electronic customer solutions and has had primary responsibility for the acquisition and integration of more than 30 businesses. Mr. Underhill was also project manager for the design, development, and implementation of McJunkin's FOCUS operating system. He received a B.A. in accounting and economics from Lehigh University in 1977 and is a certified public accountant. Prior to joining McJunkin, Mr. Underhill worked in the New York City office of the accounting firm of Main Hurdman.

Dee Paige has served as executive vice president with responsibilities for Canadian operations and business development at our company and at McJunkin Red Man Corporation, our subsidiary, since November 2007. Mr. Paige joined Red Man in 1982 and worked as controller until 1986, when he was named vice-president — finance. He was named chief financial officer/treasurer of Red Man in 1995. He also served on Red Man's board of directors. Mr. Paige received his undergraduate degree and master's degree in accounting from Oklahoma State University. Mr. Paige is a certified public accountant.

Stephen D. Wehrle has served as executive vice president — branch sales and operations at our company and at McJunkin Red Man Corporation, our subsidiary, since November 2007. Mr. Wehrle began working at McJunkin in 1974 as an inside sales representative. He became senior vice president of sales at McJunkin in 1987 and became executive vice president of sales at McJunkin in 2004. Mr. Wehrle graduated from the University of Colorado with a bachelor of arts degree. He currently serves on the advisory board for the University of Charleston Graduate School of Business and is a director of the Chemical Alliance Zone in Charleston, West Virginia, the Clay Center for the Arts and Sciences, the Library Foundation of Kanawha Valley, Thomas Memorial Hospital, and the West Virginia Hospital Association. He is also director emeritus of Children's Home Society of West Virginia. Stephen D. Wehrle is the brother of H.B. Wehrle, III, one of our directors.

Jeff Lang has served as executive vice president — branch sales and operations at our company since August 2008 and at McJunkin Red Man Corporation, our subsidiary, since November 2007. Mr. Lang has over 25 years experience in distribution, operations and sales. He served as senior vice president of branch sales and operations at Red Man from March 2006 through October 2007. Prior to joining Red Man in March 2006, he served as director of Ingersoll Rand's North American Sales and Service business from January 2002 to March 2006. Mr. Lang worked at Ingersoll Rand's headquarters in various leadership and management capacities. He also led Ingersoll Rand's North American Independent Distributor business from May 1999 to December 2002. Mr. Lang received his undergraduate degree from Ohio University and received an MBA from Averett College.

Randy Adams has served as senior corporate vice president — sales & marketing (focusing on upstream and midstream markets) at our company since August 2008 and at McJunkin Red Man Corporation, our subsidiary, since November 2007. Mr. Adams' career in the PVF distribution industry began in 1980 with Vinson Supply Co., which was acquired by Red Man in 1995. He has served in many roles at Red Man, including as branch manager from 1995 to 1997, manager — alliances and marketing from 1997 to 2000, director — e-commerce & alliances from 2000 to 2002, and

vice-president — sales and marketing from 2002 to 2007. His current roles and responsibilities include retention and growth of existing MRO contracts and proactive growth in domestic and international oil and gas markets. In addition to sales responsibilities, he also manages the pricing strategy and marketing programs. Mr. Adams received his business administration degree in marketing from the University of North Texas.

Rory M. Isaac has served as senior corporate vice president — sales & marketing (focusing on downstream, industrials and gas utilities operations) at our company since August 2008 and at McJunkin Red Man Corporation, our subsidiary, since November 2007. He served as senior corporate vice president — national accounts at McJunkin from 1995 to 2000 and as senior corporate vice president — national accounts, utilities and marketing at McJunkin from 2000 to 2007. Mr. Isaac joined McJunkin in 1981. He has extensive experience in sales, customer relations and management and has served at McJunkin as a branch manager, regional manager and regional vice president. In 1995 he began working in the corporate office of McJunkin in Charleston, West Virginia as senior vice president for national accounts, where he was responsible for managing and growing McJunkin's national accounts customer base and directing business development efforts into integrated supply markets. In 1999 he took on the additional responsibility of growing McJunkin's market share in key initiative areas including gas products and marketing McJunkin's capabilities. Prior to joining McJunkin, Mr. Isaac worked at Consolidated Services, Inc. and Charleston Supply Company. Mr. Isaac attended the Citadel.

Gary A. Ittner has served as senior corporate vice president of supply chain management at our company since August 2008 and at McJunkin Red Man Corporation, our subsidiary, since November 2007. He has specific responsibility for the procurement of all industrial valves, automation, fittings and alloy tubular products. Prior to November 2007, he served as senior corporate vice president of supply management at McJunkin (which became McJunkin Red Man Corporation after the Red Man Transaction in October 2007) since March 2001. Before joining the Supply Management Group, Mr. Ittner worked in various field positions including branch manager, regional manager, and senior regional vice president. He is a past chairman of the executive committee of the American Supply Association's Industrial Piping Division. Mr. Ittner began working at McJunkin in 1971 following his freshman year at the University of Cincinnati and joined the company full-time following his graduation in 1974.

Dennis Niver has served as senior corporate vice president of supply chain management at our company since August 2008 and at McJunkin Red Man Corporation, our subsidiary, since November 2007. He joined Red Man in 1977 with founder Lew Ketchum, helping to grow the company as it emerged as a major player in its industry. He served as purchasing manager at Red Man before he was named vice-president — purchasing in 1989. He served as vice-president — purchasing and alliances at Red Man from 1993 through October 2007. Mr. Niver received his education from the University of Tulsa. He currently serves as chairman of the IPD executive committee for the American Supply Association, as well as the supply chain management committee for the Petroleum Equipment Suppliers Association.

Ken Hayes has served as senior corporate vice president of standard and line pipe at our company since August 2008 and at McJunkin Red Man Corporation, our subsidiary, since November 2007. He leads and directs all activities associated with the performance of the standard and line pipe product line. Mr. Hayes has had 29 years of experience in the industrial, oilfield and tubular distribution business. His primary focus for the past 19 years has been on the carbon steel standard and line pipe product line. He previously served as director of standard and line pipe at Red Man from April 1999 through October 2007. He initially joined Red Man in 1979 as division manager and served in sales in various locations. Mr. Hayes received his bachelor of science degree in business management from New Mexico State University.

Stephen W. Lake has served as senior corporate vice president, general counsel and corporate secretary of our company and of McJunkin Red Man Corporation, our subsidiary, since June 2008.

Prior to that date he was senior vice president — general counsel of McJunkin Red Man Corporation since joining McJunkin Red Man Corporation in January 2008. Previously, Mr. Lake was a shareholder at the law firm Gable & Gotwals in Tulsa, Oklahoma from January 1, 1998 through January 6, 2008, where he practiced in the areas of mergers and acquisitions and securities law. He was a member of the board of directors of Gable & Gotwals from January 1, 2005 through January 6, 2008 and an associate of that firm from September 1991 until becoming a shareholder in January 1998. Mr. Lake graduated from Vanderbilt University in 1987 with honors in economics and graduated first in his class from the University of Oklahoma law school in 1991. He was editor-in-chief of the Oklahoma Law Review from 1990-1991.

David Fox, III has served as senior regional vice president of the Appalachian region at our company since August 2008 and at McJunkin Red Man Corporation, our subsidiary, since February 2007. He served as executive vice president of McJunkin Appalachian from 1989 to June 2008. Mr. Fox joined McJunkin in 1989 when Appalachian Pipe merged with McJunkin's oil and gas division to form McJunkin Appalachian. Mr. Fox founded Appalachian Pipe in 1984, together with his brother Stephen G. Fox and Steven G. Park, as a successor corporation to Branchland Pipe & Supply. Branchland Pipe & Supply was started by Mr. Fox's grandfather, David Fox, in 1919. Mr. Fox has spent his entire career in the oil and gas distribution industry in the Appalachian area. Mr. Fox graduated from Marshall University with a bachelor's degree in business administration.

Craig Ketchum has served as the chairman of our board of directors since September 2008 and as a member of our board of directors since October 2007. He was the president and chief executive officer of our company and of McJunkin Red Man Corporation, our subsidiary, from May 2008 to September 2008. Prior to that, he served as co-president and co-chief executive officer of McJunkin Red Man Corporation since the business combination between McJunkin and Red Man in October 31, 2007. He has served at Red Man in various capacities since 1979, including store operations and sales, working at Red Man locations in Ardmore, Oklahoma, Tulsa, Oklahoma, Denver, Colorado, and Dallas, Texas. He was named vice president — sales at Red Man in 1991, executive vice president of Red Man in 1994 and president and chief executive officer in 1995. He also served on Red Man's board of directors. During his tenure as Red Man's leader, Red Man sales increased significantly and he led Red Man's acquisition of a majority voting interest in Midfield Supply ULC, a successful Canadian oilfield distributor, as well as other strategic acquisitions that provided opportunities for Red Man to expand its product offering and geographic presence. In 2007 he led the key team players in the successful business combination between McJunkin and Red Man. As president and chief executive officer of our company, his expanded leadership responsibilities in 2007 and 2008 included serving on our board of directors, planning and formulating strategies for our combined company, leading our combined senior management team, communicating corporate strategy and vision to all employees, and blending cultures and organizational structures. Mr. Ketchum graduated from the University of Central Oklahoma with a business degree and joined Red Man in 1979. He has served as chairman of the Petroleum Equipment Suppliers Association. He currently serves on the board of the Metropolitan Tulsa Chamber of Commerce and is active in the Young President's Organization.

Rhys J. Best has been a member of our board of directors since December 1, 2007. From 1999 until June 2004, Mr. Best was chairman, president and chief executive officer of Lone Star Technologies, Inc., a company engaged in producing and marketing casing, tubing, line pipe and couplings for the oil and gas, industrial, automotive, and power generation industries. From June 2004 until Lone Star was acquired by the United States Steel Corporation in June 2007, Mr. Best was chairman and chief executive officer of Lone Star. Mr. Best retired in June 2007. Before joining Lone Star in 1989, Mr. Best held several leadership positions in the banking industry. In 1985 he was named president of First City Bank Dallas, which, at that time, was the second largest bank in the First City system. Earlier, he had worked at Manufacturers Hanover Corporation of New York and Interfirst Bank of Dallas. Mr. Best graduated from the University of North Texas with a Bachelor of Business Administration Degree and earned an M.B.A. from Southern Methodist University. He is a

member of the board of directors of Cabot Oil & Gas Corporation, an independent natural gas producer, Trinity Industries, which owns a group of businesses providing products and services to the industrial, energy, transportation, and construction sectors, and Austin Industries, Inc., a Dallas-based general construction company. He is also a member of the board of directors of Crosstex Energy GP, LLC, the general partner of the general partner of Crosstex Energy, L.P., an independent midstream energy services company. He is also involved in a number of industry-related and civic organizations, including the Petroleum Equipment Suppliers Association (for which he has previously served as chairman) and the Maguire Energy Institute of Southern Methodist University. He serves on the board of advisors of the College of Business Administration at the University of North Texas.

Henry Cornell has been a member of our board of directors since November 29, 2006. Mr. Cornell is a managing director in the Principal Investment Area of Goldman, Sachs & Co., which he joined in 1984. He is a member of the Investment Committee of the Principal Investment Area of Goldman, Sachs & Co. Mr. Cornell also serves on the board of directors of The First Marblehead Corporation and Knight Inc. Mr. Cornell received a B.A. from Grinnell College and a J.D. from New York Law School.

Christopher A.S. Crampton has been a member of our board of directors since January 31, 2007. He is currently a vice president in the Principal Investment Area of Goldman, Sachs & Co., which he joined in 2003. From 2000 to 2003, he worked in the investment banking division of Deutsche Banc Alex. Brown. He is a graduate of Princeton University.

John F. Daly has been a member of our board of directors since January 31, 2007. Mr. Daly is a managing director in the Principal Investment Area of Goldman Sachs, where he has worked since 2000. In 1998 and from 1999 to 2000, he was a member of the Investment Banking Division of Goldman Sachs. From 1991 to 1997, Mr. Daly was a Senior Instructor of Mechanical & Aerospace Engineering at Case Western Reserve University. He earned a B.S. and M.S. in Engineering from Case Western Reserve University and an M.B.A. from the Wharton School of Business. Mr. Daly currently serves as a director of Cooper-Standard Automotive Inc. and Hawker Beechcraft, Inc.

Harry K. Hornish, Jr. has been a member of our board of directors since October 31, 2007. From October 2002 to November 2005, he was the president and chief executive officer of National Waterworks, Inc., a distributor of products used to build, repair and maintain water and wastewater transmission systems. Mr. Hornish retired in November 2005. Prior to joining National Waterworks, Mr. Hornish was the president and chief operating officer of U.S. Filter Distribution Group, Inc. since February 1998 and also served as the executive vice president of U.S. Filter Distribution from its inception in 1996 until February 1998. Prior to serving at U.S. Filter Distribution Group, Mr. Hornish was the president and chief executive officer of The Utility Supply Group, Inc., which was acquired by U.S. Filter Distribution Group in 1996 after it was spun off from CertainTeed Corporation in 1994. Mr. Hornish was employed at CertainTeed Corporation from 1987 to 1994, where he held executive positions in both the Building Materials and the Utility Supply divisions. His early career included several sales, marketing, and senior management positions with the distribution division of Owens Corning Fiberglas. He is currently a member of the board of directors of Underground Solutions, Inc., a provider of infrastructure technologies for water and sewer applications, and Generac Corp., a manufacturer of standby and prime power generators. Mr. Hornish received a B.A. in political science from Marshall University.

Sam B. Rovit has been a member of our board of directors since June 2008. Mr. Rovit was also a member of the board of directors of McJunkin Corporation from 2001 until January 2007. Mr. Rovit is a partner at Bain Corporate Renewal Group, a unit of Bain & Company which provides turnaround services. Mr. Rovit joined the Bain Corporate Renewal Group in January 2008 and was a partner at Bain & Company from 1989 to June 2005. From July 2005 to June 2007, he was the president and CEO of Swift & Co., a meat processing company. Mr. Rovit earned an M.B.A. from Harvard Business School and a Master of Arts in law and diplomacy from the Fletcher School of Law and Diplomacy at

Tufts University where he studied military strategy and international business. He received a bachelor's degree in Public Policy from Duke University.

H.B. Wehrle, III has been a member of our board of directors since January 31, 2007. He served as our president and chief executive officer from January 31, 2007 to October 30, 2007. From October 31, 2007 to May 2008, Mr. Wehrle served as co-president and co-chief executive officer of McJunkin Red Man Corporation, and from May 2008 until September 2008 he served as chairman of our board of directors. Mr. Wehrle began his career with McJunkin Corporation in 1973 in sales. He subsequently served as treasurer and was later promoted to executive vice president. He was elected president of McJunkin Corporation in 1987. Mr. Wehrle graduated from Princeton University and received an M.B.A. from Georgia State University. He is affiliated with the American Supply Association and the Young Presidents' Organization. He serves on the boards of the Central WV Regional Airport Authority, the Mid-Atlantic Technology, Research and Innovation Center and the National Institute for Chemical Studies in Charleston, West Virginia. He also serves on the board of the Mountain Company in Parkersburg, West Virginia. H.B. Wehrle, III is the brother of Stephen D. Wehrle, our executive vice president — branch sales and operations.

Each of our directors, except for Andrew Lane, is also a director of PVF Holdings LLC, the selling stockholder in this offering. Mr. Wehrle, one of our directors, is chairman of PVF Holdings LLC.

Board of Directors

Our board of directors consists of nine members. The current directors are included above. Our directors are elected annually to serve until the next annual meeting of stockholders or until their successors are duly elected and qualified.

Prior to the completion of this offering, our board will establish an audit committee and a compensation committee. Our board of directors has determined that we are a "controlled company" under the rules of the New York Stock Exchange and, as a result, will qualify for, and may rely on, exemptions from certain corporate governance requirements of the New York Stock Exchange. Pursuant to the "controlled company" exception to the board of directors and committee composition requirements, we will be exempt from the rules that require that (a) our board of directors be comprised of a majority of "independent directors", (b) our compensation committee be comprised solely of "independent directors" and (c) we establish a nominating and corporate governance committee comprised solely of "independent directors" as defined under the rules of the New York Stock Exchange. The "controlled company" exception does not modify the independence requirements for the audit committee, and we intend to comply with the audit committee requirements of the Sarbanes-Oxley Act and the New York Stock Exchange, which require that our audit committee be composed of at least one independent director at the closing of this offering, a majority of independent directors within 90 days of this offering and all independent directors within a year of this offering.

Audit Committee. Our audit committee will be comprised of , , and . will be chairman of the audit committee. Our board of directors has determined that qualifies as an "audit committee financial expert". The audit committee's responsibilities will be to assist the board of directors in monitoring our financial reporting process, accounting functions and internal controls; to oversee the qualifications, independence, appointment, retention, compensation and performance of our independent registered public accounting firm; to recommend to the board of directors the engagement of our independent accountants; to review with the independent accountants the plans and results of the auditing engagement; and to oversee "whistle-blowing" procedures and certain other compliance matters.

Compensation Committee. Our compensation committee will be comprised of , , and . will be chairman of the compensation committee. The principal responsibilities of the compensation committee will be to establish policies and periodically determine matters involving executive compensation, recommend changes in employee benefit programs, grant

or recommend the grant of stock options and stock awards and provide counsel regarding key personnel selection. See "— Executive Compensation— Compensation Discussion and Analysis".

Executive Compensation

Compensation Discussion and Analysis

Introduction

Prior to this offering, the company has been privately owned. On January 31, 2007, the Goldman Sachs Funds acquired a controlling interest in McJunkin. In October 2007, McJunkin and Red Man entered into a business combination transaction to form the combined company, McJunkin Red Man Corporation. The Goldman Sachs Funds are part of Goldman Sachs' Principal Investment Area, one of the world's largest private equity and mezzanine investors. The overriding objective of our owners and management prior to this offering has been to increase the economic value and size of the company during the period of ownership. Our compensation philosophy has been primarily designed to support achieving that objective. In addition, compensation decisions during 2007 and 2008 have been made with an eye toward successfully integrating the compensation programs of McJunkin and Red Man.

To date, the compensation committee of the board of directors of PVF Holdings LLC (our controlling stockholder, with over 98% of our common stock prior to this offering) has overseen companywide compensation practices, reviewed, developed and administered executive compensation programs and made recommendations to the board of directors of PVF Holdings LLC on compensation matters. Harry K. Hornish, Peter C. Boylan, III and John F. Daly serve as members of this committee. In addition, the compensation committee of the board of directors of the company, which, during fiscal year 2007 was also composed of Messrs. Boylan, Hornish and Daly, has overseen and made recommendations to the board of directors of the company on compensation matters specific to the company. With respect to compensation matters, in general, each compensation committee makes recommendations to its corresponding full board of directors, and each board of directors has final decision-making authority. However, with respect to certain compensation policies or plans, the boards of directors of PVF Holdings LLC and the company may delegate to their respective compensation committees the authority to make decisions. In August 2008, the board of directors of the company delegated the authority to its compensation committee to administer the company's stock option and restricted stock plans.

Each compensation committee has established an advisory group that develops recommendations and proposals. Each advisory group consists of Craig Ketchum (the chairman of our board of directors), H.B. Wehrle, III (a member of our board of directors), James F. Underhill (our chief financial officer), David Lewis (our senior vice president of human resources), Diana Morris (our vice president of investor relations, payroll and benefits) and Russ Hoos (our vice president of human resources). Andrew Lane, our current chief executive officer, will serve as chairman of these advisory groups. The advisory group will continue to advise the compensation committee of the company following this offering. The compensation committees of PVF Holdings LLC and the company hold meetings on the same days on which meetings of the boards of directors are held and at other times as needed.

The compensation committee of PVF Holdings LLC has historically:

- Reviewed both performance and compensation to ensure that the company maintains its ability to attract and retain superior executives in key positions and that the compensation provided to those employees is competitive with the compensation paid to similarly situated executives at our peer companies;
- Reviewed and authorized the company to enter into employment, severance and other compensation agreements with senior executives;

- Administered the McJunkin Red Man Corporation Variable Compensation Plan (a general bonus plan), the Red Man Pipe & Supply Co. Retirement Savings Plan, the McJunkin Corporation Profit-Sharing and Savings Plan and Trust and the McJunkin Red Man Non-Qualified Deferred Compensation Plan;
- Performed such duties and responsibilities as may be assigned by our board of directors under the terms of any other executive compensation plan and/or with respect to the issuance and management of profits units and common units in PVF Holdings LLC; and
- Reviewed and established perquisites and employee benefits policies.

Following this offering, the compensation committee of the company will generally take over the duties of the compensation committee of PVF Holdings LLC. For purposes of this Compensation Discussion and Analysis, “board of directors” and “compensation committee” refer to the board of directors and the compensation committee of PVF Holdings LLC unless otherwise specified. We do not expect our overall compensation philosophy to materially change as a result of the compensation committee of the company taking over these compensation-related duties.

Compensation Philosophy and Objectives

Our compensation committee believes that our executive compensation program should be structured to reward the achievement of specific annual, long-term and strategic performance goals of the company. The executive compensation philosophy of the compensation committee is threefold:

- To align the interests of executive officers with those of our shareholders, thereby providing long-term economic benefit to the company’s shareholders;
- To provide competitive financial incentives in the form of salary, bonus and benefits, with the goal of attracting and retaining talented executive officers; and
- To maintain a compensation program whereby executive officers who demonstrate exceptional performance will have the opportunity to realize appropriate economic rewards.

Following this offering, our executive compensation program will continue to be structured to ensure an appropriate balance between compensation and the company’s financial performance and shareholder returns, as well as between short-term and long-term performance.

Setting Executive Compensation

Role of the Compensation Committee

The compensation committee has established annual and long-term cash and equity programs to motivate our executive officers to achieve the business goals established by the company. In addition to considering our philosophy and objectives, the compensation committee considered the pre-acquisition compensation packages of executive officers of McJunkin and Red Man and their interests in PVF Holdings LLC through equity rollovers and co-investments in establishing our compensation program. Based on these factors, the compensation committee devised a compensation program designed to keep our executive officers highly incentivized.

Role of Executive Officers

During 2007, H.B. Wehrle, III and Craig Ketchum (each of whom served as chief executive officer), consulted with the compensation committee regularly with respect to executive compensation. Messrs. H.B. Wehrle and Ketchum made recommendations to the compensation committee regarding the total compensation packages for executive officers (except with respect to their own compensation as chief executive officers), including the amount and form of compensation. These recommendations were presented to the compensation committee for review, input and approval, and the compensation committee either accepted or rejected such recommendations. The compensation packages of

Messrs. H.B. Wehrle and Ketchum were negotiated in connection with the GS Acquisition and Red Man Transaction, respectively. The compensation package of our current chief executive officer, Andrew Lane, was negotiated as part of the company's offer of employment to Mr. Lane.

Role of Compensation Consultant

Due to the nature of our ownership, the compensation committee did not engage compensation consultants in connection with the determination of executive compensation in 2007. However, the company recently engaged Hewitt Associates, an outside global human resources consulting firm, to review our compensation program, including executive compensation. Hewitt Associates is expected to produce a report late this year in which the company's compensation program is compared to the compensation programs of a group of peer companies. To ensure that our compensation program remains competitive with those of our peers, we plan to continue to evaluate our program in connection with our review of the Hewitt Associates report and other relevant considerations.

Components of Executive Compensation

The individuals who served as our chief executive officer or chief financial officer in fiscal year 2007 and our next three most highly compensated executive officers serving as of December 31, 2007 were H.B. Wehrle, III, Craig Ketchum, James F. Underhill, David Fox, III, Dee Paige and Stephen D. Wehrle. In this prospectus, we refer to these individuals as our named executive officers. For the fiscal year ended December 31, 2007, the principal components of compensation for our named executive officers were:

- Base salary
- Short-term incentive compensation
- Long-term equity incentive compensation
- Retirement and other benefits
- Perquisites and other personal benefits

Base Salary

The company provides named executive officers and other employees with base salary to compensate them for services rendered during the fiscal year. Base salary for each named executive officer is determined based on his position and responsibility and on available market data. During its annual review of base salaries for executives, the compensation committee primarily considers each executive officer's individual performance and an internal review of the executive's compensation, both individually and as compared to that of other executive officers.

Short-term Incentive Compensation

McJunkin Red Man Corporation maintains an annual cash bonus plan, the Variable Compensation Plan. Messrs. H.B. Wehrle, Underhill, Fox and S. Wehrle participated in this plan in fiscal year 2007 starting on February 1, 2007 following the GS Acquisition. Messrs. Ketchum and Paige began participating in this plan in fiscal year 2008. Each of the named executive officers has a target annual incentive bonus equal to 100% of annual base salary. The determination of awards pursuant to the plan depends on the achievement of two corporate performance objectives, one with respect to adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") and the other with respect to return on net assets ("RONA"), the achievement of which constitutes

80% and 20% of annual awards, respectively. For fiscal year 2007, the Adjusted EBITDA and RONA goals for the heritage McJunkin Corporation under the Variable Compensation Plan were as follows:

Performance Level	Adjusted EBITDA	RONA	Percent of Target Award Payout
Threshold	$146,639,160	34.87%	5%
Target	$181,036,000	43.05%	100%
Maximum	$181,036,000	43.05%	100%

These annual performance goals were determined by a budgeting process that involved an examination of the company's markets, customers and general outlook and the setting of growth targets based on these factors. The fiscal year 2007 performance goals related solely to the performance of McJunkin, and excluded the performance of Red Man. Starting in fiscal year 2008, the performance goals will relate to the performance of the entire organization, not solely to that of McJunkin. No awards are payable under the plan unless at least 81% of the annual goal has been achieved. At 81% achievement, there is a payout of 5% of each participant's target annual incentive bonus; this payout increases in 5% increments for each additional percent of achievement up to full achievement of the annual goal. Upon full achievement of the annual goal, 100% of the target annual incentive bonus is paid, which is the maximum award possible under the plan. Performance measures are evaluated on an annual basis in connection with awards to the named executive officers.

As a result of McJunkin meeting its fiscal year 2007 performance goals, the named executive officers who participated in the plan during 2007 were paid 100% of their target annual incentive bonuses (with the exception of Mr. Fox, who earned 97.4% of his target Variable Compensation Plan award for this period), pro-rated to reflect participation for eleven months of the year. The amounts paid under this plan for performance in fiscal year 2007 are as follows: $632,500 for Mr. H.B. Wehrle, $412,500 for Mr. Underhill, $513,643 for Mr. Fox and $531,667 for Mr. S. Wehrle. As part of an agreement reached with Messrs. Ketchum and Paige in connection with the Red Man Transaction, they will be eligible to receive awards under the Variable Compensation Plan starting in 2008.

During Red Man's fiscal year ending on October 31, 2007, Messrs. Ketchum and Paige participated in the Red Man bonus plan. The Red Man bonus pool for fiscal 2007, when Red Man was a standalone company before the Red Man Transaction, was determined by senior management of Red Man based on Red Man's overall profitability, including pre-tax profitability and pre-LIFO (last-in, first-out) profitability, and was not determined based on a formulaic method. After the bonus pool was determined, senior management made a discretionary allocation to business unit leaders of the organization, based on senior management's assessment as to each business unit's contribution to overall profitability. Business unit leaders, in turn, made discretionary awards to the employees in their units. The amounts awarded to Messrs. Ketchum and Paige for fiscal year 2007 under this plan were determined by senior management in their discretion. These awards are set forth in the bonus column of the Summary Compensation Table below. On November 1, 2007 following the Red Man Transaction, executive vice presidents, senior vice presidents and other senior officers of Red Man (including Messrs. Ketchum and Paige) were integrated into the Variable Compensation Plan starting in fiscal year 2008. Certain employees of Red Man continue to participate in the Red Man bonus plan.

In addition to amounts earned by Messrs. H.B. Wehrle, Underhill, Fox and S. Wehrle pursuant to the Variable Compensation Plan during fiscal year 2007, they also earned amounts pursuant to the pre-GS Acquisition McJunkin incentive plan for performance during January 2007. These amounts are as follows: $187,000 for Mr. H.B. Wehrle, $73,900 for Mr. Underhill, $127,264 for Mr. Fox and $177,650 for Mr. S. Wehrle. The McJunkin incentive plan is a formulaic plan, pursuant to which such amounts were earned based on the operating profitability of McJunkin. Senior vice presidents, vice presidents and other senior officers of McJunkin were integrated into the Variable Compensation Plan on February 1, 2007 following the GS Acquisition. Certain employees of McJunkin continue to participate in the McJunkin incentive plan.

Mr. H.B. Wehrle will no longer participate in the Variable Compensation Plan as of October 1, 2008, the date his employment agreement is scheduled to terminate pursuant to the letter agreement dated as of September 24, 2008 between Mr. H.B. Wehrle, PVF Holdings LLC and McJunkin Red Man Corporation (the "Letter Agreement").

Long-term Equity Incentive Compensation

Messrs. H.B. Wehrle, Ketchum, Underhill, Paige and S. Wehrle have been awarded profits units, and Mr. Fox has been awarded restricted common units, each in respect of PVF Holdings LLC, the terms of which are described in Articles III and VII of the Limited Liability Company Agreement of McJ Holdings LLC (currently known as PVF Holdings LLC) (the "PVF LLC Agreement"). The profits units and restricted common units granted to the named executive officers have been granted pursuant to their employment agreements. Although Mr. H.B. Wehrle's employment agreement is scheduled to terminate on October 1, 2008, his profits units will continue to be governed pursuant to the terms of the Letter Agreement and the PVF LLC Agreement. Prior to this offering, PVF Holdings LLC owned over 98% of our common stock.

The named executive officers were not required to make any capital contribution in exchange for their profits units and restricted common units, which were awarded as compensation. Profits units have no voting rights, whereas restricted common units have voting rights with respect to that class of interests. PVF Holdings LLC may from time to time distribute its available cash to holders of common units and profits units. Distributions are made, first, to holders of common units (including restricted common units), pro rata in proportion to the number of such units outstanding at the time of distribution, until each holder has received an amount equal to such holder's aggregate capital contributions and, second, to holders of all units (including profits units) pro rata in proportion to the number of units outstanding at the time of such distribution. Distributions in respect of restricted common units, however, are held by the company until such restricted common units become vested and are no longer subject to forfeiture. Please see the table titled "Outstanding Equity Awards at 2007 Fiscal Year-End" below for the number of profits units and restricted common units held by the named executive officers as of December 31, 2007.

Pursuant to the PVF LLC Agreement, profits units and restricted common units generally become vested in one-third increments on each of the third, fourth and fifth anniversaries of the date of grant. In the event of a termination of employment other than for "Cause" (as defined in the PVF LLC Agreement), the named executive officers will forfeit all unvested profits units and restricted common units. All profits units and restricted common units, whether vested or unvested, will be forfeited upon a termination of the named executive officer's employment for Cause. In the event of a termination by reason of death or Disability (as defined in the PVF LLC Agreement), all unvested profits units and restricted common units will be vested and nonforfeitable. The PVF LLC Agreement also specifies that profits units and restricted common units may be subject to more favorable vesting schedules if approved by the board of directors of PVF Holdings LLC.

The employment agreement of Mr. S. Wehrle provides for an alternative vesting schedule for his profits units, with such profits units vesting in equal installments on the fourth and fifth anniversaries of the date of grant, which, for Mr. S. Wehrle, was January 31, 2007. Profits units held by Mr. S. Wehrle remain subject to the forfeiture provisions set forth in the PVF LLC Agreement with respect to a termination of employment other than for cause or by reason of death or Disability (as described in the previous paragraph). The vesting schedules of profits units held by Messrs. Underhill and Paige and restricted common units held by Mr. Fox are governed by the PVF LLC Agreement with respect to a termination due to death or Disability, but each of their employment agreements provides that in the event of the termination of Mr. Underhill's, Mr. Paige's or Mr. Fox's employment by McJunkin Red Man Corporation without "Cause" (as defined in the employment agreement) or by Mr. Underhill, Mr. Paige or Mr. Fox with "Good Reason" (as defined in the employment agreement), all of the profits units held by Messrs. Underhill and Paige and the restricted common units held by Mr. Fox will vest and no longer be subject to forfeiture. Messrs. Underhill and Paige will forfeit all vested and unvested

profits units held by them in the event of a termination for Cause by McJunkin Red Man Corporation. With respect to restricted common units held by Mr. Fox, in the event that Mr. Fox is terminated for "Cause" (as defined in the employment agreement), Mr. Fox will not forfeit his restricted common units that are vested at the time of termination, but PVF Holdings LLC will have the opportunity to purchase vested restricted common units held by Mr. Fox at "Fair Market Value" (as defined in the PVF LLC Agreement). In the event of a termination by reason of death or Disability, profits units and restricted common units held by Messrs. Underhill, Paige and Fox become vested in accordance with the PVF LLC Agreement. Profits units held by Messrs. H.B. Wehrle and Ketchum are fully vested and not subject to forfeiture under any circumstances, pursuant to Mr. H.B. Wehrle's Letter Agreement and Mr. Ketchum's employment agreement.

Profits units and restricted common units have been granted to the named executive officers in connection with the GS Acquisition and the Red Man Transaction. The number of profits units and restricted common units awarded to the named executive officers has been determined based on various factors, including a consideration of what size award is required to adequately incentivize the executives (as part of the executives' overall compensation package), the extent to which the executives have invested in the company and, most notably, negotiations between executives and the company as part of the overall negotiations relating to the GS Acquisition and the Red Man Transaction.

Each of the named executive officers also holds common units in PVF Holdings LLC. On January 31, 2007, Messrs. H.B. Wehrle and S. Wehrle contributed shares of McJunkin and McJunkin Appalachian to PVF Holdings LLC in exchange for common units in PVF Holdings LLC and Mr. Fox contributed shares of McJunkin Appalachian to PVF Holdings LLC in exchange for common units in PVF Holdings LLC, which common units were subsequently transferred to a trust established by Mr. Fox. Also on January 31, 2007, Mr. Underhill purchased common units in PVF Holdings LLC. On October 31, 2007, Mr. Ketchum (through an LLC) contributed shares of Red Man to PVF Holdings LLC in exchange for common units in PVF Holdings LLC. In addition, Messrs. H.B. Wehrle, Underhill and S. Wehrle purchased common units in PVF Holdings LLC on October 31, 2007. Mr. Paige purchased common units in PVF Holdings LLC on November 29, 2007. Common units held by the named executive officers were not awarded as part of their compensation. Please see the section titled "Certain Relationships and Related Party Transactions — Transactions with Executive Officers and Directors — Investments in PVF Holdings LLC" below for a more detailed description of the common units and the number of common units held by each named executive officer.

The company also maintains a restricted stock plan and two stock option plans (one each for participants in the United States and Canada). Pursuant to these plans, awards of restricted stock and stock options may be granted to key employees, directors and consultants of the company. Generally, shares of restricted stock become vested in four installments on the second, third, fourth and fifth anniversaries of the date of grant and stock options become vested in three installments on the third, fourth and fifth anniversaries of the date of grant, each conditioned on continued employment and subject to accelerated vesting under certain circumstances. The named executive officers have not been granted any restricted stock or stock option awards due to their receipt of profits units and restricted common units in PVF Holdings LLC as part of their compensation packages and their participation in equity rollovers and co-investments.

In connection with the hiring of our new chief executive officer, Andrew Lane, on September 10, 2008, Mr. Lane purchased $3 million of our common stock and was granted stock options in respect of $31 million of our common stock. Mr. Lane's options will vest in equal installments on the second, third, fourth and fifth anniversaries of the date of grant, each conditioned on continued employment and subject to accelerated vesting in the event of certain terminations of employment or the occurrence of a change in control (as defined in the employment agreement).

Retirement and Other Benefits

On December 31, 2007, the company adopted the McJunkin Red Man Corporation Deferred Compensation Plan. Under the terms of the plan, select members of management and highly compensated employees may defer receipt of a specified amount or percentage of cash compensation, including annual bonuses. The plan was adopted in part to compensate certain participants for benefits forgone in connection with the GS Acquisition. Each of the named executive officers currently participates in the plan with the exception of Mr. Paige. Mr. H.B. Wehrle will no longer be eligible to receive company contributions pursuant to this plan upon the termination of his employment agreement on October 1, 2008. McJunkin Red Man Corporation makes predetermined annual contributions to each participant's account, less any discretionary matching contributions made on behalf of the participant by the company to a defined contribution plan for such calendar year.

If a participant's account balance as of the beginning of a calendar year is less than $100,000, such balance will be credited quarterly with interest at the "Prime Rate" (as defined in the plan) plus 1%. If a participant's account balance at the beginning of a calendar year is $100,000 or greater, the participant may choose between being credited quarterly with interest at the Prime Rate plus 1% or having his or her account deemed converted into a number of phantom common units of PVF Holdings LLC. If no investment election is made, a participant's account will be credited quarterly with interest at the Prime Rate plus 1%. Mr. H.B. Wehrle, the only named executive officer with a balance in excess of $100,000 as of December 31, 2007, did not make this election. As of December 31, 2007, all existing participants were fully vested in their entire accounts, including contributions by McJunkin Red Man Corporation. People who become participants after December 31, 2007 will be fully vested in their elective deferral amounts and shall become vested in contributions by McJunkin Red Man Corporation as determined by the administrator of the plan. For additional information, please see the table titled "Nonqualified Deferred Compensation for 2007" below.

Participants receive the vested balance of their accounts, in cash, upon a "Separation from Service" (as defined in Section 409A ("Section 409A") of the Internal Revenue Code (the "Code")). Such amount is paid in three annual installments (with interest) commencing on January 1 of the second calendar year following the calendar year in which the Separation from Service occurs. In the event of a participant's death or "Permanent Disability" (as defined in the plan), or upon a "Change in Control" (as defined in the plan) of McJunkin Red Man Corporation, the full amount of a participant's account, vested and unvested, shall be paid within 30 days following such event, to the participant's beneficiary in the case of death, or to the participant, in the case of Permanent Disability or a Change in Control. Notwithstanding the foregoing regarding the timing of payments, distributions to "specified employees" (as defined in Section 409A of the Code) may be required to be delayed in accordance with Section 409A of the Code.

Perquisites and Other Forms of Compensation

The company provides named executive officers with perquisites and other personal benefits that the company and the compensation committee believe are reasonable and consistent with its overall compensation program. The compensation committee reviews the perquisites and personal benefits provided to named executive officers to ensure the reasonableness of such programs. In addition to participation in the plans and programs described above, the named executive officers are provided use of company automobiles, club memberships and, in some cases, reimbursement of reasonable relocation expenses.

Each of the named executive officers has entered into an employment agreement with McJ Holding LLC (currently known as PVF Holdings LLC) and McJunkin Corporation (currently known as McJunkin Red Man Corporation) that contain provisions regarding severance payments and benefits. These agreements are designed to promote stability and continuity of senior management at the company. Mr. H.B. Wehrle's employment agreement is scheduled to terminate on October 1, 2008 in accordance with the Letter Agreement, which does not provide for severance payments or benefits

under any circumstances. Additional information regarding payment under these severance provisions is provided below, in the section titled “Potential Payments Made Upon Termination or a Change in Control”.

Terminated Arrangements

In connection with the GS Acquisition, McJunkin terminated certain of its benefit plans, namely the McJunkin Supplemental Executive Savings Plan and Trust and deferred compensation arrangements entered into by McJunkin with certain executives. The McJunkin Supplemental Executive Savings Plan and Trust was a non-qualified deferred compensation plan designed to provide executives with supplemental retirement benefits in addition to the benefits provided under McJunkin’s qualified retirement plan, which were limited by applicable law. The deferred compensation arrangements were arrangements between McJunkin and certain executives that provided for supplemental retirement benefits, which were calculated as a percentage of five year average earnings. Each of these plans was terminated on January 31, 2007 in connection with the GS Acquisition. Participants have received full distribution of benefits under each of these plans.

Tax and Accounting Implications

Deductibility of Executive Compensation

Upon completion of the initial public offering, Section 162(m) of the Code will limit the deductibility of compensation in excess of $1 million paid out to any of our executive officers unless specific and detailed criteria are satisfied. We believe that it is in the company’s best interest to deduct compensation paid to our executive officers. We will consider the anticipated tax treatment to the company and our executive officers in the review and determination of compensation payments and incentives. We believe that the compensation that historically has been paid and that will be paid will meet the criteria and will be deductible. It will be the intent of the company to preserve the deductibility of compensation payments. No assurance, however, can be given that compensation will be fully deductible under Section 162(m) of the Code.

Nonqualified Deferred Compensation

All deferred compensation arrangements have been structured in a manner intended to comply with Section 409A of the Code.

Compensation Committee Report

The compensation committee reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the compensation committee recommended to the company’s board of directors that the Compensation Discussion and Analysis be included in this Registration Statement.

The Compensation Committee
Harry K. Hornish
John F. Daly

Summary Compensation Table for 2007

The following table sets forth certain information with respect to compensation earned during the fiscal year ended December 31, 2007 for all individuals who served as our chief executive officer and our chief financial officer during fiscal year 2007, and our next three most highly compensated executive officers serving as of December 31, 2007. In this prospectus, we refer to these individuals as our named executive officers.

Name and Principal Position	Year	Salary(1)	Bonus	Stock Awards(2)	Non-Equity Incentive Plan Compensation(3)	All Other Compensation	Total
H.B. Wehrle, III, President and Chief Executive Officer(4)	2007	$650,101	—	$213,500	$819,500	$ 242,862(5)	$1,925,963
Craig Ketchum, President and Chief Executive Officer(6)	2007	$347,823	$1,100,000(7)	$ 4,467	—	$ 43,686(8)	$1,495,976
James F. Underhill, Executive Vice President and Chief Financial Officer	2007	$445,933	$ 687,500(9)	$334,483	$486,400	$ 127,230(10)	$2,081,546
David Fox, III, Senior Regional Vice President of the Appalachian Region	2007	$559,004	—	$373,027	$640,907	$2,638,930(11)	$4,211,868
Dee Paige, Executive Vice President of Canadian Operations and Business Development	2007	$239,763	$1,200,000(12)	$ 6,700	—	$ 449,507(13)	$1,895,970
Stephen D. Wehrle, Executive Vice President, Branch Sales and Operations	2007	$548,387	—	$106,750	$709,317	$ 208,349(14)	$1,572,803

(1) For Messrs. H.B. Wehrle, Underhill, Fox and S. Wehrle, these amounts represent the base salary paid to them by McJunkin for service during 2007, both prior to and following the GS Acquisition. Messrs. Ketchum and Paige became employed by McJunkin Red Man Corporation on October 31, 2007 in connection with the Red Man Transaction. For Messrs. Ketchum and Paige, these amounts represent the base salary paid to them for service during 2007, by Red Man prior to the Red Man Transaction and by McJunkin Red Man Corporation thereafter.

(2) These numbers reflect the amount recognized for financial statement reporting purposes in accordance with FAS 123R for the eleven months ended December 31, 2007 with respect to profits units in PVF Holdings LLC held by Messrs. H.B. Wehrle, Ketchum, Underhill, Paige and S. Wehrle and restricted common units in PVF Holdings LLC held by Mr. Fox. A discussion of the assumptions underlying the valuation of these profits units is provided in Note 9 to our audited financial statements for the eleven months ending December 31, 2007, included elsewhere in this prospectus.

(3) These amounts represent cash awards earned pursuant to the Variable Compensation Plan in respect of performance during the 2007 fiscal year. As a result of McJunkin meeting its fiscal year 2007 performance goals, the named executive officers who participated in the plan in 2007 were paid 100% of their target annual incentive bonuses (with the exception of Mr. Fox, who earned 97.4% of his target Variable Compensation Plan award for this period), pro-rated to reflect participation during eleven months of the year. Amounts paid under the Variable Compensation Plan for 2007 performance are as follows: $632,500 for

Mr. H.B. Wehrle, $412,500 for Mr. Underhill, $513,643 for Mr. Fox and $531,667 for Mr. S. Wehrle. Messrs. Ketchum and Paige will be eligible to earn awards under the Variable Compensation Plan starting in fiscal year 2008. Please refer to the Compensation Discussion and Analysis and the narrative following the "Grants of Plan-Based Awards in Fiscal Year 2007" table for a discussion of the 2007 performance goals. Amounts in this column also include amounts earned under the pre-GS-Acquisition McJunkin bonus plan for performance during the month of January 2007, in the amounts as follows: $187,000 for Mr. H.B. Wehrle, $73,900 for Mr. Underhill, $127,264 for Mr. Fox and $177,650 for Mr. S. Wehrle.

(4) Mr. H.B. Wehrle was sole president and chief executive officer of McJunkin during 2007 until October 30, 2007 and co-president and co-chief executive officer with Mr. Ketchum from October 31, 2007 until May 6, 2008. On May 7, 2008, Mr. Ketchum became sole president and chief executive officer.

(5) This amount includes (i) a contribution by McJunkin Red Man Corporation of $110,000 to Mr. H.B. Wehrle's nonqualified deferred compensation plan account; (ii) a $49,293 contribution made by McJunkin Red Man Corporation with respect to January 2007 contributions due under the McJunkin Supplemental Executive Savings Plan and Trust, which was terminated in connection with the GS Acquisition; (iii) a $21,224 contribution made by McJunkin Red Man Corporation with respect to January 2007 contributions due under a pre-GS Acquisition McJunkin deferred compensation arrangement, which was terminated in connection with the GS Acquisition; (iv) with respect to the McJunkin Corporation Profit-Sharing and Savings Plan, $35,000 representing profit sharing and salary deferral matching contributions made by McJunkin Red Man Corporation; (v) $19,620 attributable to a company-provided automobile; and (vi) $7,725 with respect to country club dues paid by McJunkin Red Man Corporation on behalf of Mr. H.B. Wehrle.

(6) Mr. Ketchum became co-president and co-chief executive officer of McJunkin Red Man Corporation on October 31, 2007 in connection with the Red Man Transaction. Mr. Ketchum served as sole president and chief executive officer from May 7, 2008 until September 9, 2008. On September 10, 2008 Mr. Ketchum became chairman of our board of directors when Andrew Lane was hired to serve as our chief executive officer.

(7) This amount represents the annual bonus paid to Mr. Ketchum pursuant to the Red Man bonus plan for performance during the fiscal year ended October 31, 2007.

(8) This amount includes (i) a contribution by McJunkin Red Man Corporation of $20,000 to Mr. Ketchum's nonqualified deferred compensation plan account; (ii) with respect to the Red Man Pipe & Supply Co. Retirement Savings Plan, $10,338 representing a salary deferral match contribution; (iii) $5,600 attributable to a company-provided automobile, a portion of which was paid by Red Man prior to the Red Man Transaction and a portion of which was paid by McJunkin Red Man Corporation following the Red Man Transaction; and (iv) $7,748 with respect to country club dues paid on behalf of Mr. Ketchum, a portion of which was paid by Red Man prior to the Red Man Transaction and a portion of which was paid by McJunkin Red Man Corporation following the Red Man Transaction.

(9) In connection with the consummation of the GS Acquisition, Mr. Underhill received a $750,000 transaction bonus, to be paid in installments, and conditioned on Mr. Underhill's continued service through each respective payment date. This amount represents the portion of Mr. Underhill's transaction bonus earned in 2007.

(10) This amount includes (i) a contribution by McJunkin Red Man Corporation of $64,167 to Mr. Underhill's nonqualified deferred compensation plan account; (ii) a $10,861 contribution made by McJunkin Red Man Corporation with respect to January 2007 contributions due under the McJunkin Supplemental Executive Savings Plan and Trust, which was terminated in connection with the GS Acquisition; (iii) with respect to the McJunkin Corporation Profit-Sharing and Savings Plan, $35,000 representing profit sharing and salary deferral matching contributions made by McJunkin Red Man Corporation; (iv) $12,948 attributable to a company-provided automobile; and (v) $4,254 with respect to country club dues paid by McJunkin Red Man Corporation on behalf of Mr. Underhill.

(11) This amount includes (i) a payment of $2,480,000 to Mr. Fox in connection with the GS Acquisition as a gross-up for taxes in respect of restricted common units in PVF Holdings LLC granted to Mr. Fox; (ii) a contribution by McJunkin Red Man Corporation of $91,666 to Mr. Fox's nonqualified deferred compensation plan account; (iii) a $15,705 contribution made by McJunkin Red Man Corporation with respect to January 2007 contributions due under the McJunkin Supplemental Executive Savings Plan and Trust, which was terminated in connection with the GS Acquisition; (iv) with respect to the McJunkin Corporation Profit-

Sharing and Savings Plan, $35,000 representing profit sharing and salary deferral matching contributions made by McJunkin Red Man Corporation; (v) $12,948 attributable to a company-provided automobile; and (vi) $3,611 with respect to country club dues paid by McJunkin Red Man Corporation on behalf of Mr. Fox.

(12) This amount represents (i) a $500,000 payment to Mr. Paige pursuant to the Red Man bonus plan for performance during the fiscal year ended October 31, 2007 and (ii) a $700,000 transaction bonus paid to Mr. Paige by Red Man in connection with the Red Man Transaction.

(13) This amount includes (i) a payment of $436,867 by PVF Holdings LLC to Mr. Paige on January 12, 2008 in partial settlement of phantom shares in Red Man surrendered by Mr. Paige plus interest, to which Mr. Paige became entitled as a result of services performed in 2007; (ii) with respect to the Red Man Pipe & Supply Co. Retirement Savings Plan, $7,831 representing a salary deferral match contribution; and (iii) $4,809 with respect to country club dues paid on behalf of Mr. Paige, a portion of which was paid by Red Man prior to the Red Man Transaction and a portion of which was paid by McJunkin Red Man Corporation following the Red Man Transaction.

(14) This amount includes (i) a contribution by McJunkin Red Man Corporation of $82,500 to Mr. S. Wehrle's nonqualified deferred compensation plan account; (ii) a $46,433 contribution made by McJunkin Red Man Corporation with respect to January 2007 contributions due under the McJunkin Supplemental Executive Savings Plan and Trust, which was terminated in connection with the GS Acquisition; (iii) a $17,459 contribution made by McJunkin Red Man Corporation with respect to January 2007 contributions due under a pre-GS Acquisition McJunkin deferred compensation arrangement, which was terminated in connection with the GS Acquisition; (iv) with respect to the McJunkin Corporation Profit-Sharing and Savings Plan, $35,000 representing profit sharing and salary deferral matching contributions, made by McJunkin Red Man Corporation; (v) $22,736 attributable to a company-provided automobile; and (vi) $4,221 with respect to country club dues paid by McJunkin Red Man Corporation on behalf of Mr. S. Wehrle.

Grants of Plan-Based Awards in Fiscal Year 2007

Name	Grant Date(1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stocks or Units (#)(4)	Grant Date Fair Value of Stock and Option Awards(5)
		Threshold(2)	Target(3)	Maximum(3)		
H.B. Wehrle, III	1/31/07	$31,625	$632,500	$632,500	381.3098	$1,164,543
Craig Ketchum(6)	10/31/07	—	—	—	381.3098	$1,164,543
James F. Underhill	1/31/07	$20,625	$412,500	$412,500	597.3853	$1,824,451
David Fox, III	1/31/07	$26,354	$527,083	$527,083	640.6004	$2,034,694
Dee Paige(6)	10/31/07	—	—	—	571.9647	$1,746,815
Stephen D. Wehrle	1/31/07	$26,583	$531,667	$531,667	190.6549	$ 582,272

(1) These are the grant dates for the awards set forth in the sixth column of this table.

(2) Under the Variable Compensation Plan, no awards are payable unless there is at least 81% achievement of the annual performance goals, which are comprised of Adjusted EBITDA and RONA, during the relevant fiscal year. At 81% achievement, there is a payout of 5% of participants' target annual incentive bonus. The named executive officers, except for Messrs. Ketchum and Paige, began participating in the Variable Compensation Plan on February 1, 2007. As a result, the amounts in this column reflect 5% of each named executive officer's target annual incentive bonus that would have been paid upon 81% achievement of the performance goals, pro-rated to reflect participation during eleven months of the year. If the named executive officers had participated in the Variable Compensation Plan during the entire 2007 year, threshold payouts would have been as follows: $34,500 for Mr. H.B. Wehrle, $22,500 for Mr. Underhill, $28,750 for Mr. Fox and $29,000 for Mr. S. Wehrle.

(3) Payout under the Variable Compensation Plan increases in 5% increments for each additional percent of achievement beyond 81% up to full achievement of the annual goal. Upon full achievement of the annual goal, 100% of the target annual incentive bonus is paid, which is the maximum award possible under the plan. In 2007, 100% of the performance goals were attained (for all named executive officers other than Mr. Fox). The amounts in these columns reflect 100% of the named executive officers' target annual incentive

bonuses for 2007, pro-rated to reflect participation for eleven months of the year. These amounts are also the maximum payouts possible under the Variable Compensation Plan for 2007. If the named executive officers had participated in the Variable Compensation Plan during the entire 2007 year, target and maximum payouts would have been as follows: $690,000 for Mr. H.B. Wehrle, $450,000 for Mr. Underhill, $575,000 for Mr. Fox and $580,000 for Mr. S. Wehrle. Please refer to the Compensation Discussion and Analysis and the narrative following the “Grants of Plan-Based Awards in Fiscal Year 2007” for a discussion of the specific 2007 performance goals.

(4) For Messrs. H.B. Wehrle, Ketchum, Underhill, Paige and S. Wehrle, these amounts reflect the number of profits units in PVF Holdings LLC granted under the PVF LLC Agreement during 2007. For Mr. Fox, this amount reflects the number of restricted common units in PVF Holdings LLC granted under the PVF LLC Agreement during 2007. Pursuant to the PVF LLC Agreement, profits units and restricted common units generally become vested in equal increments on each of the third, fourth and fifth anniversaries of the date of grant subject to accelerated vesting under certain circumstances, but may be subject to more favorable vesting schedules if approved by the board of directors of PVF Holdings LLC. The employment agreements for Mr. S. Wehrle provides that his profits units become vested in equal increments on each of the fourth and fifth anniversaries of the date of grant. Profits units held by Messrs. Underhill and Paige and restricted common units held by Mr. Fox become vested in accordance with the terms of the PVF LLC Agreement, but each of their employment agreements provides that if, at any time, Mr. Underhill, Mr. Paige or Mr. Fox terminates his employment with Good Reason (as defined in the employment agreement) or McJunkin Red Man Corporation terminates Mr. Underhill’s, Mr. Paige’s or Mr. Fox’s employment without Cause (as defined in the employment agreement), all profits units and restricted common units held by them shall become vested. With respect to restricted common units held by Mr. Fox, in the event that Mr. Fox is terminated for “Cause” (as defined in the employment agreement), Mr. Fox will not forfeit his restricted common units that are vested at the time of termination, but PVF Holdings LLC will have the opportunity to purchase vested restricted common units held by Mr. Fox at “Fair Market Value” (as defined in the PVF LLC Agreement). Profits units held by Messrs. H.B. Wehrle and Ketchum are fully vested and not subject to forfeiture under any circumstances, pursuant to Mr. H.B. Wehrle’s Letter Agreement and Mr. Ketchum’s employment agreement.

(5) These amounts represent the grant date fair value, computed in accordance with FAS 123R, of profits units (for Messrs. H.B. Wehrle, Ketchum, Underhill, Paige and S. Wehrle) and restricted common units (for Mr. Fox) in PVF Holdings LLC granted to the named executive officers in 2007. A discussion of the assumptions underlying the valuation is provided in Note 9 to our audited financial statements for the eleven months ending December 31, 2007, included elsewhere in this prospectus.

(6) Messrs. Ketchum and Paige will be eligible to receive awards under the Variable Compensation Plan beginning in fiscal year 2008.

Employment Agreements

Named Executive Officers

Each of the named executive officers entered into an employment agreement with McJ Holding LLC (currently known as PVF Holdings LLC) and McJunkin Corporation (currently known as McJunkin Red Man Corporation) or McJunkin Red Man Holding Corporation. Mr. Ketchum entered into an amended and restated employment agreement with McJunkin Red Man Holding Corporation on September 26, 2008. The employment agreements among McJ Holding LLC, McJunkin Corporation and Mr. Underhill, Mr. Fox and Mr. S. Wehrle were entered into on December 4, 2006 with an effective date of January 31, 2007. The employment agreement among McJ Holding LLC, McJunkin Corporation and Mr. Paige was entered into and became effective on October 31, 2007. The employment agreement among McJ Holding LLC, McJunkin Corporation and Mr. H.B. Wehrle was entered into on December 4, 2006, became effective on January 31, 2007, and is scheduled to terminate on October 1, 2008 pursuant to the Letter Agreement. The description of the employment agreements in the following paragraph includes a description of Mr. H.B. Wehrle’s employment agreement in order to assist in understanding the information presented in the Summary Compensation Table and Grants of Plan-Based Awards Table.

Each of the employment agreements has a term of three years and provides for an initial annual base salary to be reviewed annually and which may be adjusted upward at the discretion of the board

of directors of McJunkin Red Man Corporation (or a committee thereof). Messrs. H.B. Wehrle's and Ketchum's initial base salaries are each $690,000, Mr. Underhill's is $450,000, Mr. Fox's is $575,000, Mr. Paige's is $338,750 and Mr. S. Wehrle's is $580,000. The employment agreements also provide for an annual cash bonus to be based upon such individual and/or company performance criteria to be established for each respective fiscal year by the board of directors of McJunkin Red Man Corporation in consultation with the chief executive officer. The target annual cash bonus for each named executive officer is equal to 100% of their respective base salaries in effect at the beginning of the relevant fiscal year. Participation in the Variable Compensation Plan began on February 1, 2007 for Messrs. H.B. Wehrle, Underhill, Fox and S. Wehrle and will begin in fiscal year 2008 for Messrs. Ketchum and Paige.

The employment agreements provide for certain severance payments and benefits following a termination of employment under certain circumstances. These benefits are described below in the section titled "Potential Payments Upon Termination or Change in Control".

Andrew Lane

On September 10, 2008, we entered into an employment agreement with Andrew Lane as our new chief executive officer and as a member of our board of directors. The employment agreement has a term of five years, which will automatically be extended on the fifth anniversary of September 10, 2008, the effective date of the agreement, and each subsequent anniversary thereof for one year unless ninety days written notice of non-extension is given by Mr. Lane or us to the other party. The employment agreement provides for an initial base salary of $700,000 to be reviewed annually and which may be adjusted upward at the discretion of the board of directors (or a committee thereof), and an annual cash bonus to be based upon such individual and/or company performance criteria to be established for each respective fiscal year by our board of directors, with a target annual bonus of 100% of Mr. Lane's base salary in effect at the beginning of such fiscal year. As provided for in the employment agreement, Mr. Lane purchased $3 million of our common stock and was granted options in respect of $31 million of our common stock.

If Mr. Lane's employment is terminated during the term by us other than for cause or disability (as each is defined in the employment agreement), or by Mr. Lane for good reason (as defined in the employment agreement), Mr. Lane shall be entitled to: (i) compensation and benefits accrued but unpaid as of the termination date (the "Accrued Amounts"), (ii) a pro-rata bonus for the year in which termination occurs ("Pro-Rata Bonus"), (iii) a payment equal to $^1/_{12}$ of base salary and $^1/_{12}$ target annual bonus each month for eighteen months following termination, (iv) continuation of medical benefits for eighteen months on the same terms as senior executives of the company and (v) pro-rata vesting of Mr. Lane's outstanding stock options, in accordance with the terms of the employment agreement ("Pro-Rata Option Vesting"). All of the foregoing benefits shall be subject to (i) the execution of a general release, (ii) compliance with restrictive covenants and (iii) any required delay of payment under Section 409A of the Internal Revenue Code. If Mr. Lane's employment is terminated during the term by reason of his death or disability, Mr. Lane (or his estate, if applicable), will receive (i) the Accrued Amounts, (ii) a Pro-Rata Bonus and (iii) Pro-Rata Option Vesting. Mr. Lane is subject to covenants prohibiting competition, solicitation of customers and employees and interference with business relationships during his employment and for eighteen months thereafter, and is also subject to perpetual restrictive covenants regarding confidentiality, non-disparagement and proprietary rights.

H.B. Wehrle, III

On September 24, 2008, Mr. H.B. Wehrle, PVF Holdings LLC and McJunkin Red Man Corporation entered into the Letter Agreement, pursuant to which Mr. H.B. Wehrle's employment agreement will terminate by mutual agreement on October 1, 2008. Pursuant to the Letter Agreement, Mr. H.B. Wehrle will be paid an amount equal to approximately $2,281,396, which represents the value of all amounts to which he would have become entitled during the remaining term of his employment agreement. Also pursuant to the Letter Agreement, Mr. H.B. Wehrle will continue to hold

his profits units in accordance with the terms of the Letter Agreement and the PVF LLC Agreement. Also on September 24, 2008, Mr. H.B. Wehrle executed a release of claims in favor of the company and its affiliates.

Profits Units and Restricted Common Units

Messrs. H.B. Wehrle, Ketchum, Underhill, Paige and S. Wehrle have been awarded profits units and Mr. Fox has been awarded restricted common units, each in respect of PVF Holdings LLC, the terms of which are described in Articles III and VII of the PVF LLC Agreement. Profits units have no voting rights, whereas restricted common units have voting rights with respect to that class of interests. PVF Holdings LLC may from time to time distribute its available cash to holders of common units and profits units. Distributions are made, first, to holders of common units (including restricted common units), pro rata in proportion to the number of such units outstanding at the time of distribution, until each holder has received an amount equal to such holder's aggregate capital contributions and, second, to holders of all units (including profits units) pro rata in proportion to the number of units outstanding at the time of such distribution. Distributions in respect of restricted common units, however, are held by the company until such time as such restricted common units become vested and are no longer subject to forfeiture.

Pursuant to the PVF LLC Agreement, profits units and restricted common units generally become vested in equal increments on each of the third, fourth and fifth anniversaries of the date of grant. In the event of a termination of employment other than for "Cause" (as defined in the PVF LLC Agreement), the named executive officers will forfeit all unvested profits units and restricted common units. All profits units and restricted common units, whether vested or unvested, will be forfeited upon a termination of the named executive officers' employment for Cause. In the event of a termination by reason of death or Disability, all unvested profits units and restricted common units would become vested. The PVF LLC Agreement also specifies that profits units and restricted common units may be subject to more favorable vesting schedules if approved by the board of directors of PVF Holdings LLC.

The employment agreement of Mr. S. Wehrle provides for an alternative vesting schedules for their profits units, which will become vested in equal installments on the fourth and fifth anniversaries of the date of grant, which was January 31, 2007. Profits units held by S. Wehrle remain subject to the forfeiture provisions set forth in the PVF LLC Agreement with respect to a termination of employment other than for cause or by reason of death or Disability (as described in the previous paragraph). The vesting schedules of profits units held by Messrs. Underhill and Paige and restricted common units held by Mr. Fox are governed by the PVF LLC Agreement, but each of their employment agreements provides that in the event of a termination of Mr. Underhill's, Mr. Paige's or Mr. Fox's employment by McJunkin Red Man Corporation without "Cause" (as defined in the employment agreement) or by Mr. Underhill, Mr. Paige or Mr. Fox with "Good Reason" (as defined in the employment agreement), all of the profits units and restricted common units held by them will vest and no longer be subject to forfeiture. Messrs. Underhill and Paige will forfeit all vested and unvested profits units held by them in the event of a termination for Cause by McJunkin Red Man Corporation. With respect to restricted common units held by Mr. Fox, in the event that Mr. Fox is terminated for "Cause" (as defined in the employment agreement), Mr. Fox will not forfeit his restricted common units that are vested at the time of termination, but PVF Holdings LLC will have the opportunity to purchase vested restricted common units held by Mr. Fox at "Fair Market Value" (as defined in the PVF LLC Agreement). In the event of a termination by reason of death or Disability, profits units and restricted common units held by Messrs. Underhill, Paige and Fox become vested in accordance with the PVF LLC Agreement. Profits units held by Messrs. H.B. Wehrle and Ketchum are fully vested and not subject to forfeiture under any circumstances, pursuant to Mr. H.B. Wehrle's Letter Agreement and Mr. Ketchum's employment agreement.

Variable Compensation Plan

McJunkin Red Man Corporation maintains an annual cash bonus plan, the Variable Compensation Plan. Each of the named executive officers participates in this plan and has a target annual incentive bonus equal to 100% of his annual base salary. The determination of awards pursuant to the plan depends upon the achievement of two corporate performance measures, Adjusted EBITDA and RONA, the achievement of which constitutes 80% and 20% of annual awards, respectively. These performance measures are evaluated on an annual basis in connection with awards to the named executive officers. No awards are payable under the plan unless at least 81% of the annual goal has been achieved. At 81% achievement, there is a payout of 5% of each participant's target annual incentive bonus; this payout increases in 5% increments for each additional percent of achievement up to full achievement of the annual goal. Upon full achievement of the annual goal, 100% of the target annual incentive bonus is paid, which is the maximum award possible under the plan.

Starting on February 1, 2007, following the GS Acquisition, Messrs. H.B. Wehrle, Underhill, Fox and S. Wehrle participated in this plan. Messrs. Ketchum and Paige, who joined the company on October 31, 2007, will be eligible to receive awards under the plan starting in fiscal year 2008. During the 2007 fiscal year, the performance goals were Adjusted EBITDA of $181,036,000 and RONA of 43.05%. These 2007 performance goals related solely to the performance of McJunkin Red Man Corporation, and excludes the performance of Red Man Pipe & Supply Co. As a result of McJunkin meeting its performance goals, the named executive officers who participated in the plan during 2007 were paid 100% of their target annual incentive bonus (with the exception of Mr. Fox, who earned 97.4% of his target Variable Compensation Plan award for this period), pro-rated to reflect participation for eleven months of the year. Amounts earned by the named executive officers under this plan in 2007 were as follows: $632,500 for Mr. H.B. Wehrle, $412,5000 for Mr. Underhill, $513,643 for Mr. Fox and $531,667 for Mr. S. Wehrle. Mr. H.B. Wehrle will no longer participate in the Variable Compensation Plan upon the termination of his employment agreement on October 1, 2008.

Outstanding Equity Awards at 2007 Fiscal Year-End

	Stock Awards	
Name	Number of Shares or Units of Stock That Have Not Vested (#)(1)	Market Value of Shares or Units of Stock That Have Not Vested(2)
H.B. Wehrle, III	381.3098	$0
Craig Ketchum	381.3098	$0
James F. Underhill	597.3853	$0
David Fox, III	640.6004	$0
Dee Paige	571.9647	$0
Stephen D. Wehrle	190.6549	$0

(1) Reflects profits units granted to Messrs. H.B. Wehrle, Ketchum, Underhill, Paige and S. Wehrle in 2007 and restricted common units granted to Mr. Fox in 2007, each in respect of PVF Holdings LLC pursuant to the PVF LLC Agreement. Pursuant to the PVF LLC Agreement, profits units and restricted common units generally become vested in equal increments on each of the third, fourth and fifth anniversaries of the date of grant, but may be subject to more favorable vesting schedules if approved by the board of directors of PVF Holdings LLC. The employment agreement for Mr. S. Wehrle provides that his profits units become vested in equal increments on each of the fourth and fifth anniversaries of the date of grant subject to accelerated vesting under certain circumstances. Profits units held by Messrs. Underhill and Paige and restricted common units held by Mr. Fox become vested in accordance with the PVF LLC Agreement, but each of their employment agreements provides that if, at any time, Mr. Underhill, Mr. Paige or Mr. Fox terminate their employment with "Good Reason" (as defined in the employment agreement) or McJunkin

Red Man Corporation terminates Mr. Underhill's, Mr. Paige's or Mr. Fox's employment without "Cause" (as defined in the employment agreement), all profits units and restricted common units held by them shall become vested. With respect to restricted common units held by Mr. Fox, in the event that Mr. Fox is terminated for "Cause" (as defined in the employment agreement), Mr. Fox will not forfeit his restricted common units that are vested at the time of termination, but PVF Holdings LLC would have the opportunity to purchase vested restricted common units held by Mr. Fox at "Fair Market Value" (as defined in the PVF LLC Agreement). The date of grant for Messrs. H.B. Wehrle, Underhill, Fox and S. Wehrle was January 31, 2007 and for Messrs. Ketchum and Paige was October 31, 2007. Profits units held by Messrs. H.B. Wehrle and Ketchum are fully vested and not subject to forfeiture under any circumstances, pursuant to Mr. H.B. Wehrle's Letter Agreement and Mr. Ketchum's employment agreement.

(2) The market value of unvested profits units and restricted common units in PVF Holdings LLC on December 31, 2007 was $0.

Nonqualified Deferred Compensation for 2007

Name	Registrant Contributions in Last FY(1)	Aggregate Balance at Last FYE
H.B. Wehrle, III	$110,000	$110,000
Craig Ketchum	$ 20,000	$ 20,000
James F. Underhill	$ 64,167	$ 64,167
David Fox, III	$ 91,666	$ 91,666
Dee Paige	$ 0	$ 0
Stephen D. Wehrle	$ 82,500	$ 82,500

(1) These amounts are included in the All Other Compensation column of the Summary Compensation Table.

McJunkin Red Man Corporation maintains the McJunkin Red Man Corporation Deferred Compensation Plan, in which all named executive officers participate with the exception of Mr. Paige. Mr. H.B. Wehrle will no longer be eligible to receive company contributions pursuant to this plan upon the termination of his employment agreement on October 1, 2008. Under the terms of the plan, select members of management and highly compensated employees may defer receipt of a specified amount or percentage of their cash compensation, including annual bonuses. In addition, McJunkin Red Man Corporation makes annual contributions to participants' accounts. This plan was adopted by McJunkin Red Man Corporation on December 31, 2007, on which date company contributions to accounts held by the named executive officers set forth above were made by McJunkin Red Man Corporation. There were no executive officer contributions, earnings, withdrawals or distributions with respect to these accounts during 2007.

If a participant's account balance as of the beginning of a calendar year is less than $100,000, such balance will be credited quarterly with interest at the "Prime Rate" (as defined in the plan) plus 1%. If a participant's account balance at the beginning of a calendar year is $100,000 or greater, the participant may elect between being credited quarterly with interest at the Prime Rate plus 1% or having his or her account deemed converted into a number of phantom common units of PVF Holding LLC. If no investment election is made, a participant's account will credited quarterly with interest at the Prime Rate plus 1%. Mr. H.B. Wehrle, the only named executive officer with a balance in excess of $100,000 as of December 31, 2007, did not make this election.

The named executive officers are currently fully vested in their accounts, including company contributions. Participants receive the vested balance of their accounts, in cash, upon a "Separation from Service" (as defined in Section 409A). Such amount is paid in three annual installments (with interest) commencing on January 1 of the second calendar year following the calendar year in which

the Separation from Service occurs. In the event of a participant's death or "Permanent Disability" (as defined in the plan), or upon a "Change in Control" (as defined in the plan) of McJunkin Red Man Corporation, the full amount of a participant's account, vested and unvested, shall be paid within 30 days following such event, to the participant's beneficiary, in the case of death, or to the participant, in the case of Permanent Disability or a Change in Control. Notwithstanding the foregoing regarding the timing of payments, distributions to "specified employees" (as defined in Section 409A of the Code) may be required to be delayed in accordance with Section 409A of the Code.

Director Compensation for 2007

Name	Fees Earned or Paid in Cash	Option Awards(1)	All Other Compensation	Total
Harry K. Hornish	$112,500	—	$4,901(2)	$117,401
Peter C. Boylan, III	$ 16,667	$3,257(3)(4)	—	$ 19,924
Rhys Best	$ 8,333	$1,584(5)(6)	—	$ 9,917
H.B. Wehrle, III(7)	—	—	—	—
Craig Ketchum(7)	—	—	—	—
Henry Cornell(7)	—	—	—	—
Christopher A.S. Crampton(7)	—	—	—	—
John F. Daly(7)	—	—	—	—
David A. Fox, III(7)	—	—	—	—
Kent Ketchum(7)	—	—	—	—
E. Gaines Wehrle(7)	—	—	—	—

(1) The aggregate number of shares of our common stock subject to option awards outstanding on December 31, 2007 was for each of Messrs. Boylan and Best (taking into account the stock split).

(2) Mr. Hornish participates in the company medical and dental plans that are offered to employees. The company pays all costs of this coverage for Mr. Hornish. This amount represents the annual cost to the company of providing such coverage, pro-rated to reflect Mr. Hornish's coverage for two months of the 2007 year. Starting in 2008, Mr. Hornish will receive an annual fee of $100,000 for his service on our board of directors. In addition, starting in 2008, Mr. Hornish will no longer be eligible to participate in the company health and dental plans available to employees.

(3) Mr. Boylan was awarded stock options in respect of shares on December 24, 2007 (taking into account the stock split). The amount in the table reflects the dollar amount recognized for financial statement reporting purposes in accordance with FAS 123R for the eleven months ended December 31, 2007. A discussion of the assumptions underlying the valuation is provided in Note 9 to our audited financial statements for the eleven months ending December 31, 2007, included elsewhere in this prospectus.

(4) The grant date fair value of Mr. Boylan's option award, computed in accordance with FAS 123R, was $1,281 using the Black Scholes method. A discussion of the assumptions underlying the valuation is provided in Note 9 to our audited financial statements for the eleven months ending December 31, 2007, included elsewhere in this prospectus.

(5) Mr. Best was awarded stock options in respect of shares on December 24, 2007 (taking into account the stock split). The amount in the table reflects the dollar amount recognized for financial statement reporting purposes in accordance with FAS 123R for the fiscal year ended December 31, 2007. A discussion of the assumptions underlying the valuation is provided in Note 9 to our audited financial statements for the eleven months ending December 31, 2007, included elsewhere in this prospectus.

(6) The grant date fair value of Mr. Best's option award, computed in accordance with FAS 123R, was $1,226 using the Black Scholes method. A discussion of the assumptions underlying the valuation

is provided in Note 9 to our audited financial statements for the eleven months ending December 31, 2007, included elsewhere in this prospectus.

(7) Each of these directors served on our board of directors during 2007, but did not receive any compensation for such service. Mr. Cornell has served on our board of directors since November 29, 2006. Messrs. Crampton and Daly have served on our board of directors since January 31, 2007. Craig Ketchum has served on our board of directors since October 31, 2007. Kent Ketchum served on our board of directors from October 31, 2007 until August 2008. Mr. Fox and Mr. Wehrle served on our board from January 31, 2007 until August 2008.

Mr. Hornish was appointed to the board of directors of McJunkin Red Man Corporation on March 20, 2007 and to our board of directors on October 31, 2007. The amounts for Mr. Hornish in the above table were earned by him for his service on the board of directors of McJunkin Red Man Corporation and on the board of directors of the company during 2007 following each respective appointment date. Mr. Boylan was appointed to our board of directors as of October 31, 2007 and Mr. Best was appointed to our board of directors as of December 1, 2007. As a result, the cash fees received by Messrs. Boylan & Best during fiscal year 2007 are also for a partial year of service. For their service as directors in 2007, Mr. Hornish was entitled to receive an annual fee of $150,000 and Messrs. Boylan and Best were entitled to receive an annual fee of $100,000. Starting in 2008, Mr. Hornish will receive an annual fee of $100,000 for his service on our board of directors. In addition, starting in 2008, Mr. Hornish will no longer be eligible to participate in the company health and dental plans available to our employees. On December 24, 2007, each of Messrs. Best and Boylan was granted an option to purchase of our common shares, with an original exercise price of $ (taking into account the stock split). The exercise price was subsequently reduced to $ (taking into account the stock split) in connection with our recapitalization in May 2008. Messrs. Hornish, Boylan and Best were the only directors to receive compensation for services performed in 2007. All directors are also reimbursed for travel expenses and other out-of-pocket costs incurred in connection with their attendance at meetings.

On June 16, 2008, Sam Rovit was appointed to serve on our board of directors, for which he will be paid an annual cash fee of $100,000 in respect of his services. Also in connection with Mr. Rovit's appointment, he was granted an option to purchase of our common shares at an exercise price of $ (taking into account the stock split).

All option grants made to directors were made pursuant to the McJ Holding Stock Option Plan and generally vest in equal increments on each of the third, fourth and fifth anniversaries of the date of grant, conditioned on continued service and subject to accelerated vesting under certain circumstances.

Potential Payments upon Termination or Change in Control

Each of the named executive officers would be entitled to certain payments and benefits following a termination of employment under certain circumstances and upon a change in control. These benefits are summarized below. The amounts of potential post-employment payments and benefits in the table following the narrative below assume that termination of employment took place on December 31, 2007.

The narrative and table below describe our obligations to Messrs. Ketchum, Underhill, Fox, Paige and S. Wehrle pursuant to their employment agreements and to Mr. H.B. Wehrle pursuant to the Letter Agreement, as well as our obligations to the named executive officers pursuant to other compensatory arrangements.

Voluntary Separation

In the event of the voluntary separation of each named executive officer except for Messrs. H.B. Wehrle and Ketchum, all unvested profits units and restricted common units in PVF Holdings LLC held by such officer (which, as of December 31, 2007, included all profits units and

restricted common units held by each named executive officer) would be forfeited pursuant to the PVF LLC Agreement. Pursuant to the Letter Agreement and Mr. Ketchum's employment agreement, profits units held by H.B. Wehrle and Mr. Ketchum would be vested and nonforfeitable. The fully vested accounts in the McJunkin Red Man Corporation Nonqualified Deferred Compensation Plan held by each named executive officer would become payable (subject to the requirements of Section 409A of the Code). Each named executive officer would also be paid the value of any accrued but unused vacation time as of December 31, 2007.

Termination Not for Cause and Termination for Good Reason

The employment agreements to which Messrs. Ketchum, Underhill, Fox, Paige and S. Wehrle are parties provide that if McJunkin Red Man Corporation terminates the named executive officer's employment other than for "Cause" or "Disability" (as such terms are defined in the employment agreement) or if the named executive officer terminates his employment for "Good Reason" (as such term is defined in the employment agreement), then the named executive officer would be entitled to (i) all accrued, but unpaid, obligations (including, but not limited to, salary, bonus, expense reimbursement or vacation pay), (ii) continuation of base salary for a period of 12 months at the rate in effect immediately prior to termination, (iii) continuation of medical benefits for 12 months or until such earlier time as he becomes eligible for medical benefits from a subsequent employer on the same terms as active senior executives of McJunkin Red Man Corporation and (iv) a pro-rata annual bonus for the fiscal year in which termination occurs, based on actual performance through the end of the fiscal year. However, because Messrs. Ketchum and Paige did not participate in the Variable Compensation Plan during fiscal year 2007, they would not be entitled to a pro-rata annual bonus assuming a termination date of December 31, 2007. The termination payments and the provision of benefits described in this paragraph are subject to the execution of a release and compliance with restrictive covenants prohibiting competition, solicitation of employees and interference with business relationships during the restriction period applicable to each named executive officer. The restriction period for each of Messrs. Ketchum, Fox and S. Wehrle is the greater of (i) five years following the effective date of the employment agreement and (ii) the duration of employment and 24 months following termination of employment, and the restriction period for Messrs. Underhill and Paige is the duration of employment and 12 months following termination of employment.

Pursuant to the Letter Agreement, Mr. H.B. Wehrle is not entitled to any severance payments or benefits in the event that his service as chairman of the board of directors of PVF Holdings LLC or as a member of our board of directors is terminated under any circumstances. In addition, the Letter Agreement does not contemplate severance in the event of a termination of Mr. H.B. Wehrle's service for good reason. As a result, Mr. H.B. Wehrle would not be entitled to base salary continuation, a pro-rata bonus or medical benefit continuation in the event of his termination under these circumstances. Mr. H.B. Wehrle is subject to restrictive covenants during his service as a director and for the period that ends on the later of (i) January 31, 2012 or (ii) twenty-four (24) months following the date that he ceases to serve either as chairman of the board of directors of PVF Holdings LLC or as a member of the board of directors of the company.

In addition, Messrs. H.B. Wehrle, Ketchum, Underhill, Paige and S. Wehrle hold profits units and Mr. Fox holds restricted common units, each in respect of PVF Holdings LLC. The vesting schedules of these profits units and restricted common units are described in the narrative following the "Grants of Plan-Based Awards in Fiscal Year 2007" table. As of December 31, 2007, all profits units and restricted common units held by the named executive officers were unvested. In the event of the termination of a named executive officer's employment by the company other than for Cause or by a named executive officer for Good Reason, all unvested profits units held by the named executive officers would be forfeited, with the exception of the profits units held by Messrs. Underhill and Paige, which would be fully vested and nonforfeitable. Profits units held by Messrs. H.B. Wehrle and Ketchum would be fully vested and not subject to forfeiture. Under these circumstances Mr. Fox's restricted common units would also become fully vested and nonforfeitable.

The fully vested account in the McJunkin Red Man Corporation Nonqualified Deferred Compensation Plan held by each named executive officer would become payable (subject to the requirements of Section 409A) upon a termination by the company of such named executive officer's employment other than for Cause or a termination of employment by such named executive officer for Good Reason.

Each named executive officer would also be paid the value of any accrued but unused vacation time as of December 31, 2007.

In determining the appropriate payment and benefit levels, the compensation committee considers what level of compensation is required to attract and motivate executive officers. In making decisions regarding executive officer compensation, the compensation committee considers the overall economic value of the compensation packages for executive officers, which includes a consideration of the payments and benefits to which an executive officer would be entitled in the event of certain qualifying terminations or a change in control.

Termination by the Company for Cause

Pursuant to the PVF LLC Agreement, upon a termination of employment by the company for Cause, profits units held by Messrs. Ketchum, Underhill, Paige and S. Wehrle, whether or not vested, would be forfeited immediately for no consideration. Pursuant to the Letter Agreement, and Mr. Ketchum's employment agreement, profits units held by Messrs. H.B. Wehrle and Ketchum would be fully vested and nonforfeitable. Unvested restricted common units held by Mr. Fox would also be forfeited immediately for no consideration in the event of Mr. Fox's termination by the company for Cause. However, restricted common units held by Mr. Fox that are vested at the date of his termination (none of Mr. Fox's restricted common units were vested as of December 31, 2007) would not be forfeited, but would be subject to a right of repurchase by McJunkin Red Man Corporation. As described in the narrative following the "Nonqualified Deferred Compensation" table, the fully vested accounts in the McJunkin Red Man Corporation Nonqualified Deferred Compensation Plan held by each named executive officer would become payable (subject to the requirements of Section 409A). Each named executive officer would also be paid the value of any accrued but unused vacation time as of December 31, 2007.

Termination due to Death or Disability

Pursuant to the employment agreements to which Messrs. Ketchum, Underhill, Paige, Fox and S. Wehrle are parties, upon a termination of employment due to the death or disability, they (or their beneficiaries) would be entitled to receive a pro-rata portion of the annual bonus for the fiscal year in which termination occurs, based on actual performance through the end of the fiscal year. However, because Messrs. Ketchum and Paige did not participate in the Variable Compensation Plan during fiscal year 2007, they would not be entitled to a pro-rata annual bonus assuming a termination date of December 31, 2007.

Pursuant to the Letter Agreement, Mr. H.B. Wehrle would not be entitled to a pro-rata annual bonus for the fiscal year in which his termination occurs because his participation in the Variable Compensation Plan will end upon the termination of his employment agreement. Pursuant to the PVF LLC Agreement, all unvested profits units held by Messrs. H.B. Wehrle, Ketchum, Underhill, Paige and S. Wehrle (which, as of December 31, 2007, included all of their profits units) would be fully vested and nonforfeitable in the event of a termination due to death or "Disability" (as defined in the PVF LLC Agreement). Mr. Fox's restricted common units would also become fully vested. In the event of termination due to death or "Permanent Disability" (as such term is defined in the McJunkin Red Man Nonqualified Deferred Compensation Plan), the full amount of each named executive officer's account, whether or not vested, would be payable. Each named executive officer (or their beneficiaries) would also be paid the value of any accrued but unused vacation time as of December 31, 2007.

Change in Control

The PVF LLC Agreement provides that in the event of a Transaction (as defined in the PVF LLC Agreement), profits units and restricted common units would be fully vested and nonforfeitable. This accelerated vesting of the profits units and restricted common units was negotiated as part of the PVF LLC Agreement in connection with overall negotiations relating to the GS Acquisition. The PVF LLC Agreement defines "Transaction" as (i) any event which results in the GSCP Members (as defined in the PVF LLC Agreement) and its or their Affiliates (as defined in the PVF LLC Agreement) ceasing to directly or indirectly beneficially own, in the aggregate, at least 35% of the equity interests of McJunkin Red Man Corporation that they beneficially owned directly or indirectly as of January 31, 2007; or (ii) in a single transaction or a series of related transactions, the occurrence of the following event: a majority of the outstanding voting power of PVF Holdings LLC, McJunkin Red Man Holding Corporation or McJunkin Red Man Corporation, or substantially all of the assets of McJunkin Red Man Corporation, shall have been acquired or otherwise become beneficially owned, directly or indirectly, by any Person (as defined in the PVF LLC Agreement) (other than any Member (as defined in the PVF LLC Agreement) on the effective date of the PVF LLC Agreement or any of its or their Affiliates, or PVF Holdings LLC or any of its Affiliates) or any two or more Persons (other than any Member on the date of the PVF LLC Agreement or any of its or their Affiliates, or the McJunkin Red Man Corporation or any of its Affiliates) acting as a partnership, limited partnership, syndicate or other group, entity or association acting in concert for the purpose of voting, acquiring, holding or disposing of the voting power of PVF Holdings LLC, McJunkin Red Man Holding Corporation or McJunkin Red Man Corporation; it being understood that, for this purpose, the acquisition or beneficial ownership of voting securities by the public shall not be an acquisition or constitute beneficial ownership by any Person or Persons acting in concert. The table below assumes that a Transaction as so defined has occurred.

Pursuant to the McJunkin Red Man Corporation Nonqualified Deferred Compensation Plan, the full amount of a participant's account becomes vested to the extent not already vested upon a Change in Control and shall be paid within thirty days of such Change in Control. The plan defines "Change in Control" as, in a single transaction or a series of related transactions, the occurrence of the following event: a majority of the outstanding voting power of PVF Holdings LLC, McJunkin Red Man Holding Corporation or McJunkin Red Man Corporation, or substantially all of the assets of McJunkin Red Man Corporation, shall have been acquired or otherwise become beneficially owned, directly or indirectly, by any Person (as defined in the plan) (other than any Member (as defined in the PVF LLC Agreement) or any of its or their affiliates, or PVF Holdings LLC or any of its affiliates) or any two or more Persons (other than any Member or any of its or their affiliates, or PVF Holdings LLC or any of its affiliates) acting as a partnership, limited partnership, syndicate or other group, entity or association acting in concert for the purpose of voting, acquiring, holding or disposing of the voting power of PVF Holdings LLC, McJunkin Red Man Holding Corporation or McJunkin Red Man Corporation; it being understood that, for this purpose, the acquisition or beneficial ownership of voting securities by the public shall not be an acquisition or constitute beneficial ownership by any Person or Persons acting in concert. The table below assumes that a Change in Control as so defined has occurred. The accelerated vesting of accounts under the McJunkin Red Man Corporation Nonqualified Deferred Compensation Plan in the event of a change in control does not provide an extra benefit to the named

executive officers because each of their accounts was fully vested as of the effective date of the plan, which was December 31, 2007.

Name	Accrued Obligations(1)	Base Salary Continuation	Pro Rata Bonus(2)	Medical Benefit Continuation	Profits Units(3)	Deferred Compensation Account Balance	Total
H.B. Wehrle, III							
Voluntary Separation	$79,617	—	—	—	$ 0	$110,000	$ 189,617
Not for Cause Termination	$79,617	—	—	—	$ 0	$110,000	$ 189,617
Termination for Good Reason	$79,617	—	—	—	$ 0	$110,000	$ 189,617
Involuntary for Cause Termination	$79,617	—	—	—	$ 0	$110,000	$ 189,617
Death	$79,617	—	—	—	$ 0	$110,000	$ 189,617
Disability	$79,617	—	—	—	$ 0	$110,000	$ 189,617
Change in Control	—	—	—	—	$ 0	$110,000	$ 110,000
Craig Ketchum							
Voluntary Separation	$66,346	—	—	—	$ 0	$ 20,000	$ 86,346
Not for Cause Termination	$66,346	$690,000	$ 0	$7,360	$ 0	$ 20,000	$ 783,706
Termination for Good Reason	$66,346	$690,000	$ 0	$7,360	$ 0	$ 20,000	$ 783,706
Involuntary for Cause Termination	$66,346	—	—	—	$ 0	$ 20,000	$ 86,346
Death	$66,346	—	$ 0	—	$ 0	$ 20,000	$ 86,346
Disability	$66,346	—	$ 0	—	$ 0	$ 20,000	$ 86,346
Change in Control	—	—	—	—	$ 0	$ 20,000	$ 20,000
James F. Underhill							
Voluntary Separation	$43,270	—	—	—	—	$ 64,167	$ 107,437
Not for Cause Termination	$43,270	$450,000	$412,500	$7,360	$ 0	$ 64,167	$ 977,297
Termination for Good Reason	$43,270	$450,000	$412,500	$7,360	$ 0	$ 64,167	$ 977,297
Involuntary for Cause Termination	$43,270	—	—	—	—	$ 64,167	$ 107,437
Death	$43,270	—	$412,500	—	$ 0	$ 64,167	$ 519,937
Disability	$43,270	—	$412,500	—	$ 0	$ 64,167	$ 519,937
Change in Control	—	—	—	—	$ 0	$ 64,167	$ 64,167
David Fox, III							
Voluntary Separation	$66,347	—	—	—	—	$ 91,666	$ 158,013
Not for Cause Termination	$66,347	$575,000	$513,643	$7,360	$ 0	$ 91,666	$1,254,016
Termination for Good Reason	$66,347	$575,000	$513,643	$7,360	$ 0	$ 91,666	$1,254,016
Involuntary for Cause Termination	$66,347		—	—	—	$ 91,666	$ 158,013
Death	$66,347	—	$513,643	—	$ 0	$ 91,666	$ 671,656
Disability	$66,347	—	$513,643	—	$ 0	$ 91,666	$ 671,656
Change in Control	—	—	—	—	$ 0	$ 91,666	$ 91,666

Name	Accrued Obligations(1)	Base Salary Continuation	Pro Rata Bonus(2)	Medical Benefit Continuation	Profits Units(3)	Deferred Compensation Account Balance	Total
Dee Paige							
Voluntary Separation	$32,572	—	—	—	—	$ 0	$ 32,572
Not for Cause Termination	$32,572	$338,750	$ 0	$7,360	$ 0	$ 0	$ 378,682
Termination for Good Reason	$32,572	$338,750	$ 0	$7,360	$ 0	$ 0	$ 378,682
Involuntary for Cause Termination	$32,572	—	—	—	—	$ 0	$ 32,572
Death	$32,572	—	$ 0	—	$ 0	$ 0	$ 32,572
Disability	$32,572	—	$ 0	—	$ 0	$ 0	$ 32,572
Change in Control	$32,572	—	—	—	$ 0	$ 0	$ 32,572
Stephen D. Wehrle							
Voluntary Separation	$66,924	—	—	—	—	$82,500	$ 149,424
Not for Cause Termination	$66,924	$580,000	$531,667	$7,360	—	$82,500	$1,268,451
Termination for Good Reason	$66,924	$580,000	$531,667	$7,360	—	$82,500	$1,268,451
Involuntary for Cause Termination	$66,924	—	—	—	—	$82,500	$ 149,424
Death	$66,924	—	$531,667	—	$ 0	$82,500	$ 681,091
Disability	$66,924	—	$531,667	—	$ 0	$82,500	$ 681,091
Change in Control	—	—	—	—	$ 0	$82,500	$ 82,500

(1) These amounts represent accrued but unused vacation time as of December 31, 2007.

(2) Each of the named executive officers has an annual target bonus of 100% of annual base salary at the beginning of the relevant fiscal year. Except for Messrs. Ketchum and Paige, who will be eligible to earn awards starting in fiscal year 2008, the named executive officers participated in the Variable Compensation Plan starting on February 1, 2007. The Adjusted EBITDA and RONA performance goals for the Variable Compensation Plan were satisfied in fiscal year 2007. As a result, assuming a termination as of December 31, 2007, pursuant to the terms of their employment agreements, Messrs. H.B. Wehrle, Underhill, Fox and S. Wehrle would be entitled to receive their target annual incentive bonus, pro-rated to reflect participation during eleven months of the year.

(3) In the event of a Transaction (as defined in the PVF LLC Agreement) or a termination by reason of death or Disability, the profits units and restricted common units in PVF Holdings LLC held by the named executive officers would become fully vested.

Compensation Committee Interlocks and Insider Participation

During the fiscal year ended December 31, 2007, our compensation committee was comprised of Peter C. Boylan, III, John F. Daly, and Harry K. Hornish Jr.

In connection with the Red Man Transaction, Red Man paid a fee of $4 million to Boylan Partners LLC. On December 17, 2007, Mr. Boylan made an investment of $1 million in PVF Holdings LLC in exchange for 254.2065 common units in PVF Holdings LLC. Mr. Boylan made his investment in PVF Holdings LLC through a limited liability company which he controls. In May 2008, Mr. Boylan's limited liability company holding common units in PVF Holdings LLC received a dividend of $389,653.01 in connection with our May 2008 recapitalization. See "Certain Relationships and Related Party Transactions — Transactions with Executive Officers and Directors — May 2008 Dividend".

Mr. Daly is a managing director in the Principal Investment Area of Goldman, Sachs & Co. For a description of the company's transactions with Goldman, Sachs & Co. and certain of its affiliates, see "Certain Relationships and Related Party Transactions — Transactions with the Goldman Sachs Funds".

On April 13, 2007, Harry K. Hornish, Jr. made an investment of $1.5 million in PVF Holdings LLC in exchange for 381.3098 common units in PVF Holdings LLC. The investment consisted of $500,000 in cash and a $1 million promissory note issued to PVF Holdings LLC. The $500,000 in cash and $1 million promissory note were subsequently contributed to McJunkin Red Man Holding Corporation by PVF Holdings LLC. In connection with our May 2008 dividend, the amount of the note was reduced to $498,467.01. Mr. Hornish repaid the note in full on August 7, 2008. See "Certain Relationships and Related Party Transactions — Transactions with Executive Officers and Directors".

PRINCIPAL AND SELLING STOCKHOLDERS

The following table presents information regarding beneficial ownership of our common stock by:

- each of our directors;
- each of our named executive officers;
- each stockholder known by us to beneficially hold five percent or more of our common stock;
- each selling stockholder; and
- all of our executive officers and directors as a group.

Beneficial ownership is determined under the rules of the SEC and generally includes voting or investment power with respect to securities. Unless indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable. Shares of common stock subject to options that are currently exercisable or exercisable within 60 days of the date of this prospectus are deemed to be outstanding and to be beneficially owned by the person holding such options for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Except as otherwise indicated, the business address for each of our beneficial owners is c/o McJunkin Red Man Holding Corporation, 8023 East 63rd Place, Tulsa, Oklahoma 74133.

	Shares Beneficially Owned Prior to the Offering		Number of	Shares Beneficially Owned After the Offering†	
Name and Address	Number	Percent	Shares Offered†	Number	Percent
PVF Holdings LLC(1)					
The Goldman Sachs Group, Inc.(1) 85 Broad Street New York, New York 10004					
Andrew Lane(2)					
James F. Underhill(3)					
David Fox, III(4)					
Dee Paige(5)					
Stephen D. Wehrle(6)					
Craig Ketchum(7)					
Rhys J. Best(8)					
Henry Cornell(1)					
Christopher A.S. Crampton					
John F. Daly(1)					
Harry K. Hornish, Jr.(9)					
Sam B. Rovit(10)					
H.B. Wehrle, III(11)					
All directors and executive officers, as a group (20 persons)(12)					

† PVF Holdings LLC has granted the underwriters the option to purchase from it an aggregate of additional shares. If the option to purchase additional shares were exercised in full, after the offering PVF Holdings LLC and The Goldman Sachs Group, Inc. would own shares, or %, of our common stock, and all of our directors and executive officers, as a group, would own shares, or %, of our common stock.

* Less than 1%.

(1) PVF Holdings LLC directly owns shares of common stock. GS Capital Partners V Fund, L.P., GS Capital Partners V Offshore Fund, L.P., GS Capital Partners V GmbH & Co. KG, GS Capital Partners V Institutional, L.P., GS Capital Partners VI Fund, L.P., GS Capital Partners VI Offshore Fund, L.P., GS Capital Partners VI Parallel, L.P., and GS Capital Partners VI GmbH & Co. KG (collectively, the “Goldman Sachs

Funds") are members of PVF Holdings LLC and own common units of PVF Holdings LLC. The Goldman Sachs Funds' common units in PVF Holdings LLC correspond to shares of common stock. The Goldman Sachs Group, Inc., and Goldman, Sachs & Co. may be deemed to beneficially own indirectly, in the aggregate, all of the common stock owned by PVF Holdings LLC because (i) affiliates of Goldman, Sachs & Co. and The Goldman Sachs Group, Inc. are the general partner, managing general partner, managing partner, managing member or member of the Goldman Sachs Funds and (ii) the Goldman Sachs Funds control PVF Holdings LLC and have the power to vote or dispose of all of the common stock of the Company owned by PVF Holdings LLC. Goldman, Sachs & Co. is a direct and indirect wholly owned subsidiary of The Goldman Sachs Group, Inc. Goldman, Sachs & Co. is the investment manager of certain of the Goldman Sachs Funds. Shares of common stock that may be deemed to be beneficially owned by the Goldman Sachs Funds that correspond to the Goldman Sachs Funds' common units of PVF Holdings LLC consist of: (1) shares of common stock deemed to be beneficially owned by GS Capital Partners V Fund, L.P. and its general partner, GSCP V Advisors, L.L.C., (2) shares of common stock deemed to be beneficially owned by GS Capital Partners V Offshore Fund, L.P. and its general partner, GSCP V Offshore Advisors, L.L.C., (3) shares of common stock deemed to be beneficially owned by GS Capital Partners V Institutional, L.P. and its general partner, GS Advisors V, L.L.C., (4) shares of common stock deemed to be beneficially owned by GS Capital Partners V GmbH & Co. KG and its managing limited partner, GS Advisors V, L.L.C., (5) shares of common stock deemed to be beneficially owned by GS Capital Partners VI Fund, L.P. and its general partner, GSCP VI Advisors, L.L.C., (6) shares of common stock deemed to be beneficially owned by GS Capital Partners VI Offshore Fund, L.P. and its general partner, GSCP VI Offshore Advisors, L.L.C., (7) shares of common stock deemed to be beneficially owned by GS Capital Partners VI Parallel, L.P. and its general partner, GS Advisors VI, L.L.C., and (8) shares of common stock deemed to be beneficially owned by GS Capital Partners VI GmbH & Co. KG and its managing limited partner, GS Advisors VI, L.L.C. Henry Cornell and John F. Daly are managing directors of Goldman, Sachs & Co. Mr. Cornell, Mr. Daly, The Goldman Sachs Group, Inc. and Goldman, Sachs & Co. each disclaims beneficial ownership of the shares of common stock owned directly or indirectly by PVF Holdings LLC and the Goldman Sachs Funds, except to the extent of their pecuniary interest therein, if any.

(2) Mr. Lane owns shares directly. Mr. Lane also owns options to purchase shares of our common stock at an exercise price of . The date of grant for Mr. Lane's options was September 10, 2008. These options will generally vest in one-fourth annual increments on the second, third, fourth and fifth anniversaries of the date of grant.

(3) Mr. Underhill owns no shares of common stock directly. Mr. Underhill owns shares indirectly through his ownership of common units in PVF Holdings LLC. Mr. Underhill does not have the power to vote or dispose of shares of common stock that correspond to his ownership of common units in PVF Holdings LLC and thus does not have beneficial ownership of such shares. Mr. Underhill also owns profits units in PVF Holdings LLC. These profits units do not give Mr. Underhill beneficial ownership of any shares of our common stock because they do not give Mr. Underhill the power to vote or dispose of any such shares.

(4) Mr. Fox owns no shares of common stock directly. Mr. Fox has transferred all of his common units (including his restricted common units) in PVF Holdings LLC, corresponding to shares of our common stock, to a trust for the benefit of members of his family. Neither Mr. Fox nor the trust has the power to vote or dispose of the common units of PVF Holdings LLC held by the trust, which correspond to shares of our common stock, and therefore neither Mr. Fox nor the trust has beneficial ownership of these shares of our common stock.

(5) Mr. Paige owns no shares of common stock directly. Mr. Paige owns shares indirectly through his ownership of common units in PVF Holdings LLC. Mr. Paige does not have the power to vote or dispose of shares of common stock that correspond to his ownership of common units in PVF Holdings LLC and thus does not have beneficial ownership of such shares. Mr. Paige also owns profits units in PVF Holdings LLC. These profits units do not give Mr. Paige beneficial ownership of any shares of our common stock because they do not give Mr. Paige the power to vote or dispose of any such shares.

(6) Mr. Wehrle owns no shares of common stock directly. Mr. Wehrle owns shares indirectly through his ownership of common units in PVF Holdings LLC. Mr. Wehrle does not have the power to vote or dispose of shares of common stock that correspond to his ownership of common units in PVF Holdings LLC and thus does not have beneficial ownership of such shares. Mr. Wehrle also owns profits units in PVF

Holdings LLC. These profits units do not give Mr. Wehrle beneficial ownership of any shares of our common stock because they do not give Mr. Wehrle the power to vote or dispose of any such shares.

(7) Mr. Ketchum owns no shares of common stock directly. Mr. Ketchum owns common units in PVF Holdings LLC both directly and through a limited liability company which correspond to shares of common stock owned by PVF Holdings LLC. Mr. Ketchum does not have the power to vote or dispose of shares of common stock that correspond to his ownership or his limited liability company's ownership of common units in PVF Holdings LLC and thus does not have beneficial ownership of such shares. Mr. Ketchum also owns profits units in PVF Holdings LLC. These profits units do not give Mr. Ketchum beneficial ownership of any shares of our common stock because they do not give Mr. Ketchum the power to vote or dispose of any such shares.

(8) Mr. Best owns no shares of common stock directly. Mr. Best owns shares indirectly due to his limited liability company's ownership of common units in PVF Holdings LLC. Mr. Best does not have the power to vote or dispose of shares of common stock that correspond to such limited liability company's ownership of common units in PVF Holdings LLC and thus does not have beneficial ownership of such shares. Mr. Best also owns options to purchase shares of our common stock at an exercise price of $. The date of grant for these options was December 24, 2007. These options will generally vest in one-third annual increments on the third, fourth and fifth anniversaries of the date of grant.

(9) Mr. Hornish owns no shares of common stock directly. Mr. Hornish owns shares indirectly through his ownership of common units in PVF Holdings LLC. Mr. Hornish does not have the power to vote or dispose of shares of common stock that correspond to his ownership of common units in PVF Holdings LLC and thus does not have beneficial ownership of such shares.

(10) Mr. Rovit owns no shares of common stock directly. Mr. Rovit owns shares indirectly through his ownership of common units in PVF Holdings LLC. Mr. Rovit does not have the power to vote or dispose of shares of common stock that correspond to his ownership of common units in PVF Holdings LLC and thus does not have beneficial ownership of such shares. Mr. Rovit also owns options to purchase shares of our common stock at an exercise price of $. The date of grant for these options was June 27, 2008. These options will generally vest in one-third annual increments on the third, fourth and fifth anniversaries of the date of grant.

(11) Mr. Wehrle owns no shares of common stock directly. Mr. Wehrle owns shares indirectly through his ownership of common units in PVF Holdings LLC. Mr. Wehrle does not have the power to vote or dispose of shares of common stock that correspond to his ownership of common units in PVF Holdings LLC and thus does not have beneficial ownership of such shares. Mr. Wehrle also owns profits units in PVF Holdings LLC. These profits units do not give Mr. Wehrle beneficial ownership of any shares of our common stock because they do not give Mr. Wehrle the power to vote or dispose of any such shares.

(12) The number of shares of common stock owned by all directors and executive officers, as a group, reflects (i) all shares of common stock directly owned by PVF Holdings LLC, with respect to which Henry Cornell and John F. Daly may be deemed to share beneficial ownership, and (ii) shares of our common stock held by Andrew Lane, our chief executive officer and a director of our company.

The following table sets forth, as of June 26, 2008, the number of common units and profits units of PVF Holdings LLC held by each of our directors, executive officers and beneficial owners of more than five percent of our common stock. The table also sets forth the amount of proceeds that each of these unit holders will receive from this offering upon PVF Holdings LLC's distribution of the net proceeds of this offering to its unit holders and the percentage of proceeds to be received in proportion to all unit holders. Pursuant to the amended and restated limited liability company agreement of PVF Holdings LLC, distributions of the net proceeds of this offering will be allocated as follows: first, to the holders of common units pro rata in proportion to the number of common units outstanding at the time of such distribution, until each common unit holder has received an amount equal to such holder's aggregate capital contributions made to PVF Holdings LLC in exchange for

common units; and second, to the holders of all units (including profits units), pro rata in proportion to the number of units (including profits units) outstanding at the time of such distribution.

Name of Beneficial Owner	Common Units Owned Directly or Indirectly	Profits Units Owned Directly or Indirectly	Proceeds from this Offering to be Distributed to the Unit Holder	Percentage of Proceeds from this Offering Received in Proportion to All Unit Holders
The Goldman Sachs Funds				
Craig Ketchum				
James F. Underhill				
David Fox, III(1)				
Dee Paige				
Stephen D. Wehrle				
Jeffrey Lang				
Randy K. Adams				
Rory M. Isaac				
Gary A. Ittner				
Dennis Niver				
Ken Hayes				
Stephen W. Lake				
Rhys J. Best				
Henry Cornell				
Christopher A.S. Crampton				
John F. Daly				
Harry K. Hornish, Jr.				
Sam B. Rovit				
H.B. Wehrle, III				
The Goldman Sachs Funds and all of our directors and executive officers, as a group				
Other holders of common units of PVF Holdings LLC, as a group				
Total				100%

(1) Of the proceeds received on account of common units issued to Mr. Fox, $ will be received on account of restricted common units. No proceeds will be distributed by PVF Holdings LLC on account of these restricted common units until they vest.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

This section describes related party transactions between McJunkin Red Man Holding Corporation and its directors, executive officers and 5% stockholders and their immediate family members.

Transactions with the Goldman Sachs Funds

Prior to this offering, certain affiliates of The Goldman Sachs Group, Inc., including GS Capital Partners V Fund, L.P., GS Capital Partners VI Fund, L.P. and related entities, or the Goldman Sachs Funds, were the majority owners of PVF Holdings LLC, our direct parent company. Following the consummation of this offering, PVF Holdings LLC will remain the majority owner of our company and the Goldman Sachs Funds will continue to be the majority owners of PVF Holdings LLC.

McJunkin Acquisition

On December 4, 2006, the entity now known as McJunkin Red Man Corporation entered into a definitive agreement to be acquired by the entity now known as McJunkin Red Man Holding Corporation, an indirect subsidiary of the Goldman Sachs Funds (the "GS Acquisition"). Shareholders of McJunkin Red Man Corporation received consideration in the form of cash or a combination of cash and common units in PVF Holdings LLC (as described in further detail below). On January 31, 2007, the GS Acquisition closed and a direct wholly owned subsidiary of McJunkin Red Man Holding Corporation merged with and into McJunkin Red Man Corporation, with McJunkin Red Man Corporation surviving the merger and becoming a direct subsidiary of McJunkin Red Man Holding Corporation. Immediately prior to the closing of the merger, certain shareholders of McJunkin Red Man Corporation and McJunkin Appalachian Oilfield Supply Company ("McJunkin Appalachian", which entity was a subsidiary of McJunkin Red Man Corporation, but has since been merged out of existence) contributed their shares of McJunkin Red Man Corporation and McJunkin Appalachian, as applicable, to the entity now known as PVF Holdings LLC in exchange for common units in PVF Holdings LLC. We refer to these common unit holders as the "McJunkin Rollover Equity Holders".

The acquisition of McJunkin Red Man Corporation was financed by a $225.6 million capital contribution by certain Goldman Sachs Funds in PVF Holdings LLC, investments in PVF Holdings LLC by the McJunkin Rollover Equity Holders valued at $166.5 million (including restricted common units valued at $7 million), $575.0 million in term loans and $75.0 million in revolver borrowings.

In connection with the GS Acquisition, McJunkin Red Man Corporation paid (i) a $10 million sponsor fee to an affiliate of the Goldman Sachs Funds, (ii) a $2.5 million investment banking advisory fee to an affiliate of the Goldman Sachs Funds, and (iii) an $8.5 million debt financing fee to an affiliate of the Goldman Sachs Funds.

Red Man Transaction

West Oklahoma PVF Company, our indirect subsidiary, entered into a Stock Purchase Agreement on July 6, 2007 with Red Man Pipe & Supply Co. ("Red Man"), PVF Holdings LLC, Craig Ketchum, and the holders of 100% of the outstanding common stock of Red Man, pursuant to which West Oklahoma PVF Company acquired all of the outstanding capital stock of Red Man in a business combination transaction (the "Red Man Transaction"). Shareholders of Red Man received consideration in the form of cash or a combination of cash and common units in PVF Holdings LLC (as described in further detail below). The Red Man Transaction was consummated on October 31, 2007.

The Goldman Sachs Funds made a capital contribution of $574.3 million in PVF Holdings LLC for purposes of financing the Red Man Transaction. Additionally, prior to making such capital contribution, the Goldman Sachs Funds offered to each of the McJunkin Rollover Equity Holders the option of making an additional equity investment in PVF Holdings LLC in an amount required to

preserve such holder's pro rata interest in PVF Holdings LLC relative to the other equity holders in PVF Holdings LLC prior to the Red Man Transaction. The McJunkin Rollover Equity Holders were also given the option to redeem their interests in PVF Holdings LLC at a fixed price per unit, or to continue to hold their interests without any additional subscriptions or redemptions. Certain McJunkin Rollover Equity Holders chose to exercise their option to make an additional equity investment in PVF Holdings LLC and consequently contributed $83.9 million to PVF Holdings LLC in exchange for common units of PVF Holdings LLC for purposes of financing the Red Man Transaction.

Immediately prior to the closing of the Red Man Transaction, certain shareholders of Red Man (the "Red Man Rollover Equity Holders") contributed their shares of Red Man to PVF Holdings LLC in exchange for common units in PVF Holdings LLC. The Red Man Transaction was also financed by $322.5 million in revolving loans under McJunkin Red Man Corporation's revolving credit facility. Immediately following the closing of the Red Man Transaction, an immediate family member of Craig Ketchum remitted to McJunkin Red Man Corporation the amount of $517,366.12 to fund McJunkin Red Man Corporation's payment of withholding taxes on such immediate family member's account, relating to the transfer to such immediate family member of certain assets that were excluded from the Red Man Transaction.

In connection with the Red Man Transaction, McJunkin Red Man Corporation paid certain affiliates of the Goldman Sachs Funds a $10 million merger and acquisition advisory fee and a $2 million investment banking advisory fee. McJunkin Red Man Corporation also paid a $4 million advisory fee to Boylan Partners LLC, which is owned by Peter Boylan.

May 2008 Dividend

On May 22, 2008, McJunkin Red Man Corporation borrowed $25 million in revolving loans under its revolving credit facility and distributed the proceeds of the loans to McJunkin Red Man Holding Corporation. On the same date, McJunkin Red Man Holding Corporation borrowed $450 million in term loans under its term loan facility and distributed the proceeds of the term loans, together with the proceeds of the revolving loans, to its stockholders, including PVF Holdings LLC. PVF Holdings LLC used the proceeds from the dividend to fund distributions to members of PVF Holdings LLC in May 2008. The Goldman Sachs Funds received $311,722,411.39 in such distribution.

Credit Facilities

Goldman Sachs Credit Partners L.P., an affiliate of Goldman, Sachs & Co., or Goldman Sachs, is one of the lenders under our Revolving Credit Facility, Term Loan Facility and Junior Term Loan Facility. Goldman Sachs Credit Partners is also a co-lead arranger and joint bookrunner under each of these facilities and is also the syndication agent under the Term Loan Facility and the Junior Term Loan Facility. Goldman Sachs Credit Partners was also a lender, co-lead arranger, joint bookrunner and syndication agent under the revolving credit facility that we entered into in January 2007. The January 2007 revolving credit facility was entered into in connection with the financing of the GS Acquisition and, at that time, we paid this Goldman Sachs affiliate an $8.5 million financing fee. The January 2007 revolving credit facility was terminated in October 2007 in connection with our entering into the Revolving Credit Facility and the Red Man Transaction. In conjunction with entering into the Revolving Credit Facility and the Term Loan Facility in October 2007, we paid a $4.9 million financing fee to Goldman Sachs Credit Partners. We also paid a $4.4 million fee to Goldman Sachs Capital Partners in May 2008 in connection with the Junior Term Loan Facility and a fee of $0.5 million to Goldman Sachs Credit Partners in June 2008 in connection with the $50 million upsizing of our Revolving Credit Facility. See "Description of Our Indebtedness".

Transactions with Prideco

In November/December 2007, and continuing in 2008, Red Man, a subsidiary of McJunkin Red Man Corporation, has leased and continues to lease certain equipment and buildings from Prideco,

LLC, an entity owned by Craig Ketchum (the chairman of our board of directors and our former president and chief executive officer) and certain of his immediate family members. Craig Ketchum owns a 25% interest in Prideco, LLC. Red Man paid Prideco, LLC an aggregate rental amount of $535,985 in November/December 2007. Under four separate real property leases, Red Man leases office and warehouse space for the wholesale distribution of pipes, valves and fittings from Prideco, LLC. The total rental amount for November/December 2007 under these leases was $21,100. The location of the leased property, monthly rent in 2007, term, expiration date, square footage of the leased premises and renewal option for each of these leases are included in the table below:

Location	Monthly 2007 Rent	Term	Expiration	Square Feet	Renewal Option
Artesia, NM	$ 2,000	5 years	May 31, 2013	8,750	One five-year renewal option
Lovington, NM	$ 2,350	3 years	September 30, 2009	6,000	None
Tulsa, OK	$ 2,700	3 years	March 31, 2009	7,500	One three-year renewal option
Woodward, OK	$ 3,500	5 years	July 31, 2012	6,000	None

Additionally, under one master lease, Prideco, LLC leases approximately 498 trucks, cars and sports utility vehicles to Red Man. All of these vehicles are used in Red Man's operations. Under the master lease, most vehicles are leased for a term of 36 months. The total rental amount for November/December 2007 under this lease was $514,885.

We believe the rental amounts under Red Man's leases with Prideco, LLC are generally comparable to market rates negotiable among unrelated third parties.

Transactions with Hansford Associates Limited Partnership

McJunkin Red Man Corporation leases certain land and buildings from Hansford Associates Limited Partnership, a limited partnership in which H. B. Wehrle, III (a member of our board of directors) and E. Gaines Wehrle (a former member of our board of directors) and Stephen D. Wehrle (one of our executive officers) and certain of their immediate family members are limited partners. Together, these three persons and their immediate family members have a 50% ownership interest in the limited partnership. McJunkin Red Man Corporation (and its predecessor) paid Hansford Associates Limited Partnership an aggregate rental amount of $2,583,184 in 2007, $2,403,240 in 2006, and $2,343,240 in 2005.

Transactions with Appalachian Leasing Company

McJunkin Red Man Corporation leases certain land and buildings from Appalachian Leasing Company, an entity in which David Fox, III, one of our executive officers, and certain of Mr. Fox's immediate family members have an ownership interest. Mr. Fox and his immediate family members have a 67.5% ownership interest in Appalachian Leasing Company. McJunkin Red Man Corporation (and its predecessor) paid Appalachian Leasing Company an aggregate rental amount of $146,064 in 2007, $153,144 in 2006, and $154,344 in 2005. Under two separate leases, McJunkin Red Man Corporation leases office and warehouse space for the wholesale distribution of pipes, valves and fittings from Appalachian Leasing Company. The location of the leased property, monthly rent as of

September 2008, term, expiration date, square footage of the leases premises and renewal option for each of these leases are included in the table below:

Location	Monthly Rent as of September 2008	Term	Expiration	Square Feet	Renewal Option
Hurricane, WV	$ 10,005.00	3 years	December 31, 2010	6,500	Four three-year renewal options
Corbin, KY	$ 3,752.50	3 years	May 31, 2009	8,000	None

We believe that the rental amounts under McJunkin Red Man Corporation's leases with Appalachian Leasing Company are generally comparable to market rates negotiable among unrelated third parties.

Transactions with Executive Officers and Directors

Investments in PVF Holdings LLC

Certain of our current and former executive officers and directors are members of PVF Holdings LLC, our majority stockholder. These executive officers and directors do not have or share the right to vote or dispose of the shares of our common stock held by PVF Holdings LLC and thus do not have beneficial ownership of such shares. See "Principal and Selling Stockholders".

On January 31, 2007, in connection with the GS Acquisition, certain of our current and former executive officers and directors contributed shares of McJunkin Red Man Corporation and McJunkin Appalachian to PVF Holdings LLC in exchange for common units in PVF Holdings LLC. The number of shares of McJunkin Red Man Corporation and McJunkin Appalachian contributed by each such executive officer and director, the value of such contribution, and the number of common units of PVF Holdings LLC received in consideration for such contribution are indicated in the table below.

Name	Shares of McJunkin Corporation Contributed	Shares of McJunkin Appalachian Contributed	Value of Shares Contributed	Number of Common Units of PVF Holdings LLC Received in Exchange
H.B. Wehrle, III	310.0000	31.89	$17,173,005.47	4,365.4898
David Fox, III(1)	0.0000	459.18	$ 2,548,646.04	647.8824
E. Gaines Wehrle	218.9688	31.89	$12,180,895.82	3,096.4630
Stephen D. Wehrle	215.8000	31.89	$12,008,413.81	3,052.6170
Michael H. Wehrle	212.5521	31.89	$11,829,133.40	3,007.0427
Martha G. Wehrle	26.4688	—	$ 1,451,019.99	368.8587
Russell L. Isaacs	2.4063	—	$ 131,910.91	33.5326
Other Wehrle Family Members(2)	850.4147	—	$46,619,540.83	11,850.9908

(1) Mr. Fox's common units in PVF Holdings LLC were transferred to a trust established by Mr. Fox.

(2) As used in this table, "Other Wehrle Family Members" include the immediate family members of H.B. Wehrle, III, E. Gaines Wehrle, Stephen D. Wehrle and Michael H. Wehrle.

On January 31, 2007, Mr. Fox was awarded 640.6004 restricted common units in PVF Holdings LLC. At the time these units were awarded, they had a value of $2.52 million. Also on January 31, 2007, certain of our executive officers and directors received profits units in PVF Holdings LLC in connection with the GS Acquisition. Each of Rory Isaac, Gary Ittner and James F. Underhill received profits units as follows: 381.3098 profits units for Mr. Isaac, 381.3098 profits units for Mr. Ittner, and 597.3853 profits units for Mr. Underhill. Each of Messrs. Isaac, Ittner, and Underhill also contributed

$857.14 in cash to PVF Holdings LLC in exchange for 0.2179 common units. H.B. Wehrle, III received 381.3098 profits units and Stephen D. Wehrle received 190.6549 profits units on January 31, 2007.

On April 13, 2007, Harry K. Hornish, Jr., a member of our board of directors, made an investment of $1.5 million in PVF Holdings LLC in exchange for 381.3098 common units. The investment consisted of $500,000 in cash and a $1 million promissory note issued to PVF Holdings LLC. The $500,000 in cash and $1 million promissory note were subsequently contributed to McJunkin Red Man Holding Corporation by PVF Holdings LLC. In connection with the May 2008 dividend, the amount of the note was reduced to $498,467.01. Mr. Hornish repaid the note in full on August 7, 2008.

On October 31, 2007, in connection with the Red Man Transaction, E. Gaines Wehrle, Martha G. Wehrle, Michael H. Wehrle and Russell Isaacs, each a McJunkin Rollover Equity Holder, exercised their option to purchase additional common units in PVF Holdings LLC. See "— Transactions with the Goldman Sachs Funds — Red Man Transaction" above. Mr. E. Gaines Wehrle purchased 1,669.9676 additional common units for a price of $6,569,334.58. On April 30, 2008, Mr. Wehrle transferred all of his common units to a trust that he established. The trust received 4,766.4306 common units. Ms. Martha G. Wehrle purchased an additional 198.9309 common units for a price of $782,556.17. Mr. Michael H. Wehrle purchased 1,621.7420 additional common units for a price of $6,379,623.97. Mr. Russell Isaacs purchased 56.0408 additional common units for a price of $220,453.93. In connection with the Red Man Transaction, the immediate family members of H.B. Wehrle, III, E. Gaines Wehrle, Stephen D. Wehrle and Michael H. Wehrle exercised their option to purchase 10,555.4465 additional common units for a price of $41,523,116.19.

Additionally, in October 2007, PVF Holdings LLC provided an opportunity for select employees of PVF Holdings LLC and its subsidiaries to purchase common units ("McJunkin Management Coinvest"). Certain executive officers and directors purchased common units in the McJunkin Management Coinvest on October 31, 2007. The number of common units purchased and the amount paid for such units is set forth in the table below:

Name	Amount Contributed to PVF Holdings LLC	Number of Common Units of PVF Holdings LLC Received
H.B. Wehrle, III	$3,000,000.00	762.6195
Stephen D. Wehrle	$5,000,000.00	1,271.0376
Rory Isaac	$ 500,000.00	127.1033
Gary Ittner	$ 100,000.00	25.4207
James F. Underhill	$ 200,000.00	50.8413

As part of the Red Man Transaction, on October 31, 2007, Craig Ketchum contributed 9,634 shares of Red Man to PVF Holdings LLC. The value of the shares of Red Man contributed by Mr. Ketchum was $44,135,969.59. As part of the consideration payable to Mr. Ketchum in connection with the Red Man Transaction, on October 31, 2007, April 10, 2008 and May 16, 2008, 10,510.7577, 674.2538 and 34.6394 common units of PVF Holdings LLC respectively were issued. Mr. Ketchum holds the 11,219.6509 common units of PVF Holdings LLC received in connection with the Red Man Transaction through a limited liability company which he controls.

As part of the Red Man Transaction, on October 31, 2007, Kent Ketchum contributed 3,745 shares of Red Man to PVF Holdings LLC. As part of the consideration payable to Kent Ketchum in connection with the Red Man Transaction, on October 31, 2007, April 10, 2008 and May 16, 2008, 4,203.6296, 269.6583 and 13.8536 common units of PVF Holdings LLC respectively were issued. Mr. Ketchum holds the 4,487.1415 common units of PVF Holdings LLC received in connection with the Red Man Transaction through a limited liability company which he controls. In connection with the Red Man Transaction, Craig Ketchum, Kent Ketchum, and their immediate family members received 28,257.6087 common units of PVF Holdings LLC in exchange for consideration with a value of $111,160,050.30.

In November 2007, PVF Holdings LLC provided an opportunity for select employees of PVF Holdings LLC and its subsidiaries to purchase common units ("Red Man Management Coinvest"). Certain executive officers and directors purchased common units in the Red Man Management Coinvest. The number of common units purchased, the date such units were issued and the amount paid for such units is set forth in the table below:

Name	Amount Contributed to PVF Holdings LLC	Number of Common Units of PVF Holdings LLC Received	Date Units Were Issued
Randy Adams	$ 15,735.24	4.0000	November 29, 2007
Ken Hayes	$212,425.74	54.0000	November 29, 2007
Stephen W. Lake	$200,000.00	50.8413	February 5, 2008
Jeffrey Lang	$100,000.00	25.4207	December 14, 2007
Dee Paige	$200,000.00	50.8413	November 29, 2007

On November 30, 2007, Rhys J. Best made an investment of $500,000 in PVF Holdings LLC in exchange for 127.1033 common units and on December 17, 2007, Peter C. Boylan, III made an investment of $1 million in PVF Holdings LLC in exchange for 254.2065 common units. Both of these directors made their investments in PVF Holdings LLC through limited liability companies which they control.

On December 21, 2007, the board of directors of PVF Holdings LLC granted profits units to the following executive officers and directors in the amounts indicated: Craig Ketchum (381.3098 profits units), Kent Ketchum (190.6549 profits units), Randy Adams (381.3098 profits units), Dee Paige (571.9647 profits units), Ken Hayes (127.1033 profits units), and Jeffrey Lang (381.3098 profits units). In connection with the issuance of profits units to Craig Ketchum and Kent Ketchum, on May 14, 2008 each of these directors contributed $857.14 to PVF Holdings LLC in exchange for 0.2179 common units each.

On January 7, 2008, 127.1033 profits units were issued to Stephen W. Lake. In connection with this issuance, on January 7, 2008 Mr. Lake contributed $857.14 to PVF Holdings LLC in exchange for 0.2179 common units. On January 9, 2008, 254.2065 profits units were issued to Dennis Niver. In connection with this issuance, on January 9, 2008 Mr. Niver contributed $857.14 to PVF Holdings LLC in exchange for 0.2179 common units.

On July 7, 2008, Sam B. Rovit made an investment of $300,000 in PVF Holdings LLC in exchange for 69.6675 common units.

Investments in McJunkin Red Man Holding Corporation

On September 10, 2008, Andrew Lane made an investment of $3,000,000 in our company in exchange for 340.4379 shares of our common stock.

McJunkin Acquisition

Under the terms of the merger agreement for the GS Acquisition, McJunkin Red Man Corporation was required to use its commercially reasonable efforts promptly following the closing of the merger to sell certain of its assets (the "Non-Core Assets") for cash and to distribute 95% of the net proceeds of such sales, less 40% of taxable gains, to McJunkin Red Man Corporation's shareholders of record immediately prior to the merger. The Non-Core Assets included (i) approximately 20% of the outstanding common stock of PrimeEnergy Corporation, (ii) approximately 32% of the ownership interests of Vision Exploration & Production Co., LLC, (iii) certain real property located in Charleston, West Virginia, including a building, (iv) an apartment located in New York, New York, (v) a farm located in Union, West Virginia, and (vi) a vacant lot located in Charleston, West Virginia. At December 31, 2006, these assets had a net book value of approximately $27.1 million. Of the Non-Core Assets, the ownership interest of Vision Exploration &

Production Co., LLC, the apartment located in New York, New York, and the farm located in Union, West Virginia have each been sold, and in 2007 aggregate proceeds of $2.552 million were distributed to those individuals and entities who were shareholders of record of McJunkin Red Man Corporation immediately prior to the merger. In connection with such sale of Non-Core Assets, H.B. Wehrle, III (one of our directors) received $180,751, E. Gaines Wehrle (a former director of our company) received $198,972, Stephen D. Wehrle (one of our executive officers) received $157,282, Michael H. Wehrle (a former director of our company) received $193,141, Martha G. Wehrle (a former director of our company) received $24,052 and their immediate family members received $933,781 due to their status as shareholders of record of McJunkin Red Man Corporation immediately prior to the merger. Of the Non-Core Assets sold, McJunkin Red Man Corporation sold its ownership interest in Vision Exploration & Production Co., LLC to E. Gaines Wehrle, a former director of our company, for $250,000. McJunkin Red Man Corporation is currently in the process of selling the remaining Non-Core Assets.

In connection with the GS Acquisition, on December 4, 2006 we entered into an indemnity agreement with certain former shareholders of McJunkin Red Man Corporation, including H.B. Wehrle, III and Stephen D. Wehrle. Under the indemnity agreement, certain former shareholders of McJunkin Red Man Corporation agreed to jointly and severally indemnify (i) McJunkin Red Man Corporation, (ii) McJunkin Red Man Holding Corporation and (iii) the wholly owned subsidiary of McJunkin Red Man Holding Corporation which merged with and into McJunkin Red Man Corporation in connection with the GS Acquisition, and their respective shareholders, members, partners, officers, directors, employees, attorneys, accountants, affiliates, agents, other advisors and successors, from and against all costs incurred by such indemnified parties relating to the holding and disposition of the Non-Core Assets, and the distribution of net proceeds with respect to such disposition, to the extent the costs for each non-core asset exceeds the net proceeds received in the sale of such non-core asset.

Additionally, the indemnity agreement provided that from and after the effective time of the merger that was consummated in connection with the GS Acquisition, the indemnifying shareholders would jointly and severally indemnify the indemnified parties for (i) any amounts paid or payable by McJunkin Red Man Corporation or any of its subsidiaries to any of its officers, directors or employees in excess of $965,000 in the nature of any “stay-pay bonuses” as a result of the merger, other than payments to certain specific employees, and (ii) any failure to properly withhold any amounts required to be withheld by McJunkin Red Man Corporation or any of its subsidiaries relating to stay-pay bonuses or any similar such payments (which indemnity only applied to withholding obligations that arose before the effective time of the merger on January 31, 2007).

May 2008 Dividend

Certain members of our management team and certain current and former members of our board of directors are members of PVF Holdings LLC and therefore participated in PVF Holdings LLC’s cash distributions to its members in May 2008. See “— Transactions with the Goldman Sachs Funds — May 2008 Dividend” above. The table below sets forth the proceeds of the distributions

received on account of the profits units and common units held by our current and former executive officers and directors who are members of PVF Holdings LLC:

Name	Proceeds from Distributions Received on Common Units	Proceeds from Distributions Received on Profits Units	Total
Randy K. Adams	$ 6,131.28	$ 48,420.00	$ 54,551.28
Rhys J. Best(1)	$ 194,826.51	—	$ 194,826.51
Peter C. Boylan, III(2)	$ 389,653.01	—	$ 389,653.01
David Fox, III(3)	$ 1,975,013.20	—	$ 1,975,013.20
Ken Hayes	$ 82,772.33	$ 16,140.00	$ 98,912.33
Harry K. Hornish, Jr.	$ 584,479.57	—	$ 584,479.57
Rory M. Isaac	$ 195,160.51	$ 48,420.00	$ 243,580.51
Russell L. Isaacs	$ 137,300.00	—	$ 137,300.00
Gary A. Ittner	$ 39,299.30	$ 48,420.00	$ 87,719.30
Craig Ketchum(4)	$ 17,198,047.58	$ 48,420.00	$ 17,246,467.58
Kent Ketchum(5)	$ 6,878,317.54	$ 24,210.00	$ 6,902,527.54
Stephen W. Lake	$ 78,264.59	$ 16,140.00	$ 94,404.59
Jeffrey Lang	$ 38,965.30	$ 48,420.00	$ 87,385.30
Dennis Niver	$ 333.99	$ 32,280.00	$ 32,613.99
Dee Paige	$ 77,930.60	$ 72,630.00	$ 150,560.60
James F. Underhill	$ 78,264.60	$ 75,858.00	$ 154,122.60
E. Gaines Wehrle(6)	$ 7,306,083.68	—	$ 7,306,083.68
H.B. Wehrle, III	$ 7,860,472.35	$ 48,420.00	$ 7,908,892.35
Stephen D. Wehrle	$ 6,627,379.72	$ 24,210.00	$ 6,651,589.72
Michael H. Wehrle	$ 7,095,097.13	—	$ 7,095,097.13
Martha G. Wehrle	$ 870,319.63	—	$ 870,319.63
Other Wehrle Family Members(7)	$ 34,345,051.67	—	$ 34,345,051.67
Other Ketchum Family Members(8)	$ 19,238,151.48	—	$ 19,238,151.48
All executive officers, directors and their immediate family members	$111,297,315.58	$551,988.00	$111,849,303.58

(1) Mr. Best holds common units in PVF Holdings LLC through a limited liability company which he controls.

(2) Mr. Boylan holds common units in PVF Holdings LLC through a limited liability company which he owns and controls.

(3) The $1,975,013.20 that is indicated as being distributed on account of Mr. Fox's common units (including common units) was distributed to a trust established by Mr. Fox. Of this sum, $993,087.61 was distributed with respect to common units and $81,345.60 was paid as a tax distribution with respect to restricted common units. The balance of this sum ($900,579.99) relates to proceeds of the dividend distributed with respect to restricted common units which are being held by PVF Holdings LLC subject to vesting of the restricted common units.

(4) Craig Ketchum received $17,197,713.60 in proceeds with respect to common units held by a limited liability company which he controls. Craig Ketchum received $333.99 in proceeds with respect to common units that he holds directly.

(5) Kent Ketchum received $6,877,983.55 in proceeds with respect to common units held by a limited liability company which he controls. Kent Ketchum received $333.99 in proceeds with respect to common units that he holds directly.

(6) The $7,306,083.68 that is indicated as being distributed with respect to Mr. Wehrle's common units was distributed to a trust established by Mr. Wehrle.

(7) As used in this table, "Other Wehrle Family Members" include the immediate family members of H.B. Wehrle, III, E. Gaines Wehrle, Stephen D. Wehrle and Michael H. Wehrle.

(8) As used in this table, "Other Ketchum Family Members" include the immediate family members of Craig Ketchum and Kent Ketchum.

Phantom Shares Surrender Agreements

In connection with the Red Man Transaction, on October 30, 2007, PVF Holdings LLC and Red Man entered into phantom shares surrender agreements with each of Jeffrey Lang and Dee Paige, who were then employees of Red Man. Pursuant to these agreements, Mr. Lang and Mr. Paige surrendered all phantom shares awarded to them under Red Man's phantom stock plan, which was terminated in connection with the Red Man Transaction.

As consideration for Mr. Lang's surrender of his phantom shares, we are required to pay him $175,000 on each of January 1, 2008, October 31, 2008, and January 1, 2009, in each case (i) provided that Mr. Lang is still employed with us on the relevant payment date, (ii) plus interest for the period from November 1, 2007 to the payment date at a rate equal to 4.88%, and (iii) less any withholding that we may be required to make. All of such payments are immediately due and payable in certain circumstances, including if Mr. Lang is terminated without cause. As consideration for Mr. Paige's surrender of his phantom shares, we are required to pay him $433,333.33 on each of January 1, 2008, October 31, 2008, and October 31, 2009, in each case (i) provided that Mr. Paige is still employed with us on the relevant payment date, (ii) plus interest for the period from November 1, 2007 to the payment date at a rate equal to 4.88%, and (iii) less any withholding that we may be required to make. All of such payments are immediately due in certain circumstances, including if Mr. Paige is terminated without cause.

Employment of Directors and Family Members

Stephen G. Fox, brother of David Fox, III (one of our executive officers), is employed by our company pursuant to an employment agreement and earned aggregate compensation of $764,807 in 2005, $935,322 in 2006 and $3,006,556 in 2007. Betty Ketchum, mother of Craig Ketchum, is employed by our company and the pro rated portion of her compensation in November/December 2007 (following the Red Man Transaction) was $451,934. Betty Ketchum will cease to be an employee of our company effective October 31, 2008. Brian Ketchum, brother of Craig Ketchum, is employed by our company and the pro rated portion of his compensation in November/December 2007 (following the Red Man Transaction) was $345,704. Kevin Ketchum, brother of Craig Ketchum, is employed by our company and the pro rated portion of his compensation in November/December 2007 (following the Red Man Transaction) was $348,286. Kent Ketchum, brother of Craig Ketchum and a former member of our board of directors, was formerly employed by Red Man and the pro rated portion of his compensation in November/December 2007 (following the Red Man Transaction) was $481,532. Since January 2008, Kent Ketchum has been employed by Red Man Distributors LLC. David Fox, Jr., father of David Fox, III, was previously employed by our company and earned aggregate compensation of $246,523 in 2005 and $289,918 in 2006.

Anthony Zande, brother-in-law of H.B. Wehrle, III (one of our directors), was employed by our company until June 2008 and earned aggregate compensation of $160,409 in 2006 and $161,613 in 2007. Helen Lynne Wehrle Zande, H.B. Wehrle, III's sister, was employed by our company until December 2007 and earned aggregate compensation of $1,243,350 in 2005, $1,549,378 in 2006, and $258,535 in 2007.

E. Gaines Wehrle was a director of our company from January 2007 until August 2008. E. Gaines Wehrle was employed by our company until January 31, 2007 and earned aggregate compensation of $2,269,499 in 2005, $2,980,532 in 2006 and $226,047 in 2007. Chilton Wehrle Mueller, sister of E. Gaines Wehrle, was employed by our company until January 31, 2007 and earned aggregate compensation of $1,240,579 in 2005, $1,492,217 in 2006 and $110,060 in 2007. Michael H. Wehrle, brother of E. Gaines Wehrle, was employed by our company until January 31, 2007 and earned aggregate compensation of $2,278,143 in 2005, $2,976,421 in 2006 and $223,519 in 2007. Cody Mueller, brother-in-law of E. Gaines Wehrle, was employed by our company until April 15, 2008 and earned aggregate compensation of $381,858 in 2006 and $495,185 in 2007.

Transactions with Bain & Company

Sam Rovit, a member of our board of directors, is a partner at Bain Corporate Renewal Group, a unit of Bain & Company. Mr. Rovit joined Bain Corporate Renewal Group in January 2008 and was a partner at Bain & Company from 1989 to June 2005. In 2006, Bain & Company provided consulting services to the entity now known as McJunkin Red Man Corporation and McJunkin Red Man Corporation paid Bain & Company $2,976,432 for such services.

Registration Rights Agreement

Prior to this offering, we intend to enter into a new registration rights agreement with PVF Holdings LLC pursuant to which we may be required to register the sale of our shares held by PVF Holdings LLC. Under the registration rights agreement, PVF Holdings LLC will have the right, including in connection with this offering, to request that we use our reasonable best efforts to register the sale of shares held by PVF Holdings LLC on its behalf on up to six occasions including requiring us to file shelf registration statements permitting sales of shares into the market from time to time over an extended period. PVF Holdings LLC's right to demand registration will be subject to certain limitations contained in the registration rights agreement, including our right to decline to cause a registration statement for a demand registration to be declared effective within 180 days after the effective date of any of our other registration statements.

In addition, PVF Holdings LLC will have the ability to exercise certain piggyback registration rights with respect to its own securities if we elect to register any of our equity securities. The registration rights agreement will also include provisions dealing with allocation of securities included in registration statements, registration procedures, indemnification, contribution and allocation of expenses. The registration rights agreement will also provide that if PVF Holdings LLC is dissolved, an amended and restated registration rights agreement will become automatically effective and the existing agreement will terminate. Pursuant to the terms of such amended and restated registration rights agreement, the existing members of PVF Holdings LLC would thereafter be entitled to certain registration rights with respect to our shares which are distributed to them in connection with any such dissolution of PVF Holdings LLC.

Management Stockholders Agreement

Each holder of a stock option and/or restricted stock award from the company, including the members of our board of directors who have received stock option awards, is a party to a management stockholders agreement. The management stockholders agreement provides that upon the termination of a restricted stock or stock option holder's employment with us (including, in the case of a non-employee member of our board of directors, the termination of his or her service on our board), we may exercise our right to purchase all or a portion of the restricted stock and/or stock received upon the exercise of stock options held by such employee or director (or his or her permitted transferee). In the event of a termination by us with cause, the call option price would be the lesser of (i) the fair market value on the date of repurchase (determined in accordance with the management stockholders agreement) or (ii) the price paid for the stock by such employee or director. Under all other circumstances, the call option price would be the fair market value of the stock subject to the call option on the date of repurchase (determined in accordance with the management stockholders agreement).

The management stockholders agreement prohibits the transfer of any shares of our stock (including restricted stock) by a restricted stock or stock option holder, other than (i) following the death of such holder pursuant to the terms of any trust or will of the deceased or by the laws of intestate succession or (ii) in connection with our exercise of our call option.

In connection with the hiring of our new chief executive officer, Andrew Lane, on September 10, 2008, Mr. Lane purchased shares of our common stock and was granted stock options in respect of our common stock. In connection with this purchase and grant, Mr. Lane became a party to the

management stockholders agreement. Upon the consummation of this offering, Mr. Lane will no longer be a party to the management stockholders agreement in respect of common stock held by him, whether acquired by purchase or upon exercise of his stock options.

Purchase of Midfield Minority Interest

In June 2005, a subsidiary of Red Man, which is now known as McJunkin Red Man Canada Ltd. ("CanHCo") acquired an equity interest in Midfield Supply ULC ("Midfield"). This transaction is referred to as the "Midfield Investment". Midfield is an unlimited liability corporation incorporated under the laws of Alberta and is one of the three largest distributors of PVF products to the energy sector in the four Western Canadian provinces. The headquarters of Midfield is in Calgary, Alberta. Pursuant to the Midfield Investment, CanHCo acquired an approximate 51% voting interest (constituting an approximately 49% equity interest) in Midfield. The remainder of the voting and equity interest was held by Midfield Holdings (Alberta) Ltd. ("MinorityHCo"), an Alberta corporation. The Midfield Investment was an acquisition transaction whereby the existing shareholders of the predecessor entity to Midfield partially liquidated their ownership interests. There were in excess of 200 shareholders of the predecessor entity, who were largely employees or former employees of that entity. Prior to the Midfield Transaction described below, employees of Midfield were shareholders of MinorityHCo. These shareholders were largely employees or former employees of Midfield or its predecessor. Certain employees of Midfield own common units in PVF Holdings LLC.

In connection with the Midfield Investment, a shareholders agreement was entered into among CanHCo, MinorityHCo and Midfield. One of the features of the shareholders agreement was the "Call Right", which was held by CanHCo, and was a right to acquire the securities of Midfield held by MinorityHCo. This allowed CanHCo to acquire the remainder of the ownership in Midfield that it did not acquire in June 2005 at the time of the Midfield Investment. The Call Right was exercisable during a six-month period which commenced on June 15, 2008. Pursuant to the Call Right, CanHCo had the option to provide a purchase notice to MinorityHCo, and was entitled to acquire the shares of Midfield held by MinorityHCo at a price provided by formula. We were required to concurrently acquire all related shareholder loans owing by Midfield to Holdings. CanHCo had intended to exercise the Call Right in the manner described above, however, the Call Right transaction was ultimately structured as a purchase by CanHCo of all of the outstanding securities of MinorityHCo from its shareholders (the "Midfield Transaction"). On July 31, 2008, we paid approximately CDN$90.04 million (US$87.97 million) to the shareholders of and lenders to MinorityHCo, of which $2 million is being held in escrow for one year to satisfy any potential indemnification claims against such shareholders and lenders. On August 1, 2008, pursuant to the stock purchase agreement entered into in connection with the Red Man Transaction, a subsidiary of McJunkin Red Man Corporation paid approximately $47.7 million to former shareholders of Red Man, including Craig Ketchum, Kent Ketchum (brother of Craig Ketchum), and an immediate family member of Craig Ketchum, who received approximately $4.5 million, $6.2 million, and $165,250 respectively.

Red Man Distributors LLC

Red Man Distributors LLC ("RMD") is an Oklahoma limited liability company formed on November 1, 2007 for the purposes of distributing oil country tubular goods in North America as a certified minority supplier. McJunkin Red Man Corporation is a member of RMD and owns 49% of the outstanding equity interests of RMD. The other members of RMD, consisting of Craig Ketchum, Kent Ketchum, Kevin Ketchum and Brian Ketchum, own in the aggregate the remaining 51% of the outstanding equity interests of RMD. RMD is managed by its members. McJunkin Red Man Corporation is retained by RMD as an independent contractor to provide general corporate and administrative services to RMD. McJunkin Red Man Corporation is paid an annual services fee of $725,000 by RMD to provide such services. In addition, McJunkin Red Man Corporation is paid an annual license fee for the right and license to use the name "Red Man". McJunkin Red Man

Corporation pays RMD a specified percentage of RMD's gross monthly revenue for the relevant month from sales of products by RMD that are sourced from McJunkin Red Man Corporation.

Related Party Transaction Policy

Beginning on January 31, 2007, we had in place an informal policy for the review, approval, ratification and disclosure of related party transactions. Under this policy, related party transactions were required to be entered into on an arms' length basis. In addition, from January 31, 2007 until the completion of this offering, we are bound by a provision in the PVF LLC Agreement which provides that neither we nor any of our subsidiaries may enter into any transactions with any of the Goldman Sachs Funds or any of their affiliates except for transactions which (i) are otherwise permitted or contemplated by the PVF LLC Agreement, or (ii) are on fair and reasonable terms not materially less favorable to us than we would obtain in a hypothetical comparable arms' length transaction with a person that was not an affiliate of the Goldman Sachs Funds. Our credit facilities also contain covenants which, subject to certain exceptions, require us to conduct all transactions with any of our affiliates on terms that are substantially as favorable to us as we would obtain in a comparable arms' length transaction with a person that is not an affiliate.

Prior to the completion of this offering, our board of directors will adopt a Related Party Transaction Policy, which is designed to monitor and ensure the proper review, approval, ratification and disclosure of related party transactions involving us. This policy applies to any transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we were, are or will be a participant and the amount involved exceeds $120,000, and in which any related party had, has or will have a direct or indirect material interest. The audit committee of our board of directors must review, approve and ratify a related party transaction if such transaction is consistent with the Related Party Transaction Policy and is on terms, taken as a whole, which the audit committee believes are no less favorable to us than could be obtained in an arms-length transaction with an unrelated third party, unless the audit committee otherwise determines that the transaction is not in our best interests. Any related party transaction or modification of such transaction which our board of directors has approved or ratified by the affirmative vote of a majority of directors, who do not have a direct or indirect material interest in such transaction, does not need to be approved or ratified by our audit committee. In addition, related party transactions involving compensation will be approved by our compensation committee in lieu of our audit committee.

DESCRIPTION OF OUR INDEBTEDNESS

The following summaries of the material terms of our revolving credit facility, two term loan credit facilities and the debt of our subsidiary Midfield Supply ULC are only general descriptions and are not complete and, as such, are subject to and are qualified in their entirety by reference to the provisions of the revolving credit facility, the two term loan credit facilities, and the agreements governing Midfield Supply ULC's debt, as applicable.

Revolving Credit Facility and Term Loan Facility

Our subsidiary McJunkin Red Man Corporation is the borrower under a $700 million revolving credit facility (the "Revolving Credit Facility") and a $575 million term loan facility (the "Term Loan Facility" and, together with the Revolving Credit Facility, the "Senior Secured Facilities"). $204.4 million of borrowings were outstanding and $490.9 million were available under the Revolving Credit Facility as of June 26, 2008. Goldman Sachs Credit Partners L.P. and Lehman Brothers Inc. are co-lead arrangers and joint bookrunners for each of these facilities.

McJunkin Red Man Corporation entered into the Term Loan Facility, as well as a $300 million asset-backed revolving credit facility with The CIT Group/Business Credit, Inc. and the other financial institutions party thereto, in January 2007 for purposes of financing the acquisition of McJunkin Corporation by affiliates of Goldman Sachs. The Term Loan Facility was amended, and the Revolving Credit Facility was entered into, for purposes of financing the Red Man Transaction in October 2007 and refinancing the $300 million asset-backed revolving credit facility. The Revolving Credit Facility was upsized on June 10, 2008 from $650 million to $700 million.

Letter of Credit and Swingline Sublimits. The Revolving Credit Facility provides for the extension of both revolving loans and swingline loans and the issuance of letters of credit. The aggregate principal amount of revolving loans outstanding at any time under the Revolving Credit Facility may not exceed $700 million, subject to adjustments based on changes in the borrowing base and less the sum of aggregate letters of credit outstanding and the aggregate principal amount of swingline loans outstanding, provided that the borrower may elect to increase the limit on the revolving loans or term loans outstanding as described in "— Incremental Facilities" below. There is a $60 million sub-limit on swingline loans and the total letters of credit outstanding at any time may not exceed $60 million.

Maturity. The revolving loans have a maturity date of October 31, 2013 and the swingline loans have a maturity date of October 24, 2013. Any letters of credit outstanding under the Revolving Credit Facility will expire on October 24, 2013. The maturity date of the term loans under the Term Loan Facility is January 31, 2014.

Interest Rate and Fees. The term loans bear interest at a rate per annum equal to, at the borrower's option, either (i) the greater of the prime rate and the federal funds effective rate plus 0.50%, plus in either case 2.25%; or (ii) LIBOR plus 3.25%. On June 26, 2008, $567.8 million was outstanding under the Term Loan Facility and the interest rate on these loans was 6.13%.

The revolving loans bear interest at a rate per annum equal to, at the borrower's option, either (i) the greater of the prime rate and the federal funds effective rate plus 0.50%, plus in either case (a) 0.50% if the borrower's consolidated total debt to consolidated adjusted EBITDA ratio is greater than or equal to 2.75 to 1.00, (b) 0.25% if such ratio is greater than or equal to 2.00 to 1.00 but less than 2.75 to 1.00, or (c) 0.00% if such ratio is less than 2.00 to 1.00; or (ii) LIBOR plus (a) 1.50% if the borrower's consolidated total debt to consolidated adjusted EBITDA ratio is greater than or equal to 2.75 to 1.00, (b) 1.25% if such ratio is greater than or equal to 2.00 to 1.00 but less than 2.75 to 1.00, or (c) 1.00% if such ratio is less than 2.00 to 1.00. Interest on swingline loans is calculated on the basis of the rate described in clause (i) of the preceding sentence. The weighted average interest rate on the revolving loans as of June 26, 2008 was 4.14% and the interest rate on the swingline loans was 5.25%.

Additionally, the borrower is required to pay a commitment fee with respect to unutilized revolving credit commitments at a rate per annum equal to (i) 0.375% if the borrower's consolidated total debt to consolidated adjusted EBITDA ratio is greater than or equal to 2.75 to 1.00 and (ii) 0.25% if such ratio is less than 2.75 to 1.00. The borrower is also required to pay fees on the stated amounts of outstanding letters of credit for the account of all revolving lenders at a per annum rate equal to (i) 1.375% if the borrower's consolidated total debt to consolidated adjusted EBITDA ratio is greater than or equal to 2.75 to 1.00, (ii) 1.125% if such ratio is greater than or equal to 2.00 to 1.00 but less than 2.75 to 1.00, or (iii) 0.875% if such ratio is less than 2.00 to 1.00. The borrower is required to pay a fronting fee for the account of the letter of credit issuer in respect of each letter of credit issued by it at a rate for each day equal to 0.125% per annum on the average daily stated amount of such letter of credit. The borrower is also obligated to pay directly to the letter of credit issuer upon each issuance of, drawing under, and/or amendment of, a letter of credit issued by it such amount as the borrower and the letter of credit issuer agree upon for issuances of, drawings under or amendments of, letters of credit issued by the letter of credit issuer.

Prepayments. The borrower may voluntarily prepay revolving loans, swingline loans and term loans in whole or in part at the borrower's option, in each case without premium or penalty. If the borrower refinances the term loans on certain terms prior to October 31, 2008, the borrower will be subject to a prepayment penalty of 1.00% of the aggregate principal amount of such prepayment. The borrower is required to prepay outstanding term loans with 100% of the net cash proceeds of:

- a disposition of any business units, assets or other property of the borrower or any of the borrower's restricted subsidiaries not in the ordinary course of business, subject to certain exceptions for permitted asset sales;
- a casualty event with respect to collateral for which the borrower or any of its restricted subsidiaries receives insurance proceeds, or proceeds of a condemnation award or other compensation;
- the issuance or incurrence by the borrower or any of its restricted subsidiaries of indebtedness, subject to certain exceptions; and
- any sale-leaseback transaction permitted under the Term Loan Facility.

Not later than the date that is 90 days after the last day of any fiscal year, the borrower under the Term Loan Facility will be required to prepay the outstanding term loans under the Term Loan Facility with an amount equal to (i) 50% of "excess cash flow" for such fiscal year, provided that (a) the percentage will be reduced to 25% if the borrower's ratio of consolidated total debt to consolidated EBITDA for the most recent four consecutive fiscal quarters is no greater than 2.50 to 1.00 but greater than 2.00 to 1.00, and (b) no prepayment of term loans with excess cash flow is required if the borrower's ratio of consolidated total debt to consolidated EBITDA for the most recent four consecutive fiscal quarters is no greater than 2.00 to 1.00, minus (ii) the principal amount of term loans under the Term Loan Facility voluntarily prepaid during such fiscal year.

In addition, if at any time the aggregate amount of outstanding loans, unreimbursed letter of credit drawings and undrawn letters of credit under the Revolving Credit Facility exceeds the total revolving credit commitments or the borrowing base, the borrower will be required to repay outstanding loans or cash collateralize letters of credit in an aggregate amount equal to such excess, with no reduction of the commitment amount. If the amount available under the Revolving Credit Facility is less than 7% of total revolving credit commitments for any period of five consecutive business days, or an event of default pursuant to certain provisions of the Revolving Credit Facility has occurred, the borrower would be required to transfer funds from certain blocked accounts daily into a collection account under the exclusive control of the agent under the Revolving Credit Facility.

Amortization. The term loans are repayable in quarterly installments in an amount equal to the principal amount of the term loans outstanding on the quarterly installment date multiplied by

0.25%, with the balance of the principal amount due on the term loan maturity date of January 31, 2014.

Incremental Facilities. Subject to certain terms and conditions, the borrower may request an increase in revolving loan commitments and term loan commitments. The increase in revolving loan commitments may not exceed the sum of (i) $150 million, plus (ii) only after the entire amount in the preceding clause (i) is drawn, an amount such that on a pro forma basis after giving effect to the new revolving credit commitments and certain other specified transactions, the secured leverage ratio will be no greater than 4.75 to 1.00. The borrower's ability to borrow under such incremental facilities, however, would still be limited by the borrowing base. The incremental term loan commitments may not exceed the difference between (i) up to $100 million, and (ii) the sum of all incremental revolving commitments and incremental term loan commitments taken together. Any lender that is offered to provide all or part of the new revolving loan commitments or new term loan commitments may elect or decline, in its sole discretion, to provide such new commitments.

Collateral and Guarantors. The obligations under the Senior Secured Facilities are guaranteed by the borrower's wholly owned domestic subsidiaries. The obligations under the Revolving Credit Facility are secured, subject to exceptions, by substantially all of the assets of the borrower and the subsidiary guarantors, including (i) a first-priority security interest in personal property consisting of and arising from inventory and accounts receivable; (ii) a second-priority pledge of certain of the capital stock held by the borrower or any subsidiary guarantor; and (iii) a second-priority security interest in, and mortgages on, substantially all other tangible and intangible assets of the borrower and each subsidiary guarantor. The obligations under the Term Loan Facility are secured, subject to certain significant exceptions, by substantially all of the assets of the borrower and the subsidiary guarantors, including (i) a second-priority security interest in personal property consisting of and arising from inventory and accounts receivable; (ii) a first-priority pledge of certain of the capital stock held by the borrower or any subsidiary guarantor; and (iii) a first-priority security interest in, and mortgages on, substantially all other tangible and intangible assets of the borrower and each subsidiary guarantor.

Covenants. The Senior Secured Facilities contain customary covenants. These agreements, among other things, restrict, subject to certain exceptions, the ability of the borrower and its subsidiaries to incur additional indebtedness, create liens on assets, engage in mergers, consolidations or sales of assets, dispose of subsidiary interests, make investments, loans or advances, pay dividends, make payments with respect to subordinated indebtedness, enter into sale and leaseback transactions, change the business conducted by the borrower and its subsidiaries taken as a whole, and enter into agreements that restrict subsidiary dividends or limit the ability of the borrower or any subsidiary guarantor to create or keep liens for the benefit of the lenders with respect to the obligations under the Senior Secured Facilities. The Senior Secured Facilities require the borrower to enter into interest rate swap, cap and hedge agreements for purposes of ensuring that no less than 50% of the aggregate principal amount of the total indebtedness of the borrower and its subsidiaries then outstanding is either subject to such interest rate agreements or bears interest at a fixed rate.

The Term Loan Facility requires the borrower to maintain a maximum ratio of consolidated total debt to consolidated adjusted EBITDA and a minimum ratio of consolidated adjusted EBITDA to consolidated interest expense. Each of these ratios is calculated for the period that is four consecutive fiscal quarters prior to the date of calculation. These financial covenants are set forth in the table below:

Four Consecutive Fiscal Quarters Ending on:	Maximum Consolidated Total Debt to Consolidated Adjusted EBITDA Ratio	Minimum Consolidated Adjusted EBITDA to Consolidated Interest Expense Ratio
June 30, 2008	4.25:1.00	3.00:1.00
September 30, 2008	4.25:1.00	3.00:1.00
December 31, 2008	4.25:1.00	3.00:1.00
March 31, 2009	3.50:1.00	3.25:1.00
June 30, 2009	3.50:1.00	3.25:1.00
September 30, 2009	3.50:1.00	3.25:1.00
December 31, 2009	3.50:1.00	3.25:1.00
March 31, 2010	2.75:1.00	3.25:1.00
June 30, 2010	2.75:1.00	3.25:1.00
September 30, 2010	2.75:1.00	3.25:1.00
December 31, 2010	2.75:1.00	3.25:1.00
March 31, 2011	2.50:1.00	3.25:1.00
June 30, 2011	2.50:1.00	3.25:1.00
September 30, 2011	2.50:1.00	3.25:1.00
December 31, 2011	2.50:1.00	3.25:1.00
March 31, 2012 and thereafter	2.50:1.00	3.50:1.00

If the borrower fails to comply with the consolidated total debt to consolidated adjusted EBITDA ratio, then within ten days after the date on which financial statements for the applicable period are due under the Term Loan Facility, the Goldman Sachs Funds and other investors in the borrower (or any direct or indirect parent of the borrower) have a cure right which allows any of them to make a direct or indirect equity investment in the borrower or any restricted subsidiary of the borrower in cash. If such cure right is exercised, the consolidated total debt to consolidated adjusted EBITDA ratio of the borrower will be recalculated to give pro forma effect to the net cash proceeds received from the exercise of the cure right. The cure right is subject to certain limitations. For the four prior consecutive fiscal quarters, there must be at least one fiscal quarter in which the cure right is not exercised. Additionally, the equity investment contributed under the cure right may not exceed the amount necessary to bring the borrower back into compliance with the restrictions regarding the borrower's consolidated total debt to consolidated adjusted EBITDA ratio.

Although the Revolving Credit Facility does not require the borrower to comply with any financial ratio maintenance covenants, if less than 7% of the then-outstanding credit commitments are available to be borrowed under the Revolving Credit Facility at any time, the borrower will not be permitted to borrow additional amounts unless its pro forma ratio of consolidated adjusted EBITDA to consolidated fixed charges is at least 1.00 to 1.00.

The Term Loan Facility provides that the borrower and its restricted subsidiaries may not make, or commit to make, capital expenditures in excess of $25 million in any year. If the actual amount of capital expenditures made in any fiscal year is less than the amount permitted to be made in such fiscal year, the amount of such difference may be carried forward and used to make capital expenditures in the succeeding fiscal year, though the carried forward amount may not be used beyond the immediately succeeding fiscal year.

Events of Default. The Senior Secured Facilities contain customary events of default. The events of default include the failure to pay interest and principal when due, failure to pay fees and any other amounts owed under the Senior Secured Facilities when due, a breach of certain covenants in the Senior Secured Facilities, a breach of any representation or warranty contained in the Senior Secured Facilities in any material breach, defaults in payments with respect to any other indebtedness in excess of $15 million (under the Term Loan Facility) or in excess of $30 million (under the Revolving Credit Facility), defaults with respect to other indebtedness in excess of $15 million (under the Term Loan Facility) or in excess of $30 million (under the Revolving Credit Facility) that has the effect of accelerating such indebtedness, bankruptcy, certain events relating to employee benefits plans, failure of a material subsidiary's guarantee to remain in full force and effect, failure of the security agreement, pledge agreements pursuant to which the stock of any material subsidiary is pledged, or any mortgage for the benefit of the lenders under the Term Loan Facility to remain in full force and effect, entry of one or more judgments or decrees against the borrower or its restricted subsidiaries involving a liability of $15 million or more in the aggregate (under the Term Loan Facility) or $30 million or more in the aggregate (under the Revolving Credit Facility), and the invalidation of subordination provisions of any document evidencing permitted additional debt having a principal amount in excess of $15 million.

The Senior Secured Facilities also contain an event of default upon the occurrence of a change of control. Under the Senior Secured Facilities, a "change of control" shall have occurred if (i) the Goldman Sachs Funds and certain of their affiliates shall cease to beneficially own at least 35% of the voting power of the outstanding voting stock of the borrower (other than as a result of one or more widely distributed offerings of the common stock of the borrower or any direct or indirect parent of the borrower); or (ii) any person, entity or "group" (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended) shall have acquired beneficial ownership of a percentage of the voting power of the outstanding voting stock of the borrower that exceeds the percentage of the voting power of such voting stock then beneficially owned, in the aggregate, by the Goldman Sachs Funds and certain of their affiliates, unless, in the case of either clause (i) or (ii) above, the Goldman Sachs Funds have, at such time, the right or the ability by voting power, contract or otherwise to elect or designate for election at least a majority of the board of directors of the borrower; or (iii) a majority of the board of directors of the borrower ceases to consist of "continuing directors", defined as individuals who (a) were members of the board of directors of the borrower on October 31, 2007 (or January 31, 2007 for purposes of determining whether an event of default has occurred under the Term Loan Facility), (b) who have been a member of the board of directors for at least 12 months preceding October 31, 2007 or January 31, 2007, as the case may be, (c) who have been nominated to be a member of the board of directors, directly or indirectly, by the Goldman Sachs Funds and certain of their affiliates or persons nominated by the Goldman Sachs Funds and certain of their affiliates or (d) who have been nominated to be a member of the board of directors by a majority of the other continuing directors then in office.

Junior Term Loan Facility

On May 22, 2008, McJunkin Red Man Holding Corporation, as the borrower, entered into a $450 Million Term Loan Credit Agreement (the "Junior Term Loan Facility"). Goldman Sachs Credit Partners L.P. and Lehman Brothers Inc. were the co-lead arrangers and joint bookrunners under this facility. The proceeds from the Junior Term Loan Facility, along with $25 million in proceeds from revolving loans drawn under the Revolving Credit Facility, were used to fund a dividend to McJunkin Red Man Holding Corporation's stockholders, including PVF Holdings LLC. PVF Holdings LLC distributed the proceeds it received from the dividend to its members, including the Goldman Sachs Funds and certain of our directors and members of our management. See "Certain Relationships and Related Party Transactions — Transactions with the Goldman Sachs Funds — May 2008 Dividend". The term loans under the Junior Term Loan Facility are not subject to amortization and the principal of such loans must be repaid on January 31, 2014.

Interest Rate and Fees. The term loans under the Junior Term Loan Facility bear interest at a rate per annum equal to, at the borrower's option, either (i) the greater of the prime rate and the federal funds effective rate plus 0.50%, plus in either case 2.25%, or (ii) LIBOR multiplied by the statutory reserve rate plus 3.25%.

Prepayments. We may voluntarily prepay term loans under the Junior Term Loan Facility in whole or in part at our option, without premium or penalty. After the payment in full of the term loans under the Term Loan Facility, we will be required to prepay outstanding term loans under the Junior Term Loan Facility with 100% of the net cash proceeds of:

- a disposition of any of our or our restricted subsidiaries' business units, assets or other property not in the ordinary course of business, subject to certain exceptions for permitted asset sales;
- a casualty event with respect to collateral for which we or any of our restricted subsidiaries receives insurance proceeds, or proceeds of a condemnation award or other compensation;
- the issuance or incurrence by us or any of our restricted subsidiaries of indebtedness, subject to certain exceptions; and
- any sale-leaseback transaction permitted under the Junior Term Loan Facility.

Also, after the payment in full of the term loans under the Term Loan Facility, not later than the date that is 90 days after the last day of any fiscal year, we will be required to prepay the outstanding term loans under the Junior Term Loan Facility with an amount equal to (i) 50% of "excess cash flow" for such fiscal year, provided that (a) the percentage will be reduced to 25% if the borrower's ratio of consolidated total debt to consolidated adjusted EBITDA for the most recent four consecutive fiscal quarters is no greater than 2.50 to 1.00 but greater than 2.00 to 1.00, and (b) no prepayment of term loans with excess cash flow is required if the borrower's ratio of consolidated total debt to consolidated adjusted EBITDA for the most recent four consecutive fiscal quarters is no greater than 2.00 to 1.00, minus (ii) the principal amount of term loans under the Junior Term Loan Facility voluntarily prepaid during such fiscal year.

We must also prepay the principal amount of the term loans under the Junior Term Loan Facility with 50% of the cash proceeds received by us from a "Qualified IPO", net of underwriting discounts and commissions and other related reasonable costs and expenses. A "Qualified IPO" is defined as a bona fide underwritten sale to the public of our common stock or the common stock of any of our direct or indirect subsidiaries or our direct or indirect parent companies pursuant to a registration statement that is declared effective by the SEC or the equivalent offering on a private exchange or platform. Prepayment is only required if we or one of our subsidiaries receives cash proceeds from the Qualified IPO.

Collateral. The term loans under the Junior Term Loan Facility are secured by perfected security interests in and liens on substantially all of the personal property and certain real property of McJunkin Red Man Holding Corporation, including the common stock we hold of McJunkin Red Man Corporation. The term loans are not guaranteed by any of our subsidiaries or by PVF Holdings LLC.

Certain Covenants and Events of Default. The Junior Term Loan Facility contains customary covenants for a holding company facility. These agreements, among other things, restrict, subject to certain exceptions, the ability of the borrower to incur additional indebtedness, create liens on assets, and engage in activities or own assets other than certain specified activities and assets. Also, the Junior Term Loan Facility requires the borrower to maintain a maximum ratio of consolidated total debt to consolidated adjusted EBITDA and a minimum ratio of consolidated adjusted EBITDA to consolidated interest expense. Each of these ratios is calculated for the period that is four consecutive

fiscal quarters prior to the date of calculation. These financial covenants are set forth in the table below:

Four Consecutive Fiscal Quarters Ending on:	Maximum Consolidated Total Debt to Consolidated Adjusted EBITDA Ratio	Minimum Consolidated Adjusted EBITDA to Consolidated Interest Expense Ratio
June 30, 2008	4.75:1.00	2.50:1.00
September 30, 2008	4.75:1.00	2.50:1.00
December 31, 2008	4.75:1.00	2.50:1.00
March 31, 2009	4.00:1.00	2.75:1.00
June 30, 2009	4.00:1.00	2.75:1.00
September 30, 2009	4.00:1.00	2.75:1.00
December 31, 2009	4.00:1.00	2.75:1.00
March 31, 2010	3.25:1.00	2.75:1.00
June 30, 2010	3.25:1.00	2.75:1.00
September 30, 2010	3.25:1.00	2.75:1.00
December 31, 2010	3.25:1.00	2.75:1.00
March 31, 2011	3.00:1.00	2.75:1.00
June 30, 2011	3.00:1.00	2.75:1.00
September 30, 2011	3.00:1.00	2.75:1.00
December 31, 2011	3.00:1.00	2.75:1.00
March 31, 2012 and thereafter	3.00:1.00	3.00:1.00

Consolidated adjusted EBITDA is calculated under the Junior Term Loan Facility in a similar manner as under the Senior Secured Facilities. See “— Revolving Credit Facility and Term Loan Facility — Covenants.”

The Junior Term Loan Facility provides that the borrower and its restricted subsidiaries may not make, or commit to make, capital expenditures in excess of $30 million in any year. If the actual amount of capital expenditures made in any fiscal year is less than the amount permitted to be made in such fiscal year, the amount of such difference may be carried forward and used to make capital expenditures in the succeeding fiscal year, though the carried forward amount may not be used beyond the immediately succeeding fiscal year.

If the borrower fails to comply with the consolidated total debt to consolidated adjusted EBITDA ratio, then the Goldman Sachs Funds and other investors in the borrower have a cure right that is similar to the cure right provided with respect to the Term Loan Facility. See “— Revolving Credit Facility and Term Loan Facility — Covenants”.

The Junior Term Loan Facility also contains customary events of default that are similar to the events of default under the Senior Secured Credit Facilities, including an event of default upon a change of control. See “— Revolving Credit Facility and Term Loan Facility — Events of Default”.

Purchases of Outstanding Loans. Subject to certain terms and conditions, the Goldman Sachs Funds and their affiliates may from time to time seek to purchase term loans under the Junior Term Loan Facility from the lenders under the facility pursuant to open market purchases in an aggregate amount not to exceed 30% of the aggregate principal amount of the loans outstanding under the Junior Term Loan Facility. The Goldman Sachs Funds and their affiliates may contribute such purchased loans to PVF Holdings LLC as an equity contribution in return for equity interests in PVF Holdings LLC and PVF Holdings LLC will then contribute such loans to the borrower under the Junior Term Loan Facility as an equity contribution in return for additional stock of the borrower. In the case of such purchases of term loans by the Goldman Sachs Funds and their affiliates followed by

contributions of the purchased loans to PVF Holdings LLC and then to the borrower, the loans subject to such purchases and contributions shall be cancelled.

In addition, the borrower under the Junior Term Loan Facility may from time to time seek to purchase, subject to certain terms and conditions, term loans under the Junior Term Loan Facility from the lenders under the facility pursuant to open market purchases. In the case of such purchases by the borrower, the loans subject to such purchases shall be cancelled.

Midfield CDN$150 Million (US$148.26 Million) Revolving Credit Facility

One of our subsidiaries, Midfield Supply ULC, is the borrower under a CDN$150 million (US$148.26 million) revolving credit facility (the "Midfield Revolving Credit Facility") with Bank of America, N.A. and certain other lenders from time to time parties thereto. Proceeds from this facility may be used by Midfield for working capital and other general corporate purposes. As of June 26, 2008, US$51.7 million of borrowings were outstanding and $51.6 million were available under the Midfield Revolving Credit Facility. The facility provides for the extension of up to CDN$150 million (US$148.26 million) in revolving loans, subject to adjustments based on the borrowing base and less the aggregate letters of credit outstanding under the facility. Letters of credit may be issued under the facility subject to certain conditions, including a CDN$10 million or US$9.88 million sub-limit. The revolving loans have a maturity date of November 2, 2010. All letters of credit issued under the facility must expire at least 20 business days prior to November 2, 2010.

Interest Rate and Fees. The revolving loans bear interest at a rate equal to either (i) the Canadian prime rate, plus (a) 0.25% if the "average daily availability" (as defined in the loan and security agreement for the facility) for the previous fiscal quarter was less than CDN$30 million (US$29.65 million) or (b) 0.00% if the average daily availability for the previous fiscal quarter was greater than or equal to CDN$30 million, (US$29.65 million) or, at the borrower's option, (ii) the rate of interest per annum equal to the rates applicable to Canadian Dollar Bankers' Acceptances having a comparable term as the proposed loan displayed on the "CDOR Page" of Reuter Monitor Money Rates Service, plus (a) 1.75% if the average daily availability for the previous fiscal quarter was less than CDN$30 million (US$29.65 million), (b) 1.50% if the average daily availability for the previous fiscal quarter was greater than or equal to CDN$30 million (US$29.65 million) but less than CDN$60 million (US$59.3 million), or (c) 1.25% if the if the average daily availability for the previous fiscal quarter was greater than or equal to CDN$60 million (US$59.3 million).

The borrower must pay a monthly unused line fee with respect to unutilized revolving loan commitments equal to (i) 0.25% if the outstanding amount of borrowings under the facility for the immediately preceding fiscal quarter are greater than 50% of the revolving loan commitments, or (ii) 0.375% if otherwise. The borrower must pay a monthly fronting fee equal to 0.125% per annum of the stated amount of letters of credit issued and must also pay a monthly fee to the agent on the average daily stated amount of letters of credit issued equal to (i) 1.75% if the average daily availability for the previous fiscal quarter was less than CDN$30 million (US$29.65 million), (ii) 1.50% if the average daily availability for the previous fiscal quarter was greater than or equal to CDN$30 million (US$29.65 million) but less than CDN$60 million (US$59.3 million), or (iii) 1.25% if the average daily availability for the previous fiscal quarter was greater than or equal to CDN$60 million (US$59.3 million).

Prepayments. The borrower may prepay the revolving loans from time to time without premium or penalty.

Collateral and Guarantors. The Midfield Revolving Credit Facility is secured by substantially all of the personal property of Midfield Supply ULC and its subsidiary guarantors, Mega Production Testing Inc. and Hagan Oilfield Supply Ltd.

Certain Covenants and Events of Default. The Midfield Revolving Credit Facility contains customary covenants. These agreements, among other things, restrict, subject to certain exceptions,

the ability of the borrower and its subsidiaries to incur additional indebtedness, create liens on assets, make distributions, make investments, sell, lease or transfer assets, make loans or advances, pay certain debt, amalgamate, merge, combine or consolidate with another entity, enter into certain types of restrictive agreements, engage in any business other than the business conducted by the borrower and its subsidiaries on the closing date of the Midfield Revolving Credit Facility, enter into transactions with affiliates, become a party to certain employee benefit plans, enter into certain amendments with respect to subordinated debt, make acquisitions, enter into transactions which would reasonably be expected to have a material adverse effect or cause a default, enter into sale and leaseback transactions, and terminate certain agreements.

Additionally, the Midfield Revolving Credit Facility requires the borrower to maintain a leverage ratio of no greater than 3.50 to 1.00 (measured on a monthly basis) and to maintain a fixed charge coverage ratio of at least 1.15 to 1.00 (measured on a monthly basis). The facility also prohibits the borrower and its subsidiaries from making capital expenditures in excess of $5 million in the aggregate during any fiscal year, subject to exceptions for certain expenditures and provided that if the actual amount of capital expenditures made in any fiscal year is less than the amount permitted to be made in such fiscal year, up to $250,000 of such excess may be carried forward and used to make capital expenditures in the succeeding fiscal year.

The Midfield Revolving Credit Facility contains customary events of default. The events of default include, among others, the failure to pay interest, principal and other obligations under the facility's loan documents when due, a breach of any representation or warranty contained in the loan documents, breaches of certain covenants, the failure of any loan document to remain in full force and effect, a default with respect to other indebtedness in excess of $250,000 if the other indebtedness may be accelerated due to such default, judgments against the borrower and its subsidiaries in excess of $250,000 in the aggregate, the occurrence of any loss or damage with respect to the collateral if the amount not covered by insurance exceeds $100,000, cessation or governmental restraint of a material part of the borrower's or a subsidiary's business, insolvency, certain events related to benefits plans, the criminal indictment of a senior officer of the borrower or a guarantor or the conviction of a senior officer of the borrower or a guarantor of certain crimes, an amendment to the shareholders agreement among Midfield Supply ULC, the entity now known as McJunkin Red Man Canada Ltd. and Midfield Holdings (Alberta) Ltd. without the prior written consent of Bank of America, N.A., and any event or condition that has a material adverse effect on the borrower or a guarantor.

A "change of control" is also an event of default. A "change of control" occurs if (i) McJunkin Red Man Canada Ltd. ceases to own and control, directly or indirectly, 51% or more of the voting equity interests of Midfield Supply ULC, (ii) a change in the majority of directors of Midfield Supply ULC occurs, unless approved by the then-majority of directors, or (iii) all or substantially all of Midfield Supply ULC's assets are sold or transferred.

Midfield CDN$15 Million (US$14.83 Million) Facility

One of our subsidiaries, Midfield Supply ULC, is also the borrower under a CDN$15 million (US$14.83 million) credit facility with Alberta Treasury Branches. The facility is secured by substantially all of the real property and equipment of Midfield Supply ULC and its subsidiary guarantors. The facility contains customary covenants and events of default. The borrower's leverage ratio must not exceed 3.50 to 1, its fixed charge coverage ratio must be at least 1.15 to 1, and its ratio of tangible asset value to borrowings outstanding must be at least 2.00 to 1.

The Midfield CDN$15 million (US$14.83 million) facility and the Midfield CDN$150 million (US$148.26 million) facility are subject to an intercreditor agreement which relates to, among other things, priority of liens and proceeds of sale of collateral.

DESCRIPTION OF OUR CAPITAL STOCK

Immediately following the completion of this offering, our authorized capital stock will consist of shares of common stock, par value $0.01 per share, and shares of preferred stock, par value $0.01 per share, the rights and preferences of which may be established from time to time by our board of directors. Upon the completion of this offering, there will be outstanding shares of common stock and no outstanding shares of preferred stock. The following description of our capital stock does not purport to be complete and is subject to and qualified by our amended and restated certificate of incorporation and bylaws, which are included as exhibits to the registration statement of which this prospectus forms a part, and by the provisions of applicable Delaware law.

Common Stock

Holders of our common stock are entitled to one vote for each share on all matters voted upon by our stockholders, including the election of directors, and do not have cumulative voting rights. Subject to the rights of holders of any then outstanding shares of our preferred stock, our common stockholders are entitled to any dividends that may be declared by our board of directors. Holders of our common stock are entitled to share ratably in our net assets upon our dissolution or liquidation after payment or provision for all liabilities and any preferential liquidation rights of our preferred stock then outstanding. Holders of our common stock have no preemptive rights to purchase shares of our stock. The shares of our common stock are not subject to any redemption provisions and are not convertible into any other shares of our capital stock. All outstanding shares of our common stock are fully paid and nonassessable. The rights, preferences and privileges of holders of our common stock will be subject to those of the holders of any shares of our preferred stock we may issue in the future.

Our common stock will be represented by certificates, unless our board of directors adopts a resolution providing that some or all of our common stock shall be uncertificated. Any such resolution will not apply to any shares of common stock that are already certificated until such shares are surrendered to us.

Preferred Stock

Our board of directors may, from time to time, authorize the issuance of one or more series of preferred stock without stockholder approval. We have no current intention to issue any shares of preferred stock.

One of the effects of undesignated preferred stock may be to enable our board of directors to discourage an attempt to obtain control of our company by means of a tender offer, proxy contest, merger or otherwise. The issuance of preferred stock may adversely affect the rights of our common stockholders by, among other things:

- restricting dividends on the common stock;
- diluting the voting power of the common stock;
- impairing the liquidation rights of the common stock; or
- delaying or preventing a change in control without further action by the stockholders.

Limitation on Liability and Indemnification of Officers and Directors

Our amended and restated certificate of incorporation limits the liability of directors to the fullest extent permitted by Delaware law. The effect of these provisions is to eliminate the rights of our company and our stockholders, through stockholders' derivative suits on behalf of our company, to recover monetary damages against a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior. However, our directors will be personally liable to us and our stockholders for any breach of the director's duty of loyalty, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, under Section 174 of

the Delaware General Corporation Law or for any transaction from which the director derived an improper personal benefit. In addition, our amended and restated certificate of incorporation and bylaws provide that we will indemnify our directors and officers to the fullest extent permitted by Delaware law. We may enter into indemnification agreements with our current directors and executive officers prior to the completion of this offering. We also maintain directors and officers insurance.

Corporate Opportunities

Our amended and restated certificate of incorporation provides that Goldman, Sachs & Co. and its affiliates (which include the Goldman Sachs Funds) have no obligation to offer us any opportunity to participate in business opportunities presented to Goldman, Sachs & Co. or its affiliates even if the opportunity is one that we might reasonably have pursued, and that neither Goldman, Sachs & Co. nor its affiliates will be liable to us or our stockholders for breach of any duty by reason of any such activities unless, in the case of any person who is a director or officer of our company, such business opportunity is expressly offered to such director or officer in writing solely in his or her capacity as an officer or director of our company. Stockholders will be deemed to have notice of and consented to this provision of our amended and restated certificate of incorporation.

Delaware Anti-Takeover Law

Our amended and restated certificate of incorporation provides that we are not subject to Section 203 of the Delaware General Corporation Law, which regulates corporate acquisitions. This law provides that specified persons who, together with affiliates and associates, own, or within three years did own, 15% or more of the outstanding voting stock of a corporation may not engage in business combinations with the corporation for a period of three years after the date on which the person became an interested stockholder. The law defines the term “business combination” to include mergers, asset sales and other transactions in which the interested stockholder receives or could receive a financial benefit on other than a pro rata basis with other stockholders.

Removal of Directors; Vacancies

Our amended and restated certificate of incorporation and bylaws provide that any director or the entire board of directors may be removed with or without cause by the affirmative vote of the majority of all shares then entitled to vote at an election of directors. Our amended and restated certificate of incorporation and bylaws also provide that any vacancies on our board of directors will be filled by the affirmative vote of a majority of the board of directors then in office, even if less than a quorum, or by a sole remaining director.

Voting

The affirmative vote of a plurality of the shares of our common stock present, in person or by proxy will decide the election of any directors, and the affirmative vote of a majority of the shares of our common stock present, in person or by proxy will decide all other matters voted on by stockholders, unless the question is one upon which, by express provision of law, under our amended and restated certificate of incorporation, or under our bylaws, a different vote is required, in which case such provision will control.

Action by Written Consent

Our amended and restated certificate of incorporation and bylaws provide that stockholder action can be taken by written consent of the stockholders only if Goldman, Sachs & Co. and its affiliates beneficially own more than 25.0% of the outstanding shares of our common stock.

Ability to Call Special Meetings

Our amended and restated certificate of incorporation and bylaws provide that special meetings of our stockholders can only be called pursuant to a resolution adopted by a majority of our board of directors or by the chairman of our board of directors. Special meetings may also be called by the holders of not less than 25% of the outstanding shares of our common stock if Goldman, Sachs & Co. and its affiliates beneficially own 25% or more of the outstanding shares of our common stock. If Goldman, Sachs & Co. and its affiliates beneficially own less than 25% of the outstanding shares of our common stock, stockholders will not be permitted to call a special meeting or to require our board to call a special meeting.

Amending Our Certificate of Incorporation and Bylaws

Our amended and restated certificate of incorporation provides that our certificate of incorporation may be amended by the affirmative vote of a majority of the board of directors and by the affirmative vote of the majority of all shares of our common stock then entitled to vote at any annual or special meeting of stockholders. In addition, our amended and restated certificate of incorporation and bylaws provide that our bylaws may be amended, repealed or new bylaws may be adopted by the affirmative vote of a majority of the board of directors or when a quorum is present at any meeting, by the vote of the holders of a majority of the voting power of our common stock entitled to vote thereon, present and voting, in person or represented by proxy.

Advance Notice Provisions for Stockholders

In order to nominate directors to our board of directors or bring other business before an annual meeting of our stockholders, a stockholder's notice must be received by the Secretary of the Company at the principal executive offices of the Company not earlier than 120 calendar days and not later than 90 calendar days before the first anniversary of the previous year's annual meeting of stockholders, subject to certain exceptions contained in our bylaws. If the date of the applicable annual meeting is more than 30 days before or more than 30 days after such anniversary date, notice by a stockholder to be timely must be so delivered not earlier than 120 calendar days before the date of such annual meeting and not later than 90 calendar days before the date of such annual meeting or, if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, the tenth day following the date on which public announcement of the date of such meeting is first made by the Company. The adjournment or postponement of an annual meeting or the announcement shall not commence a new time period for the giving of a stockholder's notice as described above.

Listing

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

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is .

SHARES ELIGIBLE FOR FUTURE SALE

Upon the completion of this offering, we will have outstanding shares of common stock. The shares sold in this offering plus any additional shares sold by the selling stockholder upon exercise of the underwriters' option will be freely tradable without restriction under the Securities Act, unless purchased by our "affiliates" as that term is defined in Rule 144 under the Securities Act. In general, affiliates include executive officers, directors and our largest stockholders. Shares of common stock purchased by affiliates will be subject to the resale limitations of Rule 144.

The remaining shares outstanding following this offering are restricted securities within the meaning of Rule 144. Restricted securities may be sold in the public market only if registered or if they qualify for an exemption from registration under Rule 144 promulgated under the Securities Act, which is summarized below.

Our executive officers and directors and our principal stockholder, PVF Holdings LLC, will enter into lock-up agreements in connection with this offering, generally providing that they will not offer, sell, contract to sell, or grant any option to purchase or otherwise dispose of our common stock or any securities exercisable for or convertible into our common stock owned by them for a period of 180 days after the date of this prospectus without the prior written consent of Goldman, Sachs & Co.

Despite possible earlier eligibility for sale under the provisions of Rule 144 under the Securities Act, any shares subject to the lock-up agreement will not be salable until the lock-up agreement expires or is waived by Goldman, Sachs & Co. Taking into account the lock-up agreement, and assuming that PVF Holdings LLC is not released from its lock-up agreement, the shares held by our affiliates will be eligible for future sale in accordance with the requirements of Rule 144 upon the expiration of the lock-up agreement.

In general, under Rule 144 as currently in effect, after the expiration of lock-up agreements, a person who has beneficially owned restricted securities 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 the following:

- one percent of the number of shares of common stock then outstanding, which will equal approximately shares immediately after this offering; or
- the average weekly trading volume of the common stock during the four calendar weeks preceding the sale.

Sales under Rule 144 by affiliates are also subject to manner-of-sale requirements, notice requirements and the availability of current public information about us.

PVF Holdings LLC, which will hold shares of our common stock upon the completion of this offering if the underwriters' option to purchase additional shares from PVF Holdings LLC is not exercised (shares of our common stock upon completion of this offering if the underwriters' option is exercised in full), will enter into a new registration rights agreement with us prior to the consummation of this offering. Pursuant to this registration rights agreement, PVF Holdings LLC can request that we use our reasonable best efforts to register its shares with the SEC, including in connection with this offering, on up to six occasions, including pursuant to shelf registration statements. In addition, under the registration rights agreement PVF Holdings LLC will have the ability to exercise certain piggyback registration rights with respect to its own securities if we elect to register any of our equity securities. Immediately after this offering, all of our shares held by PVF Holdings LLC will be entitled to these registration rights.

The registration rights agreement will also provide that if PVF Holdings LLC is dissolved, an amended and restated registration rights agreement will become automatically effective and the existing agreement will terminate. Pursuant to the terms of such amended and restated registration rights agreement, the existing members of PVF Holdings LLC would thereunder be entitled to certain registration rights with respect to our shares which are distributed to them in connection with any such dissolution of PVF Holdings LLC.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a general discussion of the material U.S. federal income and estate tax consequences of the ownership and disposition of our common stock by a non-U.S. holder. This discussion is for general information only and is not tax advice. For purposes of this discussion, the term "non-U.S. holder" means a beneficial owner of our common stock that is not, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States or a former citizen or resident of the United States subject to taxation as an expatriate;
- a corporation (or other entity classified as a corporation for these purposes) created or organized in, or under the laws of, the United States or any political subdivision of the United States;
- a partnership (including any entity or arrangement classified as a partnership for these purposes);
- an estate whose income is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust, if (1) a United States court is able to exercise primary supervision over the trust's administration and one or more "United States persons" (within the meaning of the U.S. Internal Revenue Code of 1986, as amended, or the Code) has the authority to control all of the trust's substantial decisions, or (2) the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

An individual may be treated as a resident of the United States in any calendar year for U.S. federal income tax purposes, instead of as a nonresident, by, among other ways, being present in the United States on at least 31 days in that calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year. For purposes of this calculation, an individual would count all of the days present in the current year, one-third of the days present in the immediately preceding year and one-sixth of the days present in the second preceding year. Residents are taxed for U.S. federal income purposes as if they were U.S. citizens.

If a partnership (or other entity taxable as a partnership for U.S. federal income tax purposes) owns our common stock, the tax treatment of a partner of the partnership may depend upon the status of the partner and the activities of the partnership and upon certain determinations made at the partner level. Partners in partnerships that own our common stock should consult their own tax advisors as to the particular U.S. federal income and estate tax consequences applicable to them.

This discussion does not address all of the aspects of U.S. federal income and estate taxation that may be relevant to a non-U.S. holder in light of the non-U.S. holder's particular investment or other circumstances. In particular, this discussion only addresses a non-U.S. holder that holds our common stock as a capital asset (generally, investment property) and does not address:

- special U.S. federal income tax rules that may apply to particular non-U.S. holders, such as financial institutions, insurance companies, tax-exempt organizations, and dealers and traders in stocks, securities or currencies;
- non-U.S. holders holding our common stock as part of a conversion, constructive sale, wash sale or other integrated transaction or a hedge, straddle or synthetic security;
- any U.S. state and local or non-U.S. or other tax consequences; or
- the U.S. federal income or estate tax consequences for the beneficial owners of a non-U.S. holder.

This discussion is based on provisions of the Code, applicable U.S. Treasury regulations and administrative and judicial interpretations, all as in effect or in existence on the date of this prospectus.

Subsequent developments in U.S. federal income or estate tax law, including changes in law or differing interpretations, which may be applied retroactively, could have a material effect on the U.S. federal income and estate tax consequences of owning and disposing of our common stock as set forth in this discussion.

If you are considering purchasing our common stock, you should consult your tax advisor regarding the U.S. federal, state, local and non-U.S. income, estate and other tax consequences to you of owning and disposing of our common stock.

Dividends

We do not anticipate paying any cash dividends on our common stock in the foreseeable future. See “Dividend Policy”. In the event, however, that we pay dividends on our common stock that are not effectively connected with a non-U.S. holder’s conduct of a trade or business in the United States, a U.S. federal withholding tax at a rate of 30%, or a lower rate under an applicable income tax treaty, will be withheld from the gross amount of the dividends paid to such non-U.S. holder.

In order to claim the benefit of an applicable income tax treaty, a non-U.S. holder will be required to provide a properly completed and executed U.S. Internal Revenue Service Form W-8BEN (or other applicable form) in accordance with the applicable certification and disclosure requirements. Special rules apply to partnerships and other pass-through entities and these certification and disclosure requirements also may apply to beneficial owners of partnerships and other pass-through entities that hold our common stock. A non-U.S. holder that is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund with the U.S. Internal Revenue Service. Non-U.S. holders should consult their own tax advisors regarding their entitlement to benefits under a relevant income tax treaty and the manner of claiming the benefits.

Dividends that are effectively connected with a non-U.S. holder’s conduct of a trade or business in the United States and, if required by an applicable income tax treaty, are attributable to a permanent establishment maintained by the non-U.S. holder in the United States, generally will be taxed on a net income basis at the regular graduated rates and in the manner applicable to United States persons. In that case, the U.S. federal withholding tax discussed above will not apply if the non-U.S. holder provides a properly completed and executed U.S. Internal Revenue Service Form W-8ECI (or other applicable form) in accordance with the applicable certification and disclosure requirements. In addition, a “branch profits tax” may be imposed at a 30% rate, or a lower rate under an applicable income tax treaty, on dividends received by a foreign corporation that are effectively connected with the conduct of a trade or business in the United States.

Gain on disposition of our common stock

A non-U.S. holder generally will not be taxed on any gain realized on a disposition of our common stock unless:

- the gain is effectively connected with the non-U.S. holder’s conduct of a trade or business in the United States and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States; in these cases, the gain generally will be taxed on a net income basis at the regular graduated rates and in the manner applicable to United States persons (unless an applicable income tax treaty provides otherwise) and, if the non-U.S. holder is a foreign corporation, the “branch profits tax” described above may also apply;
- the non-U.S. holder is an individual who holds our common stock as a capital asset, is present in the United States for at least 183 days in the taxable year of the disposition and meets other requirements (in which case, except as otherwise provided by an applicable income tax treaty, the gain, which may be offset by U.S. source capital losses, generally will be subject to a flat

30% U.S. federal income tax, even though the non-U.S. holder is not considered a resident alien under the Code); or

- we are or have been a "U.S. real property holding corporation" for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition or the period that the non-U.S. holder held our common stock.

Generally, a corporation is a "U.S. real property holding corporation" if the fair market value of its "U.S. real property interests" equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. The tax relating to stock in a U.S. real property holding corporation generally will not apply to a non-U.S. holder whose holdings, direct and indirect, at all times during the applicable period, constituted 5% or less of our common stock, provided that our common stock was regularly traded on an established securities market. We believe that we are not currently, and we do not anticipate becoming in the future, a U.S. real property holding corporation.

Federal estate tax

Our common stock that is owned or treated as owned by an individual who is not a U.S. citizen or resident of the United States (as specially 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, unless an applicable estate tax or other treaty provides otherwise and, therefore, may be subject to U.S. federal estate tax.

Information reporting and backup withholding tax

Dividends paid to a non-U.S. holder may be subject to U.S. information reporting and backup withholding. A non-U.S. holder will be exempt from backup withholding if the non-U.S. holder provides a properly completed and executed U.S. Internal Revenue Service Form W-8BEN or otherwise meets documentary evidence requirements for establishing its status as a non-U.S. holder or otherwise establishes an exemption.

The gross proceeds from the disposition of our common stock may be subject to U.S. information reporting and backup withholding. If a non-U.S. holder sells our common stock outside the United States through a non-U.S. office of a non-U.S. broker and the sales proceeds are paid to the non-U.S. holder outside the United States, then the U.S. backup withholding and information reporting requirements generally will not apply to that payment. However, U.S. information reporting, but not U.S. backup withholding, will apply to a payment of sales proceeds, even if that payment is made outside the United States, if a non-U.S. holder sells our common stock through a non-U.S. office of a broker that:

- is a United States person;
- derives 50% or more of its gross income in specific periods from the conduct of a trade or business in the United States;
- is a "controlled foreign corporation" for U.S. federal income tax purposes; or
- is a foreign partnership, if at any time during its tax year:
    - one or more of its partners are United States persons who in the aggregate hold more than 50% of the income or capital interests in the partnership; or
    - the foreign partnership is engaged in a United States trade or business,

unless the broker has documentary evidence in its files that the non-U.S. holder is not a United States person and certain other conditions are met or the non-U.S. holder otherwise establishes an exemption.

If a non-U.S. holder receives payments of the proceeds of a sale of our common stock from or through a U.S. office of a broker, the payment is subject to both U.S. backup withholding and information reporting unless the non-U.S. holder provides a properly completed and executed U.S. Internal Revenue Service Form W-8BEN certifying that the non-U.S. Holder is not a “United States person” or the non-U.S. holder otherwise establishes an exemption.

Backup withholding is not an additional tax. A non-U.S. holder generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed the non-U.S. holder’s U.S. federal income tax liability, if any, by filing a refund claim with the U.S. Internal Revenue Service.

THE U.S. FEDERAL INCOME AND ESTATE TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION PURPOSES ONLY. YOU SHOULD CONSULT YOUR TAX ADVISOR TO DETERMINE THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES TO YOU OF OWNING AND DISPOSING OF OUR COMMON STOCK.

UNDERWRITING

The Company, the selling stockholder and the underwriters will enter into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman, Sachs & Co. and Lehman Brothers Inc. are the representatives of the underwriters and the joint book-running managers for this offering.

Underwriters	Number of Shares
Goldman, Sachs & Co.	
Lehman Brothers Inc.	
J.P. Morgan Securities Inc.	
Deutsche Bank Securities Inc.	
Robert W. Baird & Co. Incorporated	
Credit Suisse Securities (USA) LLC	
Stephens Inc.	
Total	

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised. We expect that the underwriting agreement will provide that the obligations of the underwriters to take and pay for the shares are subject to a number of conditions, including, among others, the accuracy of the Company's and the selling stockholder's representations and warranties in the underwriting agreement, listing of the shares, receipt of specified letters from counsel and the Company's independent registered public accounting firm, and receipt of specified officers' certificates.

If the underwriters sell more shares than the total number set forth in the table above, the underwriters have an option to buy up to an additional shares from the selling stockholder. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by the selling stockholder. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares of common stock.

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover page of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. If all the shares are not sold at the initial public offering price, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

The Company, its executive officers and directors and the selling stockholder have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of the representatives. This agreement does not apply to any existing employee benefit plans. See "Shares Eligible for Future Sale" for a description of certain transfer restrictions.

The 180-day restricted period described in the preceding paragraph will be automatically extended if: (1) during the last 17 days of the 180-day restricted period the Company issues an earnings release or announces material news or a material event; or (2) prior to the expiration of the 180-day restricted period, the Company announces that it will release earnings results during the 15-day period following the last day of the 180-day period, in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or material event.

Prior to this offering, there has been no public market for the common stock. The initial public offering price will be negotiated among the Company, the selling stockholder and the representatives. The factors to be considered in determining the initial public offering price of the shares include:

- the history and prospects for our industry;
- our historical performance, including our net sales, net income, margins and certain other financial information;
- estimates of our business potential and earnings prospects;
- an assessment of our management;
- investor demand for our shares of common stock;
- market valuations of companies that we and the representatives believe to be comparable; and
- prevailing securities markets at the time of this offering.

We intend to apply to list our common stock on the New York Stock Exchange under the symbol “MRC”. In order to meet the requirements for listing the common stock on the New York Stock Exchange, the underwriters have undertaken to sell lots of 100 or more shares to a minimum of 2,000 beneficial holders.

In connection with this offering, the underwriters may purchase and sell shares of the common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in this offering. “Covered” short sales are sales made in an amount not greater than the underwriters’ option to purchase additional shares from the selling stockholder in this offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option granted to them. “Naked” short sales are any sales in excess of that option. The underwriters must close out any naked short position by purchasing shares in the open market. 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 shares of common stock in the open market after pricing that could adversely affect investors who purchase in this offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the completion of this offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of that underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or retarding a decline in the market price of the shares of common stock and, together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the shares of common stock. As a result, the price of the shares of common stock may be higher than the

price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time. These transactions may be effected on the New York Stock Exchange, in the over-the-counter market or otherwise.

Each underwriter has represented and agreed that:

(a) 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 FSMA) received by it in connection with the sale of the shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

(b) 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.

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, 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:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43 million and (3) an annual net turnover of more than €50 million, as shown in its last annual or consolidated accounts;

(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or

(d) in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

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 Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

The shares may not be offered or sold by means of any document other than (i) 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 (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) 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.

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, or 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: (a) 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 (b) 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.

The securities have not been and will not be registered under the Securities and Exchange Law of Japan (the "Securities 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 Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

The shares may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the Korea Securities and Exchange Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder. The shares have not been registered with the Financial Services Commission of Korea for public offering in Korea. Furthermore, the shares may not be resold to Korean residents unless the purchaser of the shares complies with all applicable regulatory requirements (including but not limited to government approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with the purchase of the shares.

This prospectus has not been and will not be registered as a prospectus with the Registrar of Companies in India or with the Securities and Exchange Board of India. This prospectus or any other material relating to these securities is for information purposes only and may not be circulated or distributed, directly or indirectly, to the public or any members of the public in India and in any event to not more than 50 persons in India. Further, persons into whose possession this prospectus comes are required to inform themselves about and to observe any such restrictions. Each prospective investor is advised to consult its advisors about the particular consequences to it of an investment in these securities. Each prospective investor is also advised that any investment in these securities by it is

subject to the regulations prescribed by the Reserve Bank of India and the Foreign Exchange Management Act and any regulations framed thereunder.

No prospectus or other disclosure document (as defined in the Corporations Act 2001 (Cth) of Australia ("Corporations Act")) in relation to the shares has been or will be lodged with the Australian Securities & Investments Commission ("ASIC"). This document has not been lodged with ASIC and is only directed to certain categories of exempt persons. Accordingly, if you receive this document in Australia:

(a) you confirm and warrant that you are either:

(i) a "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act;

(ii) a "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to us which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

(ii) a person associated with the company under section 708(12) of the Corporations Act; or

(iv) a "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act,

and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act any offer made to you under this document is void and incapable of acceptance; and

(b) you warrant and agree that you will not offer any of the shares for resale in Australia within 12 months of those shares being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

The underwriters do not expect sales to discretionary accounts to exceed five percent of the total number of shares offered. The underwriters have informed us that they do not intend to confirm sales to discretionary accounts without the prior specific written approval of the customer.

The Company and the selling stockholder estimate that their share of the total expenses of this offering will be approximately $5.4 million.

The Company and the selling stockholder have agreed to indemnify the several underwriters against specified liabilities, including liabilities under the Securities Act.

Affiliates of Goldman, Sachs & Co. own more than 10% of the Company's outstanding common stock. As a result, Goldman, Sachs & Co. is deemed to be an affiliate of the Company under Rule 2720(b)(1) of the NASD Conduct Rules and is deemed to have a conflict of interest under Rule 2720 of such Rules. PVF Holdings LLC, the selling stockholder in this offering, will receive the net proceeds of this offering. Affiliates of Goldman, Sachs & Co. own a majority interest in PVF Holdings LLC, which owns a majority of our outstanding common stock. Accordingly, such affiliates will receive approximately % of the proceeds from this offering. This offering will be made in compliance with the applicable provisions of Rule 2720 of the NASD Conduct Rules as required by such Rules. Rule 2720 requires that the initial public offering price be no higher than that recommended by a "qualified independent underwriter", as defined by the Financial Industry Regulatory Authority ("FINRA"). Lehman Brothers Inc. is serving as a qualified independent underwriter and will assume the customary responsibilities of acting as a qualified independent underwriter in pricing the offering and conducting due diligence. We have agreed to indemnify Lehman Brothers Inc. against any liabilities arising in connection with its role as a qualified independent underwriter, including liabilities under the Securities Act.

Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory, investment banking, commercial banking and other services for the company, for which they received or will receive customary fees and expenses. Furthermore, certain of the underwriters and their respective affiliates may, from time to time, enter into arms-length transactions with us in the ordinary course of their business.

Goldman Sachs Credit Partners L.P. is a co-lead arranger and joint bookrunner under our Revolving Credit Facility, Term Loan Facility and Junior Term Loan Facility. Goldman Sachs Credit Partners L.P. is also the syndication agent under the Term Loan Facility and the Junior Term Loan Facility. For a description of other transactions between us and Goldman Sachs & Co. and its affiliates, including payments of dividends and payments under our credit facilities by us to such affiliates, see “Certain Relationships and Related Party Transactions”.

Lehman Brothers Inc. is a co-lead arranger and joint bookrunner under our Revolving Credit Facility, Term Loan Facility, and Junior Term Loan Facility. Lehman Brothers Inc. is also the syndication agent under the Term Loan Facility. Lehman Commercial Paper Inc., an affiliate of Lehman Brothers Inc., is an administrative agent and collateral agent under the Term Loan Facility and the Junior Term Loan Facility.

JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities Inc., is a lender under the Revolving Credit Facility and is also a co-documentation agent and reference lender under that facility. JPMorgan Chase Bank, N.A. is also a reference lender under the Term Loan Facility and the Junior Term Loan Facility, and is a lender under the Midfield Revolving Credit Facility.

A prospectus in electronic format may be made available on Internet sites or through other online services maintained by one or more of the underwriters and/or selling group members participating in this offering, or by their affiliates. In those cases, prospective investors may view offering terms online and, depending upon the particular underwriter or selling group member, prospective investors may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of shares for sale to online brokerage account holders. Any such allocation for online distributions will be made by the representatives on the same basis as other allocations.

Other than the prospectus in electronic format, the information on any underwriter’s or selling group member’s web site and any information contained in any other web site maintained by an underwriter or selling group member is not part of the prospectus or the registration statement of which this prospectus forms a part, has not been approved and/or endorsed by us or any underwriter or selling group member in its capacity as underwriter or selling group member and should not be relied upon by investors.

If you purchase shares of common stock offered in this prospectus, you may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to the offering price listed on the cover page of this prospectus.

LEGAL MATTERS

The validity of the shares of common stock offered by this prospectus will be passed upon for our company by Fried, Frank, Harris, Shriver & Jacobson LLP, New York, New York. Davis Polk & Wardwell, New York, New York is acting as counsel to the underwriters.

EXPERTS

The consolidated financial statements of McJunkin Red Man Holding Corporation and subsidiaries as of December 31, 2007, and for the period from inception (January 31, 2007) to December 31, 2007, and those of McJunkin Corporation and subsidiaries predecessor to McJunkin Red Man Holding Corporation for the period from January 1, 2007 to January 30, 2007, appearing 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, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

Schneider Downs & Co., Inc., independent registered public accounting firm, has audited the financial statements of McJunkin Corporation at December 31, 2005 and December 31, 2006 and for the years ended December 31, 2005 and December 31, 2006, as set forth in their report. We have included these financial statements in the prospectus and elsewhere in the registration statement in reliance on the report of Schneider Downs & Co., Inc., given on their authority as experts in accounting and auditing.

The consolidated financial statements of Red Man Pipe and Supply Company at October 31, 2007 and October 31, 2006 and for each of the three years in the period ended October 31, 2007, included in this Prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The auditor of our predecessor, McJunkin Corporation, was Schneider Downs & Co., Inc. through December 31, 2006. At the direction of our board of directors, Schneider Downs & Co., Inc. was dismissed and on June 1, 2007 the company engaged Ernst & Young LLP as its independent registered public accounting firm for the fiscal year ended December 31, 2007. The reports of Schneider Downs & Co., Inc. on our predecessor's financial statements for the past two fiscal years ended December 31, 2006 and 2005 did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope, or accounting principles. In connection with the audits of our predecessor's financial statements for each of the two fiscal years ended December 31, 2006 and in the subsequent interim period through the date of appointment of Ernst & Young, LLP, there were no disagreements with Schneider Downs & Co., Inc. on any matters of accounting principles or practices, financial statement disclosure, or auditing scope and procedures which, if not resolved to the satisfaction of Schneider Downs & Co., Inc. would have caused Schneider Downs & Co., to make reference to the matter in their report. In addition, no event occurred which requires disclosure under Item 304(a)(2) of Regulation S-K. The company has requested Schneider Downs & Co., to furnish it a letter addressed to the Commission stating whether it agrees with the above statements. A copy of that letter, dated August 18, 2008, is filed as Exhibit 16 to the registration statement of which this prospectus forms a part.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the common stock. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. For further

information with respect to us and our common stock, we refer you to the registration statement and the exhibits and schedules filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, we refer you to the copy of the contract or document that has been filed as an exhibit and reference thereto is qualified in all respects by the terms of the filed exhibit.

The registration statement, including exhibits and schedules, may be inspected without charge at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549, and copies of all or any part of it may be obtained from that office after payment of fees prescribed by the SEC. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains a web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC at http://www.sec.gov.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
of McJunkin Red Man Corporation and subsidiaries

We have audited the accompanying consolidated balance sheet of McJunkin Red Man Holding Corporation and subsidiaries (the Company) as of December 31, 2007, and the related consolidated statements of income, shareholders' equity, and cash flows for the period from inception (January 31, 2007) to December 31, 2007. We have also audited the accompanying consolidated statements of income, shareholders' equity and cash flows of McJunkin Corporation and subsidiaries (McJunkin) predecessor to the Company for the period from January 1, 2007 to January 30, 2007. 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. The financial statements of McJunkin as of December 31, 2006, and for each of the two years in the period then ended were audited by other auditors whose report dated January 13, 2007, expressed an unqualified opinion on those statements.

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 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, 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 McJunkin Red Man Holding Corporation and subsidiaries at December 31, 2007, and the consolidated results of their operations and their cash flows for the period from inception (January 31, 2007) to December 31, 2007, and the consolidated results of operations and cash flows of McJunkin Corporation and Subsidiaries, predecessor to the Company for the period from January 1, 2007 to January 30, 2007, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Charleston, West Virginia
August 15, 2008

CONSOLIDATED BALANCE SHEETS

McJUNKIN RED MAN HOLDING CORPORATION
(Dollars in thousands)

	(Successor) December 31, 2007	(Predecessor) December 31, 2006
ASSETS		
CURRENT ASSETS		
Cash	$ 10,075	$ 3,748
Receivables, less allowances of $6,352 and $2,015	481,463	168,877
Inventories	666,188	225,304
Other current assets	1,937	3,122
TOTAL CURRENT ASSETS	1,159,663	401,051
INVESTMENTS AND OTHER ASSETS		
Investments	1,680	40,985
Assets held for sale	37,500	—
Debt issuance costs	23,390	—
Notes receivable and other assets	4,376	2,995
	66,946	43,980
FIXED ASSETS		
Property, plant, and equipment, net	80,120	27,208
PROPERTY HELD UNDER CAPITAL LEASES	1,925	2,104
INTANGIBLE ASSETS		
Goodwill	1,092,379	6,274
Intangible assets	523,998	382
	1,616,377	6,656
	$ 2,925,031	$ 480,999
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	$ 306,509	$ 130,864
Accrued expenses and other liabilities	70,778	46,471
Income taxes payable	11,996	2,500
Deferred revenue	6,552	4,715
Deferred income taxes	80,364	3,998
Term loans due on demand	10,228	—
Current portion of long-term obligations		
Long-term debt	9,553	—
Capital leases	189	167
TOTAL CURRENT LIABILITIES	496,169	188,715
LONG-TERM OBLIGATIONS		
Long-term debt	848,616	13,035
Payable to shareholders	49,164	—
Deferred income taxes	215,487	15,627
Capital leases	3,446	3,635
Other liabilities	1,415	1,799
	1,118,128	34,096
MINORITY INTEREST AND AMOUNTS DUE TO FORMER RED MAN SHAREHOLDERS	100,700	15,601
STOCKHOLDERS' EQUITY		
Common stock, par value $0.01 — authorized 1,000,000; issued and outstanding 299,891.4604 in 2007	—	—
Common stock, Class A voting, par value $700 — authorized 37,860; issued and outstanding 16,940 in 2006	—	11,858
Common stock, Class B nonvoting, par value $700 — authorized 5,000; issued and outstanding 570 in 2006	—	399
Additional paid-in capital	1,154,148	—
Retained earnings	56,926	206,044
Other comprehensive (loss) income, net of deferred income taxes of $162 and $14,759	(1,040)	24,286
	1,210,034	242,587
	$ 2,925,031	$ 480,999

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

McJUNKIN RED MAN HOLDING CORPORATION
(Dollars in thousands, except per share data)

	(Successor)	(Predecessor)		
	Eleven Months Ended December 31, 2007	One Month Ended January 30, 2007	Year Ended December 31, 2006	Year Ended December 31, 2005
SALES	$ 2,124,919	$ 142,549	$1,713,679	$1,445,770
COSTS AND EXPENSES				
Cost of sales (exclusive of depreciation and amortization shown separately below)	1,734,558	114,562	1,394,294	1,177,091
Selling, general and administrative expenses	201,948	14,592	173,948	155,717
Depreciation and amortization	5,402	344	3,936	3,743
Amortization of intangibles	10,489	16	277	337
Profit sharing	13,167	1,338	15,064	13,144
Stock-based compensation	2,988	—	—	—
TOTAL COSTS AND EXPENSES	1,968,552	130,852	1,587,519	1,350,032
OPERATING INCOME	156,367	11,697	126,160	95,738
OTHER INCOME (EXPENSE)				
Interest expense	(61,703)	(131)	(2,845)	(2,707)
Minority interests	(89)	(356)	(4,142)	(2,774)
Other, net	(1,090)	(15)	(1,259)	(1,133)
	(62,882)	(502)	(8,246)	(6,614)
INCOME BEFORE INCOME TAXES	93,485	11,195	117,914	89,124
Income tax expense	36,559	4,599	48,340	36,583
NET INCOME	$ 56,926	$ 6,596	$ 69,574	$ 52,541
Earnings per share — Class A, basic	—	—	$ 3,972.08	$ 2,952.12
Earnings per share — Class A, diluted	—	—	$ 3,972.08	$ 2,952.12
Weighted average shares — Class A, basic	—	—	16,940	16,940
Weighted average shares — Class A, diluted	—	—	16,940	16,940
Earnings per share — Class B, basic	—	—	$ 4,012.08	$ 4,442.12
Earnings per share — Class B, diluted	—	—	$ 4,012.08	$ 4,442.12
Weighted average shares — Class B, basic	—	—	570	570
Weighted average shares — Class B, diluted	—	—	570	570
Basic earnings per common share	$ 410.64	$ 376.70	—	—
Diluted earnings per common share	$ 409.84	$ 376.70	—	—
Dividends per common share, Class A	$ —	$ —	$ 40	$ 1,490
Dividends per common share, Class B	$ —	$ —	$ 80	$ 2,980

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

McJUNKIN RED MAN HOLDING CORPORATION
(Dollars in thousands, except per share data)

	Class A Common Stock		Class B Common Stock		Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount				
PREDECESSOR:										
Balance at January 1, 2005	16,940	$ 11,858	570	$ 399	—	$ —	$ —	$ 111,592	$ 8,469	$ 132,318
Net income for the year 2005	—	—	—	—	—	—	—	52,541	—	52,541
Change in unrealized gain on securities available for sale net of deferred taxes of $7,153 and reclassification adjustments for gains included in net income of $585	—	—	—	—	—	—	—	—	10,880	10,880
Net comprehensive income										63,421
Cash dividends on common stock										
On Class A, $1,490 per share	—	—	—	—	—	—	—	(25,242)	—	(25,242)
On Class B, $2,980 per share	—	—	—	—	—	—	—	(1,699)	—	(1,699)
Balance at December 31, 2005	16,940	11,858	570	399	—	—	—	137,192	19,349	168,798
Net income for the year 2006	—	—	—	—	—	—	—	69,574	—	69,574
Change in unrealized gain on securities available for sale net of deferred taxes of $3,230	—	—	—	—	—	—	—	—	4,937	4,937
Net comprehensive income										74,511
Cash dividends on common stock										
On Class A, $40 per share	—	—	—	—	—	—	—	(677)	—	(677)
On Class B, $80 per share	—	—	—	—	—	—	—	(45)	—	(45)
Balance at December 31, 2006	16,940	11,858	570	399	—	—	—	206,044	24,286	242,587
Net income for month ended January 30, 2007	—	—	—	—	—	—	—	6,596	—	6,596
Change in unrealized gain on securities available for sale net of deferred taxes of $2,589	—	—	—	—	—	—	—	—	(3,958)	(3,958)
Net comprehensive income										2,638
Balance at January 30, 2007	16,940	$ 11,858	570	$ 399	—	$ —	$ —	$ 212,640	$ 20,328	$ 245,225
SUCCESSOR:										
Net income for eleven months ended December 31, 2007	—	$ —	—	$ —	—	$ —	$ —	56,926	$ —	$ 56,926
Foreign currency translation	—	—	—	—	—	—	—	—	(791)	(791)
Derivative valuation adjustment (net of $162 of deferred taxes)	—	—	—	—	—	—	—	—	(249)	(249)
Net comprehensive income										55,886
Equity contribution to acquire controlling interest and recognize new basis of accounting arising from change of controlling interest of predecessor	—	—	—	—	102,111	—	385,125	—	—	385,125
Carryover basis adjustment for continuing shareholders	—	—	—	—	—	—	(11,605)	—	—	(11,605)
Equity contribution associated with acquisition of Red Man Pipe & Supply Co.	—	—	—	—	26,472	—	104,136	—	—	104,136
Equity contribution	—	—	—	—	171,309	—	674,537	—	—	674,537
Issuance of stock subscription receivable	—	—	—	—	—	—	(1,033)	—	—	(1,033)
Stock-based compensation expense	—	—	—	—	—	—	2,988	—	—	2,988
Balance at December 31, 2007	—	$ —	—	$ —	299,892	$ —	$ 1,154,148	$ 56,926	$ (1,040)	$ 1,210,034

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

McJUNKIN RED MAN HOLDING CORPORATION
(Dollars in thousands)

	(Successor)	(Predecessor)		
	Eleven Months Ended December 31, 2007	One Month Ended January 30, 2007	Year Ended December 31, 2006	2005
CASH PROVIDED BY (USED IN) OPERATIONS				
Net income	$ 56,926	$ 6,596	$ 69,574	$ 52,541
Adjustments to reconcile net income to net cash provided by operations:				
Depreciation and amortization	5,402	344	3,936	3,743
Amortization of debt issuance costs	8,010	—	—	—
Stock-based compensation	2,988	—	—	—
Deferred income taxes	(750)	—	3,802	(4,905)
Minority interest	89	356	4,142	2,774
Amortization of intangibles	10,489	16	277	337
Increase in fair market value of derivatives	—	—	—	(499)
Provision for losses on receivables	380	35	414	90
Reduction of inventory loss provision	(30)	13	(260)	(233)
Non-operating gains and other items not providing cash	297	(153)	(571)	(1,001)
Changes to operating assets and liabilities:				
Accounts receivable	46,974	(1,363)	(5,516)	(53,444)
Inventories	27,821	6,700	(35,835)	(36,386)
Income taxes	1,778	4,595	(6,016)	6,823
Other current assets	2,169	139	(580)	(65)
Accounts payable	(35,130)	(7,665)	(14,432)	47,694
Deferred revenue	1,991	—	—	—
Accrued expenses and other current liabilities	(19,178)	(2,996)	(583)	12,916
NET CASH PROVIDED BY OPERATIONS	110,226	6,617	18,352	30,385
INVESTING ACTIVITIES				
Purchases of property, plant and equipment	(5,521)	(417)	(5,314)	(8,680)
Proceeds from the disposition of property, plant and equipment	—	—	354	955
Acquisition of controlling interest in McJunkin by GSCP	(849,053)	—	—	—
Acquisition of Midway-Tristate Corporation	(83,338)	—	—	—
Acquisition of Red Man Pipe & Supply Co., net of cash acquired of $13,866	(852,422)	—	—	—
Other investment and notes receivable transactions	1,414	259	1,698	1,024
NET CASH USED IN INVESTING ACTIVITIES	(1,788,920)	(158)	(3,262)	(6,701)
FINANCING ACTIVITIES				
Proceeds from issuance of long-term obligations	897,500	—	9,731	—
Payments on long-term obligations	(78,834)	(8,254)	—	(11,319)
Cash equity contribution in conjunction with acquisition of controlling interest in McJunkin by GSCP	225,653	—	—	—
Cash equity contributions	673,505	—	—	—
Debt issuance costs paid	(30,636)	—	—	—
Dividends paid	—	—	(26,938)	(9,765)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	1,687,188	(8,254)	(17,207)	(21,084)
Increase (decrease) in cash	8,494	(1,795)	(2,117)	2,600
Effect of foreign exchange rate on cash	(372)	—	—	—
Cash — beginning of period	1,953	3,748	5,865	3,265
CASH — END OF YEAR	$ 10,075	$ 1,953	$ 3,748	$ 5,865

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

McJUNKIN RED MAN HOLDING CORPORATION AND SUBSIDIARIES
December 31, 2007

NOTE 1 — SIGNIFICANT ACCOUNTING POLICIES

Business Operations: McJunkin Red Man Holding Corporation (the Company) is a holding company co-headquartered in Charleston, West Virginia and Tulsa, Oklahoma. Holding is a substantially owned subsidiary of PVF Holdings LLC. The Company's wholly owned subsidiary, McJunkin Red Man Corporation and its subsidiaries (MRM) are national distributors of pipe, valves, and fittings, with locations in principal industrial, hydrocarbon producing and refining areas throughout the United States and Canada. Major customers represent the natural gas producing, petroleum refining, chemical and other segments of the raw materials processing and construction industries. Products are obtained from a broad range of suppliers.

The Company operates as a single reportable segment, which represents the Company's business of providing industrial pipe valves and fittings to various customers through our distribution operations located throughout North America. The Company has operations in eight geographic regions, which have similar economic characteristics, and similar products and services, types or classes of customers, distribution methods and similar regulatory environments in each location. The total consolidated net sales outside of the United States were 4.49% for the eleven months ended December 31, 2007, 0.8% for the one month ended January 30, 2007 and 0.8% and 1.0% for the years ended December 31, 2006 and 2005, respectively. The percentage of total consolidated assets outside of the United States as of December 31, 2007 and 2006 was 11.0% and 0.7%, respectively.

Basis of Presentation: PVF Holdings LLC, (formerly known as McJ Holding LLC) was formed on November 20, 2006 by affiliates of The Goldman Sachs Group, Inc. ("Goldman Sachs") and a control group of certain shareholders of McJunkin Corporation (McJunkin) for the purpose of acquiring McJunkin on January 31, 2007. The affiliates of Goldman Sachs referred to in the previous sentence are GS Capital Partners V Fund, L.P., GS Capital Partners V Offshore Fund, L.P., GS Capital Partners V GmbH & Co. KG, and GS Capital Partners V Institutional, L.P. (collectively, the "Goldman Sachs Funds"). Management and control of all of the Goldman Sachs Funds is vested exclusively in their general partners and investment managers, which are wholly owned direct and indirect subsidiaries of Goldman Sachs. The investment manager of each of the Goldman Sachs Funds is Goldman, Sachs & Co., which is a wholly owned subsidiary of Goldman Sachs. In connection with the acquisition by the Goldman Sachs Funds of a controlling interest in McJunkin, a new basis of accounting and reporting was established that reflected the Goldman Sachs Funds' cost of the acquisition. This new accounting basis has been pushed down to the Company's accounts and is reflected in the Company's consolidated balance sheet (successor basis) at December 31, 2007.

Because PVF Holdings LLC and the Company had no operations, assets, or business prior to their acquisition of McJunkin, McJunkin is the predecessor of MRM, the Company, and PVF Holdings LLC. While these statements have been prepared to present the financial position and results of operations for the Company, such financial position and results would not be significantly different if reported at either the PVF Holdings LLC or the MRM levels of consolidation.

All references to the "Predecessor" relate to McJunkin for periods prior to January 31, 2007. All references to the "Successor" relate to the Company for periods subsequent to January 31, 2007. As a result, the consolidated income statements and statements of cash flows for the eleven-month period ended December 31, 2007 consist of the earnings and cash flows of the Company. The consolidated income statements and statements of cash flows of the Company for the month ended January 30, 2007 and for the years ended December 31, 2006 and 2005, are presented as Predecessor financial statements for comparison purposes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN RED MAN HOLDING CORPORATION AND SUBSIDIARIES
December 31, 2007

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The consolidated financial statements include the accounts of McJunkin Red Man Holding Corporation and its wholly owned and majority owned subsidiaries. The residual ownership in the equity and income of Midfield Supply ULC (Midfield), a 51% owned, Canada-based subsidiary, is reflected as minority interest. All significant intercompany transactions have been eliminated.

Cash Equivalents: The Company considers all highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents.

Financial Instruments: In the normal course of business, the Company invests in various financial assets and incurs various financial liabilities. Financial instruments that potentially could subject the Company to concentrations of credit risk consist principally of trade accounts and notes receivable and an interest rate swap agreement. The Company's financial assets and liabilities are generally recorded in the consolidated balance sheets at historical cost, which approximates fair value. Specific treatment of certain financial instruments is discussed below.

Investments: Investments are carried at fair market value based on quoted market prices. Prior to the acquisition by the Goldman Sachs Funds on January 31, 2007, these available for sale investments were recorded at fair value and reflected as investments on the balance sheets. Changes to the fair value of the assets were recorded in other comprehensive income, net of related deferred taxes. On January 31, 2007, these investments were reclassified as assets held for sale as more fully described in Assets Held for Sale below.

Short-Term and Long-Term Borrowings: Borrowings under the credit facilities have variable rates that reflect currently available terms and conditions for similar debt. The carrying amount of this debt is a reasonable estimate of its fair value.

Leases: Management estimated the fair value of the Company's lease obligations using discounted cash flow analysis based on the Company's current lease rates for similar leases, and determined that the fair value is not materially different from carrying values.

Derivatives: The Company utilizes interest rate swaps to reduce its exposure to potential interest rate increases. Changes in fair values of derivative instruments were based upon independent market quotes.

Assets Held for Sale: Certain of the Company's assets, consisting principally of certain available for sale securities and certain real estate holdings, were designated as non-core assets under the terms of the acquisition by the Goldman Sachs Funds . The Company has classified these as assets held for sale in the balance sheet. A corresponding liability to predecessor shareholders has been recognized to reflect the obligation to the shareholders of record at the date of the acquisition. Upon the sale of these assets, the proceeds net of associated taxes will be distributed to the predecessor shareholders. No gain or loss will be recognized as the result of the sale of these assets.

Allowance for Doubtful Accounts: Management's evaluation of the adequacy of the allowance for losses on receivables is based upon periodic evaluation of accounts that may have a higher credit risk using information available about the customer and other relevant data. This formal analysis is inherently subjective and requires management to make significant estimates of factors affecting doubtful accounts, including customer specific information, current economic conditions, volume, growth and composition of the account, and other factors such as financial statements, news

reports and published credit ratings. The amount of the allowance for the remainder of the trade balance is not evaluated individually but is based upon historical loss experience. Because this process is subjective and based on estimates, ultimate losses may differ from those estimates. Receivable balances are written off when we determine that the balance is uncollectible. Subsequent recoveries, if any, are credited to the allowance when received. The provision for losses on receivables, which is not material, is included in other expenses in the accompanying consolidated statements of income. Activity in the allowance for doubtful accounts is set forth in the table below.

	Beginning Balance	Additions Charged to Costs & Expenses	Deductions	Ending Balance
		(In thousands)		
(Successor)				
Eleven months ended				
December 31, 2007	$ 2,059.6	$ 4,450.2	$ 157.6	$6,352.2
One month ended January 30, 2007	2,015.0	45.0	0.4	2,059.6
(Predecessor)				
Year ended December 31, 2006	1,743.3	414.0	142.3	2,015.0
Year ended December 31, 2005	1,722.0	90.0	68.7	1,743.3

Concentration of Credit Risk: Most of the Company's business activity is with customers in the chemical, petroleum, refining and other segments of the raw materials processing industry. In the normal course of business the Company grants credit to these customers in the form of trade accounts receivable. These receivables could potentially subject the Company to concentrations of credit risk; however, the Company minimizes such risk by closely monitoring extensions of trade credit. The Company generally does not require collateral on its trade receivables.

The Company has a broad customer base doing business in all regions of the United States as well as parts of Canada. During 2007, 2006 and 2005, the Company did not have sales to any customers in excess of 10% of gross sales and at those respective year-ends, no individual customer balances exceeded 10% of gross accounts receivable. Accordingly, no significant concentration of credit risk is considered to exist.

Debt Issuance Costs: The Company defers costs directly related to obtaining financing and amortizes them over the term of the loan on a straight-line basis which is not materially different than the effective interest method. Such amounts are reflected in the consolidated income statement as a component of interest expense.

Derivatives and Hedging: The Company records all derivatives on the balance sheet at fair value. If a derivative is designated as a cash flow hedge, the Company measures the effectiveness of the hedge, or the degree that the gain (loss) for the hedging instrument offsets the loss (gain) on the hedged item, at each reporting period. The effective portion of the gain (loss) on the derivative instrument is recognized in other comprehensive income as a component of equity and, subsequently, reclassified into earnings when the forecasted transaction affects earnings. The ineffective portion of a derivative's change in fair value is recognized in earnings immediately. Derivatives that do not qualify for hedge treatment are recorded at fair value with gains (losses) recognized in earnings in the period of change.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN RED MAN HOLDING CORPORATION AND SUBSIDIARIES
December 31, 2007

Fixed Assets: Land, buildings and equipment are stated on the basis of cost. For financial statement purposes, depreciation is computed over the estimated useful lives of the assets principally by the straight-line method; accelerated depreciation and cost recovery methods are used for income tax purposes. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is reflected in income for the period. Maintenance and repairs are charged to expense as incurred. Ranges of estimated useful lives for financial reporting purposes are as follows:

Buildings and improvements	40 years
Machinery, shop equipment and vehicles	3-10 years
Furniture, fixtures and office equipment	3-10 years

Foreign Currency Translation and Transactions: Gains and losses from balance sheet translation of operations outside of the United States where the applicable foreign currency is the functional currency are included as a component of accumulated other comprehensive income within stockholders' equity. Gains and losses resulting from foreign currency transactions are recognized currently in the consolidated income statements.

Goodwill and Other Intangible Assets: Goodwill represents the excess of cost over the fair value of net assets acquired. Recorded goodwill balances are not amortized but, instead, are evaluated for impairment annually or more frequently if circumstances indicate that an impairment may exist.

Intangible assets are initially recorded at fair value at the date of acquisition. Amortization is provided using the straight-line method over their estimated useful lives. The carrying value of intangible assets is subject to an impairment test on an annual basis, or more frequently if events or circumstances indicate a possible impairment. The measure of impairment is based on the estimated fair values.

Income Taxes: Deferred tax assets and liabilities are recorded for differences between the financial reporting and tax bases of assets and liabilities using the tax rate expected to be in effect when the taxes will actually be paid or refunds received.

The Company adopted Financial Accounting Standards Board (FASB) Interpretation (FIN) 48, *Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109*, which clarifies the accounting and disclosure for uncertain tax positions, as defined. FIN 48 requires that a tax position meet a "probable recognition threshold" for the benefit of the uncertain tax position to be recognized in the financial statements. The impact of adoption was not material.

Insurance: The Company is self-insured for portions of employee healthcare and maintains a deductible program as it relates to workers' compensation, automobile liability, asbestos claims and general liability claims including, but not limited to, product liability claims, which are secured by various letters of credit totaling $3.1 million. Commercially comprehensive catastrophic coverage is maintained. The company's liability and related expenses for claims are estimated based upon past experience. The company's historical claim data is used to project anticipated losses. The reserves are deemed by the company to be sufficient to cover outstanding claims including those incurred but not reported as of the estimation date.

Under our Property & Casualty Program, we are self-insured for automobile collision and automobile comprehensive coverage. We are also self-insured for product recall. We also currently self-insure for ocean cargo shipments to Nigeria. The dollar volume of product fluctuates depending on the particular shipment. For all other coverage, we carry commercially reasonable and non-

material deductibles. We have an umbrella liability policy that covers liabilities in excess of $1 million, except that this policy only covers automobile-related liabilities in excess of $3 million. We also have excess liability coverage for liabilities in excess of $25 million.

Inventories: The Company's inventories are generally valued at the lower of cost (principally last-in, first-out method) or market. The Company believes the LIFO method more fairly presents the results of operations by more closely matching current costs with current revenues. The Company records an adjustment each month, if necessary, for the expected annual effect of inflation, and these estimates are adjusted to actual results determined at year-end. This practice excludes certain inventories held in Canada totaling $78.6 million, at December 31, 2007, that are valued at the lower of weighted average cost or market.

Long-Lived Assets: The carrying value of long-lived assets is evaluated whenever events or changes in circumstances indicate that the carrying value of the asset may be impaired. Upon the occurrence of such an event or change in circumstance, an impairment loss is recognized when estimated undiscounted future cash flows resulting from the use of the asset, including disposition, is less than the carrying value of the asset. Impairment is measured by the amount by which the carrying amount exceeds the fair value.

Reclassifications: Certain immaterial amounts in the prior years' financial statements have been reclassified to conform to the current year's presentation.

Revenue Recognition: The Company recognizes revenue as products are shipped, title has transferred to the customer, and the customer assumes the risk and rewards of ownership. Out-bound shipping and handling costs are reflected in cost of goods sold, and freight charges billed to customers are reflected in revenues.

Equity-Based Compensation: The Company's equity-based compensation consists of restricted common units, profit units, restricted stock and non-qualified stock options. The cost of employee services received in exchange for an award of an equity instrument is measured based on the grant-date fair value of the award. The Company's policy is to expense stock-based compensation using the fair-value of awards granted, modified or settled. Restricted common units, profit units, and restricted stock are credited to equity as they are expensed over their vesting periods based on the current market value of the shares to be granted.

The fair value of non-qualified stock options is measured on the grant date of the related equity instrument using the Black-Scholes option-pricing model and is recognized as compensation expense over the applicable vesting period.

Earnings Per Share: Basic earnings per share are computed based upon the weighted average number of common units outstanding. Diluted earnings per share include the dilutive effect of restricted stock and stock options.

Recent Accounting Pronouncements: In December 2007, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 141R (SFAS No. 141R), *Business Combinations — Revised*. SFAS No. 141R requires an acquirer to recognize the assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree at the acquisition date, measured at the fair values as of that date, with limited exceptions specified in the statement. That replaces Statement 141's cost-allocation process, which required the cost of an acquisition to be allocated to the individual assets acquired and liabilities assumed based on their estimated fair values. The statement applies to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15,

2008. The Company has not yet completed the analysis necessary to determine the impact adoption of this standard may ultimately have on future financial reporting.

In September 2006, the FASB issued Statement on Financial Accounting Standards No. 157 (SFAS No. 157), *Fair Value Measurements*. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value measurements. The provisions of SFAS No. 157 are effective for fiscal years beginning after November 15, 2007. The Company does not expect adoption of SFAS No. 157 to have a material effect on its results of operations or financial position.

In February 2007, the FASB issued Statement on Financial Accounting Standards No. 159 (SFAS No. 159), *The Fair Value Option for Financial Assets and Financial Liabilities*. SFAS No. 159 provides companies with an option to report selected financial assets and liabilities at fair value. It also established presentation and disclosure requirements to facilitate comparisons between companies using different measurement attributes for similar types of assets and liabilities. This statement is effective for fiscal years beginning after November 15, 2007. The Company does not expect adoption of SFAS No. 159 to have a material effect on its results of operations or financial position.

In December 2007, the FASB issued Statement on Financial Accounting Standards No. 160 (SFAS No. 160), *Noncontrolling Interests in Consolidated Financial Statements — an amendment of Accounting Research Bulletin No. 51*. SFAS No. 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. SFAS No. 160 also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. This statement is effective for fiscal years beginning after December 15, 2008. The Company has not yet completed the analysis necessary to determine the impact adoption of this standard may ultimately have on future financial reporting.

NOTE 2 — TRANSACTIONS

Acquisition of Controlling Interest in McJunkin by the Goldman Sachs Funds

The acquisition of a controlling interest in McJunkin by the Goldman Sachs Funds was accounted for in accordance with the provisions of Emerging Issues Task Force No. 88-16, *Basis in Leveraged Buyout Transactions* (EITF 88-16). EITF 88-16 requires a partial or complete change in accounting basis when there has been a change in control of voting interest. In this transaction, the Goldman Sachs Funds, which had no previous ownership interest in McJunkin, acquired an approximately 55% ownership interest in McJunkin on a fully-diluted basis. The purchase price paid to effect the acquisition was allocated to the fair value of acquired assets and liabilities at January 31, 2007.

Certain members of the Company's executive management team held equity interests in McJunkin, the Predecessor, prior to this transaction and continue to hold equity interests in the Successor. As outlined in EITF 88-16, such members of management are deemed to be part of the control group and the basis of their interests in the Successor after the acquisition was carried over at the basis of their interests in the Predecessor prior to the acquisition as determined by the lesser of their residual interest in the Predecessor and their residual interest in the Successor. Because the 15.8% collective ownership of these individuals prior to the transaction exceeded the 8.3% collective ownership of these individuals subsequent to the transaction, their basis in the Predecessor was

carried over to the Successor at a value equaling 8.3% of the Company's historical basis. The difference between this historical basis and the fair value of these interests is reflected in the purchase price allocation table below as a carryover basis adjustment.

The purchase price was approximately $1,008.5 million. The sources and uses of funds in connection with the acquisition are summarized below (in millions):

Sources	
Asset-Based Revolving Credit Facility	$ 75.0
Term Loan Facility	575.0
Equity contribution — cash	225.6
Equity contribution — non-cash	159.5
Total sources	$ 1,035.1
Uses	
Consideration paid to stockholders (including non-cash rollover by McJunkin and McApple stockholders of $159.5 million)	$ 983.4
Transaction costs	16.5
Debt issuance costs	22.8
General corporate purposes	7.6
Repayment of existing debt	4.8
Total uses	$ 1,035.1

In connection with the purchase price allocation, the fair values of long-lived and intangible assets were determined based upon assumptions related to future cash flows, discount rates and asset lives utilizing currently available information. As of January 31, 2007, the Company recorded adjustments to reflect property and equipment, inventory, intangible assets for its tradename, customer-related intangibles, and backlog at their estimated fair values. The Company also acquired the minority interest in McJunkin Appalachian Oilfield Supply Company (McJunkin Appalachian), which became wholly owned concurrent with the acquisition by the Goldman Sachs Funds.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN RED MAN HOLDING CORPORATION AND SUBSIDIARIES
December 31, 2007

The purchase price has been allocated as follows (in millions):

Cash consideration:		
Paid to shareholders		$ 823.9
Transaction costs paid at closing		16.5
Transaction costs paid outside of closing		8.6
		849.0
Noncash consideration		159.5
Total consideration		1,008.5
Net assets acquired at historical cost		245.2
Adjustments to state acquired assets at fair value:		
1) Increase carrying value of property and equipment to fair value	$ 16.6	
2) Increase carrying value of inventory to fair value	68.2	
3) Write-off historical goodwill and tradename	(6.6)	
4) Record intangible assets acquired		
Customer-related intangibles	356.0	
Sales order backlog	1.6	
Non-compete agreements	1.0	
Tradename	155.8	
5) Eliminate McApple minority interest	16.0	
6) Record liability to shareholders related to non-core assets	(26.2)	
7) Record fair value adjustments to various other assets and liabilities	0.2	
8) Tax impact of valuation adjustments	(213.8)	368.8
Net assets acquired at fair value		614.0
Carryover basis adjustment		(11.6)
Excess purchase price recorded as goodwill		$ 382.9

The tradename has an indefinite life and is not subject to amortization. Tradename and goodwill will be reviewed at least annually for impairment.

The purchase price was allocated as follows:

Assets	
Cash	$ 10.9
Accounts receivable	168.8
Inventory	293.8
Assets held for sale	39.9
Debt issuance costs	22.8
Fixed assets	39.8
Other assets	5.7
Intangible assets	514.4
Goodwill	382.9
	1,479.0
Liabilities and Stockholders Equity	
Accounts payable	135.2
Accrued expenses	50.8
Income taxes payable	7.0
Deferred income taxes	230.7
Payable to shareholders	28.0
Other liabilities	3.8
Debt	650.0
Stockholders Equity	373.5
	$ 1,479.0

Transaction costs paid at closing included $10.6 million paid to an affiliate of the Goldman Sachs Funds as reimbursement of their costs associated with due diligence and advisory services.

Acquisition of Midway-Tristate Corporation

On April 30, 2007, MRM, through its wholly owned subsidiary McJunkin Appalachian, acquired a 100% interest in Midway-Tristate Corporation (Midway). Midway is engaged primarily in the distribution of pipe, equipment and supplies to the oil and gas and utility industries in Michigan, West Virginia, Ohio, Pennsylvania, Utah, Wyoming, and Colorado. The acquisition of Midway significantly increased McJunkin Appalachian's presence particularly in the strategic Rocky Mountain region.

The purchase price was approximately $83.3 million and has preliminarily been allocated as follows (in millions):

Assets acquired	
Accounts receivable	$ 19.5
Inventory	30.8
Fixed assets	3.4
Other assets	0.1
Customer-related intangibles	20.1
Goodwill	30.8
	104.7
Liabilities assumed	
Accounts payable	11.5
Accrued expenses	2.1
Income taxes payable	0.2
Deferred income taxes	7.6
	21.4
Total purchase price	$ 83.3

Goodwill associated with this transaction is not deductible for tax purposes, nor is any amortization associated with customer-related intangibles which have a useful life of 20 years.

Acquisition of Red Man Pipe & Supply Co.

On October 31, 2007, MRM, through its wholly owned subsidiary West Oklahoma PVF Company, acquired a 100% interest in Red Man Pipe & Supply Co. (Red Man). Red Man is a distributor of tubular goods and an operator of service and supply centers which distribute maintenance, repair and operating products utilized primarily in the energy industry as well as industrial products consisting primarily of line pipe, valves, fittings and flanges. Red Man distributes products and tubular goods through service and supply centers and sales locations strategically located close to major hydrocarbon producing and refining areas of the United States and Canada.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN RED MAN HOLDING CORPORATION AND SUBSIDIARIES
December 31, 2007

The purchase price was approximately $970.4 million (including common units issued for Red Man shares of $104.1 million at closing) and has preliminarily been allocated as follows (in millions):

Assets acquired	
Cash	$ 13.9
Accounts receivable	342.3
Notes and other receivables	5.2
Inventory	378.5
Fixed assets	39.6
Other assets	0.2
Intangible Assets	451.1
Goodwill	230.8
	1,461.6
Liabilities assumed	
Accounts payable	209.5
Accrued expenses	42.9
Income taxes payable	3.1
Deferred income taxes	60.3
Debt	71.6
Minority interest and amounts due to former Red Man shareholders	100.6
Other liabilities	3.2
	491.2
Total purchase price	$ 970.4

This allocation of the purchase price is preliminary pending receipt of appraisals and valuations for certain of Red Man's assets, including intangible assets. Goodwill associated with this transaction is not deductible for tax purposes, nor is any amortization associated with amortizable intangibles that are still being valued.

Transaction costs capitalized in connection with the acquisition of Red Man Pipe & Supply Co. totaled $17.3 million and included $12.0 million paid to an affiliate of the Goldman Sachs Funds as reimbursement of their costs associated with due diligence and advisory services.

Subsequent to the date of the balance sheet, certain provisions of the purchase agreement, including a net working capital adjustment, were finalized resulting in an increase of the purchase price referenced above of $18.1 million, including additional shares issued of $7.0 million.

As part of the Red Man transaction, MRM indirectly acquired a call option to buy out the 49% minority interest of Midfield for approximately $100.0 million. The call option may be exercised between June 15, 2008 and December 15, 2008. The Company has concluded that it is probable the option will be exercised and has provided for the financing of such exercise in the Asset-Based Revolving Credit Facility. Accordingly, the Company has allocated $100.0 million of the purchase price to minority interest and amounts due to former Red Man shareholders. This balance represents the total exercise price of the call option including those amounts that are expected to be paid to the Midfield minority interest shareholders as well as additional amounts that are expected to be paid to the former shareholders of Red Man. In the event the call option is not exercised during that time period, certain additional amounts would be due to the former shareholders of Red Man on January 15, 2009.

Pro Forma Financial Information

The following unaudited pro forma results of operations assume that each of the transactions described above occurred on January 1, 2006. This unaudited pro forma information should not be relied upon as necessarily being indicative of the historical results that would have been obtained if the transactions had actually occurred on that date nor the results that may be obtained in the future.

	Years Ended December 31,	
	2007	2006
	(In millions)	
Revenues	$ 4,000.0	$ 3,703.1
Net income	147.6	84.4

Equity Issuances

The following is a summary of our equity issuances in 2007:

	Consideration	Common Stock	Restricted Stock & Options
	(in thousands)		
Equity issued to majority shareholders in exchange for cash	$ 900,158	228,571.74	
Equity issued in exchange for shares in McJunkin	159,472	40,538.94	
Equity issued in exchange for shares in Red Man	104,136	26,472.20	
Equity issued in deferred compensation to members of management	—	4,308.80	4,168.99
	1,163,766	299,892	4,168.99

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN RED MAN HOLDING CORPORATION AND SUBSIDIARIES
December 31, 2007

NOTE 3 — GOODWILL AND INTANGIBLE ASSETS

The significant components of goodwill and intangible assets are as follows (in thousands):

	Sales Order Backlog (1 Year)	Customer Base (38 Years)	Non Compete Agreements (5 Years)	Tradename (With Indefinite Life)	Goodwill
Recorded in connection with the McJunkin acquisition	$ 1,601	$ 356,036	$ 970	$ 155,762	$ 382,908
Recorded in connection with the Midway acquisition	—	20,118	—	—	30,802
Recorded in connection with the Red Man acquisition (preliminary, see note below)	—	—	—	—	681,906
Amortization	(1,467)	(8,844)	(178)	—	—
Impact of foreign currency translation	—	—	—	—	(3,237)
Balance at December 31, 2007	$ 134	$ 367,310	$ 792	$ 155,762	$ 1,092,379

Amortization of Intangible Assets

Amortization in future periods could change significantly based on the finalization of the purchase price allocation for the Red Man transaction. The potential impact on amortization expense for the two-month period from the date of the acquisition to December 31, 2007 is not material. The weighted average amortization period for each type of intangible is noted in the table above. The weighted average amortization period for all amortizable intangibles is 38 years. Total amortization of all acquisition-related intangible assets for each of the years ending December 31, 2008 to 2012, is currently estimated as follows (in millions):

2008	$10.3
2009	10.1
2010	10.1
2011	10.1
2012	10.1

Equity issued in 2007:
(dollars in thousands)

NOTE 4 — INVENTORIES

If inventories were reported at values approximating current costs, as would have resulted from using the first-in, first-out method, they would have been $10.3 million and $74.4 million higher at December 31, 2007 and 2006, respectively. In addition, after giving pro forma effect to profit sharing and income taxes, net income would have been higher by $6.7 million for the eleven months ended December 31, 2007, $0 for the one-month ended January 30, 2007, and $7.9 million and $13.1 million for the years ended December 31, 2006 and 2005, respectively. For the eleven months ended December 31, 2007, the Company experienced a liquidation of certain LIFO inventories resulting in income of $1.5 million.

The Company's inventory is composed of finished goods. There are no general and administrative costs charged to inventory.

NOTE 5 — LONG-TERM DEBT

The significant components of our long-term debt are as follows (in thousands):

	(Successor) December 31, 2007	(Predecessor) December 31, 2006
Asset-based revolving credit facility	$ 234,146	$ —
Term loan facility	569,250	—
Revolving credit/term loan agreement	—	8,300
Short-term debt expected to be refinanced on a long-term basis	—	2,735
Three-year asset securitization	—	2,000
Midfield revolving credit facility	50,970	—
Midfield term loan facility	10,228	—
Midfield notes payable	3,803	—
	868,397	13,035
Less current portion	19,781	—
	$ 848,616	$ 13,035

Asset-Based Revolving Credit Facility: On January 31, 2007, in connection with the acquisition of McJunkin by GSCP, MRM entered into a credit agreement and related security and other agreements for a secured Asset-Based Revolving Credit Facility with The CIT Group/Business Credit, Inc. as administrative agent and collateral agent. The Asset-Based Revolving Credit Facility provided financing of up to $300.0 million, subject to a borrowing base equal to at any time the lesser of 85% of eligible accounts receivable and 85% of net orderly liquidation value of the eligible inventory, less certain reserves. The Asset-Based Revolving Credit Facility included borrowing capacity available for letters of credit and for borrowings on same-day notice. At the closing of the acquisition, MRM utilized $75.0 million of the Asset-Based Revolving Credit Facility for loans and approximately $3.1 million for letters of credit.

On October 31, 2007, and concurrent with the close of the Red Man acquisition, MRM refinanced the initial Asset-Based Revolving Credit Facility with a new $650.0 million facility with terms substantially the same as those described above. At that date, MRM utilized $322.5 million of the new Asset-Based Revolving Credit Facility to fund a portion of the Red Man acquisition in addition to refinancing amounts previously outstanding.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN RED MAN HOLDING CORPORATION AND SUBSIDIARIES
December 31, 2007

As of December 31, 2007, MRM had $326.5 million of unused borrowing availability under the Asset-Based Revolving Credit Facility based on a borrowing base of $563.8 million and after giving effect to $3.1 million used for letters of credit.

The Asset-Based Revolving Credit Facility provides that MRM has the right at any time to request incremental facilities commitments, but the lenders are under no obligation to provide any such additional commitments. The Asset-Based Revolving Credit Facility permits incremental facilities (together with any new commitments under the Term Loan Facility discussed below) up to (1) $200.0 million specifically available to fund the CanHCo Call Right (which pertains to the Midfield Supply minority interest) and refinance certain indebtedness of Midfield Supply, (2) $150.0 million generally available, (3) and additional amounts available so long as the secured leverage ratio as specified in the Asset-Based Revolving Credit Facility is satisfied. If MRM were to request any such additional commitments and the existing lenders or new lenders were to agree to provide such commitments, the Asset-Based Revolving Credit Facility size could be increased as described above, but MRM's ability to borrow would still be limited by the amount of the borrowing base.

Borrowings under the Asset-Based Revolving Credit Facility bear interest at a rate per annum equal to, at MRM's option, either (a) a base rate determined by reference to the greater of (1) the prime rate as quoted in *The Wall Street Journal* and (2) the federal funds effective rate plus $^1/_2$ of 1% or (b) a LIBOR rate, subject to certain adjustments, in each case plus an applicable margin. The applicable margin in the initial asset revolving credit facility was 0.75% with respect to base rate borrowings and 1.75% with respect to LIBOR borrowings. As part of the refinancing, these were revised to 0.50% and 1.50%, respectively. The applicable margin is subject to adjustment downward based on the MRM's leverage ratio. In addition, MRM is required to pay a commitment fee of 0.375% per annum in respect of the unutilized commitments. This rate is also subject to adjustment downward based upon the MRM's leverage. MRM must also pay customary letter of credit fees and agency fees.

If at any time the aggregate amount of outstanding loans, unreimbursed letter of credit drawings and undrawn letters of credit under the Asset-Based Revolving Credit Facility exceeds the lesser of (i) the total revolving credit commitments and (ii) the borrowing base, MRM will be required to repay outstanding loans or cash collateralize letters of credit in an aggregate amount equal to such excess, with no reduction of the commitment amount. If the amount available under the Asset-Based Revolving Credit Facility is less than 7% of total revolving credit commitments, or an event of default pursuant to certain provisions of the credit agreement has occurred, MRM would then be required to deposit daily in a collection account managed by the agent under the Asset-Based Revolving Credit Facility. MRM may voluntarily reduce the unutilized portion of the commitment amount and repay outstanding loans at any time without premium or penalty other than customary "breakage" costs with respect to LIBOR loans. There is no scheduled amortization under the Asset-Based Revolving Credit Facility; the principal amount of the loans outstanding is due and payable in full on October 31, 2013.

All obligations under the Asset-Based Revolving Credit Facility are guaranteed by MRM's existing and future wholly owned domestic subsidiaries. All obligations under MRM's Asset-Based Revolving Credit Facility, and the guarantees of those obligations, are secured, subject to certain significant exceptions, by substantially all of the assets of MRM and the subsidiaries that have guaranteed the Asset-Based Revolving Credit Facility, including:

- A first-priority security interest in personal property consisting of inventory and accounts receivable;
- A second-priority pledge of certain of the capital stock held by MRM or any subsidiary guarantor; and

- A second-priority security interest in, and mortgages on, substantially all other tangible and intangible assets of MRM and each subsidiary guarantor.

The Asset-Based Revolving Credit Facility contains a number of covenants that, among other things and subject to certain significant exceptions, restrict its ability and the ability of its subsidiaries to:

- Incur additional indebtedness;
- Pay dividends on MRM's capital stock or the capital stock of MRM's direct or indirect parent;
- Make investments, loans, advances or acquisitions;
- Sell assets, including capital stock of MRM's subsidiaries;
- Consolidate or merge with another entity;
- Create liens;
- Pay, redeem, or amend the terms of subordinated indebtedness;
- Enter into certain sale-leaseback transactions;
- Fundamentally or substantively alter the character of the business conducted by MRM and its subsidiaries; and
- Enter into agreements that limit (1) the ability of non-guarantors to pay dividends to MRM or any guarantor or (2) the ability of MRM or any guarantor to pledge its assets to secure its obligations under the Asset-Based Revolving Credit Facility.

In addition to other customary exceptions, the covenants limiting dividends and other restricted payments and prepayments or redemptions of subordinated indebtedness generally permit the restricted actions in additional limited amounts, subject to the satisfaction of certain conditions, principally that MRM must have at least $50.0 million of pro forma excess availability under the Asset-Based Revolving Credit Facility.

Although the credit agreement governing the Asset-Based Revolving Credit Facility does not require MRM to comply with any financial ratio maintenance covenants, if less than 7% of the then outstanding credit commitments were available to be borrowed under the Asset-Based Revolving Credit Facility at any time, MRM would not be permitted to borrow any additional amounts unless its pro forma ratio of consolidated EBITDA to consolidated Fixed Charges (as such terms are defined in the credit agreement) were at least 1.0 to 1.0. The credit agreement also contains customary affirmative covenants and events of default.

Term Loan Facility: On January 31, 2007, in connection with the acquisition of McJunkin by the Goldman Sachs Funds, MRM entered into a credit agreement and related security and other agreements for a $575.0 million Term Loan Facility with Lehman Commercial Paper as administrative agent and collateral agent. The full amount of the Term Loan Facility was borrowed on January 31, 2007.

On October 31, 2007, and concurrent with the close of the Red Man acquisition, the Term Loan Facility was amended to permit for the refinancing of the Asset-Based Revolving Credit Facility, as described above, in addition to revising certain provisions of the agreement as discussed in more detail below.

At December 31, 2007, borrowings under the Term Loan Facility bore interest at a rate per annum equal to, at MRM's option, either (a) a base rate determined by reference to the greater of (1) the prime rate as quoted in *The Wall Street Journal* and (2) the federal funds effective rate plus $^1/_2$ of 1% or (b) a LIBOR rate, subject to certain adjustments, in each case plus an applicable margin. At December 31, 2007, the applicable margin with respect to base rate borrowings was 2.25% and the applicable margin with respect to LIBOR borrowings was 3.25%. The interest rate on the outstanding borrowings pursuant to the Term Loan Facility was 8.08% at December 31, 2007.

The Term Loan Facility requires MRM to prepay outstanding term loans with 50% (which percentage will be reduced to 25% if MRM's total leverage ratio is less than a specified ratio and will be reduced to 0% if MRM's total leverage ratio is less than a specified ratio) of its annual excess cash flow (as defined in the credit agreement). For 2007, MRM was not required to prepay any outstanding term loans pursuant to the annual excess cash flow requirements.

MRM may voluntarily prepay outstanding loans under the Term Loan Facility at any time without premium or penalty other than customary "breakage" costs with respect to LIBOR loans. The Term Loan Facility amortizes at a rate of 1.00% per year with the balance due at January 31, 2014.

All obligations under the Term Loan Facility are unconditionally guaranteed by the MRM and each wholly owned domestic subsidiary of MRM. All obligations under the Term Loan Facility, and the guarantees of those obligations, are secured, subject to certain significant exceptions, by substantially all of the assets of MRM and the subsidiaries that have guaranteed the Term Loan Facility, including:

- A second-priority security interest in personal property consisting of inventory and accounts receivable;
- A first-priority pledge of certain of the capital stock held by MRM or any subsidiary guarantor; and
- A first-priority security interest in, and mortgages on, substantially all other tangible and intangible assets of the MRM and each subsidiary guarantor.

The Term Loan Facility contains a number of negative covenants that are substantially similar to those governing the Asset-Based Revolving Credit Facility. The credit agreement also contains customary affirmative covenants and events of default.

MRM was in compliance with the covenants contained in its credit agreements during the eleven months ended December 31, 2007 and during the one month ended January 30, 2007.

Midfield Revolving Credit Facility: Midfield, the Company's Canadian subsidiary, has a Canadian dollar revolving credit facility administered by Bank of America. This facility has a maximum limit of CAD $150 million (US$152.91 million as of 12/31/07) bearing interest at Canadian prime rate plus a margin of up to 0.25%. The revolver is secured by substantially all of Midfield's personal property assets including accounts receivable, chattel paper, bank accounts, general intangibles, inventory, investment property, cash and insurance proceeds. The balance of the revolver is due at its maturity date, November 2, 2010.

Midfield Term Loan Facility: Midfield has a term loan facility that is due on demand. This facility bears interest at Canadian prime rate plus a margin of up to 0.5%. The term loan facility is secured by substantially all of Midfield's real property and equipment.

During the period from October 31, 2007, the date of the Red Man Transaction, to December 31, 2007, Midfield was in compliance with the covenants contained in its revolving credit facility and other debt agreements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN RED MAN HOLDING CORPORATION AND SUBSIDIARIES
December 31, 2007

Midfield Notes Payable: Midfield has two notes payable due April 1, 2008 pursuant to holdback provisions from recent acquisitions. These amounts, totaling $3.8 million at December 31, 2007, are owed to individuals who became and continue to be shareholders of Midfield supply as a result of these transactions.

Maturities of Long-Term Debt: At December 31, 2007, annual maturities of long-term debt during the next five fiscal years and thereafter are as follows (in millions):

2008	$ 19.8
2009	5.8
2010	56.8
2011	5.8
2012	5.8
Thereafter	774.6

The above table does not reflect future excess cash flow prepayments, if any, that may be required under the Term Loan Facility.

Interest Rate Swaps: The Company uses derivative financial instruments to help manage its interest rate risk. On December 3, 2007, MRM entered into a floating to fixed interest rate swap agreement, effective December 31, 2007, for a notional amount of $700.0 million to limit its exposure to interest rate increases related to a portion of its floating rate indebtedness. The interest rate swap agreement terminates after three years. At December 31, 2007, the fair value of MRM's interest rate swap agreement was a loss of approximately $0.4 million, which amount is included in accrued liabilities.

As of the effective date, MRM designated the interest rate swap as a cash flow hedge. As a result, changes in the fair value of MRM's swap is recorded as a component of other comprehensive income. At December 31, 2007, $0.2 million of unrecognized losses, net of tax, on the interest rate swap agreement is included in other comprehensive income.

As a result of the swap agreement, MRM's effective fixed interest rates as to the $700.0 million in floating rate indebtedness will be 5.368% for associated indebtedness on the Asset-Based Revolving Credit Facility and 7.118% for associated indebtedness on the Term Loan Facility, per quarter through 2010 and result in an average fixed rate of 6.771%.

Interest Paid: The Company paid interest of $52.9 million for the eleven months ended December 31, 2007, $0.1 million for the one month ended January 30, 2007, and $2.8 million and $2.6 million for the years ended December 31, 2006 and 2005, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN RED MAN HOLDING CORPORATION AND SUBSIDIARIES
December 31, 2007

NOTE 6 — PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consisted of the following (in thousands):

	(Successor) December 31, 2007	(Predecessor) December 31, 2006
Land and improvements	$ 10,911	$ 4,392
Buildings and building improvements	31,624	21,416
Equipment	42,295	43,143
	84,830	68,951
Allowances for depreciation	(4,710)	(41,743)
	$ 80,120	$ 27,208

NOTE 7 — LEASES

The Company leases land and buildings at various locations from Hansford Associates, Appalachian Leasing, and one stockholder. The Company leases land, buildings and vehicles from Prideco. Certain officers and directors of the Company participate in ownership of Hansford Associates, Appalachian Leasing and Prideco. Most of these leases are renewable for various periods through 2026 and are renewable at the option of the Company. The renewal options are subject to escalation clauses. These leases contain clauses for payment of real estate taxes, maintenance, insurance and certain other operating expenses of the properties. Leases with unrelated parties contain similar provisions.

Amortization of capital leases was as follows (in thousands):

	(Successor)	(Predecessor)		
	Eleven Months Ended December 31, 2007	One Month Ended January 30, 2007	Years Ended December 31, 2006	2005
Amortization of capital leases	$ 164	$ 15	$ 179	$ 179

Property held under capital leases in the balance sheets consists of (in thousands):

	(Successor) December 31, 2007	(Predecessor) December 31, 2006
Land and buildings	$ 2,089	$ 4,881
Allowances for amortization	(164)	(2,777)
	$ 1,925	$ 2,104

Future minimum lease payments under capital leases aggregate $10.1 million of which $3.2 million represents interest and $3.4 million represents escalation and executory costs. The present value of net minimum lease payments is $3.6 million, all applicable to Hansford Associates. Annual payments under capital leases are $0.9 million for years 2008 through 2012.

Rent expense under operating leases is as follows (in thousands):

	(Successor)	(Predecessor)		
	Eleven Months Ended December 31, 2007	One Month Ended January 30, 2007	Years Ended December 31, 2006	2005
Leases with Hansford Associates	$ 1,498	$ 136	$ 1,534	$ 1,474
Leases with Appalachian Leasing	134	12	153	154
Leases with Prideco	538	—	—	—
Leases with Midfield shareholders	151	—	—	—
Other operating leases	8,748	608	7,149	6,442
Total rent expense under operating leases	$ 11,069	$ 756	$ 8,836	$ 8,070

Future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year aggregate to $45.5 million and include leases applicable to Hansford Associates ($4.2 million), Appalachian Leasing ($0.5 million), Prideco ($0.3 million), and the stockholder ($0.1 million). Annual operating lease payments are $18.3 million, $12.7 million, $6.2 million, $4.7 million, and $3.7 million for years 2008 through 2012, respectively.

NOTE 8 — INCOME TAXES

Income taxes included in the consolidated statements of income consist of (in thousands):

	(Successor)	(Predecessor)		
	Eleven Months Ended December 31, 2007	One Month Ended January 30, 2007	Years Ended December 31, 2006	2005
Current:				
Federal	$ 31,190	$ 4,024	$ 36,514	$ 34,075
State	5,895	814	8,024	7,413
Foreign	224	—	—	—
	37,309	4,838	44,538	41,488
Deferred:				
Federal	263	(197)	3,129	(4,037)
State	38	(42)	673	(868)
Foreign	(1,051)	—	—	—
	(750)	(239)	3,802	(4,905)
Income tax provision	$ 36,559	$ 4,599	$ 48,340	$ 36,583

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN RED MAN HOLDING CORPORATION AND SUBSIDIARIES
December 31, 2007

The Company's effective tax rate varied from the statutory federal income tax rate for the following reasons (in thousands):

	(Successor)	(Predecessor)		
	Eleven Months Ended December 31, 2007	One Month Ended January 30, 2007	Years Ended December 31, 2006	2005
Federal tax expense at statutory rates	$ 32,721	$ 3,918	$ 41,270	$ 31,193
State taxes	3,971	502	5,653	4,254
Non-deductible expenses	424	26	409	372
Foreign	(827)	—	—	—
Other	270	153	1,008	764
Income tax provision	$ 36,559	$ 4,599	$ 48,340	$ 36,583
Effective rate	39.10%	40.78%	41.0%	41.0%

The Company paid $38.2 million for the eleven months ended December 31, 2007, $0 for the one month ended January 30, 2007, and $50.6 million and $34.7 million in 2006 and 2005 for federal and state taxes.

Significant components of the Company's current deferred tax assets and liabilities are as follows (in thousands):

	(Successor) December 31, 2007	(Predecessor) December 31, 2006
Deferred tax assets:		
Accounts receivable valuation	$ 964	$ 797
Real estate and investments	26	86
Accruals and reserves	2,395	3,684
Other	819	—
Total deferred tax assets	4,204	4,567
Deferred tax liabilities:		
Accounts receivable	(3,878)	—
Inventory valuation	(75,882)	(6,464)
Property, plant and equipment	(6,485)	(2,969)
Interest in Red Man Canada	(4,138)	—
Investments	(11,930)	(14,759)
Intangible assets	(197,742)	—
Total deferred tax liabilities	(300,055)	(24,192)
Net deferred tax liability	$ (295,851)	$ (19,625)

Income tax returns are filed in the U.S. federal jurisdiction, various states, Puerto Rico and Canada. The Company is no longer subject to U.S. federal income tax examination for years through 2004.

Effective January 1, 2007, the Predecessor adopted FIN 48, *Accounting for Uncertainty in Income Taxes*. This interpretation established new standards for the financial statement recognition, measurement and disclosure of uncertain tax positions taken or expected to be taken in income tax returns.

The effect of adopting FIN 48 was immaterial. Upon adoption, the liability for income taxes under FIN 48 was $0.4 million and interest and penalties were $0.2 million. Interest related to income tax liabilities is classified as interest expense and penalties are recognized as a component of income tax expense. As of December 31, 2007, there were no material changes in the reserve or the amount of unrecognized tax benefits, interest or penalties. It is not anticipated that settlement of the uncertain tax positions will have a material affect on the statutory rate. The decrease in tax liability shown below was due to expiring statute of limitations and settlement of taxes.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

	(Successor) Eleven Months Ended December 31, 2007	(Predecessor) One Month Ended January 30, 2007
Beginning balance	$ 667	$ 667
Additions based on tax positions related to current year	—	—
Reductions due to lapse of statute of limitations	(69)	—
Reductions for tax positions of prior years	(53)	—
Settlements	(40)	—
Ending balance	$ 505	$ 667

NOTE 9 — STOCK-BASED COMPENSATION

Restricted Stock and Stock Option Plans: Effective March 27, 2007, the Company's Board of Directors approved the formation of the 2007 Restricted Stock Plan and the 2007 Stock Option Plan. The purpose of these plans is to aid MRM in recruiting and retaining key employees, directors and consultants of outstanding ability and to motivate such key employees, directors and consultants to exert their best efforts on behalf of the Company by providing incentives in the form of restricted stock and stock options. The Company expects that it will benefit from the added interest which such key employees, directors and consultants will have in the welfare of the Company as a result of their proprietary interest in the Company's success.

Under the terms of the stock option plan, options may not be granted at prices less than their fair market value on the date of the grant, nor for a term exceeding 10 years. Vesting occurs in one-third increments on the third, fourth, and fifth anniversaries of the date specified in the employees' respective option agreements. The Company expenses the fair value of the stock option grants on a straight-line basis over the vesting period. A Black-Scholes option pricing model was used to estimate the fair value of the stock options granted in 2007. For purposes of measuring compensation, the Company relies on a calculated value that requires certain assumptions including volatility based on

the appropriate industry sector. Following are the weighted average assumptions used to estimate the fair values of options granted during the eleven months ended December 31, 2007:

Risk-free interest rate	4.10%
Dividend yield	0.00%
Expected volatility	22.07%
Expected lives	6.2 years

A summary of the status of stock option grants under the stock option plan as of December 31, 2007, and changes during the eleven months ended on that date is as follows:

	Options	Weighted Average Exercise Price
Outstanding at January 31, 2007	—	$ —
Granted	3,533.46	3,933.81
Exercised	—	—
Forfeited	—	—
Expired	—	—
Outstanding at December 31, 2007	3,533.46	$ 3,933.81
Options exercisable at December 31, 2007	—	$ —
Options vested at December 31, 2007	—	—

Under the terms of the restricted stock plan, restricted stock may be granted at the direction of the Board of Directors and vesting occurs in one-fourth increments on the second, third, fourth, and fifth anniversaries of the date specified in the employees' respective restricted stock agreements. The Company expenses the fair value of the restricted stock grants on a straight-line basis over the vesting period.

The following table summarizes restricted stock activity under the restricted stock plan as of December 31, 2007, and changes during the eleven months ended on that date:

	Shares
Balance at January 31, 2007	—
Granted	635.52
Forfeited	—
Issued	—
Balance at December 31, 2007	635.52

Compensation expense recognized under the stock option and restricted stock plans totaled $0.3 million and $0.1 million for the eleven months ended December 31, 2007. As of December 31, 2007, the Company had $4.3 million and $1.4 million of unrecognized compensation expense related to outstanding stock options and restricted stock. These amounts will be recognized over a weighted average vesting period of five years.

Restricted Common Units: In conjunction with the acquisition of McJunkin by the Goldman Sachs Funds, certain key MRM employees received restricted common units of PVF Holdings LLC that vest over a five-year requisite service period. Compensation expense associated with these restricted common units totaled $1.0 million for the eleven months ended December 31, 2007 based upon their fair market value at the date they were issued which is being recognized on a straight-line basis over the vesting period. As of December 31, 2007, the Company had $4.6 million of

unrecognized compensation expense related to outstanding restricted common units which will be amortized over a weighted average vesting period of four years.

Profits Units: In conjunction with the acquisition of McJunkin by the Goldman Sachs Funds and the Red Man acquisition, certain key MRM employees received profits units in PVF Holdings LLC that vest over a five-year requisite service period. These units entitle their holders to a share of any distributions made by PVF Holdings LLC once common unit holders have received a return of all capital contributed to PVF Holdings LLC in the period of resolution.

Compensation expense associated with these profits units totaled $1.6 million for the eleven months ended December 31, 2007 based upon their fair market value at the date they were issued which is being amortized on a straight-line basis over the vesting period. As of December 31, 2007, the Company had $15.4 million of unrecognized compensation expense related to outstanding profits units which will be amortized over a weighted average vesting period of five years.

NOTE 10 — EMPLOYEE BENEFIT PLANS

In 2007, the Company offered a noncontributory profit sharing plan to employees with at least six months of service. This plan provides for annual employer contributions generally based upon a formula related primarily to earnings, limited to 15% of the eligible compensation paid to all eligible employees. Employees may also participate in the McJunkin Red Man Savings Plan, whereunder any employee who has completed as least six months of service to the Company may elect to defer a percentage of their base earnings, and that deferral is partially matched by the Company, pursuant to section 401(k) of the Internal Revenue Code.

Employees of Red Man located in the United States who have attained the age of 21 are eligible to participate in the Red Man Pipe & Supply Co. Retirement Savings Plan which also exists pursuant to Section 401(k) of the Internal Revenue Code.

The Company's provisions for the profit sharing plan and matching portion under the 401(k) plans approximated (in thousands):

	(Successor)	(Predecessor)		
	Eleven Months Ended December 31, 2007	One Month Ended January 30, 2007	Years Ended December 31, 2006	2005
Profit sharing expenses	$ 12,294	$ 1,338	$ 15,064	$ 13,144
401(k) savings plan expenses	1,141	73	837	830
Other	157	—	—	—

NOTE 11 — RELATED PARTY TRANSACTIONS

In connection with Red Man's 2005 acquisition of 51% of the shares of Midfield, a Shareholders' Agreement between Red Man Pipe & Supply Canada, LTD., the 51% majority shareholder of Midfield Supply ULC, and Midfield Holdings (Alberta) LTD., the 49% minority interest shareholder of Midfield Supply ULC was created. This agreement, among other things, stipulates how profits of Midfield Supply ULC are shared. Midfield Holdings (Alberta) LTD's portion of the profits are accrued and subsequently paid to shareholders of Midfield Holdings (Alberta) LTD, who are also employees of Midfield Supply ULC, via a formal Employee Profit Sharing Plan (EPSP). In connection with the EPSP,

$8.9 million was accrued as of December 31, 2007. Expense associated with this plan is included in selling, general and administrative expenses. Red Man Pipe & Supply Canada, LTD's portion of the profits was accrued and subsequently paid through an after-tax dividend, which has been eliminated in consolidation.

In connection with the EPSP payments, from time to time the minority shareholders make loans to the Company. These notes payable are unsecured, bear interest at 8% and have no fixed terms of repayment. Amounts payable to minority interest shareholders were $25.0 million at December 31, 2007.

NOTE 12 — EARNINGS PER SHARE

	(Successor)	(Predecessor)		
	Eleven Months Ended December 31, 2007	One Month Ended January 30, 2007	Year Ended December 31, 2006	2005
Net income (in thousands)	$ 56,926	$ 6,596	$ 69,574	$ 52,541
Average basic shares outstanding	138,627	17,510	17,510	17,510
Effect of dilutive securities	272	—	—	—
Average dilutive shares outstanding	138,899	17,510	17,510	17,510
Net income per share:				
Basic	$ 410.64	$ 376.70	$ 3,973.39	$ 3,000.63
Diluted	$ 409.84	$ 376.70	$ 3,973.39	$ 3,000.63

Stock option grants are disregarded in this calculation if they are determined to be anti-dilutive. At December 31, 2007, the Company's anti-dilutive stock options totaled 3,533. There were no stock options outstanding at January 30, 2007, December 31, 2006 and 2005.

NOTE 13 — CONTINGENCIES

The Company is involved in various legal proceedings and claims, both as a plaintiff and a defendant, which arise in the ordinary course of business. Included in these legal proceedings are cases where the Company has been named as a defendant in lawsuits brought against a large number of entities by individuals seeking damages for injuries allegedly caused by certain products containing asbestos. Among other things, with the assistance of accounting and financial consultants, the Company conducted an analysis of pending and probable asbestos-related claims to determine the adequacy of its accrual for these claims. This analysis consisted of developing per claim settlement estimates for each category of claim by alleged disease type based on the Company's historical settlement experience. These estimates were applied to each of the Company's pending individual claims. Liability with respect to mass filings was estimated by determining the number of individual plaintiffs included in the mass filings likely to have claims resulting in settlements based on the Company's historical experience with mass filings. Finally, likely claims expected to be asserted against the Company over the next fifteen years were predicted based on public health estimates of future incidences of certain asbestos-related diseases in the general U.S. population and per claim settlement estimates were applied to those estimated claims. Based on this analysis, and the existence of certain insurance coverage, the Company believes that its current accruals for

pending and probable asbestos-related litigation are adequate. However, there is a possibility that resolution of the matters could result in additional losses in excess of current accruals. Also, there is a possibility that resolution of certain of the Company's legal contingencies for which there are no liabilities recorded could result in a loss. Management is not able to estimate the amount of such loss, if any. However, in the opinion of the Company, after consultation with counsel, the ultimate resolution of all pending matters is not expected to have a material effect on its financial position, although it is possible that such resolutions could have a material adverse impact on results of operations in the period of resolution.

In addition to the foregoing, from time to time the Company is involved in various other legal and administrative proceedings that are incidental to its business, including claims relating to product liability, general negligence, environmental issues, employment, and other matters. It is not expected that the ultimate resolution of any of these matters will have a material adverse impact on the Company's consolidated financial position or results of operations.

Midfield has issued a financial guarantee in the form of an irrevocable standby letter of credit for an associated entity in the amount of $5.1 million which is recorded in the accompanying balance sheet at its fair value. This letter expires January 31, 2009 subject to certain renewal provisions.

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

McJUNKIN RED MAN HOLDING CORPORATION
(Dollars in thousands)

	June 26, 2008	December 31, 2007 (Note1)
ASSETS		
CURRENT ASSETS		
Cash	$ 8,761	$ 10,075
Receivables, less allowances of $5,426 and $6,352	617,693	481,463
Inventories	724,208	666,188
Other current assets	4,437	1,937
TOTAL CURRENT ASSETS	1,355,099	1,159,663
INVESTMENTS AND OTHER ASSETS		
Investments	1,571	1,680
Assets held for sale	36,022	37,500
Debt issuance costs	30,341	23,390
Notes receivable and other assets	3,705	4,376
	71,639	66,946
FIXED ASSETS		
Property, plant, and equipment, net	91,396	80,120
PROPERTY HELD UNDER CAPITAL LEASES	1,835	1,925
INTANGIBLE ASSETS		
Goodwill	814,704	1,092,379
Intangible assets	959,603	523,998
	1,774,307	1,616,377
	$3,294,276	$ 2,925,031
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	$ 453,184	$ 306,509
Accrued expenses and other liabilities	103,724	70,778
Income taxes payable	10,182	11,996
Deferred revenue	8,589	6,552
Deferred income taxes	76,538	80,364
Term loans due on demand	9,845	10,228
Current portion of long-term obligations		
Long-term debt	6,717	9,553
Capital leases	259	189
TOTAL CURRENT LIABILITIES	669,038	496,169
LONG-TERM OBLIGATIONS		
Long-term debt	1,268,184	848,616
Payable to shareholders	52,294	49,164
Deferred income taxes	380,512	215,487
Capital leases	3,339	3,446
Other liabilities	1,386	1,415
	1,705,715	1,118,128
MINORITY INTEREST AND AMOUNTS DUE TO FORMER RED MAN SHAREHOLDERS	95,164	100,700
STOCKHOLDERS' EQUITY		
Common stock, $0.01 par value per share; 1,000,000 shares authorized issued and outstanding June 2008 — 311,364.7277, issued and outstanding December 2007 — 299,891.4604	—	—
Additional paid-in capital	1,169,589	1,154,148
Retained earnings	(341,763)	56,926
Other comprehensive (loss), net of deferred income taxes of $1,200 and $162	(3,467)	(1,040)
	824,359	1,210,034
	$3,294,276	$ 2,925,031

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

McJUNKIN RED MAN HOLDING CORPORATION
(Dollars in thousands, except per share data)

	(Successor)		(Predecessor)
	Six Months Ended June 26, 2008	Five Months Ended June 28, 2007	One Month Ended January 30, 2007
SALES	$ 2,196,033	$ 784,964	$ 142,549
COSTS AND EXPENSES			
Cost of sales (exclusive of depreciation and amortization shown separately below)	1,803,792	635,934	114,562
Selling, general and administrative expenses	200,116	80,714	14,592
Depreciation and amortization	5,192	1,665	344
Amortization of intangibles	15,623	4,624	16
Profit sharing	13,509	5,635	1,338
Stock-based compensation	3,319	1,291	—
TOTAL COSTS AND EXPENSES	2,041,551	729,863	130,852
OPERATING INCOME	154,482	55,101	11,697
OTHER INCOME (EXPENSE)			
Interest expense	(34,973)	(24,332)	(131)
Minority interests	(123)	—	(356)
Other, net	(249)	(822)	(15)
	(35,345)	(25,154)	(502)
INCOME BEFORE INCOME TAXES	119,137	29,947	11,195
Income tax expense	43,203	12,333	4,599
NET INCOME	$ 75,934	$ 17,614	$ 6,596
Effective Tax Rate	36.26%	41.18%	41.08%
Basic earnings per common share	$ 245.41	$ 171.69	$ 376.70
Diluted earnings per common share	$ 244.92	$ 171.36	$ 376.70
Dividends per common share	$ 1,523	$ —	$ —

See notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

McJUNKIN RED MAN HOLDING CORPORATION
(Dollars in thousands)

	(Successor)		(Predecessor)
	Six Months Ended June 26, 2008	Five Months Ended June 28, 2007	One Month Ended January 30, 2007
CASH PROVIDED BY OPERATIONS			
Net income	$ 75,934	$ 17,614	$ 6,596
Adjustments to reconcile net income to net cash provided by operations:			
Depreciation and amortization	5,192	1,665	344
Amortization of debt issuance costs	2,285	1,571	—
Stock-based compensation	3,319	1,291	—
Deferred income taxes	(2,482)	(2,065)	—
Minority interest	123	—	356
Amortization of intangibles	15,623	4,624	16
Change in fair market value of derivatives	413	—	—
Provision for losses on receivables	1,052	175	35
Inventory loss provision	313	65	13
Non-operating gains (losses) and other items not providing cash	(273)	82	(153)
Changes in operating assets and liabilities:			
Accounts receivable	(138,949)	(28,597)	(1,363)
Inventories	(57,634)	(2,843)	6,700
Income taxes	(1,763)	(2,248)	4,595
Other current assets	(2,509)	526	139
Accounts payable	146,589	6,104	(7,665)
Accrued expenses and other current liabilities	23,264	3,931	(2,996)
NET CASH PROVIDED BY OPERATIONS	70,497	1,895	6,617
INVESTING ACTIVITIES			
Purchases of property, plant and equipment	(7,550)	(2,235)	(417)
Proceeds from the disposition of property, plant and equipment	1,330	39	—
Acquisition of controlling interest in McJunkin by GSCP	—	(849,053)	—
Acquisition of Midway Tristate Corporation	(3)	(83,338)	—
Acquisition of Red Man Pipe & Supply	(11,391)	—	—
Other investment and notes receivable transactions	1,177	1,331	259
NET CASH USED IN INVESTING ACTIVITIES	(16,437)	(933,256)	(158)
FINANCING ACTIVITIES			
Proceeds from issuance of long-term obligations	454,474	747,433	—
Payments on long-term obligations	(31,384)	(4,896)	(8,254)
Cash equity contribution in conjunction with acquisition of controlling interest in McJunkin by GSCP	—	225,653	—
Cash equity contributions	5,030	507	—
Debt issuance costs paid	(9,257)	(22,837)	—
Dividends paid	(474,096)	—	—
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(55,233)	945,860	(8,254)
(Decrease) increase in cash	(1,173)	14,499	(1,795)
Effect of foreign exchange rate on cash	(141)	—	—
Cash — beginning of period	10,075	1,953	3,748
CASH — END OF PERIOD	$ 8,761	$ 16,452	$ 1,953

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

McJUNKIN RED MAN HOLDING CORPORATION
June 26, 2008
(Unaudited)

NOTE 1 — SIGNIFICANT ACCOUNTING POLICIES

Business Operations: McJunkin Red Man Holding Corporation (the Company) is a holding company co-headquartered in Charleston, West Virginia and Tulsa, Oklahoma. The Company is a substantially owned subsidiary of PVF Holdings, LLC. Our wholly owned subsidiary, McJunkin Red Man Corporation and its subsidiaries (MRM) are national distributors of pipe, valves, and fittings, with locations in principal industrial, hydrocarbon producing and refining areas throughout the United States and Canada. Major customers represent the natural gas producing, petroleum refining, chemical and other segments of the raw materials processing and construction industries. Products are obtained from a broad range of suppliers.

The Company operates as a single reportable segment, which represents the Company's business of providing industrial pipe valves and fittings to various customers through our distribution operations located throughout North America. The Company has operations in eight geographic regions, which have similar economic characteristics, and similar products and services, types or classes of customers, distribution methods and similar regulatory environments in each location. The total consolidated net sales outside of the United States was 11.7% for the six months ended June 26, 2008, 0.5% for the five months ended June 28, 2007 and 0.8% for the one month ended January 30, 2007. The percentage of total consolidated assets outside of the United States as of June 26, 2008 and December 31, 2007 was 10.5% and 0.2%, respectively. The Company has a broad customer base and did not have sales to any customer in excess of 10% of gross sales for any of the periods presented.

Basis of Presentation: PVF Holdings LLC, (formerly known as McJ Holding LLC) was formed on November 20, 2006 by affiliates of the Goldman Sachs Group, Inc. (the Goldman Sachs Funds) and a control group of certain shareholders of McJunkin Corporation (McJunkin) for the purpose of acquiring McJunkin on January 31, 2007. In connection with the acquisition by the Goldman Sachs Funds of a controlling interest in McJunkin, a new basis of accounting and reporting was established that reflected the Goldman Sachs Funds' cost of the acquisition. This new accounting basis has been pushed down to the Company's accounts and is reflected in the Company's consolidated balance sheet (successor basis) at January 30, 2007.

In connection with the acquisition, GSCP and existing MRM shareholders made an aggregate cash equity contribution of $225.6 million and a noncash equity contribution of $159.5 million to PVF in exchange for 100% ownership interests in both the Company and MRM.

Because PVF Holdings LLC and the Company had no operations, assets or business prior to their acquisition of McJunkin and through December 31, 2007, MRM is the predecessor of the Company and PVF Holdings LLC as of this date. On May 22, 2008, MRM borrowed $25 million in revolving loans under its revolving credit facility and distributed the proceeds of the loans to the Company. On the same date, the Company borrowed $450 million in term loans under its term loan facility and distributed the proceeds of the term loans, together with the proceeds of the revolving loans, to its stockholders, including PVF Holdings LLC. PVF Holdings LLC used the proceeds from the dividend to fund distributions to members of PVF Holdings LLC in May 2008.

All references to the "Predecessor" relate to McJunkin for periods prior to January 31, 2007. All references to the "Successor" relate to the Company for periods subsequent to January 31, 2007. As a result, the consolidated income statements and statements of cash flows for the five-month period ended June 28, 2007 consist of the earnings and cash flows of the Company. The consolidated income statements and statements of cash flows of the Company for the month ended January 30, are presented as Predecessor financial statements for comparison purposes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN RED MAN HOLDING CORPORATION
June 26, 2008

Variable Interest Entities (VIE) are those entities in which the Company, through contractual arrangements, bears the risks of, and enjoys the rewards normally associated with ownership of the entities, and therefore, the Company is the primary beneficiary of these entities. MRM owns 49% of the outstanding equity interests of Red Man Distributors LLC ("RMD"), an Oklahoma limited liability company, formed on November 1, 2007 for the purposes of distributing oil country tubular goods in North America as a certified minority supplier. MRM is retained by RMD as an independent contractor to provide general corporate and administrative services to RMD. MRM is paid an annual services fee by RMD to provide such services. In addition, MRM is paid a license fee for the right and license to use the name "Red Man". MRM pays RMD a specified percentage of RMD's gross monthly revenue for the relevant month from sales of products by RMD that are sourced from McJunkin Red Man Corporation. For the six months ended June 26, 2008, the amounts paid approximated $0.4 million (service fee), $0.6 million (license fee) and $3.7 million (sales payment). There were no such amounts paid in the year ended December 31, 2007. RMD is a VIE and MRM has determined that it is the primary beneficiary, therefore the Company has consolidated this entity.

The accompanying unaudited consolidated condensed financial statements of the Company have been prepared in accordance with Rule 10-01 of Regulation S-X for interim financial statements and do not include all information and footnotes required by generally accepted accounting principles for complete annual financial statements. However, the information furnished herein reflects all normal recurring adjustments, which are, in the opinion of management, necessary for a fair presentation of the results for the interim periods. The results of operations for the six months ended June 26, 2008 are not necessarily indicative of the results that will be realized for the fiscal year ending December 31, 2008. The consolidated balance sheet as of December 31, 2007 has been derived from audited financial statements for the year ended December 31, 2007. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto for the year ended December 31, 2007.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates. The consolidated financial statements include the accounts of McJunkin Red Man Holding Corporation and its wholly owned and majority owned subsidiaries. The residual ownership in the equity and income of Midfield Supply ULC (Midfield), a 51% owned, Canada-based subsidiary, is reflected as minority interest. All significant intercompany transactions have been eliminated.

There have been no significant changes in our significant accounting polices during the six months ended June 26, 2008 as compared to the significant accounting policies described in our audited financial statements for the fiscal year ending December 31, 2007.

Recent Accounting Pronouncements:

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities*. SFAS No. 161 amends and expands the disclosure requirements of SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities. It requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative agreements. This statement is effective for financial statements issued for fiscal

years beginning after November 15, 2008. The Company is still assessing the impact of this pronouncement.

In April 2008, the FASB issued FSP FAS 142-3, *Determination of the Useful Life of Intangible Assets*, (FSP FAS 142-3). FSP FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, Goodwill and Other Intangible Assets. The intent of the position is to improve the consistency between the useful life of a recognized intangible asset under SFAS No. 142 and the period of expected cash flows used to measure the fair value of the intangible asset. FSP FAS 142-3 is effective for the fiscal years beginning after December 15, 2008. The Company is assessing the potential impact that the adoption of FSP FAS 142-3 may have on its consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles,* (SFAS No. 162). SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles. This statement shall be effective 60 days following the Securities and Exchange Commission's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles. The Company does not believe that implementation of this standard will have a material impact on its consolidated financial statements.

In June 2008, the FASB ratified Emerging Issues Task Force Issue No. 08-3, *Accounting for Lessees for Maintenance Deposits Under Lease Arrangements*, (EITF 08-3). EITF 08-3 provides guidance for accounting for nonrefundable maintenance deposits. EITF 08-3 is effective for fiscal years beginning after December 15, 2008. The Company does not currently expect the adoption of EITF 08-3 to have a material impact on its consolidated financial statements.

NOTE 2 — TRANSACTIONS AND SUBSEQUENT EVENT

Acquisition of Controlling Interest in McJunkin by the Goldman Sachs Funds

In connection with the acquisition of controlling interest in McJunkin by the Goldman Sachs Funds, the purchase price paid to effect the acquisition was allocated to the fair value of acquired assets and liabilities at January 31, 2007.

Certain members of the Company's executive management team held equity interests in McJunkin, the Predecessor, prior to this transaction and continue to hold equity interests in the Successor. In accordance with the provisions of Emerging Issues Task Force No. 88-16, *Basis in Leveraged Buyout Transactions*, the basis of executive management's interests in the Company, the Successor, after the acquisition was carried over at the basis of their interests in the Predecessor prior to the acquisition.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN RED MAN HOLDING CORPORATION
June 26, 2008

The purchase price was approximately $1,008.5 million. The sources and uses of funds in connection with the acquisition are summarized below (in millions):

Sources	
Asset-Based Revolving Credit Facility	$ 75.0
Term Loan Facility	575.0
Equity contribution — cash	225.6
Equity contribution — non-cash	159.5
Total sources	$ 1,035.1
Uses	
Consideration paid to stockholders (including non-cash rollover by McJunkin and McApple stockholders of $159.5 million)	$ 983.4
Transaction costs	16.5
Debt issuance costs	22.8
General corporate purposes	7.6
Repayment of existing debt	4.8
Total uses	$ 1,035.1

In connection with the purchase price allocation, the fair values of long-lived and intangible assets were determined based upon assumptions related to future cash flows, discount rates and asset lives utilizing currently available information. As of January 31, 2007, the Company recorded adjustments to reflect property and equipment, inventory, intangible assets for its tradename, customer-related intangibles, and backlog at their estimated fair values. The Company also acquired the minority interest in McJunkin Appalachian Oilfield Supply Company (McJunkin Appalachian), which became wholly owned concurrent with the acquisition by the Goldman Sachs Funds.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN RED MAN HOLDING CORPORATION
June 26, 2008

The purchase price has been allocated as follows (in millions):

Cash consideration:		
Paid to shareholders		$ 823.9
Transaction costs paid at closing		16.5
Transaction costs paid outside of closing		8.6
		849.0
Noncash consideration		159.5
Total consideration		1,008.5
Net assets acquired at historical cost		245.2
Adjustments to state acquired assets at fair value:		
1) Increase carrying value of property and equipment to fair value	$ 16.6	
2) Increase carrying value of inventory to fair value	68.2	
3) Write-off historical goodwill and tradename	(6.6)	
4) Record intangible assets acquired		
Customer-related intangibles	356.0	
Sales order backlog	1.6	
Non-compete agreements	1.0	
Tradename	155.8	
5) Eliminate McApple minority interest	16.0	
6) Record liability to shareholders related to non-core assets	(26.2)	
7) Record fair value adjustments to various other assets and liabilities	0.2	
8) Tax impact of valuation adjustments	(213.8)	368.8
Net assets acquired at fair value		614.0
Carryover basis adjustment		(11.6)
Excess purchase price recorded as goodwill		$ 382.9

The tradename has an indefinite life and is not subject to amortization. Tradename and goodwill are reviewed at least annually for impairment.

Transaction costs paid at closing included $10.6 million paid to an affiliate of the Goldman Sachs Funds as reimbursement of their costs associated with due diligence and advisory services.

Acquisition of Midway-Tristate Corporation

On April 30, 2007, MRM, through its wholly owned subsidiary McJunkin Appalachian , acquired a 100% interest in Midway-Tristate Corporation (Midway). Midway is engaged primarily in the distribution of pipe, equipment and supplies to the oil and gas and utility industries in Michigan, West Virginia, Ohio, Pennsylvania, Utah, Wyoming, and Colorado. The acquisition of Midway significantly increased McApple's presence particularly in the strategic Rocky Mountain region.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN RED MAN HOLDING CORPORATION
June 26, 2008

The purchase price was approximately $83.3 million and has been allocated as follows (in millions):

Assets acquired	
Accounts receivable	$ 19.5
Inventory	30.8
Fixed assets	3.4
Other assets	0.1
Customer-related intangibles	20.1
Goodwill	30.6
	104.5
Liabilities assumed	
Accounts payable	11.5
Accrued expenses	2.1
Income taxes payable	0.2
Deferred income taxes	7.4
	21.2
Total purchase price	$ 83.3

Goodwill associated with this transaction is not deductible for tax purposes, nor is any amortization associated with customer-related intangibles which have a useful life of 20 years.

Acquisition of Red Man Pipe & Supply Co.

On October 31, 2007, MRM, through its wholly owned subsidiary West Oklahoma PVF Company, acquired a 100% interest in Red Man Pipe & Supply Co. (Red Man). Red Man is a distributor of tubular goods and an operator of service and supply centers which distribute maintenance, repair and operating products utilized primarily in the energy industry as well as industrial products consisting primarily of line pipe, valves, fittings and flanges. Red Man distributes products and tubular goods through service and supply centers and sales locations strategically located close to major hydrocarbon producing and refining areas in the United States and Canada.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN RED MAN HOLDING CORPORATION
June 26, 2008

The purchase price was approximately $991.0 million (including common units issued for Red Man shares of $111.1 million) and has preliminarily been allocated as follows (in millions):

Assets acquired	
Cash	$ 13.9
Accounts receivable	335.2
Notes and other receivables	5.2
Inventory	386.3
Fixed assets	50.6
Other assets	0.3
Customer-related intangibles	260.2
Tradename	188.9
Sales order backlog	2.0
Goodwill	407.9
	1,650.5
Liabilities assumed	
Accounts payable	209.5
Accrued expenses	45.6
Income taxes payable	3.1
Deferred income taxes	225.9
Debt	71.6
Minority interest	100.6
Other liabilities	3.2
	659.5
Total purchase price	$ 991.0

Transaction costs capitalized in connection with the acquisition of Red Man Pipe & Supply Co. totaled $17.3 million and included $12.0 million paid to an affiliate of GSCP as reimbursement of their costs associated with due diligence and advisory services.

As part of the Red Man transaction, MRM indirectly acquired a call option to buy out the 49% minority interest of Midfield for approximately $100.0 million. The call option may be exercised between June 15, 2008 and December 15, 2008. On July 31, 2008 MRM exercised this call right. Approximately $68 million of the purchase price was paid in cash with proceeds from MRM's Asset Based Revolving Credit Facility while the remainder was paid through the issuance of PVF stock. In addition to the $100.0 million purchase price, the company repaid $29 million of loans to the selling shareholders of Midfield Supply.

Pro Forma Financial Information

The following unaudited pro forma results of operations assume that each of the transactions described above occurred on January 1, 2007. This unaudited pro forma information should not be

relied upon as necessarily being indicative of the historical results that would have been obtained if the transactions had actually occurred on that date nor the results that may be obtained in the future.

	Six Months Ended, June 28, 2007 (in millions)
Pro forma sales	$ 1,909.2
Pro forma net income	$ 62.6

NOTE 3 — GOODWILL AND INTANGIBLE ASSETS

The following tables present the Company's goodwill and other intangible assets at June 26, 2008 and December 31, 2007 (in thousands).

	Sales Order Backlog (1 Year)	Customer Base (30.5 Years)	Non Compete Agreements (5 Years)	Tradename (With Indefinite Life)	Goodwill
Recorded in connection with the McJunkin acquisition	$ 1,601	$ 356,036	$ 970	$ 155,762	$ 382,908
Recorded in connection with the Midway acquisition (preliminary)	—	20,118	—	—	30,802
Recorded in connection with the Red Man acquisition (preliminary)	—	—	—	—	681,906
Amortization	(1,467)	(8,844)	(178)	—	—
Impact of foreign currency translation	—	—	—	—	(3,237)
Balance at December 31, 2007	$ 134	$ 367,310	$ 792	$ 155,762	$1,092,379
Adjustments to purchase price allocation in connection with the Red Man acquisition	2,048	260,316	—	188,864	(273,978)
Adjustments to purchase price allocation in connection with the Midway acquisition	—	—	—	—	(170)
Amortization	(1,321)	(14,204)	(98)	—	—
Impact of foreign currency translation					(3,527)
Balance at June 26, 2008	$ 861	$ 613,422	$ 694	$ 344,626	$ 814,704

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN RED MAN HOLDING CORPORATION
June 26, 2008

Amortization of Intangible Assets

The weighted average amortization period for each type of intangible is noted in the table above. The weighted average amortization period for all amortizable intangibles is 30.3 years. The sales order backlog is amortized over one year, the non-compete agreements are amortized over the life of the agreements (five years) and the customer base is amortized based upon estimated attrition rates. Total amortization of all acquisition-related intangible assets for each of the years ending December 31, 2008 to 2012, is currently estimated as follows (in millions):

2008	$27.9
2009	26.1
2010	26.1
2011	26.1
2012	26.1

NOTE 4 — INVENTORIES

If inventories were reported at values approximating current costs, as would have resulted from using the first-in, first-out method, they would have been $65.9 million and $10.3 million higher at June 26, 2008 and December 31, 2007, respectively. In addition, after giving pro forma effect to profit sharing and income taxes, net income would have been higher by $34.9 million for the six months ended June 26, 2008 and $1.8 million for the five months ended June 28, 2007, respectively. No such amounts were recorded for the one month ended January 30, 2007. For the six months ended June 26, 2008, the Company experienced a liquidation of certain LIFO inventories resulting in income of $15.1 million. For the five months ended June 28, 2007, the Company experienced a liquidation of certain LIFO inventories resulting in income of $1.6 million. The liquidation for the one month ended January 30, 2007 was immaterial.

The Company's inventory is composed of finished goods. There are no general and administrative costs charged to inventory.

NOTE 5 — LONG-TERM DEBT

The significant components of our long-term debt are as follows (in thousands):

	June 26, 2008	December 31, 2007
Asset-based revolving credit facility	$ 204,394	$ 234,146
Term loan facility	567,813	569,250
Junior Term loan facility	450,000	—
Midfield revolving credit facility	51,727	50,970
Midfield term loan facility	9,845	10,228
Midfield notes payable	967	3,803
	1,284,746	868,397
Less current portion	16,562	19,781
	$ 1,268,184	$ 848,616

Asset-Based Revolving Credit Facility: On January 31, 2007, in connection with the acquisition of McJunkin by the Goldman Sachs Funds, MRM entered into a credit agreement and related security and other agreements for a secured Asset-Based Revolving Credit Facility with The

CIT Group/Business Credit, Inc. as administrative agent and collateral agent. The Asset-Based Revolving Credit Facility provided financing of up to $300.0 million, subject to a borrowing base equal to at any time the lesser of 85% of eligible accounts receivable and 85% of net orderly liquidation value of the eligible inventory, less certain reserves. The Asset-Based Revolving Credit Facility included borrowing capacity available for letters of credit and for borrowings on same-day notice. At the closing of the acquisition, MRM utilized $75.0 million of the Asset-Based Revolving Credit Facility for loans and approximately $3.1 million for letters of credit.

On October 31, 2007, and concurrent with the close of the Red Man acquisition, MRM refinanced the initial Asset-Based Revolving Credit Facility with a new $650.0 million facility with terms substantially the same as those described above. At that date, MRM utilized $322.5 million of the new Asset-Based Revolving Credit Facility to fund a portion of the Red Man acquisition in addition to refinancing amounts previously outstanding. In June 2008, the facility limit increased to $700.0 million.

As of June 26, 2008 and December 31, 2007, $204.4 million and $234.1 million, respectively, in borrowings were outstanding under the Asset-Based Revolving Credit Facility. As of June 26, 2008, MRM had $490.8 million of unused borrowing availability based on a borrowing base of $700 million and after giving effect to $4.8 million used for letters of credit.

The Asset-Based Revolving Credit Facility provides that MRM has the right at any time to request incremental facilities commitments, but the lenders are under no obligation to provide any such additional commitments. The Asset-Based Revolving Credit Facility permits incremental facilities (together with any new commitments under the Term Loan Facility discussed below) up to (1) $150.0 million generally available, (2) and additional amounts available so long as the secured leverage ratio as specified in the Asset-Based Revolving Credit Facility is satisfied. If MRM were to request any such additional commitments and the existing lenders or new lenders were to agree to provide such commitments, the Asset-Based Revolving Credit Facility size could be increased as described above, but MRM's ability to borrow would still be limited by the amount of the borrowing base.

Borrowings under the Asset-Based Revolving Credit Facility bear interest at a rate per annum equal to, at MRM's option, either (a) a base rate determined by reference to the greater of (1) the prime rate as quoted in *The Wall Street Journal* and (2) the federal funds effective rate plus 1/2 of 1% or (b) a LIBOR rate, subject to certain adjustments, in each case plus an applicable margin. The applicable margin in the initial asset revolving credit facility was 0.75% with respect to base rate borrowings and 1.75% with respect to LIBOR borrowings. As part of the refinancing, these were revised to 0.50% and 1.50%, respectively. The applicable margin is subject to adjustment downward based on the MRM's leverage ratio. In addition, MRM is required to pay a commitment fee of 0.375% per annum in respect of the unutilized commitments. This rate is also subject to adjustment downward based upon the MRM's leverage. MRM must also pay customary letter of credit fees and agency fees. The weighted average interest rate on the revolving loans was 4.21% and 6.53% at June 26, 2008 and December 31, 2007, respectively.

If at any time the aggregate amount of outstanding loans, unreimbursed letter of credit drawings and undrawn letters of credit under the Asset-Based Revolving Credit Facility exceeds the lesser of (i) the total revolving credit commitments and (ii) the borrowing base, MRM will be required to repay outstanding loans or cash collateralize letters of credit in an aggregate amount equal to such excess, with no reduction of the commitment amount. If the amount available under the Asset-Based Revolving Credit Facility is less than 7% of total revolving credit commitments, or an event of default pursuant to certain provisions of the credit agreement has occurred, MRM would then be required to deposit daily in a collection account managed by the agent under the Asset-Based Revolving Credit

Facility. MRM may voluntarily reduce the unutilized portion of the commitment amount and repay outstanding loans at any time without premium or penalty other than customary "breakage" costs with respect to LIBOR loans. There is no scheduled amortization under the Asset-Based Revolving Credit Facility; the principal amount of the loans outstanding is due and payable in full on October 31, 2013.

All obligations under the Asset-Based Revolving Credit Facility are guaranteed by MRM's existing and future wholly owned domestic subsidiaries. All obligations under MRM's Asset-Based Revolving Credit Facility, and the guarantees of those obligations, are secured, subject to certain significant exceptions, by substantially all of the assets of MRM and the subsidiaries that have guaranteed the Asset-Based Revolving Credit Facility, including:

- A first-priority security interest in personal property consisting of inventory and accounts receivable;
- A second-priority pledge of certain of the capital stock held by MRM or any subsidiary guarantor; and
- A second-priority security interest in, and mortgages on, substantially all other tangible and intangible assets of MRM and each subsidiary guarantor.

The Asset-Based Revolving Credit Facility contains a number of covenants that, among other things and subject to certain significant exceptions, restrict MRM's ability and the ability of its subsidiaries to:

- Incur additional indebtedness;
- Pay dividends on MRM's capital stock or the capital stock of MRM's direct or indirect parent;
- Make investments, loans, advances or acquisitions;
- Sell assets, including capital stock of MRM's subsidiaries;
- Consolidate or merge with another entity;
- Create liens;
- Pay, redeem, or amend the terms of subordinated indebtedness;
- Enter into certain sale-leaseback transactions;
- Fundamentally or substantively alter the character of the business conducted by MRM and its subsidiaries; and
- Enter into agreements that limit (1) the ability of non-guarantors to pay dividends to MRM or any guarantor or (2) the ability of MRM or any guarantor to pledge its assets to secure its obligations under the Asset-Based Revolving Credit Facility.

In addition to other customary exceptions, the covenants limiting dividends and other restricted payments and prepayments or redemptions of subordinated indebtedness generally permit the restricted actions in additional limited amounts, subject to the satisfaction of certain conditions, principally that MRM must have at least $50.0 million of pro forma excess availability under the Asset-Based Revolving Credit Facility.

Although the credit agreement governing the Asset-Based Revolving Credit Facility does not require MRM to comply with any financial ratio maintenance covenants, if less than 7% of the then outstanding credit commitments were available to be borrowed under the Asset-Based Revolving Credit Facility at any time, MRM would not be permitted to borrow any additional amounts unless its

pro forma ratio of consolidated EBITDA to consolidated Fixed Charges (as such terms are defined in the credit agreement) were at least 1.0 to 1.0. The credit agreement also contains customary affirmative covenants and events of default.

Term Loan Facility: On January 31, 2007, in connection with the acquisition of McJunkin by GSCP, MRM entered into a credit agreement and related security and other agreements for a $575.0 million Term Loan Facility with Lehman Commercial Paper as administrative agent and collateral agent. The full amount of the Term Loan Facility was borrowed on January 31, 2007.

On October 31, 2007, and concurrent with the close of the Red Man acquisition, the Term Loan Facility was amended to permit for the refinancing of the Asset-Based Revolving Credit Facility, as described above, in addition to revising certain provisions of the agreement as discussed in more detail below.

These borrowings bear interest at a rate per annum equal to, at MRM's option, either (a) the greater of the prime rate and the federal funds rate effective rate plus 0.50%, plus in either case 2.25%; or (b) LIBOR plus 3.25%. On June 26, 2008 and December 31, 2007, $567.8 million and $569.3 million, respectively, were outstanding under the Term Loan. The weighted average interest rate on the term loan was 6.13% and 8.08% at June 26, 2008 and December 31, 2007, respectively.

The Term Loan Facility requires MRM to prepay outstanding term loans with 50% (which percentage will be reduced to 25% if MRM's total leverage ratio is less than a specified ratio and will be reduced to 0% if MRM's total leverage ratio is less than a specified ratio) of its annual excess cash flow (as defined in the credit agreement). For 2008 and 2007, MRM was not required to prepay any outstanding term loans pursuant to the annual excess cash flow requirements.

MRM may voluntarily prepay outstanding loans under the Term Loan Facility at any time without premium or penalty other than customary "breakage" costs with respect to LIBOR loans. The Term Loan Facility amortizes at a rate of 1.00% per year with the balance due at January 31, 2014.

All obligations under the Term Loan Facility are unconditionally guaranteed by MRM and each wholly owned domestic subsidiary of MRM. All obligations under the Term Loan Facility, and the guarantees of those obligations, are secured, subject to certain significant exceptions, by substantially all of the assets of MRM and the subsidiaries that have guaranteed the Term Loan Facility, including:

- A second-priority security interest in personal property consisting of inventory and accounts receivable;
- A first-priority pledge of certain of the capital stock held by MRM or any subsidiary guarantor; and
- A first-priority security interest in, and mortgages on, substantially all other tangible and intangible assets of the Company and each subsidiary guarantor.

The Term Loan Facility contains a number of negative covenants that are substantially similar to those governing the Asset-Based Revolving Credit Facility. The credit agreement also contains customary affirmative covenants and events of default.

Junior Term Loan Facility: On May 22, 2008, McJunkin Red Man Holding Corporation, as the borrower, entered into a $450 Million Term Loan Credit Agreement (the "Junior Term Loan Facility"). The proceeds from the Junior Term Loan Facility, along with $25 million in proceeds from revolving loans drawn under the Revolving Credit Facility, were used to fund a dividend to McJunkin Red Man Holding Corporation's stockholders, including PVF Holdings LLC. PVF Holdings LLC distributed the proceeds it received from the dividend to its members, including the Goldman Sachs Funds and

certain of the Company's directors and members of its management. The term loans under the Junior Term Loan Facility are not subject to amortization and the principal of such loans must be repaid on January 31, 2014.

The term loans under the Junior Term Loan Facility bear interest at a rate per annum equal to, at the borrower's option, either (i) the greater of the prime rate and the federal funds effective rate plus 0.50%, plus in either case 2.25%, or (ii) LIBOR multiplied by the statutory reserve rate plus 3.25%. On June 26, 2008, $450.0 million was outstanding under the Junior Term Loan Facility and the interest rate on these loans was 5.73%.

We may voluntarily prepay term loans under the Junior Term Loan Facility in whole or in part at our option, without premium or penalty. After the payment in full of the term loans under the Term Loan Facility, we will be required to prepay outstanding term loans under the Junior Term Loan Facility with 100% of the net cash proceeds of:

- a disposition of any of our or our restricted subsidiaries' business units, assets or other property not in the ordinary course of business, subject to certain exceptions for permitted asset sales;
- a casualty event with respect to collateral for which we or any of our restricted subsidiaries receives insurance proceeds, or proceeds of a condemnation award or other compensation;
- the issuance or incurrence by us or any of our restricted subsidiaries of indebtedness, subject to certain exceptions; and
- any sale-leaseback transaction permitted under the Junior Term Loan Facility.

Also, after the payment in full of the term loans under the Term Loan Facility, we will be required to prepay the outstanding term loans under the Junior Term Loan Facility. We must also prepay the principal amount of the term loans under the Junior Term Loan Facility with 50% of the cash proceeds received by us from a "Qualified IPO", net of underwriting discounts and commissions and other related reasonable costs and expenses. A "Qualified IPO" is defined as a bona fide underwritten sale to the public of our common stock or the common stock of any of our direct or indirect subsidiaries or our direct or indirect parent companies pursuant to a registration statement that is declared effective by the SEC or the equivalent offering on a private exchange or platform.

The Junior Term Loan Facility contains a number of negative covenants that are substantially similar to those governing the Asset-Based Revolving Credit Facility. The credit agreement also contains customary affirmative covenants and events of default.

Midfield Revolving Credit Facility: Midfield, the Company's Canadian subsidiary, has a Canadian dollar revolving credit facility administered by Bank of America. This facility has a maximum limit of CAD $150 million (US $148.26 million as of June 26, 2008) bearing interest at Canadian prime rate plus a margin of up to 0.25%. The revolver is secured by substantially all of Midfield's personal property assets including accounts receivable, chattel paper, bank accounts, general intangibles, inventory, investment property, cash and insurance proceeds. The balance of the revolver is due at its maturity date, November 2, 2010.

Midfield Term Loan Facility: Midfield has a term loan facility that is due on demand. This facility bears interest at Canadian prime rate plus a margin of up to 0.5%. The term loan facility is secured by substantially all of Midfield's real property and equipment.

Midfield Notes Payable: Midfield has two notes payable pursuant to holdback provisions from recent acquisitions. These amounts, totaling $1.0 million and $3.8 million at June 26, 2008 and

December 31, 2007, respectively, are owed to individuals who became and continue to be shareholders of Midfield supply as a result of these transactions. These notes were paid in August 2008.

Maturities of Long-Term Debt: At June 26, 2008, annual maturities of long-term debt during the next five fiscal years and thereafter are as follows (in millions):

2008	$ 16.6
2009	5.8
2010	56.8
2011	5.8
2012	5.8
Thereafter	1,194.0

The above table does not reflect future excess cash flow prepayments, if any, that may be required under the Term Loan Facility.

Interest Rate Swaps: The Company uses derivative financial instruments to help manage its interest rate risk exposure. On December 3, 2007, MRM entered into a floating to fixed interest rate swap agreement, effective December 31, 2007, for a notional amount of $700.0 million to limit its exposure to interest rate increases related to a portion of its floating rate indebtedness. The interest rate swap agreement terminates after three years. At June 26, 2008 and December 31, 2007, the fair value of MRM's interest rate swap agreement was a loss of approximately $3.2 million and $0.4 million, respectively, which amount is included in accrued liabilities. As of the effective date, MRM designated the interest rate swap as a cash flow hedge.

For cash flow hedges, the effective portion of the gain or loss on the derivative hedging instrument is reported in other comprehensive income, while the ineffective portion is recorded in current earnings as other income or other expense. At June 26, 2008 and December 31, 2007, $1.6 million and $0.2 million, respectively, of unrecognized losses, net of tax, on the interest rate swap agreement is included in other comprehensive income. During the six months ended June 26, 2008, the Company recognized a hedge ineffectiveness loss of $0.4 million on the consolidated statements of income. There was no hedge ineffectiveness at December 31, 2007.

As a result of the swap agreement, MRM's effective fixed interest rates as to the $700.0 million in floating rate indebtedness will be 4.868% for associated indebtedness on the Asset-Based Revolving Credit Facility and 7.118% for associated indebtedness on the Term Loan Facility, per quarter through 2010 and result in an average fixed rate of 6.672%.

NOTE 6 — INCOME TAXES

Management evaluates the estimated annual effective income tax rate for interim periods based on current and forecasted business levels and activities, including enacted tax laws. Items unrelated to current year ordinary income are recognized entirely in the period identified as a discrete item of tax. The interim period income tax provisions are comprised of tax on ordinary income at the most recent estimated annual effective tax rate, adjusted for the effect of discrete items.

The effective tax rates were 36.26% for the six months ended June 26, 2008, 41.18% for the five months ended June 28, 2007 and 41.08% for the one month ended January 30, 2007. These rates differ from the federal statutory rate of 35% principally as a result of state and foreign income taxes. The rate for the six months ended June 26, 2008 is lower than the rates for the five months ended June 28, 2007 and the one month ended January 30, 2007 primarily due to lower state taxes.

During the interim period, there were no material changes to the amount of previously disclosed unrecognized tax benefits.

NOTE 7 — CONTINGENCIES

The Company is involved in various legal proceedings and claims, both as a plaintiff and a defendant, which arise in the ordinary course of business. Included in these legal proceedings are cases where the Company has been named as a defendant in lawsuits brought against a large number of entities by individuals seeking damages for injuries allegedly caused by certain products containing asbestos. Among other things, with the assistance of accounting and financial consultants, the Company conducted an analysis of pending and probable asbestos-related claims to determine the adequacy of its accrual for these claims. This analysis consisted of developing per claim settlement estimates for each category of claim by alleged disease type based on the Company's historical settlement experience. These estimates were applied to each of the Company's pending individual claims. Liability with respect to mass filings was estimated by determining the number of individual plaintiffs included in the mass filings likely to have claims resulting in settlements based on the Company's historical experience with mass filings. Finally, likely claims expected to be asserted against the Company over the next fifteen years were predicted based on public health estimates of future incidences of asbestos-related diseases in the general U.S. population and per claim settlement estimates were applied to those estimated claims. Based on this analysis and the existence of certain insurance coverage, the Company believes that its current accruals for pending and probable asbestos-related litigation are adequate. However, there is a possibility that resolution of the matters could result in additional losses in excess of current accruals. Also, there is a possibility that resolution of certain of the Company's legal contingencies for which there are no liabilities recorded could result in a loss. Management is not able to estimate the amount of such loss, if any. However, in the opinion of the Company, after consultation with counsel, the ultimate resolution of all pending matters is not expected to have a material effect on its financial position, although it is possible that such resolutions could have a material adverse impact on the Company's results of operations.

In addition to the foregoing, from time to time the Company is involved in various other legal and administrative proceedings that are incidental to its business, including claims relating to product liability, general negligence, environmental issues, employment, and other matters. It is not expected that the ultimate resolution of any of these matters will have a material adverse impact on the Company's consolidated financial position or results of operations.

Midfield has issued a financial guarantee in the form of an irrevocable standby letter of credit for an associated entity in the amount of $4.9 million which is recorded in the accompanying balance sheet at its fair value. This letter expires January 31, 2009 subject to certain renewal provisions.

NOTE 8 — FAIR VALUE MEASUREMENTS

On January 1, 2008, the Company adopted Statement of Financial Accounting Standard No. 157, *Fair Value Measurements* (SFAS No. 157), which clarifies the definition of fair value, establishes a framework for measuring fair value under accounting principles generally accepted in the United States, and enhances disclosures about fair value measurements. In accordance with Financial Accounting Standards Board Staff Position No. 157-2, "Effective Date of FASB Statement No. 157", the Company will delay application of SFAS No. 157 for non-financial assets and non-financial liabilities until January 1, 2009.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN RED MAN HOLDING CORPORATION
June 26, 2008

SFAS No. 157 clarified the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date.

SFAS 157 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy established by SFAS No. 157 is as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2: Significant observable inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs for the asset or liability. Unobservable inputs should reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability (including all assumptions about risk).

The Company used the following methods and significant assumptions to estimate fair value for assets and liabilities recorded at fair value.

Assets Held for Sale. Included in assets held for sale are certain investments held for sale that are reported at fair value utilizing Level 1 inputs. The fair value of these investments held for sale is determined by obtaining quoted prices on nationally recognized securities exchanges.

Derivatives. Derivatives are reported at fair value utilizing Level 2 inputs. The Company obtains dealer quotations to value its interest rate swaps.

The following table presents assets and liabilities measured at fair value on a recurring basis.

June 26, 2008	Total	Level 1	Level 2	Level 3
		(In thousands)		
Assets:				
Assets Held for Sale (Investments)	$ 33,595	$ 33,595	$ —	$ —
Liabilities:				
Derivatives (Interest Rate Swaps)	$ 3,248	$ —	$ 3,248	$ —

Effective January 1, 2008, the Company adopted the provisions of SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities — Including an amendment of FASB Statement No. 115* (SFAS No. 159). SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value at specified election dates. The Company has not elected to account for any of its assets or liabilities at fair value and therefore adoption of SFAS No. 159 on January 1, 2008 did not effect its financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN RED MAN HOLDING CORPORATION
June 26, 2008

NOTE 9 — COMPREHENSIVE INCOME

	(Successor) Six Months Ended June 26, 2008	(Successor) Five Months Ended June 28, 2007	(Predecessor) One Month Ended January 30, 2007
Net income	$ 75,934	$ 17,614	$ 6,596
Changes in accumulated other comprehensive income (loss):			
Change in unrealized gain on securities			
Available for sale, net of tax	—	—	(3,958)
Derivative valuation adjustment, net of tax	(1,386)	—	—
Foreign currency translation, net of tax	(1,041)	—	—
Comprehensive Income	$ 73,507	$ 17,614	$ 2,638

NOTE 10 — STOCK-BASED COMPENSATION

Restricted Stock and Stock Option Plans: Effective March 27, 2007, the Company's Board of Directors approved the formation of the 2007 Restricted Stock Plan and the 2007 Stock Option Plan. The purpose of these plans is to aid MRM in recruiting and retaining key employees, directors and consultants of outstanding ability and to motivate such key employees, directors and consultants to exert their best efforts on behalf of the Company by providing incentives in the form of restricted stock and stock options. The Company expects that it will benefit from the added interest which such key employees, directors and consultants will have in the welfare of the Company as a result of their proprietary interest in the Company's success.

Under the terms of the stock option plan, options may not be granted at prices less than their fair market value on the date of the grant, nor for a term exceeding 10 years. Vesting occurs in one-third increments on the third, fourth, and fifth anniversaries of the date specified in the employees' respective option agreements. The Company expenses the fair value of the stock option grants on a straight-line basis over the vesting period. A Black-Scholes option pricing model was used to estimate the fair value of the stock options granted in 2007 and 2008. For purposes of measuring compensation, the Company relies on a calculated value that requires certain assumptions including volatility based on the appropriate industry sector. Following are the weighted average assumptions used to estimate the fair values of options:

	2008	2007
Risk-free interest rate	3.19%	4.10%
Dividend yield	0.00%	0.00%
Expected volatility	22.07%	22.07%
Expected lives	6.2 years	6.2 years

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN RED MAN HOLDING CORPORATION
June 26, 2008

A summary of the status of stock option grants under the stock option plan as of June 26, 2008, and changes during the six months ended on that date is as follows:

	Options	Weighted Average Exercise Price
Outstanding at January 1, 2008	3,533.46	$ 2,411.17
Granted	394.61	4,348.19
Exercised	—	—
Forfeited	(128.37)	(2,411.17)
Expired	—	—
Outstanding at June 26, 2008	3,799.70	$ 2,612.34
Options exercisable at June 26, 2008	—	$ —
Options vested at June 26, 2008	—	—

Under the terms of the restricted stock plan, restricted stock may be granted at the direction of the Board of Directors and vesting occurs in one-fourth increments on the second, third, fourth, and fifth anniversaries of the date specified in the employees' respective restricted stock agreements. The Company expenses the fair value of the restricted stock grants on a straight-line basis over the vesting period.

The following table summarizes restricted stock activity under the restricted stock plan as of June 26, 2008, and changes during the six months ended on that date:

	Shares
Balance at January 1, 2008	635.52
Granted	—
Forfeited	(41.95)
Issued	—
Balance at June 26, 2008	593.57

Recognized compensation expense under the stock option and restricted stock plans is set forth in the table below. There were no such expenses for the one month ended January 30, 2007.

	Six Months Ended June 26, 2008	Five Months Ended June 28, 2007
Compensation expense Stock options	$ 501,000	$ 80,000
Restricted stock	139,000	39,000
Total compensation expense	$ 640,000	$ 119,000

At June 26, 2008, the Company had $7.3 million and $1.1 million of unrecognized compensation expense related to outstanding stock options and restricted stock, respectively.

Restricted Common Units: In conjunction with the acquisition of McJunkin by the Goldman Sachs Funds, certain key MRM employees received restricted common units of PVF Holdings LLC that vest over a five-year requisite service period. Compensation expense associated with these restricted common units totaled $0.6 million for the six months ended June 26, 2008 and $0.5 million for the five months ended June 28, 2007 based upon their fair market value at the date they were

issued which is being recognized on a straight-line basis over the vesting period. There was no such expense for the one month ended January 30, 2007. As of June 26, 2008, the Company had $4.1 million of unrecognized compensation expense related to outstanding restricted common units which will be amortized over a weighted average vesting period of four years.

Profits Units: In conjunction with the acquisition of McJunkin by the Goldman Sachs Funds and the Red Man acquisition, certain key MRM employees received profits units in PVF Holdings LLC that vest over a five-year requisite service period. These units entitle their holders to a share of any distributions made by PVF Holdings LLC once common unit holders have received a return of all capital contributed to PVF Holdings LLC. Compensation expense associated with these profits units totaled $1.6 million for the six months ended June 26, 2008 and $0.7 million for the five months ended June 28, 2007 based upon their fair market value at the date they were issued which is being amortized on a straight-line basis over the vesting period. There was no such expense for the one month ended January 30, 2007. As of June 26, 2008, the Company had $13.8 million and of unrecognized compensation expense related to outstanding profits units which will be amortized over a weighted average vesting period of five years.

NOTE 11 — EARNINGS PER SHARE

Basic earnings per share are computed based on the weighted-average number of common shares outstanding, excluding any dilutive effects of stock options and restricted stock. Diluted earnings per share are computed based on the weighted-average number of common shares outstanding including any dilutive effect of stock options and restricted stock. The dilutive effect of stock options and restricted stock are calculated under the treasury stock method. Earnings per share are calculated as follows:

	(Successor)		(Predecessor)
	Six Months Ended June 26, 2008	Five Months Ended June 28, 2007	One Month Ended January 30, 2007
Net income (in thousands)	$ 75,934	$ 17,614	$ 6,596
Average basic shares outstanding	309,421	102,594	17,510
Effect of dilutive securities	613	198	—
Average dilutive shares outstanding	310,034	102,792	17,510
Net income per share:			
Basic	$ 245.41	$ 171.69	$ 376.70
Diluted	$ 244.92	$ 171.36	$ 376.70

Stock option grants are disregarded in this calculation if they are determined to be anti-dilutive. At June 26, 2008, the Company's anti-dilutive stock options totaled 3,800. At June 28, 2007, the Company's anti-dilutive stock options totaled 1,169. There were no stock options outstanding at January 30, 2007.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
McJunkin Corporation
Charleston, West Virginia

We have audited the accompanying consolidated balance sheets of McJunkin Corporation and subsidiaries as of December 31, 2006 and 2005, and the related consolidated statements of income, shareholders' 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 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 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 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of McJunkin Corporation and subsidiaries as of December 31, 2006 and 2005, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ Schneider Downs & Co., Inc

Columbus, Ohio
January 13, 2007

CONSOLIDATED BALANCE SHEETS

McJUNKIN CORPORATION AND SUBSIDIARIES
(Dollars in thousands, except per share amounts)

	December 31, 2006	December 31, 2005
ASSETS		
CURRENT ASSETS		
Cash	$ 3,748	$ 5,865
Receivables, less allowances of $2,015 and $1,743	168,877	163,775
Inventories	225,304	189,209
Other current assets	3,122	2,542
TOTAL CURRENT ASSETS	401,051	361,391
INVESTMENTS AND OTHER ASSETS		
Investments:		
PrimeEnergy and other oil and gas	40,396	32,226
Real estate and other	589	449
Total investments	40,985	32,675
Notes receivable	1,835	2,187
Cash value of life insurance	1,160	2,270
	43,980	37,132
FIXED ASSETS		
Land and improvements	4,392	4,411
Buildings and building improvements	21,416	21,325
Equipment	43,143	42,402
	68,951	68,138
Allowances for depreciation	(41,743)	(41,909)
	27,208	26,229
PROPERTY HELD UNDER CAPITAL LEASES	2,104	2,283
INTANGIBLE ASSETS		
Goodwill	6,274	6,274
Other intangible assets, net of accumulated amortization of $2,702 and $2,425	382	659
	6,656	6,933
	$480,999	$433,968
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable — trade	$130,864	$145,296
Accrued expenses and other liabilities	46,471	45,220
Customer prepayments	4,715	6,536
Dividends payable	—	26,216
Income taxes payable	2,500	8,516
Deferred income taxes	3,998	203
Current portion of long-term obligations:		
Long-term debt	—	210
Capital leases	167	148
TOTAL CURRENT LIABILITIES	188,715	232,345
LONG-TERM OBLIGATIONS		
Long-term debt	13,035	2,885
Capital leases	3,635	3,802
Other liabilities	1,799	2,290
	18,469	8,977
DEFERRED INCOME TAXES	15,627	12,389
MINORITY INTEREST IN McJUNKIN APPALACHIAN OILFIELD SUPPLY COMPANY	15,601	11,459
SHAREHOLDERS' EQUITY		
Capital stock, par value $700:		
Class A common voting — authorized 37,860; issued and outstanding 16,940	11,858	11,858
Class B common nonvoting — authorized 5,000; issued and outstanding 570	399	399
Retained earnings	206,044	137,192
Other comprehensive income, net of deferred income taxes of $14,759 and $11,529	24,286	19,349
	242,587	168,798
	$480,999	$433,968

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

McJUNKIN CORPORATION AND SUBSIDIARIES
(Dollars in thousands, except per share data)

	Years Ended December 31,	
	2006	2005
REVENUES		
Net sales	$1,713,679	$1,445,770
Increase in fair market values of derivatives	—	499
Other income	2,615	2,361
TOTAL REVENUES	1,716,294	1,448,630
COSTS AND EXPENSES		
Cost of goods sold (exclusive of depreciation and amortization shown separately below)	1,394,294	1,177,091
Selling, general and administrative	173,948	155,717
Profit sharing	15,064	13,144
Depreciation and amortization	3,936	3,743
Interest	2,845	2,707
Minority interest in McJunkin Appalachian	4,142	2,774
Amortization of intangibles	277	337
Other expenses	3,874	3,993
TOTAL COSTS AND EXPENSES	1,598,380	1,359,506
INCOME BEFORE INCOME TAXES	117,914	89,124
Income tax provision	48,340	36,583
NET INCOME	$ 69,574	$ 52,541
Earnings per share — Class A, basic	$ 3,972.08	$ 2,952.12
Earnings per share — Class A, diluted	$ 3,972.08	$ 2,952.12
Weighted average shares — Class A, basic	16,940	16,940
Weighted average shares — Class A, diluted	16,940	16,940
Earnings per share — Class B, basic	$ 4,012.08	$ 4,442.12
Earnings per share — Class B, diluted	$ 4,012.08	$ 4,442.12
Weighted average shares — Class B, basic	570	570
Weighted average shares — Class B, diluted	570	570
Dividends per common share, Class A	$ 40	$ 1,490
Dividends per common share, Class B	$ 80	$ 2,980

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

McJUNKIN CORPORATION AND SUBSIDIARIES
Years Ended December 31, 2006 and 2005
(Dollars in thousands, except per share amounts)

	Class A Common Stock		Class B Common Stock		Retained	Accumulated Other Comprehensive	
	Shares	Amount	Shares	Amount	Earnings	Income	Total
Balances at January 1, 2005	16,940	$11,858	570	$ 399	$111,592	$ 8,469	$132,318
Net income for the year 2005		—		—	52,541	—	52,541
Unrealized and realized gain in PrimeEnergy-net of deferred taxes	—	—	—	—	—	10,880	10,880
Net comprehensive income		—		—	52,541	10,880	63,421
Cash dividends on common stock:							
On Class A, $1,490 per share		—		—	(25,242)	—	(25,242)
On Class B, $2,980 per share	—	—	—	—	(1,699)	—	(1,699)
Balances at December 31, 2005	16,940	11,858	570	399	137,192	19,349	168,798
Net income for the year 2006		—		—	69,574	—	69,574
Unrealized and realized gain in PrimeEnergy-net of deferred taxes	—	—	—	—	—	4,937	4,937
Net comprehensive income	—	—	—	—	69,574	4,937	74,511
Cash dividends on common stock:							
On Class A, $40 per share	—	—	—	—	(677)	—	(677)
On Class B, $80 per share	—	—	—	—	(45)	—	(45)
Balances at December 31, 2006	16,940	$11,858	570	$ 399	$206,044	$ 24,286	$242,587

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

McJUNKIN CORPORATION AND SUBSIDIARIES
(Dollars in thousands)

	Years Ended December 31,	
	2006	2005
CASH PROVIDED BY (USED IN) OPERATIONS		
Net income	$ 69,574	$ 52,541
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization	3,936	3,743
Deferred income taxes	3,802	(4,905)
Minority interest in McJunkin Appalachian	4,142	2,774
Amortization of intangibles	277	337
Increase in fair market values of derivatives	—	(499)
Provision for losses on receivables	414	90
Reduction of inventory loss provision	(260)	(233)
Non-operating gains and other items not providing cash	(571)	(1,001)
Changes in operating assets and liabilities:		
Accounts receivable	(5,516)	(53,444)
Inventories	(35,835)	(36,386)
Income taxes	(6,016)	6,823
Other current assets	(580)	(65)
Accounts payable	(14,432)	47,694
Accrued expenses and other current liabilities	(583)	12,916
NET CASH PROVIDED BY OPERATIONS	18,352	30,385
INVESTING ACTIVITIES		
Fixed asset purchases — net of proceeds from disposals	(4,960)	(7,725)
Other investment and notes receivable transactions	1,698	1,024
NET CASH USED IN INVESTING ACTIVITIES	(3,262)	(6,701)
FINANCING ACTIVITIES		
Proceeds from (Payments on) long-term obligations	9,731	(11,319)
Dividends paid	(26,938)	(9,765)
NET CASH USED IN FINANCING ACTIVITIES	(17,207)	(21,084)
(Decrease) Increase in cash	(2,117)	2,600
Cash — beginning of year	5,865	3,265
CASH — END OF YEAR	$ 3,748	$ 5,865

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

McJUNKIN CORPORATION AND SUBSIDIARIES
December 31, 2006

NOTE A — SIGNIFICANT ACCOUNTING POLICIES

Business Operations: McJunkin Corporation and its subsidiaries (the Company) are national distributors of pipe, valves, and fittings (PVF), with locations in principal industrial centers. Major customers represent the chemical, petroleum refining and other segments of the raw materials processing industry and the construction industry. PVF product lines and their share of total sales for 2006 and 2005 include carbon steel pipe (approximately 33% and 34%) and stainless steel and carbon steel valves (approximately 20% and 21%). Products are obtained from a broad range of suppliers.

Basis of Presentation: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The consolidated financial statements include the accounts of McJunkin Corporation and its wholly-owned and majority-owned subsidiaries. The residual ownership in the equity and income of McJunkin Appalachian Oilfield Supply Company (approximately 14%) is reflected as minority interest. All significant intercompany transactions have been eliminated. Certain 2005 amounts have been reclassified to conform to 2006 presentation. Such reclassifications did not impact net income or shareholders' equity.

Financial Instruments: Financial instruments that potentially could subject the Company to concentrations of credit risk consist principally of trade accounts and notes receivable. The Company minimizes such risk by closely monitoring extensions of trade credit. Sales to industries in 2006 and 2005 in which the Company has significant receivables were gas utility (15% and 17%), petroleum refining (14% in both years), chemical processing (12% in both years), and contractors (12% in both years). The Company estimates losses for uncollectible accounts based on the aging of the accounts receivable and the evaluation of the likelihood of collection. Credit losses relating to customers in these industries historically have been insignificant.

The Company sells to a large, U.S.-owned, multi-national, energy company in Nigeria through its wholly-owned subsidiary, McJunkin-Nigeria Limited. The collection of the receivables generated by these sales could be negatively impacted by such factors as changes in Nigerian or worldwide economic or political conditions. Credit losses relating to sales in Nigeria have been insignificant. Total net assets invested in Nigeria at December 31, 2006 and 2005, approximated $2,956,000 and $5,205,000.

The Company believes that the carrying values of all significant assets and liabilities, which meet the definition of financial instruments, approximate their fair values.

Income Taxes: Deferred income taxes are provided under the liability method. The liability method requires that deferred tax assets and liabilities be determined based on differences between the financial reporting and tax bases of assets and liabilities using the tax rate expected to be in effect when the taxes will actually be paid or refunds received.

Insurance: The Company is self-insured for portions of employee healthcare and maintains a deductible program as it relates to workers' compensation, automobile liability, and general liability claims including, but not limited to, product liability claims, which are secured by various letters of credit totaling $3,195,000. Commercially comprehensive catastrophic coverage is maintained. The company's liability and related expenses for claims are estimated based upon past experience. The company's historical claim data is used to project anticipated losses. The reserves are deemed by the company to be sufficient to cover outstanding claims including those incurred but not reported as of the estimation date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN CORPORATION AND SUBSIDIARIES
December 31, 2006

Inventories: Inventories are valued at the lower of cost (principally last-in, first-out method) or market.

Investments: The Company has equity investments in certain oil and gas interests that are either thinly traded in the over-the-counter market or are not publicly traded. Such investments, considered available for sale, are carried at estimated fair value. Unrealized gains and losses on available-for-sale securities are recognized in comprehensive income to the extent they are material. Total accumulated gains, net of deferred taxes, in comprehensive income are $24,286,000 at December 31, 2006.

The thinly traded nature of PrimeEnergy stock results in significant fluctuations in the stock price. Accordingly, the proceeds from any sale of the stock could be significantly less than the December 31, 2006 carrying value, $40,217,000. An officer of the Company serves as a director of PrimeEnergy.

Real estate investments, primarily limited partnerships, are generally carried at the lower of cost or estimated realizable value.

Fixed Assets: Land, buildings and equipment are stated on the basis of cost. For financial statement purposes, depreciation is computed over the estimated useful lives of the assets by the straight-line method; accelerated depreciation and cost recovery methods are used for income tax purposes.

Certain long-term lease transactions relating to the financing of land and buildings are accounted for as installment purchases. These properties are capitalized as leased facilities and amortized on a straight-line basis over their lease terms. The corresponding lease rental obligations represent the present value of future lease payments.

Derivative Instruments: The Company had an interest rate swap, which expired in December 2005, and collar, which expired in September 2006, that were carried at fair value as either assets or liabilities on the balance sheet. Changes in the fair value of the derivative instruments were recognized in current earnings in the year of change.

Retirement Plans: Employees with at least six months of service participate in the Company's profit sharing plan. Contributions to the plan are based on the earnings of the Company, as defined in the plan document. Employees may also participate in the McJunkin Savings Plan, whereby a portion of the individuals' base earnings may be deferred and partially matched by the Company, pursuant to section 401(k) of the Internal Revenue Code. The Company's matching portion under the 401(k) plan approximated $837,000 and $830,000 in 2006 and 2005.

Revenue Recognition: The Company records sales revenue upon shipment of goods or performance of services. Shipping costs are included in cost of goods sold in the consolidated statements of income.

Intangibles: The Company tests its goodwill and intangible assets for impairment annually. The impairment tests are performed at the distribution operations reporting level of the Company, which holds 100% of the consolidated intangible assets. At December 31, 2006 and 2005, the Company had no impairment in the carrying value of its intangible assets.

Goodwill carried by the Company is not amortized for financial reporting purposes, but is eligible for deduction for income tax purposes. The Company amortizes intangible assets with finite lives, such as non-compete agreements, trade names, and customer lists and relationships over the legal or estimated lives of the individual assets, principally from one to six years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN CORPORATION AND SUBSIDIARIES
December 31, 2006

Stock Split: All prior period capital stock and applicable share amounts have been retroactively adjusted to reflect a 5-for-1 split of the Company's capital stock effective October 4, 2005.

NOTE B — INVENTORIES

If inventories were reported at values approximating current costs, as would have resulted from using the first-in, first-out method, they would have been $74,414,000 and $62,188,000 higher at December 31, 2006 and 2005. In addition, after giving pro forma effect to profit sharing and income taxes, net income would have been higher by $7,947,000 in 2006 and $13,114,000 in 2005.

The Company's inventory is composed of finished goods. There are no general and administrative costs charged to inventory.

NOTE C — LONG-TERM DEBT

The Company maintains lines of credit that include an unsecured multi-bank revolving lending agreement totaling $60 million. In addition, McJunkin Appalachian, which is financed on a stand-alone basis with no guarantees provided by McJunkin Corporation, maintains its own long-term revolving credit/term loan agreement totaling $7.5 million. These long-term loan agreements contain covenants that require maintenance of minimum tangible net worth and other financial ratios. Such covenants could restrict investments outside the Company's primary line of business, capital expenditures, and dividend payments.

The Company has a $50 million trade receivables securitization facility with a group of financial institutions and uses a special-purpose, wholly-owned, consolidated subsidiary, McJunkin Receivables Corporation (MRC), for the sole purpose of buying substantially all of the trade accounts receivable of the Company, other than McJunkin Appalachian, McJunkin-Nigeria and McJunkin-Puerto Rico. Under these facilities, the Company transfers all eligible accounts receivable to MRC, which in turn sells an undivided ownership interest in the receivables into commercial paper conduits administered by the banks. This agreement is accounted for as a secured borrowing; thus, all receivables outstanding under the program and corresponding debt are recognized in the consolidated balance sheet. The assets of MRC are available to satisfy the claims of the financial institutions to the extent of the securitized debt. The Company services the receivables and retains an interest in the receivables subordinate to the amount borrowed under the agreement. MRC retains the risk of credit loss on the receivables and, accordingly, the full amount of the allowance for doubtful accounts has been reflected on the consolidated balance sheets. The credit losses and delinquencies relating to these receivables were not material in 2006 and 2005.

The conduits obtain the funds to purchase interests in receivables by selling commercial paper to third-party investors. The facility provides that as accounts receivable are collected, MRC can elect to have the commercial paper conduits reinvest the proceeds in new accounts receivable. Fundings under the facility are limited to the lesser of a funding base of eligible receivables, as defined in the agreement, or $50 million. Amounts outstanding under the agreement as of December 31, 2006, were $2 million. There were no amounts outstanding at the end of 2005. Due to the current nature of the Company's retained interest in the receivables, the book value of the receivables represents the best estimate of the fair market value. This three-year agreement bears interest at a margin over A1P1 commercial paper rates.

The facility requires the Company to comply with various affirmative or negative covenants including, among other things, accounts receivable delinquency, dilution, and days sales outstanding ratios and maintenance of a minimum $5 million net worth in MRC. The securitization agreement

contains certain restrictive covenants, including further sale or placement of liens on accounts receivable, adherence to collection policies, restrictions concerning mergers, and commingling of funds between MRC and the Company. The financial institutions may terminate the facility upon the occurrence of, and failure to cure, termination events including violations of representations, warranties and covenants. The commercial paper conduits, in addition to their rights to collect payments from that portion of the interest in the accounts receivable owned by them, also have rights to collect payments from that portion of the ownership interest in the accounts receivable that is owned by MRC.

The total trade receivables pledged as collateral under this agreement at December 31, 2006 and 2005, were $121,641,000 and $119,692,000.

Maturities of long-term debt are $2,000,000 in 2009 and $11,035,000 in 2010, including certain amounts that are due on demand but excluded from current liabilities because the Company intends to replace such borrowings with funds available under existing, unused long-term lines of credit. At December 31, 2006, the Company, exclusive of McJunkin Appalachian, had unused short-term and long-term lines of credit of $10,765,000 and $99,700,000; McJunkin Appalachian had unused short-term and long-term lines of credit of $5 million and $7.5 million.

The Company entered into an interest rate swap agreement in 2000 and interest rate collar agreement in 2001 to reduce its exposure to potential interest rate increases. The swap agreement, which expired in 2005, enabled the Company to make fixed rate (6.39%) payments and receive floating rate (one-month LIBOR) payments on a notional amount of $10 million. The collar agreement, which expired in 2006, enabled the Company to make fixed rate (ceiling rate of 5.50% and a floor rate of 4.08%) payments and receive floating rate (one-month LIBOR) payments on a notional amount of $10 million. Only interest payments, not the notional amounts, were exchanged. The differences between the amounts exchanged in 2006 and 2005 were not significant. The Company's interest cost exposure was limited to the difference between the 5.24% (weighted average) and a lower floating interest rate, if any, applied to the notional amounts then outstanding. Management believes it mitigated counter party credit risk by entering into these agreements only with major financial institutions. There were no accumulated derivative liabilities at December 31, 2006 and 2005.

The Company paid interest of $2,831,000 and $2,630,000 in 2006 and 2005.

The Company's long-term debt consists of:

	December 31,	
	2006	2005
	(In $000's)	
Revolving credit/term loan agreement at a variable rate between LIBOR and prime, due in 2010	$ 8,300	$ 2,500
Short-term debt expected to be refinanced on a long-term basis at a variable rate between LIBOR and prime, due in 2010	2,735	385
Other long-term obligations	—	210
Three-year asset securitization at a variable rate based on commercial paper due in 2009	2,000	—
	13,035	3,095
Less current portion	—	210
	$ 13,035	$ 2,885

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN CORPORATION AND SUBSIDIARIES
December 31, 2006

NOTE D — LEASES

The Company leases land and buildings at various locations from Hansford Associates and Appalachian Leasing. Certain officers and directors of the Company participate in the ownership of Hansford Associates and Appalachian Leasing. Most of these leases are renewable for various periods through 2026 and contain clauses for escalation of lease payments, payment of real estate taxes, maintenance, insurance, and certain other operating expenses of the properties. Leases with unrelated parties contain similar provisions. Lease amortization was $179,000 in 2006 and 2005.

Property held under capital leases in the balance sheets consists of:

	December 31,	
	2006	2005
	(In $000's)	
Land and buildings	$ 4,881	$ 4,881
Allowances for amortization	(2,777)	(2,598)
	$ 2,104	$ 2,283

Future minimum lease payments under capital leases aggregate to $11,088,000, of which $3,608,000 represents interest and $3,678,000 represents escalation and executory costs. The present value of net minimum lease payments is $3,802,000, all applicable to Hansford Associates. Annual payments under capital leases are $949,000 for years 2007 through 2011.

Rental expense under operating leases amounted to $8,836,000 in 2006 and $8,070,000 in 2005, including $1,534,000 in 2006 and $1,474,000 in 2005 applicable to leases with Hansford Associates and $153,000 in 2006 and $154,000 in 2005 applicable to leases with Appalachian Leasing. Future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year aggregate to $19,061,000 and include leases applicable to Hansford Associates ($3,902,000) and leases applicable to Appalachian Leasing ($180,000). Annual operating lease payments are $7,848,000, $6,616,000, $2,237,000, $956,000, and $626,000 for years 2007 through 2011.

NOTE E — FINANCIAL INSTRUMENTS

In the normal course of business, the Company invests in various financial assets and incurs various financial liabilities. The Company's financial assets and liabilities are recorded in the consolidated balance sheets at historical cost, which approximates fair value.

Investments: Investments are carried at fair market value based on quoted market prices.

Short-Term and Long-Term Borrowings: Borrowings under the credit facilities have variable rates that reflect currently available terms and conditions for similar debt. The carrying amount of this debt is a reasonable estimate of its fair value.

Leases: Management estimated the fair value of the Company's lease obligations using discounted cash flow analysis based on the Company's current lease rates for similar leases, and determined that the fair value is not materially different from their carrying values.

Derivatives: The Company utilized interest rate swaps and collars to reduce its exposure to potential interest rate increases. Changes in fair values of derivative instruments were based upon independent market quotes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN CORPORATION AND SUBSIDIARIES
December 31, 2006

NOTE F — INCOME TAXES

Income taxes included in the consolidated statements of income consist of:

	Years Ended December 31,	
	2006	2005
	(in $000's)	
Federal:		
Current	$ 36,514	$ 34,075
Deferred	3,129	(4,037)
	39,643	30,038
State and local:		
Current	8,024	7,413
Deferred	673	(868)
	8,697	6,545
INCOME TAX PROVISION	$ 48,340	$ 36,583

The Company's effective tax rate varied from the statutory federal income tax rate for the following reasons:

	Years Ended December 31,	
	2006	2005
	(in $000's)	
Federal tax expense at statutory rates	$ 41,270	$ 31,193
State taxes	5,653	4,254
Non-deductible sales expenses	409	372
Other	1,008	764
INCOME TAX PROVISION	$ 48,340	$ 36,583
Effective rate	41.0%	41.0%

The Company paid $50,553,000 and $34,665,000 in 2006 and 2005 for federal and state taxes.

Significant components of the Company's current deferred tax assets and liabilities are as follows:

	December 31,	
	2006	2005
	(in $000's)	
Deferred tax assets:		
Accounts receivable valuation	$ 797	$ 689
Real estate and investment bases differences	86	312
Expenses deductible as paid	3,684	3,453
Total deferred tax assets	4,567	4,454
Deferred tax liabilities:		
Inventory valuation	(6,464)	(2,612)
Accelerated depreciation and amortization	(2,969)	(2,905)
Investment basis difference	(14,759)	(11,529)
Total deferred tax liabilities	(24,192)	(17,046)
Net deferred tax liabilities	$ (19,625)	$ (12,592)

NOTE G — CONTINGENCIES

The Company is involved in various legal proceedings and claims, both as a plaintiff and a defendant, which arise in the ordinary course of business. Included in these legal proceedings are cases where the Company has been named as a defendant in lawsuits brought against a large number of entities by individuals seeking damages for injuries allegedly caused by certain products containing asbestos. Among other things, with the assistance of accounting and financial consultants, the Company conducted an analysis of pending and probable asbestos-related claims to determine the adequacy of its accrual for these claims. This analysis consisted of developing per claim settlement estimates for each category of claim by alleged disease type based on the Company's historical settlement experience. These estimates were applied to each of the Company's pending individual claims. Liability with respect to mass filings was estimated by determining the number of individual plaintiffs included in the mass filings likely to have claims resulting in settlements based on the Company's historical experience with mass filings. Finally, likely claims expected to be asserted against the Company over the next fifteen years were predicted based on public health estimates of future incidences of certain asbestos-related diseases in the general U.S. population and per claim settlement estimates were applied to those estimated claims. Based on this analysis and the existence of certain insurance coverage, the Company believes that its current accruals for pending and probable asbestos-related litigation are adequate. However, there is a possibility that resolution of these matters could result in additional losses in excess of current accruals. Also, there is a possibility that resolution of certain of the Company's legal contingencies for which there are no liabilities recorded could result in a loss. Management is not able to estimate the amount of such loss, if any. However, in the opinion of the Company, after consultation with counsel, the ultimate resolution of all pending matters is not expected to have a material effect on its financial position, although it is possible that such resolutions could have a material adverse impact on net income and cash flows.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

McJUNKIN CORPORATION AND SUBSIDIARIES
December 31, 2006

NOTE H — SUBSEQUENT EVENT

On December 4, 2006, McJunkin entered into a definitive agreement (the Merger Agreement) to be acquired by McJ Holding Corporation (ParentCo), a wholly owned subsidiary of McJ Holding LLC (HoldCo). Both ParentCo and HoldCo were formed by Goldman Sachs Capital Partners (GSCP) for purposes of facilitating this acquisition. On January 12, 2007, McJunkin's shareholders voted to approve the Merger Agreement. Under the terms of the Merger Agreement, McJunkin's shareholders will exchange their shares in McJunkin for cash and ownership units of HoldCo in a transaction valued at approximately $1.065 billion, including associated fees and refinanced debt. At the conclusion of the transaction, McJunkin shareholders will own an approximate 40% interest in HoldCo with GSCP and their affiliates holding the remaining interest. The transaction is expected to close on or about January 30, 2007.

It is anticipated that the acquisition will be financed with a term loan of $575 million, asset-based revolver borrowings of $75 million, existing capital leases of $3.6 million and an equity investment of approximately $411 million, which includes equity rolled over from existing McJunkin shareholders of approximately $169 million.

Under the provisions of the Merger Agreement, certain of the Company's assets will be liquidated subsequent to closing and distributed to McJunkin's current shareholders. These include the investment in PrimeEnergy as well as certain real estate holdings. At December 31, 2006, these assets had a net book value of approximately $27.1 million.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
McJunkin Corporation
Charleston, West Virginia

We have audited the consolidated financial statements of McJunkin Corporation and subsidiaries as of December 31, 2006 and 2005, and for the years then ended, and have issued our report thereon dated January 13, 2007. Our audits also included the consolidated financial statement schedule of the Company listed in the accompanying schedule. This consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the consolidated financial statement schedule as of and for the years ended December 31, 2006 and 2005, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ Schneider Downs & Co., Inc.

Columbus, Ohio
January 13, 2007

Schedule II — Valuation and Qualifying Accounts Worksheet

(A) Description (1)	(B) Balance at Beginning of Period	(C) Additions Charged to Costs and Expenses	(D) Deductions (1)	(E) Balance at end of Period
Allowance for Doubtful Accounts				
2005	$ 1,722,000	$ 90,000	$ 68,654	$ 1,743,346
2006	$ 1,743,346	$ 414,000	$ 142,346	$ 2,015,000

(1) Includes write off of uncollectible accounts receivable, net of recoveries.

Report of Independent Auditors

To the Board of Directors and Stockholders
Red Man Pipe & Supply Co.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, comprehensive income, preferred stock and stockholders' equity, and cash flows present fairly, in all material respects, the financial position of Red Man Pipe and Supply Co. and Subsidiaries (the "Company") at October 31, 2006 and 2007, and the results of their operations and their cash flows for each of the three years in the period ended October 31, 2007 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 conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. 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.

/s/ PricewaterhouseCoopers LLP

Tulsa, Oklahoma
February 15, 2008

RED MAN PIPE & SUPPLY CO. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
October 31, 2006 and 2007

	2006	2007
	(in thousands of dollars, except share amounts)	
Assets		
Current assets		
Cash	$ 457	$ 13,866
Accounts receivable, less allowance for doubtful accounts of $2,204 and $1,755 in 2006 and 2007, respectively	303,629	329,073
Inventories	336,714	329,272
Income tax receivable	5,473	—
Other current assets	929	243
Total current assets	647,202	672,454
Property, plant and equipment, net	29,931	39,583
Goodwill	76,198	91,077
Intangible assets, net of accumulated amortization of $4,047 and $8,913 in 2006 and 2007, respectively	28,422	30,034
Investments	6,689	5,057
Other assets	2,558	120
Total assets	$ 791,000	$ 838,325
Liabilities and Stockholders' Equity		
Current liabilities		
Operating lines of credit	$ 27,028	$ —
Trade accounts payable	187,162	209,513
Accrued liabilities	63,043	41,988
Income taxes payable	3,457	3,427
Notes payable	6,939	3,910
Deferred revenue	1,488	—
Term loans due on demand	3,975	10,519
Deferred income tax liabilities	22,721	28,974
Total current liabilities	315,813	298,331
Long-term debt, less current portion	207,418	31,434
Payable to minority interest shareholders	28,009	25,718
Deferred income tax liabilities	5,923	7,826
Other long-term liability (Note 2)	—	125,113
Total liabilities	557,163	488,422
Commitments and contingencies (Notes 7 and 9)		
Minority interest	49,423	76,064
Stockholders' equity		
Preferred stock, $2,500 par value, 2,000 shares authorized, none issued and outstanding as of October 31, 2006 and 2007	—	—
Class A common stock, $0.01 par value, 50,000,000 shares authorized, 144,831 and 143,976 issued and outstanding as of October 31, 2006 and 2007, respectively	2	2
Class B common stock, $0.01 par value, 50,000,000 shares authorized, 34,344 issued and outstanding as of October 31, 2006 and 2007	—	—
Additional paid-in capital	2,480	8,159
Retained earnings	176,091	258,274
Accumulated other comprehensive income	6,343	7,404
	184,916	273,839
Treasury stock, at cost	(502)	—
Total stockholders' equity	184,414	273,839
Total liabilities and stockholders' equity	$ 791,000	$ 838,325

The accompanying notes are an integral part of these consolidated financial statements.

RED MAN PIPE & SUPPLY CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
Years Ended October 31, 2005, 2006 and 2007

	2005	2006	2007
	(in thousands of dollars)		
Sales	$1,224,174	$1,815,345	$1,981,990
Costs and expenses			
Cost of products sold	1,023,030	1,551,118	1,632,320
Selling, general and administrative expenses	100,211	172,192	186,551
Total costs and expenses	1,123,241	1,723,310	1,818,871
Operating income	100,933	92,035	163,119
Other income (expense)			
Interest expense	(8,431)	(15,024)	(20,641)
Other, net	973	3,317	(2,658)
	(7,458)	(11,707)	(23,299)
Income before income taxes	93,475	80,328	139,820
Income tax expense	34,208	26,498	57,572
	59,267	53,830	82,248
Non-controlling interest	—	176	65
Earnings before discontinued operations	59,267	53,654	82,183
Discontinued operations			
Earnings (loss) from discontinued operations, net of EPSP and income tax (Note 4)	528	(2,177)	—
Gain on sale of discontinued operations, net of EPSP and income tax	—	8,170	—
Net income	$ 59,795	$ 59,647	$ 82,183

The accompanying notes are an integral part of these consolidated financial statements.

RED MAN PIPE & SUPPLY CO. AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
Years Ended October 31, 2005, 2006 and 2007

	2005	2006	2007
	(in thousands of dollars)		
Net income	$59,795	$59,647	$82,183
Other comprehensive income, net of taxes			
Change in value of cash flow derivative instruments used as cash flow hedges	(743)	—	—
Reclassification — derivative settlements	1,226	—	—
Currency translation adjustments	248	6,095	1,061
Comprehensive income	$60,526	$65,742	$83,244

The accompanying notes are an integral part of these consolidated financial statements.

RED MAN PIPE & SUPPLY CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PREFERRED STOCK AND STOCKHOLDERS' EQUITY
Years Ended October 31, 2005, 2006 and 2007

	Class C Preferred Stock		Common Stock Voting Class A		Common Stock Non-Voting Class B		Additional Paid-in	Retained	Accumulated Comprehensive Income	Treasury Stock		
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Earnings	(Loss)	Shares	Amount	Total
						(in thousands of dollars, except per share amounts)						
Balances at October 31, 2004	—	$ —	146	$ 2	34	$ —	$ 2,628	$ 56,649	$ (483)	(1)	$ (87)	$ 58,709
Net income	—	—	—	—	—	—	—	59,795	—	—	—	59,795
Acquisition of treasury stock	—	—	—	—	—	—	—	—	—	(1)	(61)	(61)
Retirement of treasury stock	—	—	(2)	—	—	—	(148)	—	—	2	148	—
Gain on derivative instruments designated and qualifying as cash flow hedging instruments	—	—	—	—	—	—	—	—	483	—	—	483
Currency translation adjustments	—	—	—	—	—	—	—	—	248	—	—	248
Balances at October 31, 2005	—	—	144	2	34	—	2,480	116,444	248	—	—	119,174
Net income	—	—	—	—	—	—	—	59,647	—	—	—	59,647
Acquisition of treasury stock	—	—	—	—	—	—	—	—	—	(1)	(502)	(502)
Currency translation adjustments	—	—	—	—	—	—	—	—	6,095	—	—	6,095
Balances at October 31, 2006	—	—	144	2	34	—	2,480	176,091	6,343	(1)	(502)	184,414
Net income	—	—	—	—	—	—	—	82,183	—	—	—	82,183
Retirement of treasury stock	—	—	—	—	—	—	(502)	—	—	1	502	—
Shareholder contributions (Note 2)	—	—	—	—	—	—	6,181	—	—	—	—	6,181
Currency translation adjustments	—	—	—	—	—	—	—	—	1,061	—	—	1,061
Balances at October 31, 2007	—	$ —	144	$ 2	34	$ —	$ 8,159	$ 258,274	$ 7,404	—	$ —	$ 273,839

The accompanying notes are an integral part of these consolidated financial statements.

RED MAN PIPE & SUPPLY CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended October 31, 2005, 2006 and 2007

	2005	2006	2007
	(in thousands of dollars)		
Cash flows from operating activities			
Net income	$ 59,795	$ 59,647	$ 82,183
Adjustments to reconcile net income to net cash provided by (used in) operating activities			
Depreciation and amortization	3,916	8,300	9,680
Write-off of obsolete inventories	2,289	3,383	4,363
Gain on disposal of assets	(60)	(83)	(2,336)
Impairment loss on goodwill and intangible assets	—	—	5,149
Stock compensation expense	—	—	963
Equity in earnings of unconsolidated subsidiary	(705)	—	—
Gain on sale of discontinued operations	—	(16,585)	—
Deferred income taxes	15,364	(2,056)	7,214
Minority interest	—	176	66
Other, net	(271)	(277)	—
Decrease (increase) in assets			
Accounts receivable	(59,120)	(63,380)	(8,626)
Income tax receivable	135	—	5,008
Inventories	(65,164)	(98,085)	18,724
Other assets	(1,799)	(1,563)	3,162
Increase (decrease) in liabilities			
Accounts payable and accrued liabilities	30,528	53,027	(22,937)
Income tax payable	1,223	1,936	(329)
Other current liabilities	—	(736)	—
Other long-term liabilities	2,450	(163)	—
Net cash provided by (used in) operating activities	(11,419)	(56,459)	102,284
Cash flows from investing activities			
Purchase of property, plant and equipment	(5,801)	(14,468)	(12,193)
Proceeds from disposal of property, plant and equipment	347	1,285	3,673
Proceeds from disposal of subsidiary	—	35,220	—
Business acquisitions	(45,874)	(12,784)	(3,747)
Advance to related parties	—	(4,877)	—
Repayment of advances to unconsolidated subsidiaries	957	—	—
Purchases of investment	—	(879)	—
Other, net	(40)	—	(243)
Net cash provided by (used in) investing activities	(50,411)	3,497	(12,510)

The accompanying notes are an integral part of these consolidated financial statements.

RED MAN PIPE & SUPPLY CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended October 31, 2005, 2006 and 2007

	2005	2006	2007
	(in thousands of dollars)		
Cash flows from financing activities			
Advances on long-term debt	1,143,106	1,403,024	1,353,302
Payments on long-term debt	(1,093,917)	(1,338,977)	(1,398,620)
Extinguishment of debt	—	—	(120,027)
Advances on operating lines of credit	371	—	—
Payments on operating lines of credit	(396)	(2,665)	(27,606)
Advances on notes payable	20,450	1,757	—
Advances from affiliates	—	—	120,027
Advances to affiliate	—	—	2,504
Repayments of term loans	(675)	(1,619)	—
Repayment of notes payable	—	(20,369)	(7,087)
Advances (payments) to minority interest shareholders	(7,974)	13,087	(6,238)
Acquisition of treasury stock	(61)	(502)	—
Repayments to shareholders	—	(918)	—
Capital contributions	—	—	6,181
Financing costs	—	—	(898)
Other	—	(155)	292
Net cash provided by (used in) financing activities	60,904	52,663	(78,170)
Effect of exchange rate changes on cash and cash equivalents	18	(161)	1,805
Net increase (decrease) in cash	(908)	(460)	13,409
Cash			
Beginning of year	1,825	917	457
End of year	$ 917	$ 457	$ 13,866
Supplemental cash flow data			
Interest paid	$ 7,228	$ 18,133	$ 21,961
Income taxes paid	18,144	30,436	45,118

The accompanying notes are an integral part of these consolidated financial statements.

RED MAN PIPE & SUPPLY CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2005, 2006 and 2007

1. Summary of Significant Accounting Policies and Nature of Operations

Nature of Operations

Red Man Pipe & Supply Co. ("the Company") is a distributor of tubular goods, including oil country tubular goods and line pipe, and operates service and supply centers which distribute maintenance, repair and operating products utilized primarily in the energy industry as well as industrial products consisting primarily of line pipe, valves, fittings and flanges. The Company distributes products and tubular goods through service and supply centers and sales locations strategically located close to the major hydrocarbon producing and refining areas of the United States and Canada. Additionally, the Company distributes its products and tubular goods to customers in various locations outside of North America.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Red Man Pipe & Supply Co. and its majority-owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation. Investments that are not wholly owned, but where we exercise control, are fully consolidated with the equity held by minority owners reflected as minority interest in the accompanying financial statements. Investments in unconsolidated affiliates, over which we exercise significant influence, but not control, are accounted for by the equity method. Investments in which we exercise no control or significant influence are accounted for under the cost method.

Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents.

Derivatives and Hedging

The Company follows Financial Accounting Standard No. 133 (including subsequent amendments) *Accounting for Derivative Instruments and Hedging Activities*. These statements require all derivatives to be recognized on the balance sheet and measured at fair value. If a derivative is designated as a cash flow hedge, the Company is required to measure the effectiveness of the hedge, or the degree that the gain (loss) for the hedging instrument offsets the loss (gain) on the hedged item, at each reporting period. The effective portion of the gain (loss) on the derivative instrument is recognized in other comprehensive income as a component of equity and, subsequently, reclassified into earnings when the forecasted transaction affects earnings. The ineffective portion of a derivative's change in fair value is required to be recognized in earnings immediately. Derivatives that do not qualify for hedge treatment under FAS 133 must be recorded at fair value with gains (losses) recognized in earnings in the period of change. There were no derivatives outstanding at October 31, 2006 and 2007.

Insurance

The Company is self-insured for portions of employee healthcare, maintained a large deductible program for Automobile Collision, and maintains a guaranteed cost program as it relates to Workers Compensation, Automobile Liability, and General Liability, including but not limited to Product Liability.

Under our Property & Casualty Program, we have an Umbrella Liability policy that covers liabilities in excess of $1 million. We also have Excess Liability coverage for liabilities in excess of $25 million.

RED MAN PIPE & SUPPLY CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2005, 2006 and 2007

Inventories

The Company accounts for inventories using the Last-In, First-Out ("LIFO") method. The majority of the Company's inventories are valued at the lower of LIFO cost or market. If the LIFO method of valuing inventories were not used, total inventories would have been $70.0 and $62.0 million higher at October 31, 2006 and 2007, respectively. However, certain of the Company's Canadian-based inventories, totaling $73.6 million and $79.1 million at October 31, 2006 and 2007, respectively, are valued utilizing the lower of cost or market method. The Company's inventory is composed of finished goods. There are no general and administrative costs charged to inventory.

During 2007, inventory quantities were reduced. This reduction resulted in a liquidation of LIFO inventory quantities carried at lower costs prevailing in prior years as compared with the current cost of purchases, the effect of which decreased costs of products sold by approximately $28.3 million in 2007. There were no LIFO liquidations in 2005 and 2006.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost and include expenditures for facilities as well as significant improvements to existing facilities. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is reflected in income for the period. Maintenance and repairs are charged to expense as incurred.

Depreciation and amortization are computed utilizing both straight-line and accelerated methods over the estimated useful lives of the property. The ranges of estimated useful lives for financial reporting are as follows:

	Years
Buildings and improvements	5 -- 40
Machinery, shop equipment and vehicles	5 -- 12
Furniture, fixtures and office equipment	3 -- 7
Leasehold improvements	5 -- 15

Depreciation expense from continuing operations for the years ended October 31, 2005, 2006 and 2007 was $2,828,000, $4,770,000 and $5,971,000, respectively.

Revenue Recognition

The Company recognizes revenue as products are shipped or accepted by the customer.

The results of discontinued operations (Note 4) include manufacturing revenue generated on long-term fixed price contracts. Revenue on these contracts is recognized on the percentage of completion basis. The Company progress bills the customers based upon the contract terms. When the amount that is billed is greater than the revenue that is recognized based upon the percentage of completion, deferred revenue is recognized. Anticipated losses are provided for in the period incurred.

Rental, service and other revenues are recorded when such services are performed and collectibility is reasonably assured.

Income Taxes

The Company follows the provisions of Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes* ("SFAS No. 109"). SFAS No. 109 requires the measurement of deferred tax assets and liabilities based on the future tax consequences attributable to the differences between

the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

As the result of a recent FASB deferral, FIN 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48") is effective for the Company for fiscal years beginning after December 15, 2007. FIN 48 prescribes a two-step model for how companies should recognize and measure uncertain tax positions. FIN 48 also requires several new disclosures. The Company is assessing the impact FIN 48 will have on our financial statements.

Treasury Stock

The Company utilizes the cost method to account for its treasury stock acquisitions and dispositions.

Freight

The Company follows EITF 00-10 "Accounting for Shipping and Handling Fees and Costs". Accordingly, all out-bound shipping and handling costs are reflected in cost of goods sold and all freight reimbursements billed to customers are reflected in revenues.

Comprehensive Income

The Company follows Statement of Financial Accounting Standards No. 130, *Reporting Comprehensive Income* ("SFAS No. 130"). SFAS 130 established rules for the reporting and display of comprehensive income and its components. Comprehensive income includes gains and losses on hedging activities.

Foreign Currency Translation and Transactions

Gains and losses from balance sheet translation of operations outside of the United States where the applicable foreign currency is the functional currency is included as a component of accumulated other comprehensive income within stockholders' equity. Gains and losses resulting from foreign currency transactions are recognized currently in the consolidated statements of operations.

Goodwill and Other Intangible Assets

Goodwill represents the excess of cost over the fair value of net assets acquired. Recorded goodwill balances are not amortized but, instead, evaluated for impairment annually or more frequently if circumstances indicate that an impairment may exist. The goodwill valuation, which is prepared each fiscal year, is largely influenced by projected future cash flows and, therefore, is significantly impacted by estimates and judgments.

Intangible assets are initially recorded at cost. Amortization is provided using the straight-line method over 3 to 10 years which is intended to amortize the cost of assets over their estimated useful lives. The carrying value of intangible assets are reviewed for possible impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

As a result of the Company's annual impairment analysis, impairment losses of $3,954,000 related to goodwill and $1,195,000 related to intangibles were recognized in 2007 (2006: $0). The impairment charge was recorded in Other, net in the Consolidated Statement of Operations.

RED MAN PIPE & SUPPLY CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2005, 2006 and 2007

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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. Actual results could differ from those estimates.

Fair Value Measurements

In September 2006, the FASB issued Statement 157, *Fair Value Measurements*, which establishes a framework for measuring fair value and requires additional disclosures about fair value measurements. The Company does not believe this pronouncement will have a material impact on our financial statement. The provisions of this statement are effective for fiscal years beginning after November 15, 2007.

2. Merger Agreement

On July 6, 2007 Red Man Pipe & Supply Co. and its Shareholders, collectively entered into a definitive agreement to be acquired by a subsidiary of McJunkin Corporation (“McJunkin”). The Company’s Shareholders approved the Merger Agreement and the transaction closed on October 31, 2007. In exchange for all of the outstanding stock of the Company, Shareholders received cash and other considerations. In conjunction with this Merger Agreement certain Shareholders exchanged some of their shares for common units in McJ Holding LLC, the ultimate parent corporation of McJunkin Corporation. McJ Holding LLC is majority-owned by Goldman Sachs Capital Partners and their affiliates. In connection with this merger, the combined company has been renamed McJunkin Red Man Corporation. The cash consideration to be ultimately paid to the shareholders of the company approximates $1.1 billion, less debt and certain transaction expenses, and is subject to a working capital adjustment and any additional consideration related to McJunkin’s right to purchase the remaining equity of the Company’s majority-owned Canadian subsidiary, Midfield Supply ULC (“Midfield”). As part of the agreement McJunkin loaned the Company $120,027,000 in order to pay off the Company’s existing Revolving credit facility. McJunkin also agreed to accept the obligation arising from certain transaction expenses and from the termination of the Phantom Stock plan. This amounted to $6,181,000 of capital contributions.

3. Business Acquisitions

On June 2, 2006, the Company purchased certain assets from Bear Tubular, Inc., for $4,613,000 in cash. The summary of the purchase price allocation is as follows:

		(In thousands of dollars)
Inventory	$	2,553
Property, plant and equipment		260
Goodwill		1,800
	$	4,613

In 2006, through a series of transactions, Red Man Pipe & Supply Canada Ltd. (“Red Man Canada”) acquired 100% interest in four separate companies. The consideration paid consisted of

$8,171,000 of cash and $246,000 of share capital in one of the Company's majority-owned subsidiaries. The summary of the total purchase allocation is as follows:

		(In thousands of dollars)
Current assets	$	12,170
Property, plant and equipment		2,213
Goodwill		4,195
Intangibles		2,615
Current liabilities		(11,053)
Long-term debt		(1,723)
	$	8,417

On June 14, 2005, the Company formed Red Man Canada. Through a series of transactions Red Man Canada acquired 21,975 shares (51%) of Midfield. The shares were acquired for $45,874,000. The summary of the purchase price allocation is as follows:

		(In thousands of dollars)
Assets acquired		
Accounts receivable	$	54,585
Inventory		37,285
Property and equipment		23,154
Intangible assets		27,106
Goodwill		67,469
Other assets		2,527
		212,126
Liabilities assumed		
Accounts payable and accrued liabilities		(56,989)
Debt and notes payable		(31,710)
Payable to shareholders		(22,125)
Minority interest		(45,609)
Deferred income tax liabilities		(7,757)
Other liabilities		(2,062)
		(166,252)
Purchase price	$	45,874

On May 1, 2007, the Company acquired 100% of the outstanding shares of Northern Boreal in exchange for cash and shares. Northern Boreal operates an oilfield supply store. Consolidated earnings of Northern Boreal since acquisition date have been included in these financial statements.

On April 3, 2007, the Company acquired 100% of the outstanding shares of Hagan Oilfield Supply Ltd., and affiliated companies ("1236564" and "1048025") in exchange for cash and shares. Consolidated earnings of Hagan since acquisition date have been included in these financial statements. The Company subsequently amalgamated the operations of the three companies on November 1, 2007, into Hagan Oilfield Supply Ltd ("Hagan"), which operates three oilfield supply stores.

RED MAN PIPE & SUPPLY CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2005, 2006 and 2007

The consideration paid and the fair values of the net assets acquired are as follows:

	Hagan	Northern Boreal	Total
	(in thousands of dollars)		
Consideration paid			
Cash	$1,882	$ 2,773	$ 4,655
Shares issued in Midfield Supply ULC	217	820	1,037
Notes payable	701	1,495	2,196
	$2,800	$ 5,088	$ 7,888
Net assets acquired			
Current assets	$ 98	$ 3,812	$ 3,910
Property, plant and equipment	127	244	371
Goodwill	2,045	2,638	4,683
Intangible assets	610	1,167	1,777
Current liabilities	(80)	(2,773)	(2,853)
	$2,800	$ 5,088	$ 7,888

4. Business Divestitures

On June 30, 2006, a subsidiary of the Company, Nusco Pipe and Supply ULC, disposed of its manufacturing business located in Nisku, Alberta, Canada, as well as its 80% interest in Nusco Northern Manufacturing Ltd. and its wholly owned subsidiary Moe's. The Company received proceeds of $41,106,000 consisting of cash of $35,220,000, warrants with an estimated fair value of $308,000 and an assumption of long-term debt of $5,578,000.

The carrying amounts of the disposed assets relating to this sale are as follows:

	(in thousands of dollars)
Current assets	$ 5,790
Property, plant and equipment	14,760
Goodwill	7,943
Intangibles	297
Current liabilities	(130)
Minority interest	(2,416)
Long-term liabilities	(1,724)
	$ 24,520

RED MAN PIPE & SUPPLY CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2005, 2006 and 2007

The results of operations for the discontinued operations were as follows:

	June 15, 2005 to October 31, 2005	November 1, 2005 to June 30, 2006
	(in thousands of dollars)	
Revenue	$ 15,170	$ 28,031
Cost of sales	(10,819)	(21,880)
Expenses	(2,494)	(4,608)
Amortization	—	(540)
Bonuses	(1,032)	(3,326)
Other income	—	447
Earnings (loss) before income taxes	825	(1,876)
Provision for current income taxes	(297)	(301)
Earnings (loss) from discontinued operations	$ 528	$ (2,177)

Comparative figures have been restated as a result of these discontinued operations.

On November 1, 2006, the Company's 100% owned subsidiary, Midfield Supply USA Ltd. disposed of all of its working capital assets with proceeds equal to book value ($888) and plant and equipment with proceeds equal to net book value ($5) to the Company's majority shareholder. Midfield Supply USA Ltd. ceased operating at this time.

5. Property, Plant and Equipment

Property, plant and equipment consists of the following as of October 31, 2006 and 2007:

	2006	2007
	(in thousands of dollars)	
Land	$ 3,802	$ 4,300
Buildings and improvements	11,140	16,172
Machinery, shop equipment and vehicles	11,840	24,178
Furniture, fixtures and office equipment	24,455	21,254
Leasehold improvements	1,763	2,996
	53,000	68,900
Less: Accumulated depreciation and amortization	23,069	29,317
	$ 29,931	$ 39,583

6. Operating Lines of Credit *(in thousands of dollars)*

The Company has one Canadian dollar line of credit with Bank of America, which is further described in Note 7.

In 2006 bank indebtedness consisted of three Canadian dollar and one U.S. dollar revolving lines of credit. The Canadian dollar lines of credit had a maximum limit of $30,000 bearing interest to Canadian prime rate plus 0.625%, a maximum limit of $25,000 bearing interest at prime plus 0.5% and a maximum limit of $1,500 bearing interest at prime plus 0.5%. The U.S. dollar line of credit had

a maximum of $250 US, bearing interest at 5.875%. All of these lines of credit were fully repaid in the current year.

7. Long-Term Debt, Notes Payable and Term Loans

Long-term debt, notes payable and term loans as of October 31, 2006 and 2007 consists of the following:

	2006	2007
	(in thousands of dollars)	
Revolving credit facility(A)	$ 207,418	$ —
Notes payable(B)	6,939	3,910
Term loans due on demand(C)	3,975	41,953
	218,332	45,863
Less: Current portion	10,914	14,429
	$ 207,418	$31,434

(A) At October 31, 2006, the Credit Facility, as amended and restated, permitted the Company to borrow amounts up to the lesser of (i) $260 million or (ii) an amount equal to the borrowing base plus the outstanding balance on the term loan portion. On the revolving credit portion of the Credit Facility, the Company is permitted to borrow amounts up to the lesser of (i) $260 million or (ii) an amount equal to the borrowing base amount. The borrowing base amount is determined through a computation of eligible accounts receivable and inventories as defined in the Credit Facility. The amount of unused borrowings available under the Credit Facility at October 31, 2006 was $52.6 million. The borrowings under the revolving credit portion of the Credit Facility bear an interest rate equal to the lesser of the Eurodollar rate, as defined in the Credit Facility plus a margin based upon the average daily availability and a fixed charge coverage ratio, as defined in the Credit Facility or the maximum legal rate permitted by applicable state or federal law, as defined in the Credit Facility. The term loan portion of the Credit Facility bears interest at (i) the lesser of the bank's Eurodollar margin plus the Eurodollar base rate, as defined in the Credit Facility, or the maximum legal rate permitted by applicable state or federal law, as defined in the Credit Facility or (ii) the lesser of the bank's base rate margin, plus the base rate, as defined by the Credit Facility, or the maximum legal rate permitted by applicable state or federal law, as defined by the Credit Facility. The term loan was paid off in 2006. The Company pays a fee on the unused portion of the Credit Facility equal to 0.25% per year. Additionally, the Company will pay a fee equal to 2.5% per annum of the face amount of the letters of credit outstanding during the month, for which letter of credit guarantees have been issued. As discussed in Note 2, the Credit Facility was paid off on October 31, 2007, using funds loaned from McJunkin Corporation.

The amended and restated credit agreement contained customary restrictions and limitations on the Company's ability to incur liens, incur additional debt, make investments or engage in transactions with affiliates, make capital expenditures, and pay dividends or make other distributions. The Company was also subject to financial covenants which included a total leverage and a fixed charge ratio.

(B) Notes payable

	2006	2007
	(in thousands of dollars)	
Due to related parties	$5,154	$3,910
Unsecured note payable	1,785	—
	$6,939	$3,910

The amounts due to related parties are unsecured, bear interest at varying rates from 0% to 8% per annum, and are due on demand, with no fixed terms of repayment. The parties are related due to some common directors, or they are shareholders of the Company.

(C) Revolver and term loans

	2006	2007
	(in thousands of dollars)	
Borrowings under line of credit with interest at prime plus margin of 0.25%, due in October 2010(D)	$ —	$ 31,434
Revolving term loan facility with interest at prime plus margin of up to 0.5% (6.75% at October 31, 2007), due on February 28, 2008	—	10,420
Term loan payable in monthly installments of $57,107 including interest at Canadian bank prime plus 1.25%	3,787	—
Other	188	99
	$3,975	$ 41,953

(D) On November 2, 2006, Midfield entered into a loan and security agreement for a CAD150 million revolving credit facility. As of October 31, 2007, $31.4 million of borrowings were outstanding under the facility and the unused borrowing capacity was approximately $125.8 million. Midfield must pay a monthly fee with respect to unutilized revolving loan commitments equal to amounts ranging from 0.25% to 0.375%, depending upon average borrowing levels for the previous quarter. The facility provides for borrowings up to CAD150 million, subject to adjustments based on the borrowing base and less the aggregate letters of credit outstanding under the facility. Letters of credit may be issued under the facility subject to certain conditions, including a CAD10 million sub-limit. The revolving loan has a maturity date of November 2, 2010. All letters of credit issued under the facility must expire at least 20 business days prior to November 2, 2010.

The revolving credit facility bears interest with various variable interest rate options. Midfield can elect a variable rate based upon either the Canadian prime rate or Canadian Dollar Bankers' Acceptance rate ("Canadian BA"). If the Canadian prime rate is elected, the rate ranges from prime rate to prime rate plus 0.25%, depending upon average borrowing levels for the previous quarter. If the Company elects the Canadian BA rate, the rate ranges from Canadian BA rate plus 1.25% to 1.75%, depending upon borrowing levels for the previous quarter.

The revolving credit facility is secured by substantially all of the personal property of Midfield, with a carrying value of $317.3 million at October 31, 2007. Provisions contained in the revolving credit facility require Midfield to maintain certain financial ratios and limit capital expenditures. At

October 31, 2007, the Company was in compliance with all such debt covenants. Prior to October 31, 2007, Midfield obtained waivers for various events of default under its revolving credit facility, including events of default for not providing financial statements when due and making capital expenditures in excess of certain limits.

The CAD150 million facility is subject to an inter-creditor agreement which relates to, among other things, priority of liens and proceeds of sale of collateral.

Aggregate future principal maturities of long-term debt as of October 31, 2007, are as follows:

	(in thousands of dollars)
Year ending October 31,	
2008	$ 10,519
2009	—
2010	31,434
2011	—
	$ 41,953

During February 2003, the Company entered into a swap agreement and swapped $50 million at a variable rate ("LIBOR") for a fixed rate of 3.88%. This derivative instrument was settled monthly on the first day of the month and terminated in October 2005. This derivative qualified as a cash flow hedge under FAS 133. The fair value of this derivative instrument at October 31, 2005 was approximately $0. This instrument expired effective October 31, 2005.

8. Stockholders' Equity

Common Stock

The Company has two classes of common stock. One class consists of 50,000,000 authorized shares of $.01 par value voting Class A Common stock. As of October 31, 2006 and 2007, there were 144,831 and 143,976 shares, issued and outstanding, respectively. The other class consists of 50,000,000 authorized shares of $.01 par value nonvoting Class B Common Stock. As of October 31, 2006 and 2007, there were 34,344 shares issued and outstanding.

Preferred Stock

The Company also has 2,000 authorized shares of $2,500 par value redeemable Class C Preferred Stock. As of October 31, 2002, there were 2,000 preferred shares issued and outstanding, and there were no preferred shares issued or outstanding as of October 31, 2006 and 2007. The Class C Preferred Stock is nonvoting and subordinate to indebtedness of the Company, but bears full preference to the Common Stock as to dividends and to redemption in the event of liquidation of the Company. On November 30, 1999, certain rights and privileges relating to the Class C Preferred Stock were amended. Effective April 1, 2000, the Preferred Stock bears an annual dividend of 8%, payable quarterly, beginning on June 30, 2000. Effective April 1, 2002, the preferred stock annual dividend rate was increased to 9% per annum, payable quarterly, beginning on July 1, 2002. Dividends paid on Class C Preferred Stock were $0, $0 and $0 during 2005, 2006 and 2007, respectively.

In September 2003, the Company redeemed the 2,000 shares of Class C Preferred Stock for $5,000,000.

Incentive Stock Plan

In December 1997, the Company established the Red Man Pipe & Supply Co. Incentive Stock Plan (the "Incentive Plan") in which officers, employees and directors are eligible to participate. The Incentive Plan authorizes the grant of incentive stock options, non-qualified stock options and awards of restricted stock. Incentive stock options may only be awarded to employees and the exercise price may not be less than the fair market value of the Class A common stock on the date of grant (or 110% of such fair market value if granted to employees who own more than 10% of the combined voting power of all classes of the stock of the Company). The exercise price of non-qualified stock options shall be determined by the Board of Directors or its committee and shall not be less than the fair market value of the Class A Common Stock on the date of grant. The vesting period for all options will be determined by the Board of Directors or its committees at the time of the grant. The incentive stock option may not be exercised after the expiration of 10 years from the date of grant (or 5 years if granted to employees who own more than 10% of the combined voting power of all classes of stock of the Company). No options have been granted under the Incentive Plan. In connection with the Merger Agreement (Note 2), the Incentive Stock Plan was terminated on October 31, 2007.

A restricted stock award will consist of shares of Class A Common Stock that are nontransferable or subject to risk of forfeiture until specific conditions are met. The restrictions will lapse in accordance with the schedule or other conditions as determined by the Board of Directors or its committee. During the restriction period, the recipient of restricted stock will have certain rights as a shareholder, including the right to vote the stock and receive dividends. No awards have been granted under the Incentive Plan. In connection with the Merger Agreement (Note 2), the Incentive Stock Plan was terminated on October 31, 2007.

Phantom Stock Plan

In April 2003, the Company established the Red Man Pipe & Supply Co. Phantom Stock Plan (the "Phantom Plan") in which officers and key employees are eligible to participate. The Plan authorizes the grant of up to 5,000 shares of phantom stock. The shares are credited to the participants' accounts and are eligible for redemption payment after vesting at a price per share based upon the annual stock valuation. As of October 31, 2005, 1,957 shares had been granted under the Phantom Plan and have a redemption value of approximately $750,000, upon vesting in years 2012 through 2027. Selling, general and administrative expenses include compensation expense related to the Phantom Plan of $84,000, $426,000 and $2,482,000 for the periods ended October 31, 2005, 2006 and 2007, respectively. In connection with the Merger Agreement (Note 2), the Phantom Plan was terminated on October 31, 2007, in exchange for an agreement to pay Phantom Plan participants a total of $3,075,000.

9. Leases

The Company occupies facilities and operates motor vehicles under long-term operating leases that expire during the fiscal years ending 2005 through 2014. Certain of these leases are subject to renewal or purchase options and escalation clauses. The following is a schedule by year of future minimum lease payments required under the operating leases that have initial or remaining noncancelable lease terms as of October 31, 2007;

RED MAN PIPE & SUPPLY CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2005, 2006 and 2007

Year ending October 31	(In thousands of dollars)
2008	$ 10,676
2009	7,618
2010	4,774
2011	3,508
2012	3,871
Thereafter	1,005
Total minimum lease payments	$ 31,452

Rent expense on all operating leases amounted to approximately $5,700,000, $8,043,000 and $10,457,000 in 2005, 2006 and 2007, respectively.

10. Income Taxes

The components of income (loss) from continuing operations and before income taxes are as follows:

	October 31,		
	2005	2006	2007
	(In thousands of dollars)		
Income (loss) before income taxes			
Domestic	$91,209	$74,918	$ 141,881
Non-United States	2,266	5,410	(2,061)
Total income (loss) before income taxes	$93,475	$80,328	$ 139,820

The components of income tax expense, from continuing operations, are as follows:

	October 31,		
	2005	2006	2007
	(In thousands of dollars)		
Current			
Federal tax expense	$16,312	$21,791	$42,632
State tax expense	2,324	3,542	6,198
Non-United States	208	59	2,456
Deferred tax expense	15,364	1,106	6,286
	$34,208	$26,498	$57,572

The components of the net deferred tax asset (liability) were as follows:

	October 31,	
	2006	2007
	(In thousands of dollars)	
Current deferred tax assets (liabilities)		
Inventory	$(18,367)	$(22,627)
Accounts receivable	(3,461)	(4,103)
Vacation accrual	663	710
Accrued insurance	394	318
Red Man Canada interest	(2,181)	(3,987)
Phantom stock	231	715
Current deferred tax (liabilities)	$(22,721)	$(28,974)
Noncurrent deferred tax assets (liabilities)		
Property, plant and equipment	$ (1,847)	$ (3,136)
Intangible assets	(4,048)	(4,690)
Other	(29)	—
Noncurrent deferred tax (liabilities)	$ (5,924)	$ (7,826)

The difference between the effective tax rate and the U.S. federal statutory rate was as follows:

		October 31,	
	2005	2006	2007
Federal statutory rate	34.0%	35.0%	35.0%
State income tax	4.6	4.3	4.8
Nondeductible expenses	1.0	0.7	0.3
Foreign sales corporation	(1.3)	(1.5)	(0.1)
Non-United States	—	(2.3)	0.9
Other	(1.7)	(3.3)	0.3
Effective tax rate	36.6%	32.9%	41.2%

11. Employee Benefit Plans

The Red Man Pipe & Supply Co. Retirement Savings Plan (the “Plan”) incorporates the provisions of Section 401(k) of the Internal Revenue Code. The Plan covers all employees in the United States who have attained the age of twenty-one (21). Participants are allowed to contribute a portion of their salary with employer matching contributions based on the contributions of the participants. The employer matching contributions were approximately $927,000, $1,081,000 and $1,215,000 for the years ended October 31, 2005, 2006 and 2007, respectively.

12. Related Party Transactions

The Company leases certain equipment from Prideco, a partnership related by common ownership and control. The Company also leases certain buildings from Prideco. Amounts paid to Prideco for building and equipment rental were $2,205,000, $2,695,000 and $3,086,000 for the years ended October 31, 2005, 2006 and 2007, respectively.

A stockholder leases a supply and service center to the Company for use in its operations. The stated term of the lease will expire in January 2008. The aggregate lease payments made to the stockholder were $13,200 in each of fiscal years ended October 31, 2005, 2006 and 2007.

In connection with the Company's acquisition of 51% of the shares of Midfield Supply ULC, a Shareholders' Agreement between Red Man Pipe & Supply Canada, LTD., the 51% majority shareholder of Midfield Supply ULC, and Midfield Holdings (Alberta) LTD., the 49% minority interest shareholder of Midfield Supply ULC was created. This agreement, among other things, stipulates how profits of Midfield Supply ULC are shared. Midfield Holdings (Alberta) LTD's portion of the profits are accrued and subsequently paid to shareholders of Midfield Holdings (Alberta) LTD, who are also employees of Midfield Supply ULC, via a formal Employee Profit Sharing Plan ("EPSP"). In connection with the EPSP, $22,186,000 and $8,212,000 is accrued as of October 31, 2006 and 2007, respectively, and is included in selling, general and administrative expenses. Red Man Pipe & Supply Canada, LTD's portion of the profits were accrued and subsequently paid via an after-tax dividend, which has been eliminated in consolidation.

In connection with the EPSP payments, from time to time the minority shareholder makes loans to the Company. These subordinated notes payable are unsecured, bear interest at 8% and have no fixed terms of repayment. Amounts payable to minority interest shareholders were $28,009,000 and $25,718,000 as of October 31, 2006 and 2007, respectively, for amounts loaned to the Company.

The Company has unsecured advances to a related entity, Europump Systems Inc. ("Europump"), with no fixed terms of repayment bearing interest at 8% per annum in 2006 and 0% in 2007. The outstanding balance on the advances was $4,940,000 and $2,921,000 at October 31, 2006 and 2007, respectively. The Company has also issued a financial guarantee in the form of an irrevocable standby letter of credit for Europump for an amount up to CAD5,000,000 (2006: CAD0), to support a line of credit that Europump has established with its bank. The expiry date of the letter of credit is January 31, 2008, subject to an automatic renewal of one year unless such bank elects not to renew this letter of credit.

13. Concentration of Credit Risk and Sources of Supply

Most of the Company's business activity is with customers in the oil and gas industry. In the normal course of business the Company grants credit to these customers. Trade accounts receivable are primarily from these customers. The Company generally does not require collateral on its trade receivables. During 2005, 2006 and 2007, the Company did not have sales to any customers in excess of 10% of gross sales.

A substantial portion of the Company's tubular goods is purchased from two manufacturers. The Company has no long-term supply contracts with these manufacturers which would assure the Company of a continued supply of tubular products in the future. Although the Company believes there are numerous manufacturers having the capacity to supply its tubular products, the loss of one of these major suppliers could have a material adverse effect on the Company's business, financial condition or results of operations.

Shares

McJUNKIN RED MAN HOLDING CORPORATION

Common Stock

Goldman, Sachs & Co.
Lehman Brothers
JPMorgan
Deutsche Bank Securities
Robert W. Baird & Co.
Credit Suisse
Stephens Inc.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. *Other Expenses of Issuance and Distribution.*

The following table sets forth the costs and expenses to be paid by the Registrant in connection with the sale of the shares of common stock being registered hereby. All amounts are estimates except for the SEC registration fee, the Financial Industry Regulatory Authority ("FINRA") filing fee and the New York Stock Exchange listing fee.

SEC registration fee	$ 29,475
FINRA filing fee	75,500
The New York Stock Exchange listing fee	250,000
Accounting fees and expenses	850,000
Legal fees and expenses	3,500,000
Printing and engraving expenses	650,000
Blue Sky qualification fees and expenses	10,000
Transfer agent and registrar fees and expenses	10,000
Miscellaneous expenses	25,025
Total	$ 5,400,000

Item 14. *Indemnification of Directors and Officers.*

Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities (including reimbursement for expenses incurred) arising under the Securities Act of 1933, as amended (the "Securities Act").

As permitted by the Delaware General Corporation Law, the Registrant's Certificate of Incorporation includes a provision that eliminates the personal liability of its directors for monetary damages for breach of fiduciary duty as a director, except for liability:

- for any breach of the director's duty of loyalty to the Registrant or its stockholders;
- for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- under section 174 of the Delaware General Corporation Law regarding unlawful dividends and stock purchases; or
- for any transaction for which the director derived an improper personal benefit.

As permitted by the Delaware General Corporation Law, the Registrant's Bylaws provide that:

- the Registrant is required to indemnify its directors and officers to the fullest extent permitted by the Delaware General Corporation Law, subject to very limited exceptions;
- the Registrant may indemnify its other employees and agents to the fullest extent permitted by the Delaware General Corporation Law, subject to very limited exceptions;
- the Registrant is required to advance expenses, as incurred, to its directors and officers in connection with a legal proceeding to the fullest extent permitted by the Delaware General Corporation Law, subject to very limited exceptions;

- the Registrant may advance expenses, as incurred, to its employees and agents in connection with a legal proceeding; and
- the rights conferred in the Bylaws are not exclusive.

The Registrant may enter into Indemnity Agreements with each of its current directors and officers to give these directors and officers additional contractual assurances regarding the scope of the indemnification set forth in the Registrant's Certificate of Incorporation and to provide additional procedural protections. At present, there is no pending litigation or proceeding involving a director, officer or employee of the Registrant regarding which indemnification is sought, nor is the Registrant aware of any threatened litigation that may result in claims for indemnification.

The indemnification provisions in the Registrant's Certificate of Incorporation and Bylaws and any Indemnity Agreements entered into between the Registrant and each of its directors and officers may be sufficiently broad to permit indemnification of the Registrant's directors and officers for liabilities arising under the Securities Act.

The Registrant and its subsidiaries are covered by liability insurance policies which indemnify their directors and officers against loss arising from claims by reason of their legal liability for acts as such directors, officers or trustees, subject to limitations and conditions as set forth in the policies.

The underwriting agreement to be entered into among the Company, the selling stockholder and the underwriters will contain indemnification and contribution provisions.

Stephen W. Lake, senior corporate vice president, general counsel and corporate secretary of our company, holds an employed lawyer's professional liability policy with Ace American Insurance Company, insuring him against liability which he may incur in his capacity as an officer of our company. The policy provides for $2 million of coverage with a $10,000 deductible.

Item 15. ***Recent Sales of Unregistered Securities.***

Issuances of Shares of Common Stock

We issued shares of common stock to PVF Holdings LLC over the period from November 29, 2006 to July 7, 2008. Set forth below is a summary of all issuances made to PVF Holdings LLC during such period. All issuances of common stock to PVF Holdings LLC were exempt from registration in accordance with Section 4(2) of the Securities Act of 1933 and Rule 506 of Regulation D. PVF Holdings LLC was and is an "accredited" investor within the meaning of Regulation D, owned principally and controlled by the Goldman Sachs Funds, and all issuances of common stock to PVF Holdings LLC were made on a private placement basis without general solicitation.

The Company was incorporated on November 29, 2006, and on such date the Company issued 100 shares of common stock to PVF Holdings LLC at a nominal purchase price of $1.00 per share.

On January 31, 2007, in connection with the Company's acquisition of the entity now known as McJunkin Red Man Corporation (and its affiliate McJunkin Appalachian Oilfield Supply Company), the Company issued 102,111.5960 shares of common stock to PVF Holdings LLC at a purchase price of $3,933.81 per share in exchange for $202,712,226.29 in cash, 2,763.0177 shares of common stock of McJunkin Corporation and 1,441.33 shares of common stock of McJunkin Appalachian Oilfield Supply Company.

On March 27, 2007, in connection with investments in PVF Holdings LLC made by a new director and a new employee of the Company, the Company issued 381.5277 shares of common stock to PVF Holdings at a purchase price of $3,933.81 in exchange for a cash contribution of $500,857.14 and $1,000,000 in the form of a 10-year promissory note.

On October 31, 2007, in connection with our business combination with Red Man Pipe & Supply Co., the Company issued 196,917.8360 shares of common stock to PVF Holdings LLC at a purchase

price of $3,933.81 per share in exchange for a cash contribution of $671,028,298 in cash and 23,584 shares of Red Man Pipe & Supply Co.

On November 29, 2007, in connection with investments in PVF Holdings LLC made by select employees of Red Man Pipe & Supply Co. (now a subsidiary of the Company), the Company issued 227.9818 shares of common stock to PVF Holdings LLC at a purchase price of $3,933.81 per share in exchange for a cash contribution of $896,837.18.

On November 30, 2007, in connection with an investment in PVF Holdings LLC made by a newly appointed director of the Company, the Company issued 127.1033 shares of common stock to PVF Holdings LLC at a purchase price of $3,933.81 per share in exchange for a cash contribution of $500,000.

On December 14, 2007, in connection with an investment in PVF Holdings LLC made by an executive officer of the Company, the Company issued 25.4207 shares of common stock to PVF Holdings LLC at a purchase price of $3,933.81 per share in exchange for a cash contribution of $100,000.

On January 7, 2008, in connection with an investment in PVF Holdings made by a new executive officer of the Company, the Company issued 0.2179 shares of common stock to PVF Holdings LLC at a purchase price of $3,933.81 per share in exchange for a cash contribution of $857.14.

On January 9, 2008, in connection with an investment in PVF Holdings made by an executive officer of the Company, the Company issued 0.2179 shares of common stock to PVF Holdings LLC at a purchase price of $3,933.81 per share in exchange for a cash contribution of $857.14.

On January 15, 2008, in connection with investments in PVF Holdings LLC made by select employees of the Company's Canadian subsidiary, the Company issued 9,389.4973 shares of common stock to PVF Holdings LLC at a purchase price of $3,933.81 per share in exchange for a cash contribution of $4,806,769.37 and a deferred capital contribution of $32,129,724.47.

On February 8, 2008, in connection with an investment in PVF Holdings LLC made by a new executive officer of the Company, the Company issued 50.8413 shares of common stock to PVF Holdings LLC at a purchase price of $3,933.81 per share in exchange for a cash contribution of $200,000.

On March 24, 2008, in connection with an investment in PVF Holdings LLC made in December 2007 by a recently appointed director of the Company, the Company issued 254.2066 shares of common stock to PVF Holdings LLC at a purchase price of $3,933.81 per share in exchange for a cash contribution of $1,000,000.

On April 10, 2008, in accordance with the stock purchase agreement executed in connection with our business combination with Red Man Pipe & Supply Co., it was determined that the shareholders of Red Man Pipe & Supply Co. were owed $6,680,251.39 as part of the purchase price adjustment. As a result, on April 10, 2008, PVF Holdings LLC issued 1,698.1634 common units (at $3,933.81 per unit), equal to the aggregate dollar amount of $6,680,251.39, to the shareholders of Red Man Pipe & Supply Co. In connection with this issuance, the Company issued 1,698.1634 shares of common stock to PVF Holdings LLC at a price of $3,933.81 per share.

On May 14, 2008, in connection with an investment in PVF Holdings LLC made by two directors of the Company, the Company issued 0.4358 shares of common stock to PVF Holdings LLC at a purchase price of $3,933.81 per share in exchange for a cash contribution of $1,714.28.

On May 16, 2008, in accordance with the stock purchase agreement executed in connection with our business combination with Red Man Pipe & Supply Co., it was determined that the shareholders of Red Man Pipe & Supply Co. were owed $343,194.72 as part of an additional purchase price adjustment. As a result, on May 16, 2008, PVF Holdings LLC issued 87.2423 common

units (at $3,933.81 per unit), equal to the aggregate dollar amount of $343,194.72, to the shareholders of Red Man Pipe & Supply Co. In connection with this issuance, the Company issued 87.2423 shares of common stock to PVF Holdings LLC at a price of $3,933.81 per share.

On July 7, 2008, in connection with an investment in PVF Holdings LLC made by a new director of the Company, the Company issued 68.9942 shares of common stock to PVF Holdings LLC at a purchase price of $4,348.19 per share in exchange for a cash contribution of $300,000.

On September 10, 2008, the Company issued 340.4379 shares of common stock to its newly hired chief executive officer in exchange for a cash contribution of $3,000,000 at a purchase price per share of $8,812.18. The issuance of common stock to our newly-hired chief executive officer was exempt from registration in accordance with Rule 701 of the Securities Act of 1933.

Stock Option and Restricted Stock Awards

As of September 10, 2008, we had outstanding stock options to purchase 7,198.9429 shares of our common stock and 569.4220 shares of restricted stock outstanding in connection with awards made to certain of our employees and directors in connection with services provided as our employees and directors. These numbers take into account forfeitures as a result of the termination of certain grantees' employment. All of these awards of restricted stock and stock options were exempt from registration in accordance with Rule 701 or Section 4(2) of the Securities Act of 1933. The dates of grant and recipients of such awards are more fully described below.

On March 27, 2007, we granted options to acquire 1,169.3502 shares of our common stock under the McJ Holding Corporation 2007 Stock Option Plan (the "Stock Option Plan") to certain employees of McJunkin Corporation at an exercise price of $3,933.81 per share (which was subsequently reduced to $2,411.17 in connection with our recapitalization in May 2008). On March 27, 2007 we also granted 317.7575 shares of restricted stock under the McJ Holding Corporation 2007 Restricted Stock Plan (the "Restricted Stock Plan") to certain employees of McJunkin Corporation.

On December 21, 2007 and January 23, 2008, we granted options to acquire 800.7505 shares of our common stock to certain employees of our subsidiary Midfield Supply ULC under the McJunkin Red Man Holding Corporation 2007 Stock Option Plan (Canada), a sub-plan of the Stock Option Plan, at an exercise price of $3,933.81 per share (which was subsequently reduced to $2,411.17 in connection with our recapitalization in May 2008).

On December 21, 2007, we granted options to acquire 1,410.8460 shares of our common stock to certain employees of Red Man Pipe & Supply Co. under the Stock Option Plan. In addition to grants made to employees, on December 21, 2007 we granted options to acquire 76.2620 shares of our common stock to each of two recently appointed directors in connection with their service on our board of directors. All of the options to acquire shares of our common stock described in this paragraph had an exercise price of $3,933.81 per share, which was subsequently reduced to $2,411.17 per share in connection with our recapitalization in May 2008. On December 21, 2007 we also granted 317.7581 shares of restricted stock under the Restricted Stock Plan to certain employees of Red Man Pipe & Supply Co.

On February 8, 2008, we granted options to acquire 38.1310 shares of our common stock to one of our employees under the Stock Option Plan at an exercise price of $3,933.81 per share (which was also reduced to $2,411.17 per share in connection with our recapitalization in May 2008).

On June 16, 2008, we granted options to acquire 216.0650 shares of our common stock to certain of our employees under the Stock Option Plan at an exercise price of $4,348.19 per share.

On June 19, 2008, we granted options to acquire 114.9904 shares of our common stock to one of our employees under the Stock Option Plan at an exercise price of $4,348.19 per share.

On August 13, 2008 we granted options to purchase 27.1208 shares of our common stock to each of two of our employees under the Stock Option Plan with an exercise price of $5,530.81 per share.

On September 10, 2008 we granted options to purchase 3,517.8582 shares of our common stock with an exercise price of $8,812.18 per share to our newly hired chief executive officer.

The amounts of our common stock, restricted stock and stock options described in this Item 15 do not take into account the for split of our common stock which will occur prior to the pricing of this offering.

Item 16. ***Exhibits and Financial Statement Schedules.***

(a) The following exhibits are filed herewith:

Number	Exhibit Title
1.1*	Form of Underwriting Agreement.
2.1	Agreement and Plan of Merger, dated as of December 4, 2006, by and among McJunkin Corporation, McJ Holding Corporation and Hg Acquisition Corp.
2.1.1	McJunkin Contribution Agreement, dated as of December 4, 2006, by and among McJunkin Corporation, McJ Holding LLC and certain shareholders of McJunkin Corporation.
2.1.2	McApple Contribution Agreement, dated as of December 4, 2006, among McJunkin Corporation, McJ Holding LLC and certain shareholders of McJunkin Appalachian Oilfield Supply Company.
2.2	Stock Purchase Agreement, dated as of April 5, 2007, by and between McJunkin Development Corporation, Midway-Tristate Corporation and the other parties thereto.
2.2.1	Assignment Agreement, dated as of April 27, 2007, by and among McJunkin Development Corporation, McJunkin Appalachian Oilfield Supply Company, Midway-Tristate Corporation, and John A. Selzer, as Representative of the Shareholders.
2.3	Stock Purchase Agreement, dated as of July 6, 2007, by and among West Oklahoma PVF Company, Red Man Pipe & Supply Co., the Shareholders listed on Schedule 1 thereto, PVF Holdings LLC, and Craig Ketchum, as Representative of the Shareholders.
2.3.1	Contribution Agreement, dated July 6, 2007, by and among McJ Holding LLC and certain shareholders of Red Man Pipe & Supply Co.
2.3.2	Amendment No. 1 to Stock Purchase Agreement, dated as of October 24, 2007, by and among West Oklahoma PVF Company, Red Man Pipe & Supply Co., and Craig Ketchum, as Representative of the Shareholders.
2.3.3	Joinder Agreement and Amendment No. 2 to the Stock Purchase Agreement, dated as of October 31, 2007, by and among West Oklahoma PVF Company, Red Man Pipe & Supply Co., PVF Holdings LLC, Craig Ketchum, as Representative of the Shareholders, and the other parties thereto.
3.1*	Form of Amended and Restated Certificate of Incorporation of McJunkin Red Man Holding Corporation.
3.2*	Form of Amended and Restated Bylaws of McJunkin Red Man Holding Corporation.
4.1*	Specimen Common Stock Certificate.
5.1	Form of opinion of Fried, Frank, Harris, Shriver & Jacobson LLP.
10.1	Revolving Loan Credit Agreement, dated as of October 31, 2007, by and among McJunkin Red Man Corporation and the other parties thereto.
10.1.1	Joinder Agreement, dated as of June 10, 2008, by and among The Huntington National Bank, McJunkin Red Man Corporation and The CIT Group/Business Credit, Inc.
10.1.2	Joinder Agreement, dated as of June 10, 2008, by and among JP Morgan Chase Bank, N.A., McJunkin Red Man Corporation and The CIT Group/Business Credit, Inc.
10.1.3	Joinder Agreement, dated as of June 10, 2008, by and among TD Bank, N.A., McJunkin Red Man Corporation and The CIT Group/Business Credit, Inc.

Number	Exhibit Title
10.1.4	Joinder Agreement, dated as of June 10, 2008, by and among United Bank Inc., McJunkin Red Man Corporation and The CIT Group/Business Credit, Inc.
10.2	Revolving Loan Security Agreement, dated as of October 31, 2007, by and among McJunkin Red Man Corporation and the other parties thereto.
10.3	Term Loan Credit Agreement, dated as of January 31, 2007, by and among McJunkin Red Man Corporation and the other parties thereto.
10.3.1	First Amendment to Term Loan Credit Agreement, dated as of October 31, 2007, by and among McJunkin Red Man Corporation and the other parties thereto.
10.4	Term Loan Pledge Agreement, dated as of January 31, 2007, by and among McJunkin Red Man Corporation, Lehman Commercial Paper Inc., and the other parties thereto.
10.4.1	Supplement No. 1 to Term Loan Pledge Agreement, dated as of April 30, 2007, by and among McJunkin Red Man Corporation, Lehman Commercial Paper Inc., and the other parties thereto.
10.4.2	Supplement No. 2 to Term Loan Pledge Agreement, dated as of April 30, 2007, by and among McJunkin Red Man Corporation, Lehman Commercial Paper Inc., and the other parties thereto.
10.4.3	Supplement No. 3 to Term Loan Pledge Agreement, dated as of October 31, 2007, by and among McJunkin Red Man Corporation, Lehman Commercial Paper Inc., and the other parties thereto.
10.5	Term Loan Security Agreement, dated as of January 31, 2007, by and among McJunkin Red Man Corporation, Lehman Commercial Paper Inc., and the other parties thereto.
10.5.1	Supplement No. 1 to Term Loan Security Agreement, dated as of April 30, 2007, by and among McJunkin Red Man Corporation, Lehman Commercial Paper Inc., and the other parties thereto.
10.5.2	Supplement No. 2 to Term Loan Security Agreement, dated as of October 31, 2007, by and among McJunkin Red Man Corporation, Lehman Commercial Paper Inc., and the other parties thereto.
10.6	Term Loan Credit Agreement, dated as of May 22, 2008, by and among McJunkin Red Man Holding Corporation and the other parties thereto.
10.7	Term Loan Pledge Agreement, dated as of May 22, 2008, by and between McJunkin Red Man Holding Corporation and Lehman Commercial Paper Inc.
10.8	Term Loan Security Agreement, dated as of May 22, 2008, by and between McJunkin Red Man Holding Corporation and Lehman Commercial Paper Inc.
10.9	Loan and Security Agreement, dated as of November 2, 2006, by and among Midfield Supply ULC and the other parties thereto.
10.9.1	Consent and First Amendment to the Loan and Security Agreement, dated as of April 26, 2007, by and among Midfield Supply ULC and the other parties thereto.
10.9.2	Second Amendment to the Loan and Security Agreement, dated as of May 17, 2007, by and among Midfield Supply ULC and the other parties thereto.
10.9.3	Third Amendment, Consent and Waiver to the Loan and Security Agreement, dated as of October 31, 2007, by and among Midfield Supply ULC and the other parties thereto.
10.9.4	Fourth Amendment to the Loan and Security Agreement, dated as of April 28, 2008, by and among Midfield Supply ULC and the other parties thereto.
10.10	Letter Agreement, dated as of May 17, 2007, by and between Alberta Treasury Branches and Midfield Supply ULC.
10.10.1	Amendment to Letter Agreement, dated as of October 10, 2007, by and between Alberta Treasury Branches and Midfield Supply ULC.
10.11	Letter Agreement, dated as of September 24, 2008, by and among H.B. Wehrle, III, PVF Holdings LLC and McJunkin Red Man Corporation.
10.12	Employment Agreement of Craig Ketchum.
10.13	Employment Agreement of James F. Underhill.
10.14	Employment Agreement of David Fox, III.
10.15	Employment Agreement of Dee Paige.

Number	Exhibit Title
10.16	Employment Agreement of Stephen D. Wehrle.
10.17	McJ Holding Corporation 2007 Stock Option Plan.
10.17.1	Form of McJunkin Red Man Holding Corporation Nonqualified Stock Option Agreement.
10.18	McJ Holding Corporation 2007 Restricted Stock Plan.
10.18.1	Form of McJunkin Red Man Holding Corporation Restricted Stock Award Agreement.
10.19	McJunkin Red Man Holding Corporation 2007 Stock Option Plan (Canada).
10.19.1	Form of McJunkin Red Man Holding Corporation Nonqualified Stock Option Agreement (Canada) (for plan participants who are parties to non-competition agreements).
10.19.2	Form of McJunkin Red Man Holding Corporation Nonqualified Stock Option Agreement (Canada) (for plan participants who are not parties to non-competition agreements).
10.20	McJunkin Red Man Corporation Deferred Compensation Plan.
10.21	Indemnity Agreement, dated as of December 4, 2006, by and among McJunkin Red Man Holding Corporation, Hg Acquisition Corp., McJunkin Red Man Corporation, and certain shareholders of McJunkin Red Man Corporation named therein.
10.22	Management Stockholders Agreement, dated as of March 27, 2007, by and among PVF Holdings LLC, McJunkin Red Man Holding Corporation, and the other parties thereto.
10.22.1	Amendment No. 1 to the Management Stockholders Agreement, dated as of December 21, 2007, executed by PVF Holdings LLC.
10.22.2	Amendment No. 2 to the Management Stockholders Agreement, dated as of December 26, 2007, executed by PVF Holdings LLC.
10.23	Phantom Shares Surrender Agreement, Release and Waiver, dated as of October 30, 2007, by and among Red Man Pipe & Supply Co., PVF Holdings LLC, and Jeffrey Lang.
10.24	Phantom Shares Surrender Agreement, Release and Waiver, dated as of October 30, 2007, by and among Red Man Pipe & Supply Co., PVF Holdings LLC, and Dee Paige.
10.25*	Form of Second Amended and Restated Limited Liability Company Agreement of PVF Holdings LLC.
10.26*	Form of Registration Rights Agreement by and among McJunkin Red Man Holding Corporation and PVF Holdings LLC.
10.27	Amended and Restated Limited Liability Company Operating Agreement of Red Man Distributors LLC, dated as of September 18, 2008.
10.28	Amended and Restated Services Agreement, dated as of September 18, 2008, by and between McJunkin Red Man Corporation and Red Man Distributors LLC.
10.29	Employment Agreement of Andrew Lane.
10.30	Subscription Agreement, dated as of September 10, 2008, by and among McJunkin Red Man Holding Corporation, Andrew Lane, and PVF Holdings LLC.
10.31	McJunkin Red Man Holding Corporation Nonqualified Stock Option Agreement, dated as of September 10, 2008, by and among McJunkin Red Man Holding Corporation, PVF Holdings LLC, and Andrew Lane.
16	Letter from Schneider Downs & Co., Inc.
21.1	List of Subsidiaries of McJunkin Red Man Holding Corporation.
23.1	Consent of Ernst & Young LLP.
23.2	Consent of Schneider Downs & Co., Inc.
23.3	Consent of PricewaterhouseCoopers LLP.
23.4	Consent of Fried, Frank, Harris, Shriver & Jacobson LLP (included in Exhibit 5.1).
24.1**	Power of Attorney.

* To be filed by amendment.
** Previously filed.

(b) None.

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 provisions described in Item 14 above, 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; and

(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 the 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 Tulsa, State of Oklahoma, on September 26, 2008.

McJUNKIN RED MAN HOLDING CORPORATION

By: /s/ ANDREW LANE
Andrew Lane
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ ANDREW LANE Andrew Lane	Chief Executive Officer and Director (Principal Executive Officer)	September 26, 2008
* James F. Underhill	Executive Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	September 26, 2008
/s/ CRAIG KETCHUM Craig Ketchum	Chairman of the Board of Directors	September 26, 2008
* Rhys J. Best	Director	September 26, 2008
* Henry Cornell	Director	September 26, 2008
* Christopher A.S. Crampton	Director	September 26, 2008
* John F. Daly	Director	September 26, 2008
* Harry K. Hornish, Jr.	Director	September 26, 2008
* Sam B. Rovit	Director	September 26, 2008
* H.B. Wehrle, III	Director	September 26, 2008

*By: /s/ CRAIG KETCHUM
Craig Ketchum, as attorney-in-fact

Exhibit 2.1

Execution Version

AGREEMENT AND PLAN OF MERGER

Among

MCJUNKIN CORPORATION,

MCJ HOLDING CORPORATION

And

HG ACQUISITION CORP.

Dated as of December 4, 2006

TABLE OF CONTENTS

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER (this "*Agreement*"), dated as of December 4, 2006, among McJunkin Corporation, a West Virginia corporation (the "*Company*"), McJ Holding Corporation, a Delaware corporation ("*Parent*"), and Hg Acquisition Corp., a West Virginia corporation and a wholly owned subsidiary of Parent ("*Merger Sub*").

RECITALS

WHEREAS, the respective boards of directors of each of Parent, Merger Sub and the Company have approved the merger of Merger Sub with and into the Company (the "*Merger*") upon the terms and subject to the conditions set forth in this Agreement and have adopted this Agreement;

WHEREAS, Parent is a wholly owned subsidiary of McJ Holding LLC, a Delaware limited liability company ("*Holdco*");

WHEREAS, in accordance with the terms and subject to the conditions set forth in the Contribution Agreement (as defined in Section 4.1(a)(ii)), prior to the Effective Time (as defined in Section 1.3), those certain existing shareholders of the Company listed on Schedule II (the "*Major Shareholders*") and other shareholders as set forth herein will contribute to Holdco the Contribution Shares (as defined in Section 4.1(a)(ii)) held by them in exchange for Holdco Units (as defined in Section 4.1(a)(ii)) as part of a larger transaction that is intended to be governed by Sections 707 and 721 of the Internal Revenue Code of 1986, as amended (the "*Code*");

WHEREAS, in accordance with the terms and subject to the conditions set forth in the Letters of Transmittal (as defined in Section 4.1(a)(ii)), prior to the Effective Time, certain other existing shareholders of the Company will become parties to the Contribution Agreement and will contribute to Holdco the Contribution Shares held by them in exchange for Holdco Units as part of a larger transaction that is intended to be governed by Sections 707 and 721 of the Code;

WHEREAS, in accordance with the terms and subject to the conditions set forth in the McApple Agreement (as defined in Section 5.1(c)(iv)), prior to the Effective Time, all of the existing shareholders of McJunkin Appalachian Oilfield Supply Company ("*McApple*") other than the Company (the "*McApple Shareholders*") will contribute to Holdco all of the shares of McApple held by them in exchange for Holdco Units and cash in a transaction that is intended to be governed by Sections 707 and 721 of the Code;

WHEREAS, Holdco, the GSCP Members named therein (the "*GSCP Members*"), the Major Shareholders and the McApple Shareholders have executed and delivered a limited liability company operating agreement with respect to Holdco (the "*Holdco LLC Agreement*") and a Registration Rights Agreement relating to their interests in Holdco effective as of the Effective Time (the "*Registration Rights Agreement*");

WHEREAS, the Major Shareholders have entered into an agreement pursuant to which such shareholders have agreed to take specified action in furtherance of the Merger and the other transactions contemplated by this Agreement (the "*Shareholder Support Agreement*");

WHEREAS, the Company has entered into an employment agreement with each of those persons listed in Schedule III, effective as of the Effective Time (each an "*Employment Agreement*");

WHEREAS, as soon as practicable following execution of this Agreement the existing shareholders of the Company shall vote, at a duly convened meeting of the Company's shareholders, whether or not to approve this Agreement in accordance with its articles of incorporation and by-laws and the WVBCA (as defined in Section 1.1); and

WHEREAS, the Company, Parent and Merger Sub desire to make certain representations, warranties, covenants and agreements in connection with this Agreement.

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE I

The Merger; Closing; Effective Time

1.1. The Merger. Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time (as defined in Section 1.3) Merger Sub shall be merged with and into the Company and the separate existence of Merger Sub shall thereupon cease. The Company shall be the surviving corporation in the Merger (sometimes hereinafter referred to as the "*Surviving Corporation*"), and the Company shall continue unaffected by the Merger, except as set forth in Articles II, III and IV. The Merger shall have the effects specified in the West Virginia Business Corporation Act (the "*WVBCA*").

1.2. Closing. Unless otherwise mutually agreed in writing between the Company and Parent, the closing for the Merger (the "*Closing*") shall take place at the offices of Sullivan & Cromwell LLP, 125 Broad Street, New York, New York, commencing at 9:00 a.m. on the later of (a) the first business day following the day on

which the last to be satisfied or waived of the conditions set forth in Article VII (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the fulfillment or waiver of those conditions) shall be satisfied or waived in accordance with this Agreement and (b) January 30, 2007. The date of the Closing is referred to herein as the "*Closing Date*". For purposes of this Agreement, the term "*business day*" shall mean any day ending at 11:59 p.m. (Eastern Time) other than a Saturday or Sunday or a day on which banks are required or authorized to close in the City of New York.

1.3. Effective Time. Simultaneously with the Closing, the Company and Parent will cause articles of merger (the "*West Virginia Articles of Merger*") to be delivered by the Company to the Secretary of State of the State of West Virginia for filing as provided in Section 31D-11-1106(b) of the WVBCA. The Merger shall become effective at the time when the Secretary of State of the State of West Virginia has issued a certificate of merger to the Surviving Corporation (the "*Effective Time*").

ARTICLE II

Articles of Incorporation and By-Laws of the Surviving Corporation

2.1. The Articles of Incorporation. The articles of incorporation of the Company shall be amended as a result of the Merger to read in their entirety as set forth in Annex B hereto and as so amended shall be the articles of incorporation of the Surviving Corporation (the "*Articles*"), until thereafter amended as provided therein or by applicable Law (as defined in Section 5.1(i)).

2.2. The By-Laws. The by-laws of the Company shall be amended as a result of the Merger to read in their entirety as set forth in Annex C hereto and as so amended shall be the by-laws of the Surviving Corporation (the "*By-Laws*"), until thereafter amended as provided therein or by applicable Law.

ARTICLE III

Officers and Directors of the Surviving Corporation

3.1. Directors. The parties hereto shall take all actions necessary so that the directors of Merger Sub immediately prior to the Effective Time shall, from and after the Effective Time, be the directors of the Surviving Corporation until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Articles and the By-Laws.

3.2. Officers. The parties hereto shall take all actions necessary so that the individuals identified by Parent immediately prior to the Effective Time shall, from

and after the Effective Time, be the officers of the Surviving Corporation until their successors shall have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Articles and the By-Laws.

ARTICLE IV

Effect of the Merger on Capital Stock;
Exchange of Certificates

4.1. Effect on Capital Stock. At the Effective Time, as a result of the Merger and without any action on the part of the holder of any capital stock of the Company:

(a) Merger Consideration.

(i) Each share of the Class A Common Stock, par value $700.00 per share, of the Company (a "*Class A Share*" or collectively the "*Class A Shares*") and each share of the Class B Common Stock, par value $700.00 per share, of the Company (a "*Class B Share*" or collectively the "*Class B Shares*" and together with the Class A Shares, the "*Shares*") including for purposes of this Agreement, fractional Shares rounded to the nearest 1/10,000 of a Share, issued and outstanding immediately prior to the Effective Time and listed opposite a shareholder's name in Column C of Schedule I other than (x) Shares owned by Holdco (other than Contribution Shares), Parent, Merger Sub or any other direct or indirect wholly owned subsidiary of Holdco and Shares owned by the Company or any direct or indirect wholly owned subsidiary of the Company, and in each case not held on behalf of third parties, (y) Shares that are owned by shareholders ("*Dissenting Shareholders*") who have asserted their appraisal rights prior to the Effective Time pursuant to Section 31D-13-1321 of the WVBCA and thereafter exercised or remained entitled to exercise their appraisal rights under Article 13 of the WVBCA and (z) Contribution Shares (as defined in Section 4.1(a)(ii)) (each share referred to in (x), (y) and (z) above, an "*Excluded Share*" and collectively, "*Excluded Shares*") shall be converted into the right to receive an amount in cash equal to (1) $960,000,000 divided by (2) the total number of Shares issued and outstanding immediately prior to the Effective Time (including in such calculation, all Excluded Shares referred to in subsections (y) and (z) of the definition of Excluded Shares) (the "*Per Share Merger Consideration*"), plus the right to receive after the Closing a portion of the proceeds of the sale of certain assets as provided in Section 6.13. Two business days prior to the Closing, the Company shall deliver to Parent a certificate setting forth the number of Shares that will be issued and outstanding immediately prior to the Effective Time.

(ii) In accordance with the terms and subject to the conditions set forth in the Letter of Transmittal (as defined below) and the agreement attached hereto as Annex D (the "*Contribution Agreement*"), between Holdco and the Major Shareholders (together with all shareholders of the Company who execute and deliver to the Company a letter of transmittal substantially in the form of Annex E attached hereto (a "*Letter of Transmittal*") prior to the Effective Time and who are "accredited investors" (as defined in Section 501(a) of the Securities Act of 1933, as amended), the "*Continuing Shareholders*"), prior to the Effective Time the Continuing Shareholders shall contribute or have contributed on their behalf by the Company to Holdco the Contribution Shares held by them in exchange for newly issued common units of Holdco ("*Holdco Units*") having a value equal to the number of Contribution Shares so contributed multiplied by the Per Share Merger Consideration. The value of each Holdco Unit received in exchange for the Contribution Shares will be determined immediately prior to the Effective Time and shall be equal to the total amount of cash contributed to Holdco prior to or at the Effective Time by the GSCP Members divided by the total number of Holdco Units held by such GSCP Members as of the Effective Time after giving effect to all such cash contributions. An illustrative example of the determination of the valuation of the Holdco Units is set forth on Schedule IV attached hereto. As used in this Agreement, the term "*Contribution Shares*" means Shares to be contributed to Holdco in exchange for Holdco Units in accordance with the Contribution Agreement, including Shares contributed to Holdco pursuant to the Contribution Agreement by shareholders of the Company who have executed and delivered Letters of Transmittal to the Company prior to the Effective Time and who are "accredited investors" (as defined in Section 501(a) of the Securities Act of 1933, as amended).

(iii) At the Effective Time, each of the Shares, other than Excluded Shares, shall, by virtue of the Merger and without any action of the holder thereof, cease to be outstanding, be cancelled automatically and cease to exist, and each certificate (a "*Certificate*") formerly representing any of such Shares shall thereafter represent only the right to receive the Per Share Merger Consideration in cash, without interest, plus the right to receive after the Closing a portion of the proceeds of the sale of certain assets as provided in Section 6.13, for each such Share such Certificate formerly represented. At the Effective Time, each Certificate formerly representing Shares owned by Dissenting Shareholders shall thereafter represent only the right to receive the payment to which reference is made in Section 4.2(d). At the Effective Time, each Contribution Share shall, by virtue of the Merger and without any action of the holder thereof, cease to be outstanding, be cancelled automatically and shall cease to exist without payment of any consideration therefor. For the avoidance of doubt, the parties understand and agree that no portion of the Per Share Merger Consideration shall be paid in cash in respect of the Contribution Shares, and that instead such Contribution Shares shall only entitle the Continuing Shareholders to receive Holdco Units in

exchange therefor as provided herein, in the Contribution Agreement and in the Letter of Transmittal.

(iv) The Company shall arrange for each Company Advisor (as defined below) to deliver to the Company a final invoice for all fees, costs and expenses paid or payable by the Company or any of its Subsidiaries in connection with this Agreement, the agreements and documents referenced herein, and the transactions contemplated hereby and thereby forty—eight (48) hours prior to the proposed Closing Date. Each such invoice shall provide that except for the amounts set forth in such invoice, such Company Advisor is not and will not be owed by the Company or any of its Subsidiaries, any fees, costs or expenses in connection with this Agreement, the agreements and documents referenced herein, and the transaction contemplated hereby and thereby, and each such invoice shall be in a form reasonably satisfactory to Parent. To the extent the aggregate amount of these fees, costs and expenses set forth on such invoices exceeds $11,500,000, the $960,000,000 referred to in Section 4.1(a)(i)(1) shall be reduced by an amount equal to such aggregate excess. For purposes of this Agreement, "Company Advisors" means Lehman Brothers Inc., Raymond James & Associates, Inc., Sullivan & Cromwell LLP, Bowles Rice McDavid Graff & Love LLP and Goodwin & Goodwin LLP.

(b) Cancellation of Excluded Shares. Each Excluded Share referred to in clause 4.1(a)(i)(x) or 4.1(a)(i)(y) shall, by virtue of the Merger and without any action on the part of the holder thereof, cease to be outstanding, be cancelled automatically and cease to exist without payment of any consideration therefor (except, in the case of Excluded Shares referred to in Section 4.1(a)(i)(y), as provided in Article 13 of the WVBCA).

(c) Merger Sub. At the Effective Time, each share of Common Stock, par value $1.00 per share, of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into one share of common stock, par value $1.00 per share, of the Surviving Corporation (a "*Surviving Corporation Share*" and collectively the "*Surviving Corporation Shares*").

4.2. Exchange of Certificates.

(a) Exchange Procedures. At or after the Effective Time, each holder of an outstanding Certificate or Certificates formerly representing any of the Shares (other than Excluded Shares) shall surrender to the Surviving Corporation each of such holder's Certificate or Certificates (or affidavit of lost certificate in lieu thereof as provided in Section 4.2(c)), together with a duly executed Letter of Transmittal and, upon acceptance thereof by the Surviving Corporation, be entitled to the amount of cash into which such holder's Shares have been converted pursuant to this Agreement plus the right to receive after the Closing a portion of the proceeds of the sale of certain assets as provided in Section 6.13. Until surrendered as contemplated by this Section 4.2(a), each

Certificate formerly representing Shares (other than Excluded Shares) shall be deemed at any time after the Effective Time to represent only the right to receive upon such surrender the Per Share Merger Consideration in cash, plus the right to receive after the Closing a portion of the proceeds of the sale of certain assets as provided in Section 6.13, with respect to each such Share represented by such Certificate as contemplated by Section 4.1(a)(i). No interest will be paid or accrued on any amount payable upon due surrender of the Certificates. In the event of a transfer of ownership of Shares that is not registered in the transfer records of the Company, a check for any cash to be exchanged upon due surrender of the Certificate may be issued to such transferee if the Certificate formerly representing such Shares is presented to the Surviving Corporation, accompanied by all documents required to evidence and effect such transfer and to evidence that any stock transfer taxes have been paid or are not applicable. No dividends or other distributions with respect to Shares with a record date after the Effective Time shall be paid to the holder of any unsurrendered Certificate with respect to the Shares represented thereby.

(b) Transfers. From and after the Effective Time, there shall be no transfers on the stock transfer books of the Company of the Shares that were outstanding immediately prior to the Effective Time (including, for the avoidance of doubt, the Excluded Shares). If, after the Effective Time, any Certificate (other than any Certificate evidencing Excluded Shares) is presented to the Surviving Corporation for transfer, it shall be cancelled and exchanged for the aggregate Per Share Merger Consideration in cash to which the holder thereof is entitled pursuant to this Article IV plus the right to receive after the Closing a portion of the proceeds of the sale of certain assets as provided in Section 6.13.

(c) Lost, Stolen or Destroyed Certificates. In the event any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by Parent, the posting by such Person of a bond in customary amount and upon such terms as may be required by Parent as indemnity against any claim that may be made against it or the Surviving Corporation with respect to such Certificate, the Surviving Corporation will issue a check in the amount (after giving effect to any required Tax (as defined in Section 5.1(n)) withholdings as provided in Section 4.2(e) equal to the number of Shares (other than Contribution Shares) represented by such lost, stolen or destroyed Certificate multiplied by the Per Share Merger Consideration and, with respect to Contribution Shares represented by such lost, stolen or destroyed Certificate, Parent will cause Holdco to issue a number of Holdco Units in respect of such Shares determined in accordance with Section 4.1(a)(ii) above. As used in this Agreement, "*Person*" shall mean any individual, corporation (including not-for-profit), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, Governmental Entity (as defined in Section 5.1(d)(i)) or other entity of any kind or nature.

(d) Appraisal Rights. No Person who has asserted appraisal rights pursuant to Section 31D-13-1321 of the WVBCA shall be entitled to receive the Per

Share Merger Consideration with respect to the Shares owned by such Person unless and until such Person shall have effectively withdrawn or lost such Person's right to appraisal under Article 13 of the WVBCA. Each Dissenting Shareholder shall be entitled to receive only the payment provided under Article 13 of the WVBCA with respect to Shares owned by such Dissenting Shareholder. The Company shall give Parent prompt notice of any written demands for appraisal, attempted withdrawals of such demands, and any other instruments served pursuant to applicable Law that are received by the Company relating to shareholders' rights of appraisal. The Company shall not, except with the prior written consent of Parent, voluntarily make any payment with respect to any demands for appraisal, offer to settle or settle any such demands or approve any withdrawal of any such demands.

(e) Withholding Rights. Each of Parent and the Surviving Corporation shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of Shares such amounts as it is required to deduct and withhold with respect to the making of such payment under the Code; or any other applicable state, local or foreign Tax law. To the extent that amounts are so withheld by Parent or the Surviving Corporation, as the case may be, such withheld amounts (i) shall be remitted by Parent or the Surviving Corporation, as applicable, to the applicable Governmental Entity, and (ii) shall be treated for all purposes of this Agreement as having been paid to the holder of Shares in respect of which such deduction and withholding was made by Parent or the Surviving Corporation, as the case may be.

ARTICLE V

Representations and Warranties

5.1. Representations and Warranties of the Company. Except as set forth in the corresponding sections of the disclosure letter delivered to Parent by the Company prior to entering into this Agreement (the "*Company Disclosure Letter*") (it being agreed that disclosure of any item in any section of the Company Disclosure Letter shall be deemed disclosure with respect to any other section to which the relevance of such item is reasonably apparent), the Company hereby represents and warrants to Parent and Merger Sub that:

(a) Organization, Good Standing and Qualification. Each of the Company and its Subsidiaries is a legal entity duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of organization and has all requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except where the failure to be so organized, qualified or in

good standing, or to have such power or authority, are not, individually or in the aggregate, reasonably likely to have a Company Material Adverse Effect (as defined below). The Company has made available to Parent complete and correct copies of the Company's and its Subsidiaries' articles of incorporation and by-laws or comparable governing documents, each as amended to the date hereof, and each as so delivered is in full force and effect. Section 5.1(a) of the Company Disclosure Letter contains a correct and complete list of each jurisdiction where the Company and its Subsidiaries are organized and qualified to do business. McJunkin-Nigeria, Ltd. (Nigeria) is not and has never engaged in business in Nigeria or in any other location and does not have any assets or liabilities. As used in this Agreement, the term (i) "*Subsidiary*" means, with respect to any Person, any other Person of which at least a majority of the securities or ownership interests having by their terms ordinary voting power to elect a majority of the board of directors or other persons performing similar functions is directly or indirectly owned or controlled by such Person and/or by one or more of its Subsidiaries; for the avoidance of doubt, the parties agree that Hansford Associates Limited Partnership, a West Virginia limited partnership, is not a Subsidiary of the Company for purposes of this Agreement, and (ii) "*Company Material Adverse Effect*" means a material adverse effect on the financial condition, properties, assets, liabilities, business or results of operations of the Company and its Subsidiaries, taken as a whole; provided, however, that none of the following, in and of itself or themselves, shall constitute a Company Material Adverse Effect:

(A) changes in the economy or financial markets generally in the United States or other countries in which the Company conducts material operations or that are the result of acts of war or terrorism;

(B) changes that are the result of factors generally affecting the principal industries in which the Company and its Subsidiaries operate;

(C) any loss of, or adverse change in, the relationship of the Company with its customers, employees or suppliers caused by the announcement of the transactions contemplated by this Agreement; and

(D) changes in United States generally accepted accounting principles or in any statute, rule or regulation unrelated to the Merger and of general applicability after the date hereof;

provided, further, that, with respect to clauses (A), (B) and (D), such change, event, circumstance or development may be taken into consideration for purposes of determining if a Material Adverse Effect has occurred if such change, event, circumstance or development (i) primarily relates only to (or have the effect of primarily relating only to) the Company and its Subsidiaries or (ii) disproportionately adversely affects the Company and its Subsidiaries compared to other companies of similar size operating in the principal industries in which the Company and its Subsidiaries operate.

(b) Capital Structure.

(i) The authorized capital stock of the Company consists of (x) 37,860 Class A Shares, of which 16,940 Class A Shares were issued and outstanding as of the date of this Agreement and (y) 5,000 Class B Shares, of which 570 Class B Shares were issued and outstanding as of the date of this Agreement. All of the outstanding Shares have been duly authorized and are validly issued, fully paid and nonassessable. The Company has no Shares reserved for issuance. Each of the outstanding shares of capital stock or other securities of each of the Company's Subsidiaries is duly authorized, validly issued, fully paid and nonassessable and owned by the Company or by a direct or indirect wholly owned Subsidiary of the Company, free and clear of any lien, charge, pledge, security interest, claim or other encumbrance (each, a "***Lien***"). There are no preemptive or other outstanding rights, options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements, calls, commitments or rights of any kind that obligate the Company or any of its Subsidiaries to issue or sell any Shares or any shares of capital stock or other securities of the Company or any of its Subsidiaries or any securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire, any Shares or any securities of the Company or any of its Subsidiaries, and no securities or obligations evidencing such rights are authorized, issued or outstanding. The Company does not have outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the shareholders of the Company on any matter.

(ii) Section 5.1(b) of the Company Disclosure Letter sets forth (x) each of the Company's Subsidiaries and the ownership interest of the Company in each such Subsidiary, as well as the ownership interest of any other Person or Persons in each such Subsidiary and (y) the Company's or its Subsidiaries' capital stock, voting or equity interest or other direct or indirect ownership interest in any other Person. With respect to each Person identified on Section 5.1(b)(iv)(y) of the Company Disclosure Letter as an entity which is not a Subsidiary of the Company and is identified as an investment therein (each such entity, a "***Minority Investment***"), the Company has delivered to Parent copies of all Contracts and other documents to which the Company or any of its Subsidiaries is a party that was entered into or relates in any way to any Minority Investment. Neither the Company nor any of its Subsidiaries is obligated to make any capital contribution or to assume or otherwise become liable for any debts or obligations or make any other payments with respect to any of the Minority Investments.

(iii) Neither the Company nor any of its Subsidiaries conducts any business with, or is a party to any Contract or arrangement with, PrimeEnergy Corporation. Other than restrictions pursuant to applicable Law, there are no restrictions on the ability of the Company or any of its Subsidiaries to sell any of

the shares of common stock of PrimeEnergy Corporation that the Company or any of its Subsidiaries holds.

(c) Corporate Authority; Approval and Fairness.

(i) The Company has all requisite corporate power and authority and has taken all corporate action necessary in order to execute, deliver and perform its obligations under this Agreement and the Shareholder Support Agreement, subject, in the case of this Agreement only to obtaining approval and adoption of this Agreement and the Merger by the Company's shareholders (the "*Company Requisite Vote*") and to consummate the Merger. This Agreement and the Shareholder Support Agreement have been duly executed and delivered by the Company and constitute valid and binding agreements of the Company enforceable against the Company in accordance with their respective terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws of general applicability relating to or affecting creditors' rights and to general equity principles (the "*Bankruptcy and Equity Exception*").

(ii) The board of directors of the Company has (A) adopted this Agreement and approved the Merger and the other transactions contemplated hereby and resolved to transmit a recommendation to the holders of the Shares that such holders approve this Agreement (the "*Company Recommendation*") and (B) directed that this Agreement be submitted to the holders of the Shares for their approval. A special committee of the Board of Directors has received the opinion of its financial advisor, Raymond James & Associates, Inc., to the effect that the Per Share Merger Consideration to be received in the Merger by the non-management holders (i.e. all holders except Parent, Parent's Subsidiaries, E. Gaines Wehrle, Michael H. Wehrle, M. Chilton Wehrle Mueller, Stephen D. Wehrle, and H.B. Wehrle, III) of the Shares is fair, as of the date of such opinion, to such holders. It is agreed and understood that such opinion is for the benefit of special committee of the Company's Board of Directors and may not be relied on by Parent or Merger Sub.

(iii) The Major Shareholders and the Company have executed and delivered to Parent and Merger Sub the Shareholder Support Agreement and the Major Shareholders and the Company have executed and delivered to Holdco the Contribution Agreement.

(iv) Each McApple Shareholder has executed and delivered to Holdco the contribution agreement (the "*McApple Agreement*") substantially in the form set forth in Annex F. As of the Effective Time, Holdco will directly or indirectly own 100% of the equity interests of McApple.

(v) Each of the Persons listed on Schedule III has executed and delivered to the Company an Employment Agreement which will be effective on the Closing.

(vi) Birchwood LLC, Ridgeway LLC, Greenbrier Petroleum Company and Ruffner Realty Company have executed an agreement by which Greenbrier Petroleum Company and Ruffner Realty Company have resigned as partners of Hillcrest Associates and Birchwood LLC and Ridgeway LLC have survived as partners of Hillcrest Associates.

(vii) E. Gaines Wehrle has executed and delivered to the Company a letter of resignation from the board of directors of PrimeEnergy Corporation which will be effective on the Closing, which letter has been accepted and agreed to by the Company, and is attached hereto as Annex H.

(viii) The Company and E. Gaines Wehrle have executed and delivered to each other a letter agreement whereby E. Gaines Wehrle agrees to purchase the Company's 19/60 percentage interest in Vision Exploration & Production Co., L.L.C. ("*Vision Letter Agreement*"), subject to the consummation of the Merger, which agreement is attached hereto as Annex I.

(d) Governmental Filings; No Violations; Certain Contracts.

(i) Other than the filing of the West Virginia Articles of Merger with the Secretary of State of West Virginia pursuant to Section 1.3 and the filing under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "*HSR Act*"), no notices, reports or other filings are required to be made by the Company with, nor are any consents, registrations, approvals, permits or authorizations required to be obtained by the Company from, any domestic or foreign governmental or regulatory authority, agency, commission, body, court or other legislative, executive or judicial governmental entity (each, a "*Governmental Entity*"), in connection with the execution, delivery and performance of this Agreement and the Shareholder Support Agreement by the Company and the consummation by the Company of the Merger and the other transactions contemplated hereby and thereby, or in connection with the continuing operation of the business of the Company and its Subsidiaries following the Effective Time, except those for which the failure to obtain such consent, approval or waiver is not, individually or in the aggregate, reasonably likely to have a Company Material Adverse Effect.

(ii) The execution, delivery and performance of this Agreement and the Shareholder Support Agreement by the Company do not, and the consummation of the Merger and the other transactions contemplated hereby and thereby will not, constitute or result in (A) a breach or violation of, or a default under, the articles of incorporation or by-laws of the Company or the comparable

governing instruments of any of its Subsidiaries, (B) with or without notice, lapse of time or both, a breach or violation of, a termination (or right of termination) or a default under, the creation or acceleration of any obligations or the creation of a Lien on any of the assets of the Company or any of its Subsidiaries pursuant to any agreement, lease, license, contract, note, mortgage, indenture, arrangement or other obligation (each, a "*Contract*") binding upon the Company or any of its Subsidiaries or, assuming (solely with respect to performance of this Agreement and consummation of the Merger and the other transactions contemplated hereby) the filing of the West Virginia Articles of Merger with the Secretary of State of West Virginia and the requisite filing under the HSR Act, under any Law to which the Company or any of its Subsidiaries is subject, or (C) any change in the rights or obligations of any party under any Contract binding on the Company or any of its Subsidiaries, except, in the case of clause (B) or (C) above, for any such breach, violation, termination, default, creation, acceleration or change that, individually or in the aggregate, is not reasonably likely to have a Company Material Adverse Effect.

(iii) Neither the Company nor any of its Subsidiaries is a party to or bound by any non-competition Contracts or other Contract that purports to limit either the type of business in which the Company or its Affiliates (or, after giving effect to the Merger, Parent or its Affiliates) may engage or the manner or locations in which any of them may so engage in any business (for the avoidance of doubt, distribution agreements and similar Contracts entered into in the ordinary course of business consistent with past practice shall not be deemed to be "non-competition contracts" provided that such distribution agreements or similar Contracts do not in any way restrict Parent, Holdco or any of their Affiliates after consummation of the Merger). As used in this Agreement the term "*Affiliate*" means, with respect to any Person, any other Person controlling, controlled by or under common control with such Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, contract or otherwise. For the avoidance of doubt, the parties agree that Hansford Associates Limited Partnership, a West Virginia limited partnership, is, and at all times will be, considered an Affiliate of the Company for purposes of this Agreement.

(e) Financial Statements. The Company has delivered to Parent copies of (a) the audited consolidated financial statements and other financial information for the Company and its consolidated Subsidiaries as of December 31, 2003, December 31, 2004 and December 31, 2005 and for the fiscal years then ended (the "*Audited Financial Statements*"), and (b) the unaudited consolidated financial statements and other financial information for the Company and its consolidated Subsidiaries for the nine-month period ending September 30, 2006 (collectively, the "*Financial Statements*"). Each of the consolidated balance sheets included in the Financial Statements (including any related notes and schedules) fairly presents in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of its date and each of the

consolidated statements of income, shareholders' equity and cash flows included in the Financial Statements (including any related notes and schedules) fairly presents in all material respects the consolidated results of operations and cash flows of the Company and its consolidated Subsidiaries for the periods then ended, in each case in conformity with United States generally accepted accounting principles ("*GAAP*"), subject in the case of the unaudited financial statements to (i) the absence of footnote disclosures and other presentation items and (ii) changes resulting from normal de minimis year-end adjustments. The audit reports with respect to the Audited Financial Statements are not subject to any qualification.

(f) Absence of Certain Changes. Since December 31, 2005, the Company and its Subsidiaries have conducted their respective businesses only in, and have not engaged in any material transaction other than according to the ordinary and usual course of such businesses and there has not been, with respect to the Company or any of its Subsidiaries:

(i) any change adopted or proposed to its articles of incorporation or by-laws or other applicable governance instruments;

(ii) any change in the financial condition, properties, assets, liabilities, business or results of their operations or any event, change, development or state of facts which, individually or in the aggregate, has had or is reasonably likely to have a Company Material Adverse Effect;

(iii) any material damage, destruction or other casualty loss with respect to any material asset or property owned, leased or otherwise used by the Company or any of its Subsidiaries, whether or not covered by insurance;

(iv) other than regular quarterly dividends on the Shares paid in the first three quarters of 2006 consistent with past practice which did not exceed $200,000 in the aggregate per quarter and a special dividend paid in the first quarter of 2006 in the aggregate amount of $26,216,000, any declaration, setting aside or payment of any dividend or other distribution, with respect to any shares of capital stock of the Company or any of its Subsidiaries (except for dividends or other distributions by any direct or indirect wholly owned Subsidiary of the Company to the Company or to any wholly owned Subsidiary of the Company), any repurchase, redemption or other acquisition by the Company or any of its Subsidiaries, or any issuance, sale, pledge, disposal of, grant, transfer, lease, license, guarantee or encumbrance of, any shares of capital stock or other securities of the Company or any of its Subsidiaries;

(v) any material change in any method of accounting or accounting practice by the Company or any of its Subsidiaries or change in the independent accountants of the Company or any of its Subsidiaries;

(vi) any merger or consolidation of the Company or any of its Subsidiaries with any other Person, or restructuring, reorganization or complete or partial liquidation of the Company or any of its Subsidiaries or entry into any other agreements or arrangements imposing material restrictions on its assets, operations or businesses;

(vii) any acquisition of assets outside of the ordinary course of business consistent with past practice from any other Person with a value or purchase price in the aggregate in excess of $5 million in any transaction or series of related transactions, other than acquisitions pursuant to Contracts in effect as of the date of this Agreement;

(viii) any Lien incurred or created which is material to the Company or any of its Subsidiaries on any assets of the Company or any of its Subsidiaries having a value in excess of $5 million;

(ix) any loans, advances or capital contributions to or investments in any Person in excess of $5 million in the aggregate;

(x) entry into any agreement with respect to the voting of its capital stock, other than as contemplated by this Agreement;

(xi) any incurrence of indebtedness for borrowed money (other than borrowings under the Company's existing working capital debt facilities in the ordinary course of business consistent with past practice to fund working capital of the Company) or any guarantee of any indebtedness of another Person or the issuance or sale of any debt securities or warrants or other rights to acquire any debt security of the Company or any of its Subsidiaries;

(xii) any capital expenditures in excess of $6 million in the aggregate;

(xiii) any material Tax election made, any material position taken on any material Tax Return or any material tax accounting method adopted that is inconsistent with positions taken or methods used in preparing or filing similar Tax Returns in prior periods, or any material Tax controversy settled or resolved;

(xiv) any transfer, sale, lease, license, mortgage, pledge, surrender, encumbrance, divestiture, cancellation, abandonment or lapse or expiration or other disposition of any assets, product lines or businesses of the Company or its Subsidiaries, other than pursuant to Contracts in effect prior to the date of this Agreement and except in connection with services provided in the ordinary course of business consistent with past practice and sales of obsolete assets and except for sales, leases, licenses or other dispositions of assets with a fair market value not in excess of $5 million in the aggregate;

(xv) except as otherwise required by applicable Law, (i) any increase in the compensation, bonus or pension or welfare benefits of (other than those increases in the ordinary course consistent with past practice (A) to employees below the Senior Vice President level or (B) resulting from the Company's improved performance, based on existing 2005 incentive formulas), or any new equity awards made to, any director, officer or employee of the Company or any of its Subsidiaries, (ii) any establishment, adoption, amendment or termination of any Benefit Plan (as defined in Section 5.1(h)(i)) or amendment to the terms of any outstanding equity-based awards, or (iii) any action taken to accelerate the vesting or payment, or funding or in any other way securing the payment, of compensation or benefits under any Benefit Plan, to the extent not already provided in any such Benefit Plan;

(xvi) entry into any Contract or any amendment or modification of any Contract with any officer, director or Affiliate of the Company or its Subsidiaries other than as expressly contemplated by this Agreement; or

(xvii) any agreement to do any of the foregoing.

(g) Litigation and Liabilities. (i) There are no (a) civil, criminal or administrative actions, information requests, suits, claims, hearings, arbitrations, investigations or other proceedings (collectively, "*Claims*") pending or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries or (b) except as reflected or reserved against in the Company's audited consolidated balance sheet for the year ending December 31, 2005 (and the notes thereto) and for obligations or liabilities incurred in the ordinary course of business consistent with past practice since December 31, 2005 (and reflected or reserved against in the Company's unaudited consolidated balance sheet for the nine months ended September 30, 2006, to the extent incurred prior to such date), obligations or liabilities of the Company or any of its Subsidiaries, whether or not accrued, contingent or otherwise and whether or not required to be disclosed, or any other facts or circumstances of which the Company has knowledge that is reasonably likely to result in any Claims against, or obligations or liabilities of, the Company or any of its Subsidiaries, including those relating to matters involving any Environmental Law (as defined in Section 5.1(m)), except for those that are not, individually or in the aggregate, reasonably likely to have a Company Material Adverse Effect. (ii) Neither the execution of this Agreement or the Shareholder Support Agreement nor the consummation of any of the transactions contemplated hereunder or thereunder waives, modifies, compromises or extinguishes any of the Company's rights with respect to (A) any insurance coverage relating to any actions, suits or claims against the Company or any of its Subsidiaries alleging personal injury or property damage arising from exposure to asbestos or asbestos-containing materials, or (B) any agreements, understandings or arrangements relating to any such coverage, except in the case of (A) or (B) as is not, individually or in the aggregate, reasonably likely to have a Company Material Adverse Effect. (iii) The defense of all actions, suits or claims currently pending against the Company or any of its Subsidiaries alleging personal injury

or property damage arising from exposure to asbestos or asbestos-containing materials have been assumed by the Company's insurers. As used in this Agreement, the term "knowledge" with respect to the Company shall mean the actual knowledge of Michael Wehrle, H.B. Wehrle III, E. Gaines Wehrle, Steven D. Wehrle, James F. Underhill, David Fox, III, Cody Mueller or Theresa Dudding after reasonable inquiry. Neither the Company nor any of its Subsidiaries is a party to or subject to the provisions of any judgment, order, writ, injunction, decree or award of any Governmental Entity which is, individually or in the aggregate, reasonably likely to have a Company Material Adverse Effect.

(h) Employee Benefits.

(i) All material benefit, employment, retention, transaction, severance, change in control and compensation plans, contracts, policies or arrangements covering current or former employees of the Company and its subsidiaries (the "***Employees***") and current or former directors of the Company or any of its Subsidiaries, or with respect to which the Company or any of its Subsidiaries could have any liability including, but not limited to, "employee benefit plans" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("***ERISA***"), and deferred compensation, severance, stock option, stock purchase, stock appreciation rights, stock based, incentive and bonus plans (the "***Benefit Plans***") are listed on Schedule 5.1(h)(i) of the Company Disclosure Letter, and each Benefit Plan which has received a favorable opinion letter from the Internal Revenue Service National Office, has been separately identified. True and complete copies of all Benefit Plans listed on Schedule 5.1(h)(i) of the Company Disclosure Letter have been made available to Parent.

(ii) To the knowledge of the Company, all Benefit Plans, other than "multiemployer plans" within the meaning of Section 3(37) of ERISA (each, a "***Multiemployer Plan***") (collectively, "***Company Benefit Plans***") are in compliance in all material respects with their terms and ERISA, the Code and other applicable Laws. Each Company Benefit Plan which is subject to ERISA (an "***ERISA Plan***") that is an "employee pension benefit plan" within the meaning of Section 3(2) of ERISA intended to be qualified under Section 401(a) of the Code, has received a favorable determination letter from the Internal Revenue Service (the "***IRS***") covering all tax law changes prior to the Economic Growth and Tax Relief Reconciliation Act of 2001 or has applied to the IRS for such favorable determination letter within the applicable remedial amendment period under Section 401(b) of the Code, and to the knowledge of the Company no circumstances are likely to result in the loss of the qualification of such Company Benefit Plan under Section 401(a) of the Code. No Benefit Plan which is a Multiemployer Plan is insolvent or is in reorganization within the meaning of Part 3 of Subtitle E of Title IV of ERISA and to the Company's knowledge no condition exists which presents a risk of any Multiemployer Plan becoming

insolvent or going into reorganization. Neither the Company nor any of its Subsidiaries has engaged in a transaction with respect to any ERISA Plan that, assuming the taxable period of such transaction expired as of the date hereof, could subject the Company or any Subsidiary to a tax or penalty imposed by either Section 4975 of the Code or Section 502(i) of ERISA in an amount which would be material.

(iii) No material liability under Subtitle C or D of Title IV of ERISA has been or is expected to be incurred by the Company or any of its Subsidiaries with respect to any on-going, frozen or terminated Company Benefit Plan or with respect to the single-employer plan of any entity which is considered one employer with the Company under Section 4001 of ERISA or Section 414 of the Code (an "***ERISA Affiliate***"). Other than the Company and its Subsidiaries, neither the Company nor any of its Subsidiaries has any ERISA Affiliates nor any liability with respect to any entity that previously was an ERISA Affiliate. The Company and its Subsidiaries have not incurred and do not expect to incur any material withdrawal liability with respect to a Multiemployer Plan under Subtitle E of Title IV of ERISA (regardless of whether based on contributions of an ERISA Affiliate).

(iv) As of the date hereof, there is no material pending or, to the knowledge of the Company threatened, litigation or dispute relating to the Benefit Plans or by a current or former employee against the Company or any of its Subsidiaries, other than routine claims for benefits. No Benefit Plan is under audit, investigation or similar proceeding by the IRS, the Department of Labor, the Pension Benefit Guarantee Corporation or any other Governmental Entity and, to the knowledge of the Company, no such audit, investigation or proceeding is pending. Neither the Company nor any of its Subsidiaries has any obligations for retiree health or life benefits under any ERISA Plan or collective bargaining agreement or has obligations to any Employee (either individually or Employees as a group) that such Employee(s) would be provided with such retiree health or life benefits upon their retirement or termination of employment, except to the extent required by Section 4980B of the Code.

(v) Neither the execution of this Agreement, shareholder approval of this Agreement nor the consummation of the transactions contemplated hereby will (x) entitle any employees of the Company or any of its Subsidiaries to severance pay or any material increase in severance pay upon any termination of employment after the date hereof, or (y) accelerate the time of payment or vesting, or result in any payment or funding (through a grantor trust or otherwise) of compensation or benefits under, or increase the amount payable, or result in any other material obligation pursuant to, any of the Benefit Plans or (z) result in the triggering or imposition of any restrictions or limitation on the right of the Company to amend or terminate any Benefit Plan. Except as set forth in Section 5.1(h)(v) of the Company Disclosure Letter, no payment or benefit which will or

may be made by Parent, the Company or any of its Subsidiaries with respect to any Employee will be characterized as an "excess parachute payment," within the meaning of Section 280G(b)(1) of the Code.

(vi) None of the Benefit Plans, if administered in accordance with their terms, could result in the imposition of interest or an additional tax on any participant thereunder pursuant to Section 409A of the Code.

(i) Compliance with Laws; Licenses. The businesses of each of the Company and its Subsidiaries have not been, and are not being, conducted in violation of any federal, state, local or foreign law (including the Foreign Corrupt Practices Act of 1977, as amended), statute or ordinance, common law, or any rule, regulation, standard, judgment, order, writ, injunction, decree, arbitration award, agency requirement, license or permit of any Governmental Entity (collectively, "*Laws*"), except for violations that, individually or in the aggregate, are not reasonably likely to have a Company Material Adverse Effect. Except with respect to regulatory matters covered by Section 6.5, no investigation or review by any Governmental Entity with respect to the Company or any of its Subsidiaries is pending or, to the knowledge of the Company, threatened, nor has any Governmental Entity indicated an intention to conduct the same, except for those the outcome of which are not, individually or in the aggregate, reasonably likely to have a Company Material Adverse Effect. To the knowledge of the Company, no material change is required in the Company's or any of its Subsidiaries' processes, properties or procedures in connection with any such Laws, and the Company has not received any notice or communication of any material noncompliance with any such Laws that has not been cured as of the date hereof. The Company and its Subsidiaries each has obtained and is in compliance with all permits, licenses, certifications, approvals, registrations, consents, authorizations, franchises, variances, exemptions and orders issued or granted by a Governmental Entity necessary to conduct its business as presently conducted, except those the absence of which is not, individually or in the aggregate, reasonably likely to have a Company Material Adverse Effect.

(j) Material Contracts and Government Contracts.

(i) As of the date of this Agreement and except as otherwise expressly contemplated by this Agreement, neither the Company nor any of its Subsidiaries is a party to or bound by:

(A) any individual lease of real or personal property providing for annual rentals of $5 million or more;

(B) any Contract with any Governmental Entity or any Contract (other than purchase orders entered into the ordinary course of business consistent with past practice) that is reasonably likely to require either (x) annual payments to or from the Company and its Subsidiaries of more than $5 million or

(y) aggregate payments to or from the Company and its Subsidiaries of more than $5 million;

(C) other than with respect to any partnership that is wholly owned by the Company or any wholly owned Subsidiary of the Company, any partnership, joint venture or other similar agreement or arrangement relating to the formation, creation, operation, management or control of any partnership or joint venture material to the Company or any of its Subsidiaries or in which the Company owns more than a 15% voting or economic interest, or any interest valued at more than $5 million without regard to percentage voting or economic interest;

(D) any Contract (other than among direct or indirect wholly owned Subsidiaries of the Company) relating to indebtedness for borrowed money or the deferred purchase price of property (in either case, whether incurred, assumed, guaranteed or secured by any asset) in excess of $5 million;

(E) any non-competition Contract or other Contract that purports to limit either the type of business in which the Company or its Subsidiaries or, after consummation of the Merger, Parent, Holdco or any of their respective Affiliates may engage or the manner or locations in which any of them may so engage in any business (for the avoidance of doubt, distribution agreements and similar Contracts entered into in the ordinary course of business consistent with past practice shall not be deemed to be "non-competition contracts" provided that such distribution agreements or similar Contracts do not in any way restrict Parent, Holdco or any of their Affiliates after consummation of the Merger);

(F) any Contract containing a standstill or similar agreement pursuant to which one party has agreed not to acquire assets or securities of the other party or any of its Affiliates;

(G) any Contract with any Affiliate, director or officer of the Company, any Affiliate, director or officer of any Subsidiary of the Company, or any Person beneficially owning five percent or more of the outstanding Shares or of the outstanding shares of any Subsidiary of the Company;

(H) any Contract providing for indemnification by the Company or any of its Subsidiaries of any Person, except for any such Contract that is (x) not material to the Company or any of its Subsidiaries or is a purchase order and (y) entered into in the ordinary course of business consistent with past practice;

(I) any Contract that contains a put, call or similar right pursuant to which the Company or any of its Subsidiaries could be required to

purchase or sell, as applicable, any equity interests of any Person or assets that have a fair market value or purchase price of more than $5 million; and

(J) any other Contract or group of related Contracts that, if terminated or subject to a default by any party thereto, is, individually or in the aggregate, reasonably likely to result in a Company Material Adverse Effect (the Contracts described in clauses (A) — (J), together with all exhibits and schedules to such Contracts, being the "*Material Contracts*").

(ii) A copy of each Material Contract has previously been delivered or made available to Parent and each Material Contract is a valid and binding agreement of the Company or one of its Subsidiaries, as the case may be, and is in full force and effect, and neither the Company nor any of its Subsidiaries nor, to the knowledge of the Company, any other party thereto is in default or breach in any respect under the terms of any such agreement, contract, plan, lease, arrangement or commitment.

(k) Real Property.

(i) With respect to the real property owned by the Company or its Subsidiaries (the "*Owned Real Property*"), (A) the Company or one of its Subsidiaries, as applicable, has good and marketable title to the Owned Real Property, free and clear of any Encumbrance, (B) there are no outstanding options or rights of first refusal to purchase the Owned Real Property, or any portion thereof or interest therein, and (C) neither the Company nor any of its Subsidiaries leases Owned Real Property to anyone else.

(ii) With respect to the real property leased or subleased to the Company or its Subsidiaries (the "*Leased Real Property*"), the lease or sublease for such property is valid, legally binding, enforceable and in full force and effect, and none of the Company or any of its Subsidiaries is in material breach of or default under such lease or sublease, and no event has occurred which, with notice, lapse of time or both, would constitute a breach or default by any of the Company or its Subsidiaries or permit termination, modification or acceleration by any third party thereunder.

(iii) Section 5.1(k)(iii) of the Company Disclosure Letter contains a true and complete list of all Owned Real Property and Leased Real Property. Section 5.1(k)(iii) of the Company Disclosure Letter sets forth a correct street address and such other information as is reasonably necessary to identify each parcel of Owned Real Property.

(iv) For purposes of this Section 5.1(k) only, "*Encumbrance*" means any mortgage, lien, pledge, charge, security interest, easement, covenant, or other restriction or title matter or encumbrance of any kind in respect of such asset but specifically excludes (a) specified encumbrances described in Section 5.1(k)(iv)

of the Company Disclosure Letter; (b) encumbrances for current Taxes or other governmental charges not yet due and payable; (c) mechanics', carriers', workmen's, repairmen's or other like encumbrances arising or incurred in the ordinary course of business consistent with past practice relating to obligations as to which there is no default on the part of the Company, or the validity or amount of which is being contested in good faith by appropriate proceedings; (d) other encumbrances that do not, individually or in the aggregate, materially impair the continued use, operation, value or marketability of the specific parcel of Owned Real Property to which they relate or the conduct of the business of the Company and its Subsidiaries as presently conducted; (e) restrictions or exclusions which would be shown by a current title report or similar report; and (f) any condition or other matter, if any, that may be shown or disclosed by a current and accurate survey or physical inspection.

(l) Takeover Statutes. No "fair price," "moratorium," "control share acquisition" or other similar anti-takeover statute or regulation (each, a "*Takeover Statute*") or any anti-takeover provision in the Company's articles of incorporation or by-laws is applicable to the Company, the Shares, the Merger or the other transactions contemplated by this Agreement.

(m) Environmental Matters.

(i) Except as is not reasonably likely to have a Company Material Adverse Effect: (A) the Company and its Subsidiaries are, and have since January 1, 2001, been in compliance with all applicable Environmental Law; (B) the Company and its Subsidiaries possess all permits, licenses, registrations, identification numbers, authorizations and approvals required under applicable Environmental Laws for the operation of the business as presently conducted; (C) neither the Company nor any of its Subsidiaries has received any claim, notice of violation, citation or other communication concerning any violation or alleged violation of, or liability under, any applicable Environmental Law which has not been fully resolved, imposing no outstanding liability or obligation on the Company or any of its Subsidiaries; (D) there are no writs, injunctions, decrees, orders or judgments outstanding, or any actions, suits, proceedings, inquiries, information requests, or investigations pending or, to the knowledge of the Company, threatened, concerning compliance by the Company or any of its Subsidiaries with, or liability of the Company or any of its Subsidiaries under, any Environmental Law; and (E) there are no Hazardous Substances at, on, under, or migrating to or from, the Owned Real Property, the Leased Real Property, or, the knowledge of the Company, any real property formerly owned, leased or operated by the Company, any of its Subsidiaries (the "*Former Real Property*"), in each case, which is reasonably expected to result in liability to the Company or any Subsidiary under Environmental Law.

(ii) The Company has made available to Purchaser true and complete copies of any material reports, site assessments, tests, or monitoring possessed by the Company or any of its Subsidiaries (A) pertaining to Hazardous Substances at, on, under, or migrating to or from, any Owned Property, Leased Property or Former Real Property, or (B) concerning compliance by the Company or any of its Subsidiaries with Environmental Law or their liability thereunder.

(iii) Notwithstanding any other representation and warranty in Article V, the representations and warranties contained in this Section 5.1(m) and in Section 5.1(g) constitute the sole representations and warranties of Sellers relating to any Environmental Law.

As used in this Agreement, (i) the term "*Environmental Law*" means any applicable law (including common law), regulation, code, license, permit, order, judgment, decree or injunction from any Governmental Entity relating to (A) the protection of the environment (including air, water, soil and natural resources), (B) the use, storage, handling, release or disposal of or exposure to hazardous substances, or (C) occupational health or safety as it relates to Hazardous Substance handling or exposure, in each case as presently in effect, and (ii) "*Hazardous Substance*" means any substance listed, defined, designated or classified as a pollutant or contaminant or as hazardous, toxic or radioactive under any applicable Environmental Law, including, without limitation, petroleum and any derivative or by-products thereof and asbestos and asbestos-containing materials.

(n) Taxes. The Company and each of its Subsidiaries (i) have prepared in good faith and duly and timely filed (taking into account any extension of time within which to file) all Tax Returns (as defined below) required to be filed by any of them and all such filed Tax Returns are complete and accurate in all material respects; (ii) have paid all Taxes (as defined below) that are shown as due on such filed Tax Returns (or that are otherwise due and payable) or that the Company or any of its Subsidiaries are obligated to withhold from amounts owing to any employee, creditor or third party, except with respect to matters contested in good faith and for which adequate reserves have been established in accordance with GAAP; and (iii) have not waived any statute of limitations with respect to Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency. As of the date hereof, there are not pending or, to the knowledge of the Company, threatened, any audits, examinations, investigations or other proceedings in respect of Taxes or Tax matters. There are not, to the knowledge of the Company, any material unresolved questions or claims concerning the Company's or any of its Subsidiaries' Tax liability. The Company has made available to Parent true and correct copies of the United States federal income Tax Returns filed by the Company and its Subsidiaries for each of the three most recent fiscal years. The consolidated United States federal income Tax Returns of the Company have been examined, or the statutes of limitations have closed, with respect to all taxable years through and including 2004. To the knowledge of the Company, no claim has been made in the previous five years by a taxing authority in a jurisdiction where the Company or any of its Subsidiaries does not

file Tax Returns that the Company or any of its Subsidiaries is or may be subject to taxation by that jurisdiction. Neither the Company nor any of its Subsidiaries has any liability for Taxes of any Person (other than the Company and its Subsidiaries) under Treasury Regulation Section 1.1502-6, any comparable provision of U.S., state, local or foreign law, or otherwise. Neither the Company nor any of its Subsidiaries has been a party to a "reportable transaction" (as that term is defined in Treasury Regulation Section 1.6011-4(b)(1)). Neither the Company nor any of its Subsidiaries is a party to any Tax sharing agreement (with any Person other than the Company and/or any of its Subsidiaries). Neither the Company nor any of its Subsidiaries has been a party to any distribution occurring during the last 30 months in which the parties to such distribution treated the distribution as one to which Section 355 of the Code (or any similar provision of state, local or foreign law) applied. Each material Tax election made by the Company or any of its Subsidiaries has been timely and properly made.

As used in this Agreement, (i) the term "*Tax*" (including, with correlative meaning, the term "*Taxes*") includes all federal, state, local and foreign income, profits, franchise, gross receipts, environmental, customs duty, capital stock, severances, stamp, payroll, sales, employment, unemployment, disability, use, property, withholding, excise, production, value added, occupancy and other taxes, duties or assessments of any nature whatsoever, together with all interest, penalties and additions imposed with respect to such amounts and any interest in respect of such penalties and additions, and (ii) the term "*Tax Return*" includes all returns and reports (including elections, declarations, disclosures, schedules, estimates and information returns) required to be supplied to a Tax authority relating to Taxes.

(o) Labor Matters.

(i) To the knowledge of the Company, there is no organizational effort currently being made or threatened on behalf of any labor organization to organize the employees of the Company or any of its Subsidiaries, nor a demand for recognition of any of the employees of the Company or any of its Subsidiaries on behalf of any labor organization within the last two (2) years; nor is the Company or any of its Subsidiaries the subject of any material proceeding asserting that the Company or any of its Subsidiaries has committed an unfair labor practice within the meaning of the National Labor Relations Act or seeking to compel it to bargain with any labor organization; nor is there pending or, to the knowledge of the Company, threatened, nor has there been for the past two (2) years, any labor strike, picketing, walk-out, work stoppage or lockout involving the Company or any of its Subsidiaries. Neither the Company nor any Subsidiary is presently, nor has been in the past a party to, or bound by, any collective bargaining agreement or union contract with respect to Employees, and no such agreement or contract is currently being negotiated. The consummation of the Merger and the other transactions contemplated by this Agreement will not entitle any third party (including any labor organization) to any payments under any collective bargaining agreement or union contract with respect to Employees to

which the Company or any of its Subsidiaries is a party or by which any of them are otherwise bound.

(ii) The Company and its Subsidiaries (i) are in compliance in all material respects with all applicable federal, state and local laws, rules and regulations (domestic and foreign) respecting employment, overtime pay and wages and hours, in each case, with respect to their employees; (ii) have withheld all material amounts required by law or by agreement to be withheld from the wages, salaries and other payment to their employees; and (iii) are not liable for or in arrears with respect to material wages or any material taxes or any penalty for failure to comply with any of the foregoing except, in each case, to the extent as is not reasonably likely to have a Company Material Adverse Effect.

(iii) Neither the Company nor any of its Subsidiaries has classified any individual as an "independent contractor" or similar status who, according to a Benefit Plan or applicable law, should have been classified as an employee or of similar status.

(p) Insurance. All fire and casualty, general liability, business interruption, product liability, and sprinkler and water damage insurance policies maintained by the Company or any of its Subsidiaries ("*Insurance Policies*") are with reputable insurance carriers, provide full and adequate coverage for all normal risks incident to the business of the Company and its Subsidiaries and their respective properties and assets, and are in character and amount at least equivalent to that carried by persons engaged in similar businesses and subject to the same or similar perils or hazards, except for any such failures to maintain insurance policies that, individually or in the aggregate, are not reasonably likely to have a Company Material Adverse Effect. Each Insurance Policy is in full force and effect and all premiums due with respect to all Insurance Policies have been paid, with such exceptions that, individually or in the aggregate, are not reasonably likely to have a Company Material Adverse Effect.

(q) Affiliated Transactions. No officer, director, stockholder or Affiliate of the Company or any of its Subsidiaries is a party to any Contract, commitment or transaction with the Company or any of its Subsidiaries or has any interest in any property used by the Company or any of its Subsidiaries.

(r) Product Warranty and Product Liability. There is no notice, demand, claim, action, suit, inquiry, hearing, proceeding, notice of violation or investigation from, by or before any Governmental Entity relating to any product, including the packaging and advertising related thereto, designed, formulated, manufactured, processed, sold, distributed or placed in the stream of commerce by the Company or any of its Subsidiaries (a "*Product*"), or claim or lawsuit involving a Product which is, to the knowledge of the Company, pending or threatened, by any Person which is reasonably likely to result in any material liability to the Company or any of its Subsidiaries. There has not been, nor is there under consideration by the Company or

any of its Subsidiaries, any Product recall or post-sale warning conducted by or on behalf of the Company or any of its Subsidiaries concerning any Product, except for such recalls or post-sale warnings that are not, individually or in the aggregate, reasonably likely to have a Company Material Adverse Effect. To the knowledge of the Company, all Products, complied and comply in all material respects with applicable specifications, government safety standards and laws, and are or were substantially free from contamination, deficiencies or defects, except for such non-compliance, contamination, deficiency or defect as is not, individually or in the aggregate, reasonably likely have a Company Material Adverse Effect.

(s) Customers and Suppliers. Section 5.1(s) of the Company Disclosure Letter sets forth a list of (i) the fifteen (15) largest suppliers (by dollar amount) to the Company and its Subsidiaries, taken as a whole, during the period from January 1, 2005 to October 31, 2006 ("*Major Suppliers*") and (ii) the fifteen (15) customers with the highest dollar amount of purchases from or services of, the companies, taken as a whole, during the period from January 1, 2005 to October 31, 2006 (the "*Major Customers*"). No Major Supplier or Major Customer has during the last two (2) years materially decreased or limited, or to the knowledge of the Company threatened to materially decrease or limit, its provision or receipt of services or supplies to or from the Company or any of its Subsidiaries. No termination, cancellation or material limitation of, or any material modification or change in, the business relationship of the Company or any of its Subsidiaries has occurred or, to the knowledge of the Company, has been threatened by any Major Supplier or Major Customer.

(t) Purchase and Sale Agreements. No claims for indemnification under any prior purchase and sale agreements to which the Company or any of its Subsidiaries is a party, have been made by the Company or any of its Subsidiaries in the last five (5) years, or are pending or threatened by the Company or any of its Subsidiaries and, to the knowledge of the Company, no claims for indemnification have been made in the last five (5) years or are pending or threatened, by any counterparties thereto.

(u) Brokers and Finders. Neither the Company nor any of its officers, directors or employees has employed, retained or engaged any broker or finder or incurred any liability for any brokerage, finder's or similar fees or commissions in connection with the Merger or the other transactions contemplated in this Agreement except that the Company has employed Lehman Brothers Inc. as its financial advisor and a special committee of the Board of Directors of the Company has employed Raymond James & Associates, Inc. as its financial advisor. The Company has made available to Parent complete and accurate copies of all agreements pursuant to which Lehman Brothers Inc. and Raymond James & Associates, Inc. are entitled to any fees and expenses in connection with any of the transactions contemplated by this Agreement. Other than the Company Advisors, neither the Company, nor any of its Subsidiaries has employed, engaged or retained any legal counsel, accountants, investment broker or other advisors in connection with the Merger or the other transactions contemplated in this Agreement.

5.2. Representations and Warranties of Parent and Merger Sub. Except as set forth in the corresponding sections of the disclosure letter delivered to the Company by Parent prior to entering into this Agreement (the "*Parent Disclosure Letter*") (it being agreed that disclosure of any item in any section of the Parent Disclosure Letter shall be deemed disclosure with respect to any other section to which the relevance of such item is reasonably apparent), Parent and Merger Sub each hereby represent and warrant to the Company that:

(a) Organization, Good Standing and Qualification. Each of Parent and Merger Sub is a legal entity duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of organization and has all requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except where the failure to be so organized, qualified or in such good standing, or to have such power or authority, are not, individually or in the aggregate, reasonably likely to prevent, materially delay or materially impair the consummation of the transactions contemplated by this Agreement. Parent has made available to the Company complete and correct copies of the articles of incorporation and by-laws of Parent and Merger Sub, each as amended to the date hereof, and each as so delivered is in full force and effect.

(b) Corporate Authority. No vote of holders of capital stock of Parent is necessary to approve this Agreement and the Merger and the other transactions contemplated hereby. Each of Parent and Merger Sub has all requisite corporate power and authority and has taken all corporate action necessary in order to execute, deliver and perform its obligations under this Agreement, including the approval of this Agreement by Parent as the sole shareholder of Merger Sub, and to consummate the Merger. This Agreement has been duly executed and delivered by each of Parent and Merger Sub and is a valid and binding agreement of Parent and Merger Sub, enforceable against each of Parent and Merger Sub in accordance with its terms, subject to the Bankruptcy and Equity Exception.

(c) Governmental Filings; No Violations; Etc.

(i) Other than the filing of the West Virginia Articles of Merger with the Secretary of State of West Virginia pursuant to Section 1.3 and the requisite filing under the HSR Act, no notices, reports or other filings are required to be made by Parent or Merger Sub with, nor are any consents, registrations, approvals, permits or authorizations required to be obtained by Parent or Merger Sub from, any Governmental Entity in connection with the execution, delivery and performance of this Agreement by Parent and Merger Sub and the consummation by Parent and Merger Sub of the Merger and the other transactions contemplated hereby, except those that the failure to make or obtain are not,

individually or in the aggregate, reasonably likely to prevent, materially delay or materially impair the consummation of the transactions contemplated by this Agreement.

(ii) The execution, delivery and performance of this Agreement by Parent and Merger Sub do not, and the consummation by Parent and Merger Sub of the Merger and the other transactions contemplated hereby will not, constitute or result in (A) a breach or violation of, or a default under, the articles of incorporation or by-laws of Parent or Merger Sub or the comparable governing instruments of any of its Subsidiaries, (B) with or without notice, lapse of time or both, a breach or violation of, a termination (or right of termination) or a default under, the creation or acceleration of any obligations or the creation of a Lien on any of the assets of Parent or any of its Subsidiaries pursuant to, any Contracts binding upon Parent or any of its Subsidiaries, or (C) any change in the rights or obligations of any party under any such Contract, except, in the case of clause (B) or (C) above, for any such breach, violation, termination, default, creation, acceleration or change that is not, individually or in the aggregate, reasonably likely to prevent, materially delay or materially impair the consummation of the transactions contemplated by this Agreement.

(d) Litigation. There are no civil, criminal or administrative actions, suits, claims, hearings, investigations or proceedings pending or, to the knowledge of the officers of Parent, threatened against Parent or Merger Sub, except for those that are not, individually or in the aggregate, reasonably likely to have a material adverse effect on the financial condition, properties, assets, liabilities, business or results of operations of Parent or Merger Sub or to prevent, materially delay or materially impair the consummation of the transactions contemplated by this Agreement.

(e) Financing. Attached as Annex 5.2(e)(i) to the Parent Disclosure Letter is a true and complete copy of a debt commitment letter, other than the fee letter relating thereto (collectively, the "***Debt Financing Commitment***"), pursuant to which the lenders party thereto have agreed, subject to the terms and conditions set forth therein, to lend the amounts set forth therein for the purposes of financing the transactions contemplated by this Agreement (the "***Debt Financing***"). Attached as Annex 5.2(e)(ii) to the Parent Disclosure Letter is a true and complete copy of the equity commitment letter, dated as of the date hereof, from GS Capital Partners V Fund, L.P. (the "***Equity Financing Commitment***" and together with the Debt Financing Commitment, the "***Financing Commitments***"), pursuant to which the parties thereto have committed, subject to the terms and conditions set forth therein, to invest the amount set forth therein (the "***Equity Financing***" and together with the Debt Financing Commitment, the "***Financing***"). None of the Financing Commitments has been amended or modified prior to the date of this Agreement, no such amendment or modification is contemplated, and the respective commitments contained in the Financing Commitments have not been withdrawn or rescinded in any respect. Parent has fully paid any and all commitment fees or other fees in connection with the Financing Commitments that are payable on or

prior to the date hereof, and the Financing Commitments are in full force and effect and are the valid, binding and enforceable obligations of Parent, Merger Sub and to the knowledge of Parent, the other parties thereto. There are no conditions precedent or other contingencies related to the funding of the full amount of the Financing, other than as set forth in or contemplated by the Financing Commitments. No event has occurred which, with or without notice, lapse of time or both, would constitute a default on the part of Parent or Merger Sub under any of the Financing Commitments, and as of the date hereof Parent has no reason to believe that any of the conditions to the Financing contemplated by the Financing Commitments will not be satisfied or that the Financing will not be made available to Parent on the Closing Date. Subject to the terms and conditions contained in this Agreement and the Financing Commitments, Parent and Merger Sub will have at the Closing, together with the available cash of the Company and its Subsidiaries on the Closing Date, funds sufficient to pay the cash portion of the aggregate Per Share Merger Consideration (and any repayment or refinancing of debt contemplated by this Agreement or the Financing Commitments) and any other amounts required to be paid in connection with the consummation of the transactions contemplated hereby, and to pay all related fees and expenses.

(f) Capitalization of Merger Sub and Parent. (i) As of the date hereof the authorized capital stock of Merger Sub consists solely of 5,000 shares of Common Stock, par value $1.00 per share, 100 of which are validly issued and outstanding. All of the issued and outstanding capital stock of Merger Sub is, and immediately prior to the Effective Time will be, owned by Parent, free and clear of all Liens and there are (A) no other voting securities of Merger Sub authorized, issued or outstanding, (B) no preemptive or other outstanding rights, options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements, calls, commitments or rights of any kind that obligate Merger Sub to issue or sell any shares of capital stock or other securities of Merger Sub, (C) no securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire, any securities of Merger Sub, and (D) no securities or obligations evidencing such rights described in clause (C) of this Section 5.2(f)(i) are authorized, issued or outstanding.

(ii) As of the date hereof the authorized capital stock of Parent consists solely of 100,000 shares of Common Stock, par value $0.01 per share, 100 of which are validly issued and outstanding. All of the issued and outstanding capital stock of Parent is, and immediately prior to the Effective Time will be, owned by Holdco, free and clear of all Liens, there are (A) no other voting securities of Parent authorized, issued or outstanding, (B) no preemptive or other outstanding rights, options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements, calls, commitments or rights of any kind that obligate Parent to issue or sell any shares of capital stock or other securities of Parent, (C) no securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire, any securities of Parent, and (D) no securities or

obligations evidencing such rights described in clause (C) of this Section 5.2(f)(ii) are authorized, issued or outstanding.

(g) Business of Parent and Merger Sub. Neither Parent nor Merger Sub has conducted any business prior to the date hereof or has, or prior to the Effective Time will have, any assets, liabilities or obligations of any nature other than those incident to its formation and pursuant to this Agreement and the Merger and the other transactions contemplated by this Agreement. Since the dates of their respective incorporations, there has not been any change in the financial condition, properties, assets, liabilities, business or results of their operations of Parent or Merger Sub or any circumstance, occurrence or development to the knowledge of the officers of Parent, except for those that are not, individually or in the aggregate, reasonably likely to have a material adverse effect on the financial condition, properties, assets, liabilities, business or results of operations of Parent or Merger Sub or to prevent, materially delay or materially impair the consummation of the transactions contemplated by this Agreement.

(h) Holdco. Holdco is a legal entity duly organized, validly existing and in good standing under the Laws of Delaware and has all requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except where the failure to be so organized, qualified or in such good standing, or to have such power or authority, are not, individually or in the aggregate, reasonably likely to have a material adverse effect on Holdco.

5.3. Assets of Holdco, Parent and Merger Sub. The Company hereby acknowledges and agrees that (x) as of the date hereof, (i) Holdco's sole assets are equity interests in Parent, cash in a de minimis amount and its rights under the Merger Agreement and the agreements contemplated hereby, (ii) Parent's sole assets are equity interests in Merger Sub, cash in a de minimis amount and its rights under the Merger Agreement and the agreements contemplated hereby and (iii) Merger Sub's sole assets are cash in a de minimis amount and its rights under the Merger Agreement and the agreements contemplated hereby and (y) no additional funds are expected to be contributed to Holdco, Parent or Merger Sub unless and until the Closing occurs.

ARTICLE VI

Covenants

6.1. Interim Operations.

(a) The Company covenants and agrees as to itself and its Subsidiaries that, after the date hereof and prior to the Effective Time (unless Parent shall otherwise approve in writing, such approval not to be unreasonably withheld or delayed, and except

as otherwise expressly contemplated by this Agreement, and except as required by applicable Laws) the business of it and its Subsidiaries shall be conducted in the ordinary and usual course and, to the extent consistent therewith, it and its Subsidiaries shall use their respective reasonable best efforts to preserve their business organizations intact and maintain existing relations and goodwill with Governmental Entities, customers, suppliers, distributors, creditors, lessors, employees and business associates and keep available the services of its and its Subsidiaries' present employees and agents. Without limiting the generality of the foregoing and in furtherance thereof, from the date of this Agreement until the Effective Time, except (A) as otherwise expressly contemplated by this Agreement, (B) as Parent may approve in writing (such approval not to be unreasonably withheld or delayed) or (C) for transactions set forth in Section 6.1 of the Company Disclosure Letter, the Company will not and will not permit any of its Subsidiaries to:

(i) adopt or propose any change in its articles of incorporation or by-laws or other applicable governing instruments;

(ii) merge or consolidate the Company or any of its Subsidiaries with any other Person, or restructure, reorganize or completely or partially liquidate or otherwise enter into any agreements or arrangements imposing material changes or restrictions on its assets, operations or businesses;

(iii) acquire assets outside of the ordinary course of business consistent with past practice from any other Person, other than acquisitions pursuant to Contracts in effect as of the date of this Agreement;

(iv) issue, sell, pledge, dispose of, grant, transfer, encumber, or authorize the issuance, sale, pledge, disposition, grant, transfer, lease, license, guarantee or encumbrance of, any Shares or any shares of capital stock of the Company or any of its Subsidiaries (other than the issuance of shares by a wholly owned Subsidiary of the Company to the Company or another wholly owned Subsidiary), or securities convertible or exchangeable into or exercisable for any shares of such capital stock, or any options, warrants or other rights of any kind to acquire any Shares or any shares of such capital stock or such convertible or exchangeable securities;

(v) create or incur any Lien in excess of $5 million on any assets of the Company or any of its Subsidiaries;

(vi) make any loans, advances or capital contributions to or investments in any Person, other than non-material advances to vendors and employees in the ordinary course of business consistent with past practice;

(vii) enter into any agreement with respect to the voting of its capital stock or declare, set aside, make or pay any dividend or other distribution, or purchase, redeem or otherwise acquire any of its capital stock payable in cash,

stock, property or otherwise, with respect to any of its capital stock except for (x) dividends paid by any direct or indirect wholly owned Subsidiary of the Company to the Company or to any other direct or indirect wholly owned Subsidiary of the Company or (y) a regular quarterly dividend paid in the fourth quarter of 2006 consistent with past practice, which shall not exceed $200,000 in the aggregate as set forth in Section 5.1(f) of the Company Disclosure Letter;

(viii) reclassify, split, combine, subdivide or redeem, purchase or otherwise acquire, directly or indirectly, any of its capital stock or securities convertible or exchangeable into or exercisable for any shares of its capital stock;

(ix) incur any indebtedness for borrowed money (other than borrowings under the Company's existing working capital debt facilities in the ordinary course of business consistent with past practice to fund working capital of the Company) or guarantee such indebtedness of another Person, or issue or sell any debt securities or warrants or other rights to acquire any debt security of the Company or any of its Subsidiaries;

(x) make or authorize any capital expenditures in excess of $5 million in the aggregate;

(xi) enter into any Contract that would have been a Material Contract had it been entered into prior to this Agreement;

(xii) make any changes with respect to accounting policies or procedures, except as required by changes in GAAP;

(xiii) other than in the ordinary course of business consistent with past practice, amend, modify or terminate any Material Contract, or cancel, modify or waive any debts or claims held by it or waive any rights;

(xiv) make any material Tax election, take any material position on any material Tax Return filed on or after the date of this Agreement or adopt any tax accounting method that is inconsistent with positions taken or methods used in preparing or filing similar Tax Returns in prior periods, or settle or resolve any material Tax controversy;

(xv) other than pursuant to Contracts in effect prior to the date of this Agreement, transfer, sell, lease, license, mortgage, pledge, surrender, encumber, divest, cancel, abandon or allow to lapse or expire or otherwise dispose of any assets, product lines or businesses of the Company or its Subsidiaries, including capital stock of any of its Subsidiaries, except (x) in the ordinary course of business consistent with past practice, (y) for sales of obsolete assets or (z) for sales, leases, licenses or other dispositions of assets with a fair market value not in excess of $5 million in the aggregate;

(xvi) except as otherwise required by applicable Law, (i) increase the compensation, bonus or pension or welfare benefits of (other than those increases in the ordinary course consistent with past practice (A) to employees below the Senior Vice President level or (B) resulting from the Company's improved performance, based on existing 2005 incentive formulas), or make any new equity awards to, any director, officer or employee of the Company or any of its Subsidiaries, (ii) establish, adopt, amend or terminate any Benefit Plan or amend the terms of any Benefit Plan or outstanding equity-based awards, or (iii) take any action to accelerate the vesting or payment, or fund or in any other way secure the payment, of compensation or benefits under any Benefit Plan, to the extent not already required by any such Benefit Plan;

(xvii) settle, or consent to any settlement of, any actions, suits, claims or proceedings against the Company or any of its Subsidiaries or any obligation or liability of the Company (i) alleging personal injury or property damage arising from exposure to asbestos or asbestos-containing materials (other than disputes paid under the Company's insurance not exceeding $50,000 per claimant), or (ii) alleging any other injury or damage (other than disputes with customers or suppliers in the ordinary course of business consistent with past practice and not exceeding $50,000 per claimant);

(xviii) take any action or omit to take any action that will waive, modify, compromise or extinguish any of the Company's rights with respect to (A) any insurance coverage relating to any actions, suits or claims against the Company or any of its Subsidiaries alleging personal injury or property damage arising from exposure to asbestos or asbestos-containing materials, or (B) any agreements, understandings or arrangements relating to any such coverage;

(xix) take any action or omit to take any action that is reasonably likely to result in any of the conditions to the Merger set forth in Article VII not being satisfied, except actions or omissions expressly permitted by Section 6.2; provided that the foregoing shall not expand, diminish or modify in any way any of the Company's express obligations hereunder;

(xx) enter into, terminate, amend or modify any Contract or transaction with any officer, director or Affiliate of the Company or any of its Subsidiaries or any Person beneficially owning five percent or more of the outstanding Shares or of the outstanding shares of any Subsidiary of the Company;

(xxi) enter into any purchase order (other than purchase orders entered into in the ordinary course of business consistent with past practice and in an amount less than $10 million); or

(xxii) agree, authorize or commit to do any of the foregoing.

(b) Parent will not and will not permit any of its Subsidiaries to take any action or omit to take any action that is reasonably likely to result in any of the conditions to the Merger set forth in Section 7.2 or Section 7.3 not being satisfied, except actions or omissions expressly permitted by Section 6.12(c); provided that the foregoing shall not expand, diminish or modify in any way any of Parent's or Merger Sub's express obligations hereunder.

6.2. Acquisition Proposals.

(a) No Solicitation or Negotiation. The Company agrees that, except as expressly permitted by this Section 6.2, neither it nor any of its Subsidiaries nor any of the officers and directors of it or any of its Subsidiaries shall, and that it shall use its reasonable best efforts to instruct and cause its and its Subsidiaries' employees, investment bankers, attorneys, accountants and other advisors or representatives (such directors, officers, employees, investment bankers, attorneys, accountants and other advisors or representatives, collectively, "***Representatives***") not to, directly or indirectly:

(i) initiate, solicit or knowingly encourage any inquiries or the making of any proposal or offer that constitutes, or would be reasonably likely to lead to, any Acquisition Proposal (as defined below); or

(ii) engage in, continue or otherwise participate in any discussions or negotiations regarding, or provide any non-public information or data to any Person relating to, any Acquisition Proposal; or

(iii) otherwise knowingly facilitate any effort or attempt to make an Acquisition Proposal.

Without limiting the generality of the foregoing, any violation of any of the restrictions set forth in this Section 6.2 by any Representative of the Company or any of its Subsidiaries shall be deemed to be a breach of this Section 6.2 by the Company.

Notwithstanding anything in the foregoing to the contrary, prior to the time, but not after, the Company Requisite Vote is obtained, the Company may, if it and its Subsidiaries and their respective Representatives have not breached this Section 6.2, and there has been no breach of Section 1(g) of the Shareholder Support Agreement, (A) provide information in response to a request therefor by a Person who has made an unsolicited bona fide written Acquisition Proposal providing for the acquisition of all or substantially all of the assets of the Company and its Subsidiaries on a consolidated basis (including, without limitation, equity securities of the Company's Subsidiaries) or all or substantially all of the Shares, if the Company receives from the Person so requesting such information an executed confidentiality agreement on terms not less restrictive to the other party than those contained in the Confidentiality Agreement (as defined in Section 9.7); it being understood that such confidentiality agreement need not prohibit the making, or amendment, of an Acquisition Proposal; and promptly discloses (and, if applicable, provides copies of) any such information to Parent to the extent not

previously provided to Parent; (B) engage or participate in any discussions or negotiations with any Person who has made an unsolicited bona fide written Acquisition Proposal described in clause (A); or (C) after having complied with this Section 6.2, approve, recommend, or otherwise declare advisable or propose to approve, recommend or declare advisable (publicly or otherwise) an Acquisition Proposal described in clause (A), if and only to the extent that, (x) prior to taking any action described in clause (A), (B) or (C) above, the board of directors of the Company determines in good faith after consultation with outside legal counsel taking such action, in light of the Acquisition Proposal and the terms of this Agreement, is reasonably required for the directors to comply with their fiduciary duties under applicable Law, (y) in each such case referred to in clause (A) or (B) above, the board of directors of the Company has determined in good faith based on the information then available and after consultation with its financial advisor that such Acquisition Proposal either constitutes a Superior Proposal (as defined below) or is reasonably likely to result in a Superior Proposal, and (z) in the case referred to in clause (C) above, the board of directors of the Company determines in good faith (after consultation with its financial advisor and outside legal counsel) that such Acquisition Proposal is a Superior Proposal.

(b) Definitions. For purposes of this Agreement:

"*Acquisition Proposal*" means (i) any proposal or offer with respect to a merger, joint venture, partnership, consolidation, dissolution, liquidation, tender offer, recapitalization, reorganization, share exchange, business combination or similar transaction involving the Company or any of its Subsidiaries and (ii) any proposal or offer to acquire in any manner, directly or indirectly, 15% or more of the Shares or of any class of equity securities of any of the Company's Subsidiaries, or 15% or more of the consolidated total assets (including, without limitation, equity securities of the Company's Subsidiaries) of the Company and its Subsidiaries, in each case other than the transactions contemplated by this Agreement.

"*Superior Proposal*" means an unsolicited bona fide Acquisition Proposal to acquire all or substantially all of the assets of the Company and its Subsidiaries on a consolidated basis (including, without limitation, equity securities of the Company's Subsidiaries) or all or substantially all of the Shares, in either such case, that the board of directors of the Company has determined in its good faith judgment (after consultation with its financial advisor and outside legal counsel) (x) is reasonably likely to be consummated in accordance with its terms (if accepted), taking into account all legal, financial and regulatory aspects of the proposal and the Person making the proposal, (y) if consummated, would result in a transaction that would be more favorable to the Company's shareholders from a financial point of view than the transaction contemplated by this Agreement (in each such case after taking into account any revisions to the terms of the transaction contemplated by this Agreement pursuant to Section 6.2(c), and the time likely to be required to consummate such Acquisition Proposal) and (z) if any debt or equity financing is required to consummate such Acquisition Proposal, such Person shall have provided to the Company executed financing commitment letters for such

financing from bona fide financing sources in an amount sufficient to consummate such Acquisition Proposal and containing conditions to obtaining such financing which are not materially less favorable to the Company than those contained in the Financing Commitments.

(c) No Change in Recommendation or Alternative Acquisition Agreement. The board of directors of the Company and each committee thereof shall not, directly or indirectly:

(i) withhold, withdraw, qualify or modify (or publicly propose or resolve to withhold, withdraw, qualify or modify), in a manner adverse to Parent or Merger Sub, the Company Recommendation;

(ii) approve, recommend or otherwise declare advisable or propose to approve, recommend or otherwise declare advisable or resolve to approve, recommend or otherwise declare advisable any Acquisition Proposal;

(iii) cause or permit the Company to enter into any letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, merger agreement or other agreement (other than a confidentiality agreement referred to in Section 6.2(a) entered into in compliance with Section 6.2(a)) relating to any Acquisition Proposal (an "*Alternative Acquisition Agreement*");

(iv) enter into any agreement requiring the Company to abandon, terminate or fail to consummate the transactions contemplated hereby or breach its obligations hereunder; or

(v) propose or agree to do any of the foregoing.

Notwithstanding anything to the contrary set forth in this Agreement, prior to the time, but not after, the Company Requisite Vote is obtained, in response to an Acquisition Proposal made after the date hereof that was not solicited, initiated, encouraged or knowingly facilitated in breach of this Agreement or the Shareholder Support Agreement, the board of directors of the Company may (A) withhold, withdraw, qualify or modify the Company Recommendation, or approve, recommend or otherwise declare advisable any Superior Proposal (a "*Change of Recommendation*") or (B) terminate this Agreement pursuant to Section 8.3(a) simultaneously with paying to Parent by wire transfer in immediately available funds the Termination Fee to be paid pursuant to Section 8.5, if (in the case of (A) and (B)) (I) the board of directors of the Company determines in good faith, after consultation with outside legal counsel, that taking such action is reasonably required for the directors of the Company to comply with their fiduciary duties under applicable Law, (II) the board of directors of the Company after consultation with its outside legal counsel and financial advisor has determined in good faith that such Acquisition Proposal is a Superior Proposal, (III) the Company has provided Parent prior written notice of its determination that such Acquisition Proposal is a Superior Proposal, (IV) Parent has had the opportunity to revise the terms of this Agreement to match or

exceed the terms of such Superior Proposal within five (5) business days following receipt by Parent of such notice, which shall include the right to match any non-price terms of such Superior Proposal and (V) following the expiration of the five (5) business day period referenced in clause (IV) above, the board of directors of the Company has determined that the Acquisition Proposal remains a Superior Proposal. Any material amendment to any Acquisition Proposal will be deemed to be a new Acquisition Proposal for purposes of this Section 6.2(c).

(d) Existing Discussions. The Company agrees that it will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any parties conducted heretofore with respect to any Acquisition Proposal. The Company agrees that it will take the necessary steps to promptly inform the Persons referred to in the first sentence hereof of the obligations undertaken in this Section 6.2. The Company also agrees that it will promptly request each Person that has heretofore executed a confidentiality agreement in connection with its consideration of acquiring it or any of its Subsidiaries to return all confidential information heretofore furnished to such Person by or on behalf of it or any of its Subsidiaries.

(e) Notice. The Company agrees that it will promptly (and, in any event, within 48 hours) notify Parent if any proposals or offers with respect to an Acquisition Proposal are received by, any such information is requested from, or any such discussions or negotiations are sought to be initiated or continued with, the Company, any of its Subsidiaries or Affiliates, or any of their Representatives indicating, in connection with such notice, the name of such Person and the material terms and conditions of any proposals or offers (including, if applicable, copies of any written requests, proposals or offers, including proposed agreements) and thereafter shall keep Parent reasonably informed, on a prompt basis, of the status and terms of any such proposals or offers (including any amendments thereto) and the status of any such discussions or negotiations.

6.3. Information Supplied. The Company shall prepare and mail to all holders of Shares as promptly as practicable after the date of this Agreement (and in no event more than 20 days after the date of this Agreement) a proxy statement relating to the Shareholders Meeting (as defined in Section 6.4) (such proxy statement, including any amendment or supplement thereto, the "*Proxy Statement*"). The Company agrees, as to it and its Subsidiaries, that none of the information supplied by it or any of its Subsidiaries for inclusion in the Proxy Statement will, at the date of mailing to shareholders of the Company or at the time of the Shareholders Meeting, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Proxy Statement shall include the Company Recommendation.

6.4. Shareholders Meeting. Subject to Section 31D-11-1104 of the WVBCA and fiduciary obligations under applicable Law, the Company will take, in accordance with applicable Law and its articles of incorporation and by-laws, all action

necessary to convene a meeting of holders of Shares (the "*Shareholders Meeting*") as promptly as practicable after the date hereof but no later than twenty-one (21) days from the date on which the Proxy Statement is mailed to shareholders of the Company to submit this Agreement to the shareholders of the Company for their approval. The Shareholders Meeting shall not be adjourned or postponed without the prior written consent of Parent. Subject to Section 6.2, (i) the Company will use its reasonable best efforts to solicit from its shareholders proxies in favor of approval of this Agreement and will take all other action necessary or advisable to secure the Company Requisite Vote and (ii) the board of directors of the Company shall recommend such approval and shall take all lawful action to solicit such approval of this Agreement. The Company shall keep Parent updated with respect to proxy solicitation results as reasonably requested by Parent.

6.5. Other Actions; Notification.

(a) Cooperation. Subject to the terms and conditions set forth in this Agreement, the Company and Parent shall cooperate with each other and use (and shall cause their respective Subsidiaries to use) their respective commercially reasonable efforts to take or cause to be taken all actions, and do or cause to be done all things, reasonably necessary, proper or advisable on its part under this Agreement and applicable Laws to consummate and make effective the Merger and the other transactions contemplated by this Agreement as soon as practicable, including preparing and filing as promptly as practicable all documentation to effect all necessary notices, reports and other filings and to obtain as promptly as practicable all consents, registrations, approvals, permits and authorizations necessary or advisable to be obtained from any third party and/or any Governmental Entity in order to consummate the Merger or any of the other transactions contemplated by this Agreement. Notwithstanding anything contained in this agreement to the contrary, Parent shall not be required to proffer or accept any Order providing for Parent or any of its Affiliates to (x) sell or otherwise dispose of, or hold separate or agree to sell or otherwise dispose of, any entities, assets, or facilities of the Company or any of its Subsidiaries, or any entity, facility or asset of Parent or any of its Subsidiaries or any of its or their Affiliates, (y) terminate, amend or assign any existing relationships or contractual rights or obligations, or (z) amend, assign or terminate any existing licenses or other agreements or enter into any new licenses or other agreements.

(b) Information. The Company and Parent each shall, upon request by the other, furnish the other with all information concerning itself, its Subsidiaries, directors, officers and shareholders and such other matters as may be reasonably necessary or advisable in connection with the Proxy Statement and any filing, notice or application made by or on behalf of Parent, the Company or any of their respective Subsidiaries to any Governmental Entity in connection with the Merger and the transactions contemplated by this Agreement.

(c) Status. Subject to applicable Laws and the instructions of any Governmental Entity, the Company and Parent each shall keep the other apprised of the status of matters relating to completion of the transactions contemplated hereby, including promptly furnishing the other with copies of notices or other communications received by Parent or the Company, as the case may be, or any of its Subsidiaries, from any third party and/or any Governmental Entity, including under the HSR Act, with respect to the Merger and the other transactions contemplated by this Agreement. The Company shall give prompt notice to Parent of any change, fact or condition that is reasonably likely to result in a Company Material Adverse Effect or of any failure of any condition to Parent's obligations to effect the Merger. Parent shall give prompt notice to the Company of any failure of any condition to the Company's obligations to effect the Merger.

6.6. Access and Reports. Subject to applicable Law, upon reasonable notice, the Company shall (and shall cause its Subsidiaries to) afford Parent's officers, its financing sources and other authorized Representatives of Parent reasonable access, during normal business hours throughout the period prior to the Effective Time, to its employees, properties, books, contracts and records and, during such period, the Company shall (and shall cause its Subsidiaries to) furnish promptly to Parent all information concerning its business, properties and personnel as may reasonably be requested, provided that no investigation pursuant to this Section 6.6 shall affect or be deemed to modify any representation or warranty made by the Company herein, and provided, further, that the foregoing shall not require the Company (i) to permit any inspection, or to disclose any information, that in the reasonable judgment of the Company would result in the disclosure of any trade secrets of third parties or violate any of its obligations with respect to confidentiality or (ii) to disclose any privileged information of the Company or any of its Subsidiaries. All requests for information made pursuant to this Section 6.6 shall be directed to the executive officer or other Person designated by the Company. All such information shall be governed by the terms of the Confidentiality Agreement.

6.7. Publicity. The initial press release regarding the Merger shall be a joint press release and thereafter, no press releases or public announcements with respect to the Merger and the other transactions contemplated by this Agreement and filings with any third party and/or any Governmental Entity (including any national securities exchange or interdealer quotation service) with respect thereto, shall be issued or made by the Company, on the one hand, or the Parent or Merger Sub, on the other hand, without the prior written consent of the Parent or the Company, as the case may be (which consent shall not be unreasonably withheld or delayed), except as may be required by Law or by obligations pursuant to any listing agreement with or rules of any national securities exchange or interdealer quotation service or by the request of any Government Entity.

6.8. Investigations and Actions. The Company shall keep Parent informed, on a current basis, of any events, discussions, notices or changes with respect

to any criminal or regulatory investigation or action involving the Company or any of its Subsidiaries, so that Parent, and its Affiliates will have the opportunity to take appropriate steps to avoid or mitigate any regulatory consequences to them that might arise from such investigation or action.

6.9. Expenses. If the Merger is consummated, the Surviving Corporation shall pay all charges and expenses of the Company, Holdco, Parent, Merger Sub, and the GSCP Members in connection with the transactions contemplated by this Agreement. If the Merger is not consummated, except as provided in Section 8.5(c), all costs and expenses incurred in connection with this Agreement and the Merger and the other transactions contemplated by this Agreement shall be paid by the party incurring such expense; provided, that, if the Company or Parent terminates this Agreement pursuant to Section 8.2(b) or Parent terminates this Agreement pursuant to Section 8.4 (but with respect to Section 8.4(h) only for a Willful or Deliberate Breach (as defined below) by the Company) the Company shall pay all of Parent's, Merger Sub's and their respective Affiliates' costs and expenses incurred in connection with this Agreement, unless a Termination Fee is payable to Parent by the Company pursuant to Section 8.5(b). For purposes of this Agreement, a "*Willful or Deliberate Breach*" means a willful or deliberate material breach which does not require malicious or tortuous intent. The provisions of this Section 6.9 are intended to be for the benefit of, and shall be enforceable by Holdco and the GSCP Members in addition to the parties hereto.

6.10. Indemnification; Directors' and Officers' Insurance.

(a) From and after the Effective Time, each of Parent and the Surviving Corporation agrees that it will indemnify and hold harmless, to the fullest extent permitted under applicable Law (and Parent and the Surviving Corporation shall also advance expenses as incurred to the fullest extent permitted under applicable Law provided the Person to whom expenses are advanced provides an undertaking to repay such advances if it is ultimately determined that such Person is not entitled to indemnification), each present and former director, officer and employee of the Company or any of its Subsidiaries (collectively, the "*Indemnified Parties*") against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to matters existing or occurring at or prior to the Effective Time, including the transactions contemplated by this Agreement; provided, however, that the Surviving Corporation shall not indemnify any director, officer or employee for any liability for (i) receipt of a financial benefit to which such Indemnified Party is not entitled; (ii) an intentional infliction of harm on the Company or its shareholders; (iii) in the case of a director, a distribution in violation of Section 31D-8-833 of the WVBCA; or (iv) an intentional violation of criminal Law.

(b) Any Indemnified Party wishing to claim indemnification under paragraph (a) of this Section 6.10, upon learning of any such claim, action, suit,

proceeding or investigation, shall promptly notify Parent thereof, but the failure to so notify shall not relieve Parent or the Surviving Corporation of any liability it may have to such Indemnified Party except to the extent such failure materially prejudices the indemnifying party. In the event of any such claim, action, suit, proceeding or investigation (whether arising before or after the Effective Time), (i) Parent or the Surviving Corporation shall have the right to assume the defense thereof and Parent and the Surviving Corporation shall not be liable to such Indemnified Parties for any legal expenses of other counsel or any other expenses subsequently incurred by such Indemnified Parties in connection with the defense thereof, except that if Parent or the Surviving Corporation elects not to assume such defense or counsel for the Indemnified Parties advises that there are issues which raise conflicts of interest between Parent or the Surviving Corporation and the Indemnified Parties, the Indemnified Parties may retain counsel satisfactory to them, and Parent or the Surviving Corporation shall pay all reasonable fees and expenses of such counsel for the Indemnified Parties promptly as statements therefor are received; provided, however, that Parent and the Surviving Corporation shall be obligated pursuant to this paragraph (b) to pay for only one firm of counsel for all Indemnified Parties in any jurisdiction unless the use of one counsel for such Indemnified Parties would present such counsel with a conflict of interest; provided that the fewest number of counsels necessary to avoid conflicts of interest shall be used; (ii) the Indemnified Parties will cooperate in the defense of any such matter; and (iii) Parent and the Surviving Corporation shall not be liable for any settlement effected without Parent's or the Surviving Corporation's, as applicable, prior written consent; and provided, further, that Parent and the Surviving Corporation shall not have any obligation hereunder to any Indemnified Party if and when a court of competent jurisdiction shall ultimately determine, and such determination shall have become final, that the indemnification of such Indemnified Party in the manner contemplated hereby is prohibited by applicable Law. If such indemnity is not available with respect to any Indemnified Party, then Parent and the Surviving Corporation and the Indemnified Party shall contribute to the amount payable in such proportion as is appropriate to reflect relative faults and benefits.

(c) Prior to the Effective Time, Parent shall obtain and fully pay for "tail" insurance policies with a claims period of at least six years from and after the Effective Time from an insurance carrier with the same or better credit rating as the Company's current insurance carrier with respect to directors' and officers' liability insurance and fiduciary liability insurance with benefits and levels of coverage at least as favorable as the Company's existing policies with respect to matters existing or occurring at or prior to the Effective Time (including in connection with this Agreement or the transactions or actions contemplated hereby); provided, however, that in no event shall Parent or the Surviving Corporation be required to expend for such policies an annual premium amount in excess of 200% of the annual premiums currently paid by the Company for such insurance; and provided, further, that if the annual premiums of such insurance coverage exceed such amount, Parent or the Surviving Corporation shall obtain a policy with the greatest coverage available for a cost not exceeding such amount.

(d) If Parent or the Surviving Corporation or any of their respective successors or assigns (i) shall consolidate with or merge into any other corporation or entity and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) shall transfer all or substantially all of its properties and assets to any individual, corporation or other entity, then, and in each such case, proper provisions shall be made so that the successors and assigns of Parent or the Surviving Corporation shall assume all of the obligations set forth in this Section 6.10.

(e) The provisions of this Section 6.10 are intended to be for the benefit of, and shall be enforceable by, each of the Indemnified Parties.

(f) The rights of the Indemnified Parties under this Section 6.10 shall be in addition to any rights such Indemnified Parties may have under the articles of incorporation or by-laws of the Company or any of its Subsidiaries, or under any applicable Contracts or Laws.

6.11. Takeover Statutes. If any Takeover Statute is or may become applicable to the Merger or the other transactions contemplated by this Agreement, the Company and its board of directors shall grant such approvals and take such actions as are necessary so that such transactions may be consummated as promptly as practicable on the terms contemplated by this Agreement and otherwise act to eliminate or minimize the effects of such statute or regulation on such transactions.

6.12. Financing.

(a) Parent shall use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to arrange the Debt Financing on the terms and conditions described in the Debt Financing Commitment (provided that Parent and Merger Sub may replace or amend the Debt Financing Commitment to add lenders, lead arrangers, bookrunners, syndication agents or similar entities which had not executed the Debt Financing Commitment as of the date hereof, or otherwise so long as the terms would not materially adversely impact the ability of Parent or Merger Sub to consummate the transactions contemplated hereby or the likelihood of consummation of the transactions contemplated hereby), including using reasonable best efforts to (i) maintain in effect the Debt Financing Commitment, (ii) satisfy on a timely basis all conditions applicable to Parent and Merger Sub to obtaining the Debt Financing set forth in the Debt Financing Commitment (including by consummating the equity financing pursuant to the terms of the Equity Financing Commitments), (iii) enter into definitive agreements with respect thereto on the terms and conditions contemplated by the Financing Commitments or on other terms that would not adversely impact the ability or likelihood of Parent or Merger Sub to consummate the transactions contemplated hereby and (iv) consummate the Financing at or prior to the Closing. If any portion of the Debt Financing becomes unavailable on the terms and conditions contemplated in the Debt Financing Commitment, Parent shall use its reasonable best efforts to arrange to obtain alternative financing from alternative sources

in an amount sufficient to consummate the transactions contemplated by this Agreement as promptly as practicable following the occurrence of such event; provided, that such alternative financing shall be on terms and conditions materially no less favorable than those provided in the Debt Financing Commitment, or otherwise on terms and conditions acceptable to Parent. Parent shall give the Company prompt notice of any material breach by any party to the Financing Commitments, of which Parent or Merger Sub becomes aware, or any termination of the Financing Commitments. Parent shall keep the Company informed on a reasonably current basis in reasonable detail of the status of its efforts to arrange the Debt Financing and provide copies of all documents related to the Debt Financing (other than any fee letters and ancillary documents subject to confidentiality agreements) to the Company. The Company hereby consents to the use of its and its Subsidiaries' names and logos in connection with the Debt Financing.

(b) Prior to the Closing, the Company shall provide to Parent and Merger Sub, and shall cause its Subsidiaries to, and shall use its reasonable best efforts to cause the respective officers, employees and advisors, including legal and accounting, of the Company and its Subsidiaries to, provide to Parent and Merger Sub all cooperation reasonably requested by Parent that is necessary in connection with the Financing, including using reasonable best efforts to (i) participate in meetings, presentations, road shows, due diligence sessions and sessions with rating agencies, (ii) provide assistance in preparation of confidential information memoranda (including execution and delivery of a customary representation letter) and other materials to be used in connection with obtaining financing contemplated by the Debt Financing Commitment and all information (including financial information) customarily contained therein, (iii) provide assistance in the preparation for, and participate in, meetings, due diligence sessions and similar presentations to and with, among others, prospective lenders, investors and rating agencies, (iv) enter into a loan agreement and related documents (including pledge and security documents), (v) execute and deliver customary certificates, legal opinions or other documents reasonably requested by Parent (including a certificate of the chief financial officer of the Company with respect to solvency matters) and otherwise reasonably facilitate the pledging of collateral contemplated by the Debt Financing Commitment (including taking all actions reasonably necessary to (A) permit the prospective lenders involved in the Financing to evaluate the Company's current assets, cash management and accounting systems, policies and procedures relating thereto for the purpose of establishing collateral arrangements and to conduct the appraisals and field examinations relating thereto as contemplated by the Debt Financing Commitment and (B) establish bank and other accounts and blocked account agreements and lock box arrangements in connection with the foregoing) and (vi) provide the financial statements and other information necessary for the satisfaction of the obligations and conditions set forth in the Debt Financing Commitment within the time periods required thereby in order to permit a Closing Date on or prior to the Termination Date; provided, however, that nothing herein shall require such cooperation to the extent it would interfere unreasonably with the business or operations of the Company or its Subsidiaries. The Company shall use its reasonable best efforts to obtain pay-off letters, in form and substance reasonably satisfactory to Parent, from holders of all indebtedness of the

Company or any of its Subsidiaries as set forth in Section 7.2(g) of the Company Disclosure Letter and to ensure that each such pay-off letter will provide for the waiver of any notice provisions relating thereto. The Company and its Subsidiaries shall not pay or agree to pay any amounts in excess of all principal and accrued interest, if any, outstanding thereon as of the Closing in respect of such indebtedness in connection with obtaining such pay-off letters and waivers without the prior written consent of Parent (which shall not be unreasonably withheld or delayed). If this Agreement is terminated pursuant to Section 8.1 or 8.3(b) (but with respect to Section 8.3(b) only for a Willful or Deliberate Breach by Parent or Merger Sub) Parent shall, promptly upon request by the Company, reimburse the Company for all reasonable and documented out-of-pocket costs incurred by the Company or its Subsidiaries in connection with such cooperation.

(c) Notwithstanding anything to the contrary set forth in this Agreement or in the Debt Financing Commitment, the Company and Parent agree that Parent shall have the right, in its sole discretion, to determine the aggregate principal amount of funded debt to be incurred at Closing to finance the transactions contemplated hereby (the "Aggregate Closing Funded Debt"). If at any time prior to February 23, 2007, Parent determines, in its sole discretion, that the Aggregate Closing Funded Debt shall be an aggregate principal amount less than $600,000,000, Parent shall notify the Company in writing of such determination, which notice shall specify the Aggregate Closing Funded Debt Parent has determined will be incurred at Closing. The Company shall have seventy-two (72) hours after receipt of such notice to advise Parent in writing whether or not the Company elects to waive irrevocably the condition set forth in Section 7.3(c) hereof by reason of such determination by Parent. If the Company fails to respond to such notice or does not elect in writing to waive such condition prior to the end of such seventy-two (72) hour period, Parent shall have the right, in its sole discretion, to terminate this Agreement pursuant to Section 8.4(i) at any time on or prior to the Termination Date. Parent may exercise its right under this Section 6.12(c) to determine Aggregate Closing Funded Debt on one or more occasions so long as it complies with its notice requirements each time it exercises such right.

6.13. Non-Core Assets. The Surviving Corporation agrees that promptly following the Effective Time it will use commercially reasonable efforts to sell for cash the assets listed on Annex G (all such assets, the "*Non-Core Assets*"). The Surviving Corporation agrees, subject to complying with applicable Laws and regulatory requirements (including those applicable to Holdco and its Affiliates) to sell the Non-Core Assets (other than the shares of common stock of PrimeEnergy Corporation) only after consultation with H.B. Wehrle III and E. Gaines Wehrle. With respect to the sale of shares of common stock of PrimeEnergy Corporation, prior to December 31, 2008, the Surviving Corporation shall sell such shares only with the prior written consent of E. Gaines Wehrle (such consent not to be unreasonably withheld or delayed). Following the sale of any Non-Core Assets, the Surviving Corporation shall promptly remit to the record holders of Shares immediately prior to the Effective Time (other than Excluded Shares referred to in subsection (x) and (z) of the definition of Excluded Shares in Section 4.1(a)(i)) (the "*Cashed-Out Shares*") an amount per Share equal to (x) 95% of the

Net Proceeds (as defined below) of such sale less 40% of the taxable gain therefrom divided by (y) the total number of Cashed-Out Shares outstanding immediately prior to the Effective Time; provided, that the Surviving Corporation shall not be required to make payments pursuant to this Section 6.13 more often than semi-annually. For purposes of this Agreement "*Net Proceeds*" means the cash proceeds received in the sale of a Non-Core Asset less all costs, charges, fees, expenses, losses, liabilities, obligations, claims, fines, Transfer Taxes and other Taxes (other than Taxes measured by income), and penalties or interest paid or payable with respect to the sale of such Non-Core Asset or to the holding of such Non-Core Asset by the Surviving Corporation (including, without limitation, attorneys', brokers', accountants', consultants' and appraisers' fees and amounts paid or payable with respect to any investigation or remediation in connection with any Hazardous Substances at, on, under or migrating to or from any property being sold).

ARTICLE VII

Conditions

7.1. Conditions to Each Party's Obligation to Effect the Merger. The respective obligation of each party to effect the Merger and the other transactions contemplated by this Agreement is subject to the satisfaction or waiver at or prior to the Effective Time of each of the following conditions:

(a) Shareholder Approval. This Agreement shall have been duly approved by holders of Shares constituting the Company Requisite Vote in accordance with applicable law and the articles of incorporation and by-laws of each such corporation.

(b) HSR Waiting Period. The waiting period applicable to the consummation of the Merger and the other transactions contemplated by this Agreement under the HSR Act shall have expired or been terminated.

(c) Litigation. No court or other Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the Merger or the other transactions contemplated by this Agreement (collectively, an "*Order*").

7.2. Conditions to Obligations of Parent and Merger Sub. The obligations of Parent and Merger Sub to effect the Merger and the other transactions contemplated by this Agreement are also subject to the satisfaction or waiver by Parent at or prior to the Effective Time of each of the following conditions:

(a) Representations and Warranties. (i) The representations and warranties of the Company set forth in this Agreement (other than those in Section

5.1(b)) shall be true and correct as of the date of this Agreement and as of the Closing Date (without giving effect to any "material", "materiality", "Company Material Adverse Effect" or "knowledge" qualification to such representations and warranties), except (A) to the extent that the failure of such representations and warranties of the Company to be true and correct, individually or in the aggregate, has not had, and is not reasonably likely to have, a Company Material Adverse Effect and (B) for those representations and warranties which expressly relate to an earlier date (in which case such representations and warranties shall have been true and correct as of such earlier date); (ii) the representations and warranties set forth in Section 5.1(b) shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date; and (iii) Parent shall have received at the Closing a certificate signed on behalf of the Company by an executive officer of the Company to the effect that such executive officer has read this Section 7.2(a) and the conditions set forth in this Section 7.2(a) have been satisfied.

(b) Performance of Obligations of the Company. The Company shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date, and Parent shall have received a certificate signed on behalf of the Company by an executive officer of the Company to such effect.

(c) No Restraints. There shall not be instituted or pending any suit, action or proceeding in which a Governmental Entity of competent jurisdiction is seeking (i) an Order or (ii) (A) to prohibit, limit, restrain or impair Parent's ability to own or operate or to retain or change all or a material portion of the assets, licenses, operations, rights, product lines, businesses or interest therein of the Company or its Subsidiaries or other Affiliates from and after the Effective Time (including, without limitation, by requiring any sale, divestiture, transfer, license, lease, disposition of or encumbrance or hold separate arrangement with respect to any such assets, licenses, operations, rights, product lines, businesses or interest therein) or (B) to prohibit or limit Parent's ability to vote, transfer, receive dividends or otherwise exercise full ownership rights with respect to the stock of the Surviving Corporation, and no Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law deemed applicable to the Merger individually or in the aggregate resulting in, or that is reasonably likely to result in, any of the foregoing.

(d) Consents Under Agreements. The Company shall have obtained and delivered to Parent, in form and substance reasonably satisfactory to Parent, all consents and approvals specified in Section 7.2(d) of the Company Disclosure Letter.

(e) Financing. Parent shall have received the proceeds of the Debt Financing on the terms and conditions set forth in the Debt Financing Commitment, or the proceeds of any alternative debt financing as contemplated by Section 6.12(a).

(f) Material Adverse Effect. No event, development, circumstance or occurrence shall have occurred, since the date of this Agreement that, individually or in

the aggregate, has had or is reasonably likely to have a Company Material Adverse Effect.

(g) Pay-Off Letters. The Company shall have received pay-off letters, in a form and substance reasonably satisfactory to Parent, from holders of all indebtedness of the Company or any of its Subsidiaries as set forth in Section 7.2(g) of the Company Disclosure Letter and each such pay-off letter shall provide for the waiver of any notice provisions relating thereto. The Company and its Subsidiaries shall not have paid or agreed to pay any amounts in excess of all principal and accrued interest, if any, outstanding thereon as of the Closing in respect of such indebtedness in connection with obtaining such pay-off letters and waivers without the prior written consent of Parent (which shall not be unreasonably withheld or delayed).

(h) Other Agreements. The Employment Agreements, the Holdco LLC Agreement, the Vision Letter Agreement and the Registration Rights Agreement shall be in full force and effect.

(i) McApple Restructuring. The transactions contemplated by the McApple Agreement shall have been consummated, each McApple Shareholder shall have contributed to Holdco all McApple Shares held by him in exchange for Holdco Units and cash pursuant to the McApple Agreement, and Holdco shall own directly or indirectly 100% of the equity interests of McApple.

(j) Continuing Shareholders. Each Continuing Shareholder shall have contributed to Holdco all Contribution Shares held by him, her or it in exchange for Holdco Units pursuant to the Contribution Agreement and the Letters of Transmittal.

(k) Dissenting Shareholders. Dissenting Shareholders holding not more than 5% of the Shares shall have demanded and perfected appraisal of such Shares in accordance with the WVBCA.

(l) Withholding Certificate. Parent shall have received a certificate from the Company, in form and substance reasonably satisfactory to Parent, conforming to the requirements of Treasury Regulation Sections 1.1445-2(c)(3) and 1.897-2(h).

(m) PrimeEnergy Resignation. E. Gaines Wehrle shall have resigned from the board of directors of PrimeEnergy Corporation, with effect on or prior to the Closing Date.

7.3. Conditions to Obligation of the Company. The obligation of the Company to effect the Merger and the other transactions contemplated by this Agreement is also subject to the satisfaction or waiver by the Company at or prior to the Effective Time of each of the following conditions:

(a) Representations and Warranties. (i) The representations and warranties of Parent set forth in this Agreement shall be true and correct as of the date of

this Agreement and as of the Closing Date (without giving effect to any "material," "materiality" or "material adverse effect" qualifications to such representations and warranties), except (A) to the extent that the failure of such representations and warranties of Parent to be true and correct individually or in the aggregate would not have, or reasonably be likely to have, a material adverse effect on Parent, and (B) for those representations and warranties which expressly relate to any earlier date (in which case such representations and warranties shall have been true and correct as of such earlier date) and (ii) the Company shall have received at the Closing a certificate signed on behalf of Parent by an executive officer of Parent to the effect that such executive officer has read this Section 7.3(a) and the conditions set forth in this Section 7.3(a) have been satisfied.

(b) Performance of Obligations of Parent and Merger Sub. Each of Parent and Merger Sub shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date, and the Company shall have received a certificate signed on behalf of Parent and Merger Sub by an executive officer of Parent to such effect.

(c) Aggregate Closing Funded Debt. The Aggregate Closing Funded Debt shall be not be less than $600,000,000.

ARTICLE VIII

Termination

8.1. Termination by Mutual Consent. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time, whether before or after the Company Requisite Vote is obtained, by mutual written consent of the Company and Parent by action of their respective boards of directors.

8.2. Termination by Either the Company or Parent. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time by action of the board of directors of the Company or Parent if (a) the Merger shall not have been consummated by the Termination Date (as defined below) whether such date is before or after the Company Requisite Vote is obtained, (b) the Company Requisite Vote shall not have been obtained at the Shareholders Meeting or at any adjournment or postponement thereof permitted hereunder; provided, however that the Company shall not be permitted to terminate this Agreement pursuant to this Section 8.2(b) until after the Tender Offer Commencement Period (as defined in Section 8.6) and then only if Parent, Merger Sub and their respective Affiliates have not commenced a Tender Offer (as defined in Section 8.6) during the Tender Offer Commencement Period, or (c) any Order permanently restraining, enjoining or otherwise prohibiting consummation of the Merger shall become final and non-appealable (whether before or after the Company Requisite Vote is obtained); provided, that, in each of the

foregoing cases, the right to terminate this Agreement pursuant to this Section 8.2 shall not be available to any party that is responsible for a Willful or Deliberate Breach of its obligations under this Agreement in any manner that shall have proximately contributed to the occurrence of the failure of a condition to the consummation of the Merger. For purposes of this Agreement, the "*Termination Date*" shall mean February 28, 2007 as such date may be extended pursuant to Section 8.6.

8.3. Termination by the Company. This Agreement may be terminated and the Merger may be abandoned by action of the board of directors of the Company:

(a) at any time prior to the time, but not after, the Company Requisite Vote is obtained, in connection with entering into a definitive agreement to effect a Superior Proposal in accordance with Section 6.2(c); provided, however, that prior to terminating this Agreement pursuant to this Section 8.3(a), the Company shall have complied with the provisions of Section 6.2(c); or

(b) at any time prior to the Effective Time, if there has been a breach of any representation, warranty, covenant or agreement made by Parent or Merger Sub in this Agreement, or any such representation and warranty shall have become untrue after the date of this Agreement, such that Section 7.3(a) or 7.3(b) would not be satisfied and such breach or condition is not curable or, if curable, is not cured prior to the earlier of (A) 30 days after written notice thereof is given by the Company to Parent or (B) two business days prior to the Termination Date.

8.4. Termination by Parent. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time by action of the board of directors of Parent if (a) the board of directors of the Company shall have made a Change of Recommendation, (b) the Company shall have failed to take a vote of shareholders on approval of this Agreement within twenty-one (21) days following the date on which the Proxy Statement is mailed to shareholders of the Company, (c) the Company or its board of directors (or any committee thereof) shall have (x) publicly approved or recommended, or shall have proposed to approve or recommend any Acquisition Proposal or (y) caused or permitted the Company or any of its Subsidiaries to enter into an Alternative Acquisition Agreement, (d) the Company shall have failed to include in the Proxy Statement the Company Recommendation, (e) the Company or any of its Subsidiaries or their respective Representatives shall have breached in any material respect any of their obligations under Section 6.2, (f) at any time after the end of ten (10) business days following receipt of an Acquisition Proposal, the Company board of directors shall have failed to reaffirm its approval or recommendation of this Agreement and the Merger as promptly as practicable (but in any event within five (5) business days) after receipt of any written request to do so from Parent, (g) a tender offer or exchange offer for outstanding Shares shall have been publicly disclosed (other than by Parent or an Affiliate of Parent) and the board of directors of the Company recommends that the shareholders of the Company tender their shares in such tender or exchange offer or, within ten (10) business days after the commencement of such tender or exchange offer,

the Company board of directors fails to recommend unequivocally against acceptance of such offer, (h) there has been a breach of any representation, warranty, covenant or agreement made by the Company in this Agreement, or any such representation and warranty shall have become untrue after the date of this Agreement, such that Section 7.2(a) or 7.2(b) would not be satisfied and such breach or condition is not curable or, if curable, is not cured prior to the earlier of (A) 30 days after written notice thereof is given by Parent to the Company or (B) two business days prior to the Termination Date, or (i) Parent delivers to the Company a notice in accordance with Section 6.12(c) advising the Company that the Aggregate Closing Funded Debt will be less than $600,000,000 and the Company shall have failed to waive irrevocably the condition set forth in Section 7.3(c) within the seventy-two (72) hour period referred to in Section 6.12(c).

8.5. Effect of Termination and Abandonment. (a) Subject to Sections 8.5(b), 8.5(c) and 9.1, in the event of termination of this Agreement and the abandonment of the Merger pursuant to this Article VIII, this Agreement shall become void and of no effect with no liability to any Person on the part of any party hereto (or of any of its Representatives or Affiliates); provided, however, and notwithstanding anything in the foregoing to the contrary, that except as otherwise provided herein, no such termination shall relieve any party hereto of any liability or damages to the other party hereto resulting from any Willful or Deliberate Breach of this Agreement.

(b) In the event that (i) this Agreement is terminated by either Parent or the Company pursuant to Section 8.2(a) or 8.2(b) and prior to such termination a bona fide Acquisition Proposal shall have been made to the Company or any of its Subsidiaries or Affiliates or any of its shareholders, or any Person shall have publicly announced an intention (whether or not conditional) to make an Acquisition Proposal with respect to the Company or any of its Subsidiaries (and such Acquisition Proposal or publicly announced intention shall not have been publicly withdrawn without qualification), (ii) this Agreement is terminated by Parent pursuant to Sections 8.4(a), (b), (c), (d), (e), (f) or (g), (iii) this Agreement is terminated by Parent pursuant to Section 8.4(h) (with respect to a Willful or Deliberate Breach) and prior to the breach giving rise to Parent's right to terminate pursuant to Section 8.4(h) a bona fide Acquisition Proposal shall have been made to the Company or any of its Subsidiaries or Affiliates, or any of its shareholders or any Person shall have publicly announced an intention (whether or not conditional) to make an Acquisition Proposal with respect to the Company or any of its Subsidiaries (and such Acquisition Proposal or publicly announced intention shall not have been publicly withdrawn without qualification), or (iv) this Agreement is terminated by the Company pursuant to Section 8.3(a), then the Company shall promptly, but in no event later than two business days after the date of such termination, pay Parent a termination fee of $50,000,000 (the "*Termination Fee*") by wire transfer of immediately available funds; provided, however, that no Termination Fee shall be payable to Parent pursuant to clause (i) of this paragraph (b) unless and until within 12 months of such termination the Company or any of its Subsidiaries shall have entered into an Alternative Acquisition Agreement with respect to, or shall have consummated or shall have

approved or recommended to the Company's shareholders or otherwise not opposed, an Acquisition Proposal (substituting, for purposes of this proviso only, 50% for 15% in the definition thereof). Notwithstanding anything to the contrary in this Agreement, subject to Section 8.5(c), the parties hereby acknowledge that in the event that the Termination Fee becomes payable and is paid by the Company and accepted by Parent pursuant to this Section 8.5(b), the Termination Fee shall be Parent's and Merger Sub's sole and exclusive remedy for damages under this Agreement and, for the avoidance of doubt, in such circumstance no costs or expenses shall be payable by the Company pursuant to Section 6.9.

(c) The parties acknowledge that the agreements contained in this Section 8.5 and in Section 6.9 are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, the parties would not enter into this Agreement; accordingly, if the Company fails to promptly pay the Termination Fee pursuant to Section 8.5(b) or any expenses pursuant to Section 6.9, and, in order to obtain such payment, Parent or Merger Sub commences a suit that results in a judgment against the Company for the Termination Fee set forth in Section 8.5(b) or expenses pursuant to Section 6.9, the Company shall pay to Parent or Merger Sub its costs and expenses (including attorneys' fees) in connection with such suit, together with interest on the amount of the fee at the prime rate of Citibank N.A. in effect on the date such payment was required to be made through the date of payment (it being understood and agreed that any costs and expenses paid by the Company pursuant to this Section 8.5(c) shall be in addition to any costs and expenses otherwise paid by the Company pursuant to Section 6.9).

8.6. Tender Offer. If the Company Requisite Vote shall not have been obtained at the Shareholders Meeting or any adjournment or postponement thereof permitted hereunder, then Parent, Merger Sub or any of their Affiliates may at any time, during the fifteen (15) business day period beginning the business day after date of the Shareholder Meeting or any adjournment or postponement thereof permitted hereunder (the "*Tender Offer Commencement Period*"), elect to commence a tender offer for 83.958% of the Shares held by each shareholder of the Company (a "*Tender Offer*"). Such Tender Offer and the consummation thereof shall be subject to all of the terms and conditions of this Agreement and will be conducted pursuant to applicable Law. In the event that Parent, Merger Sub or any of their Affiliates elect to commence a Tender Offer, the "Termination Date" hereunder shall be automatically amended without any action of the parties hereto to be the later of (x) March 31, 2007 and (y) the date that is sixty (60) days after the date of commencement of the Tender Offer. If a Tender Offer is commenced, (i) the Company shall cooperate with Parent, Merger Sub and their Affiliates in connection with the Tender Offer (including by executing any agreements and other documents at the reasonable request of Parent, Merger Sub or any of their Affiliates) and shall provide Parent, Merger Sub and their Affiliates with all information reasonably requested by Parent, Merger Sub or any of their Affiliates in connection with the Tender Offer and (ii) the board of directors of the Company shall recommend that the shareholders of the Company tender their Shares into the Tender Offer.

ARTICLE IX

Miscellaneous and General

9.1. Survival. This Article IX and the agreements of the Company, Parent and Merger Sub contained in Article IV and Sections 6.9 (Expenses), 6.10 (Indemnification; Directors' and Officers' Insurance) and Section 6.13 (Non-Core Assets), and any related definitions, shall survive the consummation of the Merger. This Article IX and the agreements of the Company, Parent and Merger Sub contained in Section 6.9 (Expenses) and Section 8.5 (Effect of Termination and Abandonment) and the Confidentiality Agreement (as defined in Section 9.7) shall survive the termination of this Agreement. All other representations, warranties, covenants and agreements in this Agreement shall not survive the consummation of the Merger or the termination of this Agreement.

9.2. Modification or Amendment. Subject to the provisions of the applicable Laws, at any time prior to the Effective Time, the parties hereto may modify or amend this Agreement, by written agreement executed and delivered by duly authorized officers of the respective parties; provided that this Agreement may not be modified or amended subsequent to the Company Requisite Vote, but prior to the filing of the West Virginia Articles of Merger with the Secretary of State of West Virginia as provided in Section 1.3 to change (i) the Per Share Merger Consideration, (ii) the Articles or (iii) any other term or condition if, in each such case, the change in such other term or condition would adversely affect the holders of Shares in any material respect.

9.3. Waiver of Conditions. The conditions to each of the parties' obligations to consummate the Merger are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable Laws.

9.4. Counterparts. This Agreement may be executed in any number of counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

9.5. **GOVERNING LAW AND VENUE; WAIVER OF JURY TRIAL; SPECIFIC PERFORMANCE.**

(a) THIS AGREEMENT SHALL BE DEEMED TO BE MADE IN AND IN ALL RESPECTS SHALL BE INTERPRETED, CONSTRUED AND GOVERNED BY AND IN ACCORDANCE WITH THE LAW OF THE STATE OF DELAWARE WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF, EXCEPT TO THE EXTENT THE LAWS OF WEST VIRGINIA LAW ARE MANDATORILY APPLICABLE TO THE MERGER. The parties hereby irrevocably submit to the personal jurisdiction of the courts of the State of Delaware located in the County of New Castle and the Federal courts of the United States of America located in the County of New Castle solely in respect of the interpretation and

enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such courts, and the parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a Delaware State or Federal court located in the County of New Castle. The parties hereby consent to and grant any such court jurisdiction over the person of such parties and, to the extent permitted by law, over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 9.6 or in such other manner as may be permitted by law shall be valid and sufficient service thereof.

(b) 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 LITIGATION 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 LITIGATION, 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 9.5.

(c) The parties 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 were otherwise breached. It is accordingly agreed that (i) Parent and Merger Sub shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by the Company and to enforce specifically the terms and provisions of this Agreement in Delaware State or Federal court in the County of New Castle, this being in addition to any other remedy to which Parent and Merger Sub are entitled at law or in equity and (ii) notwithstanding the first sentence of this Section 9.5(c), the Company shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by Parent or Merger Sub and to enforce specifically the terms and provisions of this Agreement in Delaware State or Federal court in the County of New Castle, this being in addition to any other remedy to which the Company is entitled at law or in equity, but the Company shall be entitled to such injunction or injunctions solely to prevent breaches of

or to enforce compliance with (x) Sections 6.5, 6.7, 6.9, 6.10 and 6.13 and (y) those covenants of Parent or Merger Sub contained in Sections 4.1 and 4.2, only if the proceeds of the financing provided for in the Debt Financing Commitment (and, if alternative debt financing is being used in accordance with Section 6.12, the proceeds of the financing contemplated by such alternative debt financing) are available to be drawn down by Parent pursuant to the terms of the applicable agreements but is not so drawn down solely as a result of Parent refusing to do so in breach of this Agreement.

9.6. Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, or by facsimile:

If to the Company:

McJunkin Corporation,
835 Hillcrest Drive,
Charleston, WV 25311.
Attention: Michael Wehrle
and H.B. Wehrle III
Fax: (304) 348-1557

with a copy to:

Sullivan & Cromwell LLP,
125 Broad Street, New York, New York 10004.
Attention: Benjamin F. Stapleton III
Fax: (212) 558-3588

If to Parent or Merger Sub:

c/o GS Capital Partners V Fund, L.P.
85 Broad Street, 10th Floor
New York, New York 10004
Attention: Henry Cornell
Fax: (212) 357-5505

and:

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
Attention: Robert C. Schwenkel, Esq.
Fax: (212) 859-4000

or to such other persons or addresses as may be designated in writing by the party to receive such notice as provided above. Any notice, request, instruction or other

document given as provided above shall be deemed given to the receiving party upon actual receipt, if delivered personally; three business days after deposit in the mail, if sent by registered or certified mail; upon confirmation of successful transmission, if sent by facsimile (provided that if given by facsimile such notice, request, instruction or other document shall be followed up within one business day by dispatch pursuant to one of the other methods described herein); or on the next business day after deposit with an overnight courier, if sent by an overnight courier.

9.7. Entire Agreement. This Agreement (including any annexes hereto), the Shareholder Support Agreement, the Company Disclosure Letter, the Confidentiality Agreement, dated May 9, 2006, between Affiliates of Parent and the Company (the "*Confidentiality Agreement*") and the other agreements referred to or contemplated hereby constitute the entire agreement, and supersede all other prior agreements, understandings, representations and warranties both written and oral, among the parties, with respect to the subject matter hereof. EACH PARTY HERETO AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT, NEITHER THE COMPANY NOR PARENT AND MERGER SUB MAKES ANY OTHER REPRESENTATIONS OR WARRANTIES, AND EACH HEREBY DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING AS TO THE ACCURACY OR COMPLETENESS OF ANY OTHER INFORMATION, MADE BY, OR MADE AVAILABLE BY, ITSELF OR ANY OF ITS REPRESENTATIVES, WITH RESPECT TO, OR IN CONNECTION WITH, THE NEGOTIATION, EXECUTION OR DELIVERY OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, NOTWITHSTANDING THE DELIVERY OR DISCLOSURE TO THE OTHER OR THE OTHER'S REPRESENTATIVES OF ANY DOCUMENTATION OR OTHER INFORMATION WITH RESPECT TO ANY ONE OR MORE OF THE FOREGOING.

9.8. No Third Party Beneficiaries. Except as provided in Section 6.9 (Expenses) and Section 6.10 (Indemnification; Directors' and Officers' Insurance) only, Parent and the Company hereby agree that their respective representations, warranties and covenants set forth herein are solely for the benefit of the other party hereto, in accordance with and subject to the terms of this Agreement, and this Agreement is not intended to, and does not, confer upon any Person other than the parties hereto any rights or remedies hereunder, including, without limitation, the right to rely upon the representations and warranties set forth herein. The parties hereto further agree that the rights of third party beneficiaries under Section 6.10 shall not arise unless and until the Effective Time occurs. The representations and warranties in this Agreement are the product of negotiations among the parties hereto and are for the sole benefit of the parties hereto. Any inaccuracies in such representations and warranties are subject to waiver by the parties hereto in accordance with Section 9.3 without notice or liability to any other Person. In some instances, the representations and warranties in this Agreement may represent an allocation among the parties hereto of risks associated with particular matters regardless of the knowledge of any of the parties hereto. Consequently, Persons

other than the parties hereto may not rely upon the representations and warranties in this Agreement as characterizations of actual facts or circumstances as of the date of this Agreement or as of any other date.

9.9. Obligations of Parent and of the Company. Whenever this Agreement requires a Subsidiary of Parent to take any action, such requirement shall be deemed to include an undertaking on the part of Parent to cause such Subsidiary to take such action. Whenever this Agreement requires a Subsidiary of the Company to take any action, such requirement shall be deemed to include an undertaking on the part of the Company to cause such Subsidiary to take such action and, after the Effective Time, on the part of the Surviving Corporation to cause such Subsidiary to take such action.

9.10. Transfer Taxes. All transfer, documentary, sales, use, stamp, registration and other similar Taxes (including penalties and interest) ("*Transfer Taxes*") of the Company incurred in connection with the Merger (excluding Transfer Taxes incurred in connection with the sale of any Non-Core Assets pursuant to Section 6.13) shall be paid by the Surviving Corporation when due.

9.11. Definitions. Each of the terms set forth in Annex A is defined in the Section of this Agreement set forth opposite such term.

9.12. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

9.13. Interpretation; Construction.

(a) The table of contents and headings herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof. Where a reference in this Agreement is made to a Section or Annex, such reference shall be to a Section of or Annex to this Agreement unless otherwise indicated. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

(b) The parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no

presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

(c) Each party hereto has or may have set forth information in its respective disclosure letter in a section thereof that corresponds to the section of this Agreement to which it relates. The fact that any item of information is disclosed in a disclosure letter to this Agreement shall not be construed to mean that such information is required to be disclosed by this Agreement.

9.14. Assignment. This Agreement shall not be assignable by operation of law or otherwise. Any purported assignment in violation of this Agreement is void; provided, however, that Parent and/or Merger Sub may, without prior written consent of the other parties hereto, (i) assign any or all of its rights hereunder to one or more of its Affiliates, (ii) designate one or more of its Affiliates to perform its obligations hereunder and (iii) assign its rights, but not its obligations, under this Agreement to any of its or its Affiliates' financing sources (in any or all of which cases Parent nonetheless shall remain responsible for the performance of all of its obligations hereunder).

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officers of the parties hereto as of the date first written above.

MCJUNKIN CORPORATION

By: /s/ H.B. WEHRLE III
Name: H.B. WEHRLE III
Title: PRESIDENT AND CHIEF EXECUTIVE OFFICER

McJ HOLDING CORPORATION

By: /s/ CHRISTINE VOLLERSTEN
Name: CHRISTINE VOLLERSTEN
Title: VICE PRESIDENT

Hg ACQUISITION CORP.

By: /s/ CHRISTINE VOLLERSTEN
Name: CHRISTINE VOLLERSTEN
Title: VICE PRESIDENT

[Merger Agreement Signature Page]

McJUNKIN CONTRIBUTION AGREEMENT

CONTRIBUTION AGREEMENT, dated as of December 4, 2006 (the *"Agreement")*, among McJunkin Corporation, a West Virginia corporation (the *"Company")*, McJ Holding LLC, a Delaware limited liability company *("Holdco")*, the shareholders of the Company named in Exhibit A hereto and any other shareholders of the Company who becomes a party to this Agreement by executing and delivering a Letter of Transmittal (defined below) to the Company prior to the Effective Time (as defined in the Merger Agreement) (collectively, the *"Contributing Shareholders")*.

RECITALS

WHEREAS, simultaneously with the execution and delivery of this Agreement, each Contributing Shareholder is executing and delivering a limited liability company operating agreement (the *"Holdco LLC Agreement")* and a registration rights agreement (the *"Registration Rights Agreement")* relating to membership interests in Holdco to be received pursuant to this Agreement;

WHEREAS, simultaneously with the execution and delivery of this Agreement, the Company is executing and delivering an agreement and plan of merger (the *"Merger Agreement")* with McJ Holding Corporation, a Delaware corporation and wholly owned subsidiary of Holdco *("Parent")* and Hg Acquisition Corp., a West Virginia corporation and wholly owned subsidiary of Parent *("Merger Sub")*, pursuant to which Merger Sub will merge with and into the Company (the *"Merger")* and the Company will become a wholly owned subsidiary of Parent;

WHEREAS, each of the Contributing Shareholders owns the number of shares (rounded for purposes of the Merger Agreement to the nearest one ten-thousandth *(1/10,000)* of a share) of common stock, par value $700.00 per share of the Company *("Company Shares")* set forth opposite his, her or its name in Column D of Schedule I to the Merger Agreement and desires to contribute to Holdco the number of Company Shares set forth opposite his, her or its name in Column D of Schedule I to the Merger Agreement *("Contribution Shares"* and all Contribution Shares owned by the Contributing Shareholders, collectively *"the Contribution Shares");*

WHEREAS, the parties hereto desire that the Contribution Shares be contributed immediately prior to the consummation of the Merger by or on behalf of the Contributing Shareholders on the terms and conditions provided in this Agreement; and

WHEREAS, the contribution of the Contribution Shares by or on behalf of the Contributing Shareholders to Holdco in exchange for the Per Share Consideration (as defined below) is part of a larger transaction that is intended to be governed by Sections 707 and 721 of the Internal Revenue Code of 1986, as amended (the *"Code");*

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements contained herein and in the Merger Agreement, the parties hereto agree as follows:

ARTICLE I

Contribution

1.1. Contribution. At the Closing provided for in Section 1.3, Holdco shall receive from each of the Contributing Shareholders, and each of the Contributing Shareholders shall contribute or cause to be contributed to Holdco, all Contribution Shares owned by such Contributing Shareholder for the Per Share Consideration (as defined below).

1.2. Consideration. The consideration per Contribution Share (the *"Per Share Consideration")* shall be as set forth in Section 4.1(a)(ii) of the Merger Agreement.

1.3. Closing. Subject to the satisfaction or waiver of the conditions set forth in Article IV, the closing of the transactions contemplated hereunder (the *"Closing")* shall take place at the offices of Sullivan & Cromwell LLP, 125 Broad Street, New York, New York (or such other place as the parties may agree) immediately prior to the consummation of the Merger. The actual time and date of the Closing is referred to herein as the *"Closing Date"*.

1.4. Delivery by the Company. The parties hereto agree that contribution to Holdco by the Company of Contribution Shares on behalf of any Contributing Shareholder pursuant to, and accompanied by, a letter of transmittal duly executed and delivered by such Contributing Shareholder prior to the Effective Time (as defined in the Merger Agreement), substantially in the form set out in Annex A (the *"Letter of Transmittal")* shall satisfy such Contributing Shareholder's obligation to deliver Contribution Shares under this Agreement.

ARTICLE II

Representations and Warranties

2.1. Representations and Warranties of the Contributing Shareholders. Each Contributing Shareholder hereby represents and warrants to Holdco that:

(a) Such Contributing Shareholder has all requisite power and authority and has taken all action necessary in order to execute, deliver and perform his obligations under this Agreement, the Holdco LLC Agreement and the Registration Rights Agreement. Each of this Agreement, the Holdco LLC Agreement and the Registration Rights Agreement has been duly executed and delivered by such Contributing Shareholder and constitutes a valid and binding agreement of such Contributing Shareholder enforceable against him in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles. Such Contributing Shareholder is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933 and, in connection with the execution of this Agreement, agrees to deliver such certificates to that effect as Holdco may request.

(b) Such Contributing Shareholder is the sole record owner of, and has good and marketable title to, the number of Contribution shares (rounded for purposes of the Merger Agreement to the nearest one ten-thousandth (1/10,000) of a share) set forth opposite his name in Column D of Schedule I to the Merger Agreement, free and clear of any lien, charge, pledge, security interest, claim or other encumbrance (collectively, *"Liens")*. Except as set forth on said Schedule I to the Merger Agreement, such Contributing Shareholder does not own any shares of capital stock or other securities of the Company or any securities or obligations convertible, or exchangeable or exercisable for, or giving him a right to subscribe for or acquire, any securities of the Company. Upon consummation of the contribution of Contribution Shares by such Contributing Shareholders as provided in this Agreement, Holdco will acquire good and marketable title to such Contribution Shares free and clear of all Liens.

(c) The execution, delivery and performance of this Agreement by such Contributing Shareholder does not and will not (i) require him, her or it to obtain any consents, registrations, approvals, permits or authorizations from any domestic or foreign governmental or regulatory authority, agency, commission body, court or other legislative, executive or judiciary government entity (except as would not have a material adverse effect on his, her or its ability to perform his, hers or its obligations under this Agreement) or (ii) constitute or result in a breach or violation of, or a default under, or result in the creation of a lien or encumbrance on any of his, hers or its properties pursuant to any bond, debenture, note or other evidence of indebtedness of him, her or it or any indenture or other material agreement to which he, she or it is a party or by which he, she or it is bound or to which any of his, her or its material property may be subject (except as would not have a material adverse effect on his, her or its ability to perform his, her or its obligations under this Agreement).

(d) Such Contributing Shareholder has not granted and is not a party to any proxy, voting trust or other agreement which conflicts with any provision of this Agreement, and such Contributing Shareholder shall not grant any proxy or become party to any voting trust or other agreement which conflicts with any provision of this Agreement.

2.2. Representations and Warranties of Holdco. Holdco hereby represents and warrants to each of the Contributing Shareholders that as to itself:

(a) It has all requisite corporate power and authority and has taken all corporate action necessary in order to execute, deliver and perform its obligations under this Agreement. This Agreement has been duly executed and delivered by it and constitutes its valid and binding agreement enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(b) Immediately following the Closing, all of such issued and outstanding Holdco Units will be duly authorized and validly issued, fully paid and nonassessable.

(c) Except as set forth in Section 5.2(c) of the Merger Agreement, the execution, delivery and performance of this Agreement by Holdco does not and will not (i) require it to obtain any consents, registrations, approvals, permits or authorizations from or to deliver any notice or make any report or other filing with any domestic or foreign governmental or regulatory authority, agency, commission body, court or other legislative, executive or judiciary government entity (except such as may have previously been obtained or is permitted to be, and will be, filed or made promptly following the date hereof) or (ii) constitute or result in a breach or violation of, or a default under, or result in the creation of a lien or encumbrance on any of its properties pursuant to any bond, debenture, note or other evidence of indebtedness of it or any indenture or other material agreement to which it is a party or by which it is bound or to which any of its material property may be subject (except as would not adversely affect its ability to perform its obligations under this Agreement).

ARTICLE III

Deliveries at the Closing

3.1. Deliveries by Holdco at the Closing. At the Closing, Holdco shall:

(a) amend Schedule A to the Holdco LLC Agreement to reflect the Holdco Units acquired by the Contributing Shareholders pursuant to this Agreement; and

(b) deliver to each Contributing Shareholder a copy of the Holdco LLC Agreement duly executed by all GSCP Members (as defined therein).

3.2. Deliveries by the Contributing Shareholders at the Closing. At the Closing, each Contributing Shareholder (or pursuant to Section 1.4 above, the Company) shall deliver the following to Holdco:

(a) certificates representing the number of Contribution Shares set forth opposite his, her or its name in Column D of Schedule I to the Merger Agreement, to Holdco, duly endorsed in blank or otherwise in proper form for transfer to Holdco.

ARTICLE IV

Conditions to Closing

4.1. Conditions to Obligations of Holdco. The obligations of Holdco to consummate the transactions contemplated hereunder and to take the other actions at Closing required by this Agreement are subject to the satisfaction or waiver by such party of the following conditions as of the Closing Date:

The representations and warranties of each Contributing Shareholder set forth in this Agreement shall have been true and correct in all material respects when

made and shall be true and correct in all material respects as of, and as if made on, the Closing Date.

4.2. Conditions to Obligations of the Contributing Shareholders. The obligations of each Contributing Shareholder to consummate the transactions contemplated hereunder and to take the other actions at Closing required by this Agreement are subject to the satisfaction or waiver by such Contributing Shareholder of the following conditions as of the Closing Date:

The representations and warranties of Holdco set forth in this Agreement shall have been true and correct in all material respects when made and shall be true and correct in all material respects as of, and as if made on, the Closing Date.

4.3. Merger not Consummated. The parties hereto agree that if the Merger is not consummated on or prior to the third business day after the Closing, then the transactions effected at the Closing shall be unwound and the provisions of this Agreement shall be restored as if the Closing had not taken place and shall thereafter remain in full force and effect until terminated pursuant to the terms hereof.

ARTICLE V

Termination

5.1. Termination. This Agreement shall automatically terminate upon termination of the Merger Agreement pursuant to the terms thereof prior to consummation of the Merger.

ARTICLE VI

Miscellaneous

6.1. Entire Agreement; Binding Effect; Assignment; No Third Party Beneficiaries. This Agreement, the Holdco LLC Agreement, the Registration Rights Agreement and the Shareholder Support Agreement (as defined in the Merger Agreement) constitute the entire agreement, and supersede all other prior agreements, understandings, representations and warranties both written and oral, among the parties, with respect to the subject matter hereof and thereof. This Agreement shall be binding upon, inure to the benefit of and be enforceable only by the parties hereto and their respective successors and permitted assigns. No party may assign its rights or obligations under this Agreement to any other person or entity without the prior written consent of the other parties and any purported assignment without such consent is void. Nothing in this Agreement, express or implied, is intended to, or shall, give to any person other than the parties hereto, their successors and permitted assigns any benefit or any legal or equitable right, remedy or claim under this Agreement.

6.2. Modification or Amendment; Waiver. This Agreement may only be amended, modified, supplemented or waived with the written approval of each party hereto. No failure or delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof or of any other or future exercise of any such right, power or privilege.

6.3. Counterparts. This Agreement may be executed in any number of counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

6.4. Governing Law and Venue; Waiver of Jury Trial; Specific Performance.

(a) THIS AGREEMENT SHALL BE DEEMED TO BE MADE IN AND IN ALL RESPECTS SHALL BE INTERPRETED, CONSTRUED AND GOVERNED BY AND IN ACCORDANCE WITH THE LAW OF THE STATE OF DELAWARE WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF. The parties hereby irrevocably submit to the personal jurisdiction of the courts of the State of Delaware located in the County of New Castle and the Federal courts of the United States of America located in the County of New Castle solely in respect of the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such courts, and the parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a Delaware State or Federal court located in the County of New Castle. The parties hereby consent to and grant any such court jurisdiction over the person of such parties and, to the extent permitted by law, over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 6.5 or in such other manner as may be permitted by law shall be valid and sufficient service thereof.

(b) 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 LITIGATION 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 LITIGATION, 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 6.4.

(c) The parties 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 were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in Delaware State or Federal court in the County of New Castle, this being in addition to any other remedy to which such party is entitled at law or in equity.

6.5. Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, or by facsimile:

If to Holdco:

c/o GS Capital Partners V Fund, L.P.,
85 Broad Street, 10th Floor,
New York, New York 10004.
Attention: Henry Cornell
Fax: (212) 357-5505

and:

Fried, Frank, Harris, Shriver & Jacobson LLP,
One New York Plaza,
New York, New York 10004.
Attention: Robert C. Schwenkel, Esq.
Fax: (212) 859-4000

If to the Contributing Shareholders:

McJunkin Corporation,
835 Hillcrest Drive,
Charleston, WV 25311.
Attention: Michael H. Wehrle
with a copy to H.B. Wehrle III
Fax: (304) 348-1557

with a copy to
Sullivan & Cromwell LLP,
125 Broad Street, New York, NY 10004.
Attention: Benjamin F. Stapleton III
Fax: (212) 558-3588

or to such other persons or addresses as may be designated in writing by the party to receive such notice as provided above. Any notice, request, instruction or other document given as provided above shall be deemed given to the receiving party upon actual receipt, if delivered personally; three business days after deposit in the mail, if sent by registered or certified mail; upon confirmation of successful transmission if sent by facsimile (provided that if given by facsimile such notice, request, instruction or other document shall be followed up within one business day by dispatch pursuant to one of the other methods described herein); or on the next business day after deposit with an overnight courier, if sent by an overnight courier.

6.6. Interpretation; Construction.

(a) The headings herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof. Where a reference in this Agreement is made to a Section, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.”

(b) The parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

6.7. Tax Matters. The parties hereto shall not take any position on any tax return inconsistent with the treatment of the contribution of the Contribution Shares to Holdco in exchange for Holdco Units when considered together with the Merger as a transaction governed by Sections 707 and 721 of the Code, unless otherwise required pursuant to a “determination” within the meaning of Section 1313(a) of the Code. Notwithstanding any other provision of this Agreement, the obligations imposed by this Section 6.7 will survive indefinitely.

(the remainder of this page has been intentionally left blank)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first mentioned above.

MCJUNKIN CORPORATION

By: /s/ H.B. Wehrle III
Name: H.B. Wehrle III
Title: President and Chief Executive Officer

McJ HOLDING LLC

By: /s/ Christine Vollertsen
Name: Christine Vollertsen
Title: Vice President

CONTRIBUTING SHAREHOLDERS

/s/ E. Gaines Wehrle
E. Gaines Wehrle

/s/ Michael H. Wehrle
Michael H. Wehrle

/s/ Katherine Schilling Wehrle
Katherine Schilling Wehrle

/s/ H. B. Wehrle III
H. B. Wehrle III

/s/ Helen Lynne Wehrle-Zande
Helen Lynne Wehrle-Zande

/s/ Stephen D. Wehrle
Stephen D. Wehrle

/s/ Elizabeth M. Wehrle
Elizabeth M. Wehrle

/s/ H. B. Wehrle, Jr.
H. B. Wehrle, Jr.

/s/ Elizabeth H. and H.B. Wehrle
Elizabeth H. and H.B. Wehrle Foundation

[McJunkin Contribution Agreement Signature Page]

/s/ Michael H. Wehrle — TRUSTEE

Michael H. Wehrle, Trustee for
Philip Noyes Wehrle

/s/ Martha G. Wehrle

Martha G. Wehrle

/s/ Elizabeth M. Wehrle

Elizabeth M. Wehrle, Trustee for
Colin Andrew Miller

/s/ Henry B. Wehrle, Jr. TRUSTEE

Henry B. Wehrle, Jr., Trustee for
Zelda Donhowe

/s/ Elizabeth M. Wehrle

Elizabeth M. Wehrle, Trustee for
Elizabeth Lynne Miller

/s/ Stephen D. Wehrle

Stephen D. Wehrle, Trustee for
Lyndsay E. Wehrle

/s/ Stephen D. Wehrle

Stephen D. Wehrle, Trustee for
Michael T.S. Wehrle

/s/ Helen Lynne Wehrle-Zande

Helen Lynne Wehrle-Zande, Trustee
for Anthony Louis Zande, II

/s/ Helen Lynne Wehrle-Zande

Helen Lynne Wehrle-Zande, Trustee
for Stephen Alexander Zande

[McJunkin Contribution Agreement Signature Page]

/s/ Peter L. Kend

Peter L. Kend, as Trustee of the
Samuel Russell Kend Fund

/s/ Peter L. Kend

Peter L. Kend, as Trustee of the
Sydney Elizabeth Kend Fund

[McJunkin Contribution Agreement Signature Page]

Exhibit 2.1.2

Execution Version

McAPPLE CONTRIBUTION AGREEMENT

CONTRIBUTION AGREEMENT, dated as of December 4, 2006 (the "*Agreement*"), among McJunkin Corporation, a West Virginia corporation (the "*Company*"), McJ Holding LLC, a Delaware limited liability company ("*Holdco*"), and the shareholders of McJunkin Appalachian Oilfield Supply Company, a West Virginia corporation ("*McApple*"), named in Exhibit A hereto (collectively, the "*Contributing Shareholders*").

RECITALS

WHEREAS, simultaneously with the execution and delivery of this Agreement, each Contributing Shareholder is executing and delivering a limited liability company operating agreement (the "*Holdco LLC Agreement*") and a registration rights agreement (the "*Registration Rights Agreement*") relating to membership interests in Holdco to be received pursuant to this Agreement;

WHEREAS, simultaneously with the execution and delivery of this Agreement, the Company is executing and delivering an agreement and plan of merger (the "*Merger Agreement*") with McJ Holding Corporation, a Delaware corporation and wholly owned subsidiary of Holdco ("*Parent*"), and Hg Acquisition Corp., a West Virginia corporation and wholly owned subsidiary of Parent ("*Merger Sub*"), pursuant to which Merger Sub will merge with and into the Company (the "*Merger*") and the Company will become a wholly owned subsidiary of Parent;

WHEREAS, each of the Contributing Shareholders owns the number of shares of common stock, par value $0.01 per share, of McApple set forth opposite his name in Exhibit A hereto ("*Shares*" and all Shares owned by the Contributing Shareholders, collectively "*the Shares*");

WHEREAS, the parties hereto desire that the Shares be contributed immediately prior to the consummation of the Merger by the Contributing Shareholders on the terms and conditions provided in this Agreement; and

WHEREAS, the contribution of the Shares by the Contributing Shareholders to Holdco in exchange for Holdco Units (as defined below) and the Cash Consideration (as defined below) is intended to qualify as a transaction governed by Sections 707 and 721 of the Internal Revenue Code of 1986, as amended (the "*Code*").

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements contained herein and in the Merger Agreement, the parties hereto agree as follows:

ARTICLE I

Contribution

1.1. Contribution. At the Closing provided for in Section 1.3, Holdco shall receive from each of the Contributing Shareholders, and each of the Contributing Shareholders shall contribute to Holdco, all Shares owned by such Contributing Shareholder for the Per Share Consideration (as defined below).

1.2. Consideration. The consideration per Share (the *"Per Share Consideration"*) shall be (i) an amount in cash equal to the Book Value per Share (as defined below) as of the close of business on the last day of the month preceding the one in which the Closing occurs as reasonably estimated by James F. Underhill, Chief Financial Officer of the Company (the *"Cash Consideration"*) and (ii) a number of Common Units (as defined in the Holdco LLC Agreement) of Holdco (*"Holdco Units"*) equal in value to $8,000,000 divided by the number of shares of common stock of McApple issued and outstanding immediately prior to the Closing (other than the shares held by the Company). It being understood and agreed that the value of each Holdco Unit shall be as determined pursuant to Section 4.2(a)(ii) of the Merger Agreement. *"Book Value per Share"* means (i) the total assets of McApple minus the total liabilities of McApple, in each case, as determined under U.S. Generally Accepted Accounting Principles consistent with the balance sheet of McApple for the nine month period ended September 30, 2006 previously provided to Holdco adjusted for the deferred tax impact of LIFO valued inventories contributed by the Company when McApple was formed divided by (ii) the number of shares of common stock of McApple outstanding immediately prior to the Closing (including, for the avoidance of doubt, the shares held by the Company).

1.3. Closing. Subject to the satisfaction or waiver of the conditions set forth in Article IV, the closing of the transactions contemplated hereunder (the *"Closing"*) shall take place at the offices of Sullivan & Cromwell LLP, 125 Broad Street, New York, New York (or such other place as the parties may agree) immediately prior to the consummation of the Merger. The actual time and date of the Closing is referred to herein as the *"Closing Date"*.

1.4. Adjustments to the Consideration. Holdco shall, as soon as practicable following the Closing and in any event within thirty (30) days after the Closing Date, procure that a balance sheet for McApple as of the Closing Date is prepared and delivered to the Contributing Shareholders (the *"Closing Balance Sheet"*). If the Book Value per Share on the Closing Date as set forth on the Closing Balance Sheet exceeds the Cash Consideration, Holdco shall deliver to each Contributing Shareholder an amount in cash equal to such excess for each Share contributed to Holdco by such Contributing Shareholder pursuant to this Agreement by wire transfer of immediately available funds within five (5) days after the Closing Balance Sheet is delivered to the Contributing Shareholders. If the Book Value per Share on the Closing Date as set forth on the Closing Balance Sheet is less than the Cash Consideration, each Contributing Shareholder shall deliver to Holdco an amount equal to such shortfall for each Share contributed to Holdco by such Contributing Shareholders pursuant to this Agreement by wire transfer of immediately available funds within five (5) days after the Closing Balance Sheet is delivered to the Contributing Shareholders. If the Contributing Shareholders disagree with the Book Value per Share on the Closing Date as set forth on the Closing Balance Sheet, then no later than three

(3) days after the Closing Balance Sheet is delivered to the Contributing Shareholders, the Contributing Shareholders may, at their sole cost and expense, hire Ernst & Young LLP ("*EY*") to audit the Closing Balance Sheet. If the Contributing Shareholders hire EY to audit the Closing Balance Sheet, then the determination by EY of the Book Value per Share on the Closing Date shall be binding on the parties hereto and any amount owed pursuant to this Section 1.4 shall be paid by wire transfer of immediately available funds within five (5) days after EY has made such determination.

ARTICLE II

Representations and Warranties

2.1. Representations and Warranties of the Contributing Shareholders. Each Contributing Shareholder hereby represents and warrants to Holdco that:

(a) Such Contributing Shareholder has all requisite power and authority and has taken all action necessary in order to execute, deliver and perform his obligations under this Agreement, the Holdco LLC Agreement and the Registration Rights Agreement. Each of this Agreement, the Holdco LLC Agreement and the Registration Rights Agreement has been duly executed and delivered by such Contributing Shareholder and constitutes a valid and binding agreement of such Contributing Shareholder enforceable against him in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles. Such Contributing Shareholder is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended and, in connection with the execution of this Agreement, agrees to deliver such certificates to that effect as Holdco may request.

(b) Such Contributing Shareholder is the sole record and beneficial owner of, and has good and marketable title to, the number of Shares set forth opposite his name in Exhibit A hereto free and clear of any lien, charge, pledge, security interest, claim or other encumbrance (collectively, "*Liens*"). Except as set forth on Exhibit A, such Contributing Shareholder does not own any shares of capital stock or other securities of McApple or any securities or obligations convertible, or exchangeable or exercisable for, or giving him a right to subscribe for or acquire, any securities of McApple. Upon consummation of the contribution of Shares by such Contributing Shareholders as provided in this Agreement, Holdco will acquire good and marketable title to such Shares free and clear of all Liens. There are no preemptive or other outstanding rights, options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements, calls, commitments or rights of any kind that will obligate McApple to issue or sell any shares of capital stock or other securities of McApple or any securities or obligations convertible, or exchangeable or exercisable for, or giving any person a right to subscribe for or acquire,

any securities of McApple, and no securities or obligations evidencing such rights are authorized, issued or outstanding.

(c) The execution, delivery and performance of this Agreement by such Contributing Shareholder does not and will not (i) require him to obtain any consents, registrations, approvals, permits or authorizations from any domestic or foreign governmental or regulatory authority, agency, commission body, court or other legislative, executive or judiciary government entity (except as would not have a material adverse effect on his ability to perform his obligations under this Agreement) or (ii) constitute or result in a breach or violation of, or a default under, or result in the creation of a lien or encumbrance on any of his properties pursuant to any bond, debenture, note or other evidence of indebtedness of him or any indenture or other material agreement to which he is a party or by which he is bound or to which any of his material property may be subject (except as would not have a material adverse effect on his ability to perform his obligations under this Agreement).

(d) At the Effective Time (as defined in the Merger Agreement) of the Merger (as defined in the Merger Agreement) each of (i) the Put/Call Agreement among the Company, McApple and the individual shareholders named therein, dated as of December 21, 1988, as amended by the Amendment between the Company, McApple and David Fox, III, dated as of September 2002 and (ii) the Shareholders' Agreement dated as of December 21, 1988 among McApple and the Contributing Shareholders relating to the Shares will have been terminated and will be of no further force and effect.

(e) Such Contributing Shareholder has not granted and is not a party to any proxy, voting trust or other agreement which conflicts with any provision of this Agreement, and such Contributing Shareholder shall not grant any proxy or become party to any voting trust or other agreement which conflicts with any provision of this Agreement.

2.2. Representations and Warranties of Holdco. Holdco hereby represents and warrants to each of the Contributing Shareholders that:

(a) It has all requisite corporate power and authority and has taken all corporate action necessary in order to execute, deliver and perform its obligations under this Agreement. This Agreement has been duly executed and delivered by it and constitutes its valid and binding agreement enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(b) Immediately following the Closing, all of such issued and outstanding Holdco Units will be duly authorized and validly issued, fully paid and nonassessable.

(c) Except as set forth in Section 5.2(c) of the Merger Agreement, the execution, delivery and performance of this Agreement by Holdco does not and will not (i) require it to obtain any consents, registrations, approvals, permits or authorizations from or to deliver any notice or make any report or other filing with any domestic or foreign governmental or regulatory authority, agency, commission body, court or other legislative, executive or judiciary government entity (except such as may have previously been obtained or is permitted to be, and will be, filed or made promptly following the date hereof) or (ii) constitute or result in a breach or violation of, or a default under, or result in the creation of a lien or encumbrance on any of its properties pursuant to any bond, debenture, note or other evidence of indebtedness of it or any indenture or other material agreement to which it is a party or by which it is bound or to which any of its material property may be subject (except as would not adversely affect its ability to perform its obligations under this Agreement.

ARTICLE III

Deliveries at the Closing

3.1. Deliveries by Holdco at the Closing. At the Closing, Holdco shall:

(a) deliver the Cash Consideration by wire transfer of immediately available funds as instructed by each Contributing Shareholder prior to the Closing Date; and

(b) amend Schedule A to the Holdco LLC Agreement to reflect the Holdco Units acquired by the Contributing Shareholders pursuant to this Agreement; and

(c) deliver to each Contributing Shareholder a copy of the Holdco LLC Agreement duly executed by all GSCP Members (as defined therein).

3.2. Deliveries by the Contributing Shareholders at the Closing. At the Closing, each Contributing Shareholder shall deliver the following to Holdco:

(a) certificates representing the number of Shares set forth opposite his name in Exhibit A hereto, free and clear of any and all Liens, duly endorsed in blank or otherwise in proper form for transfer to Holdco.

3.3. Put Option. On and for fifteen (15) business days after (x) January 8, 2010 or, if earlier, (y)(i) each date that the Contributing Shareholders receive a Drag-Along Notice pursuant to Section 12.8 of the Holdco LLC Agreement, or (ii) the date of notice to Holdco by McJ Members of the exercise of their rights under Section 12.10 of the Holdco LLC Agreement, each Contributing Shareholder shall have the right and option, but not the obligation (the "***Put Option***"), to cause Holdco to purchase all of the Holdco Units acquired by such Contributing Shareholder hereunder for a purchase price in cash equal to the value of each Holdco Unit as set forth in Section 1.2(ii) (as adjusted for any split, subdivision, combination, consolidation, recapitalization or similar event with respect to the Holdco Units) (the "***Put***

Consideration") by written notice to Holdco of the exercise of such right and option (an "*Exercise Notice*"). The closing of any exercise of the Put Option shall occur at 9:00 A.M. at the offices of Holdco on, as applicable, (a) February 25, 2010, (b) the date and time of the closing of each Drag-Along Sale pursuant to the Holdco LLC Agreement (provided, that if the Drag-Along Sale expires pursuant to Section 12.8(d) of the Holdco LLC Agreement, the Contributing Shareholders may withdraw the Exercise Notice, or, if not withdrawn, the Contributing Shareholders and Holdco shall agree to another time and place for the closing), or (c) the date of the redemption under Section 12.10 of the Holdco LLC Agreement. The Put Option shall expire on the earliest of (x) the sixteenth business day after January 8, 2010, (y) the date of closing of the Drag-Along Sale pursuant to which all Holdco Units of all Contributing Shareholders are sold at such closing, or (z), the date of the redemption pursuant to Section 12.10 of the Holdco LLC Agreement. Holdco (or its designee) shall pay the Put Consideration for each Holdco Unit acquired by such Contributing Shareholder hereunder to the Contributing Shareholder exercising his Put Option, by wire transfer of immediately available funds, and such Contributing Shareholder shall, if applicable, deliver to Holdco certificates representing all of the Holdco Units acquired by such Contributing Shareholder hereunder, duly endorsed in blank or otherwise in proper form for transfer to Holdco. Notwithstanding any of the above, if any Contributing Shareholder(s) has exercised his Put Option pursuant to this Section 3 and Holdco is not permitted to consummate the transactions contemplated by the Put Option under applicable law, or due to a default under any debt financing agreement of Holdco or any of its direct or indirect subsidiaries, or if a payment pursuant to this Section 3 would trigger a default under any such debt financing agreement, Holdco shall issue to such Contributing Shareholder(s) a promissory note with a principal amount equal to the applicable Put Consideration and an interest rate equal to the prime rate then in effect, and such principal and interest will be paid in full by wire transfer of immediately available funds at such time as Holdco is permitted to pay such Put Consideration under applicable law and any debt financing of Holdco and its direct and indirect subsidiaries.

ARTICLE IV

Conditions to Closing

4.1. Conditions to Obligations of Holdco. The obligations of Holdco to consummate the transactions contemplated hereunder and to take the other actions at Closing required by this Agreement are subject to the satisfaction or waiver by such party of the following condition as of the Closing Date:

The representations and warranties of each Contributing Shareholder set forth in this Agreement shall have been true and correct in all material respects when made and shall be true and correct in all material respects as of, and as if made on, the Closing Date.

4.2. Conditions to Obligations of the Contributing Shareholders. The obligations of each Contributing Shareholder to consummate the transactions contemplated hereunder and to take the other actions at Closing required by this Agreement are subject to the satisfaction or waiver by such Contributing Shareholder of the following condition as of the Closing Date:

The representations and warranties of Holdco set forth in this Agreement shall have been true and correct in all material respects when made and shall be true and correct in all material respects as of, and as if made on, the Closing Date.

4.3. Merger not Consummated. The parties hereto agree that if the Merger is not consummated on or prior to the third business day after the Closing, then the transactions effected at the Closing shall be unwound and the provisions of this Agreement shall be restored as if the Closing had not taken place and shall thereafter remain in full force and effect until terminated pursuant to the terms hereof.

ARTICLE V

Release

5.1. Release. From and after the Closing, each Contributing Shareholder hereby absolutely, generally, irrevocably, unconditionally and completely releases and forever discharges Holdco, the Company, McApple and their respective directors, officers, employees, representatives, affiliates, stockholders, direct and indirect subsidiaries, successors and assigns (collectively, the *"Holdco Parties"*) from all past, present and future claims directly or indirectly relating to such Contributing Shareholder's interest in McApple (*"Claims"*), and hereby absolutely, generally, irrevocably, unconditionally and completely waives and relinquishes all Claims against the Holdco Parties.

ARTICLE VI

Termination

6.1. Termination. This Agreement shall automatically terminate upon termination of the Merger Agreement pursuant to the terms thereof prior to consummation of the Merger.

ARTICLE VII

Miscellaneous

7.1. Entire Agreement; Binding Effect; Assignment; No Third Party Beneficiaries. This Agreement, the Holdco LLC Agreement and the Registration Rights Agreement constitute the entire agreement, and supersede all other prior agreements, understandings, representations and warranties both written and oral, among the parties, with respect to the subject matter hereof and thereof. This Agreement shall be binding upon, inure to the benefit of and be enforceable only by the parties hereto and their respective successors and permitted assigns. No party may assign its rights or obligations under this Agreement to any other person or entity without the prior written consent of the other parties and any purported assignment without such consent is void. Nothing in this Agreement, express or implied, is intended to, or shall, give to any person other than the parties hereto, their successors and

permitted assigns any benefit or any legal or equitable right, remedy or claim under this Agreement.

7.2. Modification or Amendment; Waiver. This Agreement may only be amended, modified, supplemented or waived with the written approval of each party hereto. No failure or delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof or of any other or future exercise of any such right, power or privilege.

7.3. Counterparts. This Agreement may be executed in any number of counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

7.4. Government Law and Venue; Waiver of Jury Trial; Specific Performance.

(a) THIS AGREEMENT SHALL BE DEEMED TO BE MADE IN AND IN ALL RESPECTS SHALL BE INTERPRETED, CONSTRUED AND GOVERNED BY AND IN ACCORDANCE WITH THE LAW OF THE STATE OF DELAWARE WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF. The parties hereby irrevocably submit to the personal jurisdiction of the courts of the State of Delaware located in the County of New Castle and the Federal courts of the United States of America located in the County of New Castle solely in respect of the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such courts, and the parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a Delaware State or Federal court located in the County of New Castle. The parties hereby consent to and grant any such court jurisdiction over the person of such parties and, to the extent permitted by law, over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 7.5 or in such other manner as may be permitted by law shall be valid and sufficient service thereof.

(b) 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 LITIGATION 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 LITIGATION, 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 7.4.

(c) The parties 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 were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in Delaware State or Federal court in the County of New Castle, this being in addition to any other remedy to which such party is entitled at law or in equity.

7.5. Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, or by facsimile:

If to the Company:

McJunkin Corporation,
835 Hillcrest Drive,
Charleston, WV 25311.
Attention: Michael Wehrle
with a copy to H. B. Wehrle III
Fax: (304) 348-1557

with a copy to
Sullivan & Cromwell LLP,
125 Broad Street, New York, NY 10004.
Attention: Benjamin F. Stapleton III
Fax: (212) 558-3588

If to Holdco:

c/o GS Capital Partners V Fund, L.P.,
85 Broad Street, 10th Floor,
New York, New York 10004.
Attention: Henry Cornell
Fax: (212) 357-5505

and:

Fried, Frank, Harris, Shriver & Jacobson LLP,
One New York Plaza,
New York, New York 10004.
Attention: Robert C. Schwenkel, Esq.
Fax: (212) 859-4000

If to the Contributing Shareholders:

David Fox, III,
P.O. Box 3109,
Huntington, West Virginia 25702.

and:

Huddleston Bolen LLP,
P.O. Box 2185,
Huntington, WV 25722-2185
Attention: Tom Murray
Fax: (304) 522-4312

or to such other persons or addresses as may be designated in writing by the party to receive such notice as provided above. Any notice, request, instruction or other document given as provided above shall be deemed given to the receiving party upon actual receipt, if delivered personally; three business days after deposit in the mail, if sent by registered or certified mail; upon confirmation of successful transmission if sent by facsimile (provided that if given by facsimile such notice, request, instruction or other document shall be followed up within one business day by dispatch pursuant to one of the other methods described herein); or on the next business day after deposit with an overnight courier, if sent by an overnight courier.

7.6. Interpretation; Construction.

(a) The headings herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof. Where a reference in this Agreement is made to a Section, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.”

(b) The parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

7.7. Tax Matters. The parties hereto shall not take any position on any tax return inconsistent with the treatment of the contribution of the Shares by the Contributing Shareholders to Holdco in exchange for Holdco Units and the Cash Consideration as a transaction governed by Sections 707 and 721 of the Code, unless otherwise required pursuant to a "determination" within the meaning of Section 1313(a) of the Code. Notwithstanding any other provision of this Agreement, the obligations imposed by this Section 7.7 will survive indefinitely.

(the remainder of this page has been intentionally left blank)

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the parties hereto as of the date first written above.

MCJUNKIN CORPORATION

By: /s/ H.B. Wehrle III
Name:
Title:

McJ HOLDING LLC

By:
Name:
Title:

CONTRIBUTING SHAREHOLDERS

David Fox, III

Stephen G. Fox

Steven G. Park

John J. Limer

Stephen D. Cassell

/s/ H. B. Wehrle, III
H. B. Wehrle, III

Stephen D. Wehrle

Michael H. Wehrle

E. Gaines Wehrle

[McApple Contribution Agreement Signature Page]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the parties hereto as of the date first written above.

MCJUNKIN CORPORATION

By: _____
Name:
Title:

McJ HOLDING LLC

By: /s/ Christine Vollertsen
Name: Christine Vollertsen
Title: Vice President

CONTRIBUTING SHAREHOLDERS

_____
David Fox, III

_____
Stephen G. Fox

_____
Steven G. Park

_____
John J. Limer

_____
Stephen D. Cassell

_____
H. B. Wehrle, III

_____
Stephen D. Wehrle

_____
Michael H. Wehrle

_____
E. Gaines Wehrle

[McApple Contribution Agreement Signature Page]

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MCJUNKIN CORPORATION

By: _____
Name:
Title:

McJ HOLDING LLC

By: _____
Name:
Title:

CONTRIBUTING SHAREHOLDERS

/s/ David Fox, III
David Fox, III

/s/ Stephen G. Fox
Stephen G. Fox

_____
Steven G. Park

/s/ John J. Limer
John J. Limer

/s/ Stephen D. Cassell
Stephen D. Cassell

_____
H. B. Wehrle, III

_____
Stephen D. Wehrle

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Michael H. Wehrle

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E. Gaines Wehrle

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/s/ Steven G. Park
Steven G. Park

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Steven G. Park

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John J. Limer

_____
Stephen D. Cassell

/s/ H. B. Wehrle, III
H. B. Wehrle, III

_____
Stephen D. Wehrle

_____
Michael H. Wehrle

_____
E. Gaines Wehrle

[McApple Contribution Agreement Signature Page]

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By: _____
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CONTRIBUTING SHAREHOLDERS

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Steven G. Park

_____
John J. Limer

_____
Stephen D. Cassell

_____
H. B. Wehrle, III

/s/ Stephen D. Wehrle
Stephen D. Wehrle

_____
Michael H. Wehrle

_____
E. Gaines Wehrle

[McApple Contribution Agreement Signature Page]

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Stephen G. Fox

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Steven G. Park

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John J. Limer

_____
Stephen D. Cassell

_____
H. B. Wehrle, III

_____
Stephen D. Wehrle

/s/ Michael H. Wehrle
Michael H. Wehrle

_____
E. Gaines Wehrle

[McApple Contribution Agreement Signature Page]

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MCJUNKIN CORPORATION

By: _____
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McJ HOLDING LLC

By: _____
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_____
John J. Limer

_____
Stephen D. Cassell

_____
H. B. Wehrle, III

_____
Stephen D. Wehrle

_____
Michael H. Wehrle

/s/ E. Gaines Wehrle
E. Gaines Wehrle

Exhibit 2.2

Execution Copy

STOCK PURCHASE AGREEMENT

by and among

McJUNKIN DEVELOPMENT CORPORATION,

MIDWAY-TRISTATE CORPORATION

and

THOSE SHAREHOLDERS LISTED
ON SCHEDULE 1

Dated April 5, 2007

TABLE OF CONTENTS

Index of Defined Terms

EXHIBITS

STOCK PURCHASE AGREEMENT

STOCK PURCHASE AGREEMENT, dated April 5, 2007 (the "Agreement"), by and among McJunkin Development Corporation, a Delaware corporation ("Buyer"), Midway-Tristate Corporation, a New York Corporation (the "Company"), and the holders of all outstanding shares of stock of the Company listed on Schedule 1 (each, a "Shareholder" and, collectively, the "Shareholders"). Buyer, the Company and each of the Shareholders are separately referred to herein as a "Party" and, together, as the "Parties".

WHEREAS, Buyer desires to acquire all of the issued and outstanding capital stock of the Company;

WHEREAS, the Shareholders own, in the aggregate, 83,185 shares of common stock, par value $0.01, of the Company (the "Company Stock"), which represents the entire issued and outstanding capital stock of the Company;

WHEREAS, Buyer desires to acquire, and the Shareholders desire to sell, the Company Stock upon the terms and subject to the conditions of this Agreement; and

WHEREAS, the Company has entered into an employment agreement ("Employment Agreement") or consulting agreement ("Consulting Agreement") with each of those persons listed on Schedule 2.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I

Certain Definitions

1.1. Certain Definitions. As used in this Agreement, the following terms have the respective meanings set forth below.

"Actual Adjustment" means (x) the Purchase Price as set forth on the Final Statement of Purchase Price minus (y) the Estimated Purchase Price.

"Affiliate", "Affiliated" (or any correlative term) means, with respect to a Person, any Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person (and, for purposes of this Agreement, the Company shall be considered an Affiliate of each of the Shareholders before the Closing and an Affiliate of Buyer after the Closing).

"Agreement" shall have the meaning assigned such term in the Preamble.

"Associate" means, with respect to a Person, (A) any corporation or

organization of which such Person is an officer or partner or is directly or indirectly the beneficial owner of 10% or more of any class of equity securities, (B) any trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity, and (C) any relative or spouse of a Person described in clauses (A) or (B) of this definition or any relative of such spouse, who has the same home as such Person.

"Benefit Plans" means any "employee benefit plans" (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), bonus, pension, profit sharing, deferred compensation, incentive compensation, excess benefit, stock, stock option, employment, severance, termination pay, change in control or other compensation or employee benefit plans, programs, arrangements or agreements currently maintained or contributed to, or required to be maintained or contributed to, by the Company for the benefit of any current or former employees, officers, directors or independent contractors of the Company, each an "Employee" .

"Business Day" means a day, other than a Saturday or Sunday, on which commercial banks in New York City are open for the general transaction of business.

"Buyer" shall have the meaning assigned such term in the Preamble.

"Cash and Cash Equivalents" means the sum of the fair market value (expressed in United States dollars) of all cash and cash equivalents (including marketable securities and short term investments) of the Company as of immediately prior to the Closing, but shall not include any amounts paid or held in escrow to fund payments to be made, under the Settlement Agreement or Settlement Agreement Waiver and Release.

"Company" means Midway-Tristate Corporation and includes any of its predecessors.

"Company Expenses" means the sum of (i) the collective amount of the Company's and the Shareholders' expenses payable by the Company to Thelen, Reid, Brown, Raysman & Steiner LLP as of the Closing and all other out-of-pocket costs and expenses incurred by the Company or any of the Shareholders and payable by the Company, in each case in connection with the transactions contemplated by this Agreement, plus (ii) any fees payable by the Company to the Shareholders or any Affiliate of the Company, plus (iii) Transfer Taxes, plus (iv) any broker's, finder's, investment banker's, financial adviser's or similar fee payable by the Company or any of the Shareholders in connection with this Agreement or any of the transactions contemplated hereby, plus (v) any amounts payable by the Company to any officer, director or employee of the Company in the nature of a "change in control", closing or signing bonus, severance or retention payment or similar payment, including, without limitation, the Severance Payments, as a result of the execution and delivery of this Agreement

or the consummation of the transactions contemplated hereby, including the Closing, except that any severance or termination payments required to be made to any employees of the Company (other than those persons listed on Schedule 6.10 hereto) by reason of such employees being terminated prior to the Closing at the written request of Buyer shall not be deemed a Company Expense, plus (vi) any amounts arising out of or relating to the Settlement Agreement, including any waiver, amendment or release thereunder (including without limitation, the Settlement Agreement Waiver and Release), plus (vii) all Taxes and expenses arising from, attributable to, or related to the Excluded Assets and the Company's distribution thereof. Company Expenses shall not include any amounts taken into account in Net Working Capital.

"Company Stock" shall have the meaning assigned such term in the Recitals.

"Confidential Information" means all information (whether or not reduced to written, electronic, magnetic or other tangible form) acquired in any way by any Shareholder or the Company during the course of such Person's affiliation with the Company, concerning the products, services, projects, activities, business or affairs of the Company or its clients or customers, including (i) all information concerning Intellectual Property Rights of the Company, computer programs, system documentation, special hardware, product hardware, related software development, manuals, formulae, processes, methods, machines, compositions, ideas, improvements or inventions, (ii) all sales and financial information, (iii) all independent contractor, client, customer and supplier lists, (iv) all information concerning services, clients, customers, cases, projects or marketing plans for any of those services, clients, customers, cases or projects, and (v) all information relating to the transactions contemplated by this Agreement and the Ancillary Documents. Notwithstanding the foregoing, the term Confidential Information shall not include information that is generally available to the public or becomes generally available to the public other than as a result of a breach by any of the Shareholders of Section 6.7.

"Debt" means the outstanding principal amount of, all accrued and unpaid interest on and other payment obligations (including any premiums, termination fees, expenses or breakage costs due upon prepayment of or payable in connection with the consummation of the transactions contemplated by this Agreement) in respect of, (i) any indebtedness for borrowed money of the Company, whether or not recourse to the Company, (ii) any obligation of the Company evidenced by bonds, debentures, notes or other similar instruments, (iii) any reimbursement obligation of the Company with respect to letters of credit (including standby letters of credit to the extent drawn upon), bankers' acceptances or similar facilities issued for the account of the Company, (iv) any obligation of the Company issued or assumed as the deferred purchase price of property or services, (v) any capitalized lease obligation of the Company, and (vi) any obligation of the type referred to in clauses (i) through (v) of this definition of another Person the payment of which the Company has guaranteed or for which

the Company is responsible or liable, directly or indirectly, jointly or severally, as obligor, guarantor or otherwise. For the avoidance of doubt, Debt shall not include the lease agreements to be entered into by the Company as contemplated by Section 7.3(m).

"Debt Amount" means the aggregate amount of Debt outstanding immediately prior to the Closing.

"Enterprise Value" means $82,500,000.

"Environmental Laws" means any and all federal, state, local and foreign Laws (including case or common law) relating to human health and safety, the environment or emissions, discharges or releases of pollutants, contaminants, Hazardous Substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, facilities, structures, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, Hazardous Substances or wastes or the investigation, clean-up or other remediation thereof. Without limiting the generality of the foregoing, "Environmental Laws" include: (i) the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., as amended; (ii) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 26 U.S.C. § 4611 and 42 U.S.C. § 9601 et seq., as amended; (iii) the Superfund Amendment and Reauthorization Act of 1984, as amended; and (iv) the Occupational Safety and Health Act of 1976, 29 U.S.C. § 651, as amended, and all rules and regulations promulgated thereunder.

"Estimated Purchase Price" means a good faith estimate of the Purchase Price, as determined by the Representative three (3) Business Days prior to the Closing based upon the Company's most recent financial statements as of the date of such estimate while taking into account changes in the Company's consolidated financial position since the date of such financial statements. In connection with determining the Estimated Purchase Price, the Representative shall (i) use the Enterprise Value, and (ii) estimate (A) the Debt Amount, (B) the amount of Company Expenses, (C) the Net Working Capital Adjustment, and (D) the amount of Cash and Cash Equivalents.

"GAAP" means United States generally accepted accounting principles and practices as in effect from time to time and applied consistently throughout the periods involved.

"Governmental Entity" means the government of the United States of America, any other nation or any political subdivision of any of the foregoing, whether state or local, and any agency, authority, instrumentality, regulatory body, court, or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of government.

"Hazardous Substances" means any substance that is toxic, ignitable,

reactive, corrosive, radioactive, caustic, or regulated or defined as a hazardous substance, contaminant, toxic substance, toxic pollutant, hazardous waste, special waste, or pollutant, including, without limitation, petroleum, its derivatives, by-products and other hydrocarbons, poly-chlorinated bi-phenyls and asbestos regulated under, or which is the subject of, applicable Environmental Laws.

"including" means including without limitation.

"Intellectual Property Rights" means and includes all inventions, know-how, logos, marks (including brand names, product names, logos, and slogans), methods, processes, proprietary information, URLs, works of authorship and other forms of technology (whether or not embodied in any tangible form and including all tangible embodiments of the foregoing), and all domestic and foreign patents, trademarks and trade name rights, service marks, copyrights, trade secrets, moral rights and other types of similar proprietary rights and all applications, registrations, renewals and other filings with respect to any of the foregoing.

"Knowledge of the Company" means the actual knowledge of Michael J. Cetro, Thomas W. Norton or Rick Eischeid, after due inquiry.

"Laws" means any federal, state, local or foreign law (including the Foreign Corrupt Practices Act of 1977, as amended, and the laws implemented by the Office of Foreign Assets Control, United States Department of Treasury), statute or ordinance, common law, or any rule, regulation, standard, judgment, order, writ, injunction, decree, arbitration award, agency requirement, license or permit of any Governmental Entity.

"Material Adverse Effect" means an event, change or effect that has had, or would reasonably be expected to have (a) a material adverse effect on the assets, liabilities, business, results of operations or condition (financial or otherwise) of the Company, other than any, event, change or effect resulting from (i) changes in general economic conditions except to the extent such changes have a disproportionate impact on the Company, relative to the other participants in the industries in which the Company operates, (ii) the announcement of this Agreement and the transactions contemplated hereby, or (iii) changes in GAAP applicable to the Company, or (b) a material adverse effect on the ability of the Shareholders or the Company to consummate the transactions contemplated hereby.

"Net Working Capital" means the net book value of the current assets of the Company, as of immediately prior to the Closing, less the net book value of the current liabilities of the Company, as of immediately prior to the Closing, in each case, without duplication and as determined in a manner consistent with the preparation of the column entitled "adjusted black book" set forth on the March 31 balance sheet of the Company attached on Exhibit A. Notwithstanding the foregoing, in connection with calculating Net Working Capital the rules set forth

on Exhibit A shall be taken into account.

"Net Working Capital Adjustment" means (i) the amount by which Net Working Capital as of immediately prior to the Closing exceeds $36,835,000, or (ii) the amount by which Net Working Capital as of immediately prior to the Closing is less than $36,835,000; provided that any amount which is calculated pursuant to clause (ii) above shall be deemed to be a negative number.

"Non-Significant Shareholder" shall mean individually each Shareholder and their Related Parties who in the aggregate hold less than 5% of the Company Stock.

"Order" means any order, injunction, judgment, decree or ruling of any Governmental Entity.

"Permitted Encumbrances" means (i) liens for Taxes that are not yet due and payable or which are being contested in good faith for which an adequate reserve has been established on the books and records of the Company and (ii) mechanics', workmen's, repairmen's, warehousemen's, carriers' or other statutory liens arising or incurred in the ordinary course of business in respect of liabilities that will be paid prior to Closing or included in the Debt Amount or in Net Working Capital.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or other entity.

"Purchase Price" means (i) the Enterprise Value, plus (ii) the Net Working Capital Adjustment (which may be a negative number if the calculation results in a negative number under clause (ii) of the definition of "Net Working Capital Adjustment"), plus (iii) the amount of Cash and Cash Equivalents, minus (iv) the Debt Amount, minus (v) the amount of Company Expenses.

"Related Party" means (i) any Shareholder or any officer or director of the Company, (ii) any spouse, former spouse, child, parent, parent of a spouse, sibling or grandchild of any of the Persons listed in clause (i) above, and (iii) any Affiliate or Associate of any of the Persons listed in clause (i) or (ii) above, other than the Company.

"Representative" shall have the meaning assigned such term in Section 10.15 hereof.

"Severance Payments" shall have the meaning assigned to such term in Section 6.13 hereof.

"Significant Shareholder" shall mean individually each Shareholder and their Related Parties who in the aggregate hold 5% or more of the Company Stock, which for the avoidance of doubt shall include Michael J. Cetro, John A. Selzer, Maythorpe Holdings Limited and Daniel J. Field.

"Tax" (and, with correlative meaning "Taxes") means any federal, state, local or foreign income, gross receipts, property, sales, use, license, excise, franchise, employment, payroll, premium, withholding, alternative or added minimum, ad valorem, escheat, inventory, transfer or excise tax, or any other tax, custom, duty, governmental fee or other like assessment or charge or any kind whatsoever, together with any interest, penalty or addition to tax, imposed by any Governmental Entity whether disputed or not and including any obligations to indemnify or otherwise assume or succeed to the Tax liability of any other Person; and "Tax Return" means any report, return, statement, estimate, declaration, notice, form or other information required to be supplied to a Governmental Entity in connection with Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Transfer Tax" means any transfer, real property transfer, documentary, gains, stock transfer and similar Tax.

ARTICLE II

Acquisition of Company Stock

2.1. Acquisition of Company Stock. Upon the terms and subject to the conditions of this Agreement, at the Closing the Shareholders shall assign, transfer, convey and deliver to Buyer, and Buyer shall acquire from the Shareholders, all of the shares of Company Stock issued and outstanding immediately prior to the Closing (the "Outstanding Shares") free and clear of all Encumbrances.

2.2. Purchase Price. The Purchase Price for all of the Outstanding Shares shall be payable by the Buyer as set forth in Section 2.3, subject to the adjustments set forth therein.

2.3. Adjustment to Purchase Price.

(a) *Estimated Purchase Price*. No later than three (3) Business Days prior to the Closing Date, the Representative shall deliver to Buyer a calculation of the Estimated Purchase Price (which Estimated Purchase Price shall be reasonably acceptable to Buyer; provided, that if the Estimated Purchase Price is between $33,385,850 and $36,900,150, then the Estimated Purchase Price shall be deemed to be reasonably acceptable to Buyer). On the Closing Date, Buyer shall pay, or shall cause to be paid, the Estimated Purchase Price as follows:

(i) An amount in cash equal to $4,125,000 (such amount, the "Escrow Amount" and such cash, the "Escrow Funds") shall be deposited into an escrow account (the "Escrow Account"), which shall be established pursuant to an escrow agreement (the "Escrow Agreement"), which Escrow Agreement (x) shall be entered into on the Closing Date among the Representative, Buyer and an escrow agent (the "Escrow Agent") to be mutually agreed upon between the Representative and Buyer and (y) shall be substantially in the form of Exhibit B attached hereto;

(ii) An amount in cash equal to $9,000,000 (such amount, the

"Settlement Agreement Indemnification Escrow Amount" and such cash, the "Settlement Agreement Indemnification Escrow Funds") shall be deposited into an escrow account (the "Settlement Agreement Indemnification Escrow Account"), which shall be established pursuant to the Escrow Agreement; and

(iii) An amount in cash equal to the Estimated Purchase Price minus the Escrow Amount and minus the Settlement Agreement Indemnification Escrow Amount shall be paid by wire transfer of immediately available funds to the Representative, on behalf of the Shareholders, for distribution to the Shareholders in accordance with Schedule 1, in an account to be designated by the Representative in a written notice to Buyer at least three (3) Business Days prior to the Closing, net of applicable withholding taxes, if any.

(b) *Preparation of the Final Statement of Purchase Price.*

(i) As soon as practicable, but no later than sixty (60) days after the Closing Date, Buyer shall prepare and deliver to the Representative the proposed calculation of the Purchase Price (the "Proposed Purchase Price Calculation") and the components thereof, including (A) a proposed calculation of the Net Working Capital and Net Working Capital Adjustment (the "Proposed Closing Date Statement of Net Working Capital"), (B) a proposed calculation of the amount of Cash and Cash Equivalents (the "Proposed Cash and Cash Equivalents"), (C) a proposed calculation of the Debt Amount (the "Proposed Debt Amount Calculation"), and (D) a proposed calculation of the amount of Company Expenses (the "Proposed Company Expenses Calculation"), and, in each case, the components thereof, together with reasonable supporting detail.

(ii) If the Representative does not give a written notice of dispute (a "Purchase Price Dispute Notice") to Buyer within thirty (30) days of receiving the Proposed Purchase Price Calculation, Buyer and the Representative agree that (A) the Proposed Closing Date Statement of Net Working Capital shall be deemed to set forth the Net Working Capital, (B) the Proposed Cash and Cash Equivalents shall be deemed to set forth the Cash and Cash Equivalents, (C) the Proposed Debt Amount Calculation shall be deemed to set forth the Debt Amount, (D) the Proposed Company Expenses Calculation shall be deemed to set forth the Company Expenses and (E) the Proposed Purchase Price Calculation shall be deemed to be final and binding in determining the Purchase Price. If the Representative gives a Purchase Price Dispute Notice to Buyer (which Purchase Price Dispute Notice must set forth, in reasonable detail, the items and amounts in dispute) within such 30-day period, Buyer and the Representative will use commercially reasonable efforts to resolve the dispute during the 30-day period commencing on the date Buyer receives the applicable Purchase Price Dispute Notice from the Representative. Items and amounts not objected to by the Representative shall be deemed resolved. If the Representative and Buyer do not obtain a final resolution within such 30-day period, then the items in dispute shall be submitted immediately to Deloitte & Touche LLP or another nationally-recognized, independent accounting firm reasonably acceptable to the

Representative and Buyer (the "Accounting Firm"). The Accounting Firm shall be required to render a determination resolving the applicable dispute within 45 days after referral of the matter to the Accounting Firm, which determination must be in writing and must set forth, in reasonable detail, the basis therefor. The determination of the Accounting Firm shall be conclusive and binding upon the Representative, the Shareholders and Buyer. Buyer will revise the Proposed Purchase Price Calculation as appropriate to reflect the resolution of any objections thereto pursuant to this Section 2.3(b)(ii). The "Final Statement of Purchase Price" shall mean the Proposed Purchase Price Calculation together with any revisions thereto pursuant to this Section 2.3(b)(ii).

(iii) In the event the Representative and Buyer submit any unresolved objections to the Accounting Firm for resolution as provided in Section 2.3(b)(ii), the responsibility for the fees and expenses of such Accounting Firm shall be paid by Buyer, on the one hand, and the Representative on behalf of the Shareholders, on the other hand, in inverse proportion (based on value) as Buyer and the Representative prevail on any disputed matters, as determined by the Accounting Firm.

(iv) Buyer will make the Company's financial records available to the Accounting Firm and the Representative and its accountants, if any, and other representatives at reasonable times at any time during the review by the Representative and/or the Accounting Firm, as the case may be, of, and the resolution of any objections with respect to, the Proposed Purchase Price Calculation.

(c) *Adjustment to Estimated Purchase Price.*

(i) If the Actual Adjustment is a positive amount, Buyer will pay, or cause to be paid, to the Representative on behalf of the Shareholders for distribution to the Shareholders in accordance with Schedule 1, such positive amount, net of applicable withholding taxes, if any, by wire transfer or delivery of other immediately available funds, in each case, within three (3) Business Days after the date on which the Purchase Price is finally determined pursuant to Section 2.3(b).

(ii) If the Actual Adjustment is a negative amount, Buyer and the Representative will instruct the Escrow Agent to pay to Buyer such negative amount, net of applicable withholding taxes, if any, from the Escrow Funds by wire transfer or delivery of other immediately available funds, in each case, within three (3) Business Days after the date on which the Purchase Price is finally determined pursuant to Section 2.3(b). If the Escrow Funds are insufficient to pay such negative amount, the Shareholders shall pay Buyer the amount of any shortfall pro-rata based on their equity interests in the Company as reflected on Schedule 1.

2.4. Closing. Subject to the provisions of Article VII, the closing of the transactions

contemplated by this Agreement (the "Closing") and all actions specified in this Agreement to occur at the Closing shall take place at the offices of Fried, Frank, Harris, Shriver & Jacobson LLP, One New York Plaza, New York, New York at 9:00 a.m., New York time, on the fifth Business Day immediately following the day on which the last of the conditions set forth in Article VII (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions) are satisfied or waived in accordance with this Agreement, or on such other date as Buyer and the Representative shall agree (the date on which the Closing takes place, the "Closing Date").

2.5. Withholding. Notwithstanding anything in this Agreement to the contrary, Buyer shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement (including, without limitation, the distribution of the Excluded Assets as provided in Section 6.11) such amounts as Buyer or the Company is required to deduct and withhold with respect to the making of such payment or distribution under the Internal Revenue Code of 1986, as amended (the "Code"), or any provision of state, local or foreign Tax law. To the extent that amounts are so withheld and paid over to the appropriate taxing authority, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

ARTICLE III

Representations and Warranties of the Shareholders

Each Shareholder, severally and not jointly, represents to Buyer, as follows:

3.1. Ownership; Authorization of Transaction. (a) Schedule 1 accurately sets forth the number of shares of Company Stock owned of record and beneficially by such Shareholder. Such Company Stock is owned by such Shareholder free and clear of any Encumbrances.

(b) Such Shareholder has full power and authority to execute and deliver this Agreement and each agreement, certificate or other instrument executed or to be executed in connection with this Agreement, including the Escrow Agreement (which shall be executed by the Representative in his capacity as the true and lawful agent and attorney-in-fact of each of the Shareholders) (the "Ancillary Documents") to which such Shareholder is a party and to perform such Shareholder's obligations hereunder and thereunder. This Agreement and each Ancillary Document to which such Shareholder is a party constitute, or upon execution will constitute, a valid and legally binding obligation of such Shareholder, enforceable against such Shareholder in accordance with their respective terms, except as limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar Laws affecting the enforcement of creditors' rights.

3.2. No Conflicts. With the exception of any filing required, if any, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR Act"), and except as set forth on Schedule 3.2, the execution and the delivery of this Agreement and the Ancillary Documents to which such Shareholder is a party and the consummation of the transactions contemplated hereby and thereby will not (a) violate any Law or Order to which such Shareholder is subject, (b) result in the creation or imposition of any mortgage, pledge, lien, encumbrance,

claim, charge, security interest, or other restriction ("Encumbrances") upon the Company Stock owned of record and beneficially by such Shareholder, or (c) require such Shareholder to give any notice to, make any filing with, or obtain any authorization, consent or approval of, any Person.

ARTICLE IV

Representations and Warranties of the Company and the Shareholders

The Company and each of the Significant Shareholders, jointly and severally, represent and warrant to Buyer, as follows:

4.1. Authorization of Transaction. The Company has full power and authority to execute and deliver this Agreement and each Ancillary Document to which it is a party and to perform its obligations hereunder and thereunder, and the execution, delivery and performance by the Company of this Agreement and the Ancillary Documents to which it is a party have been duly authorized by all necessary corporate action on the part of the Company. This Agreement and each Ancillary Document to which the Company is a party constitute, or upon execution will constitute, a valid and legally binding obligation of the Company, enforceable against the Company in accordance with their respective terms, except as limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar Laws affecting the enforcement of creditors' rights.

4.2. Corporate Organization; Authority. The Company is a corporation duly organized, validly existing and in good standing under the Laws of the State of New York, and has all requisite corporate power and authority to own, lease and operate the assets owned, leased and operated by it and to carry on its business as currently being conducted. The Company is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the assets owned, leased or operated by it or the nature of the business conducted by it makes such licensing or qualification necessary, except in such jurisdictions where the failure to be so duly qualified or licensed or in good standing, individually or in the aggregate, has not had or would not reasonably be expected to have a Material Adverse Effect. The Company has delivered to Buyer complete and correct copies of its certificate of incorporation and bylaws as in effect on the date of this Agreement. Listed on Schedule 4.2 is each jurisdiction in which the Company is qualified to do business and in good standing.

4.3. Capitalization; Debt. (a) The authorized capital stock of the Company consists of (i) 800,000 shares of common stock, par value $0.01, of which there are 83,185 shares issued and outstanding and owned by the Persons listed on Schedule 1, and (ii) 200,000 shares of preferred stock, par value $0.01, of which no shares are issued and outstanding. All of the outstanding shares of Company Stock have been duly authorized and validly issued, are fully paid and nonassessable and are not subject to any preemptive rights. Except as set forth on Schedule 1, there are no outstanding (A) shares of capital stock or other securities of the Company, (B) options, warrants, stock appreciation rights or other rights to acquire from the Company, or to cause the Company to issue, any capital stock or other securities, (C) phantom stock rights, stock appreciation rights or other equity related rights of the Company, or (D) Contracts, whether or not the Company is a party thereto, obligating or permitting the Company to issue, or to redeem or purchase, or otherwise pertaining to, any shares of capital stock or other securities of the

Company. Upon the Closing, Buyer will own all of the Outstanding Shares, and such ownership will be free and clear of any Encumbrances.

(b) Schedule 4.3(b) sets forth a complete and current list of all outstanding Debt of the Company as of February 28, 2007. Except as set forth on Schedule 4.3(b), the Company has not incurred, assumed or guaranteed any Debt, nor is a party to a Company Contract which obligates it to incur, assume or guarantee any Debt or which provides for the imposition of any Encumbrance on any of its assets, tangible or intangible.

(c) The Company has provided Buyer with all documentation relating to the Settlement Agreement dated as of September 11, 2006 between the Company, John A. Selzer, United States Small Business Administration as Receiver of Sterling/Carl Marks Capital Inc. and CMNY Capital II, LP ("Settlement Agreement"). The Company paid in full the Compensation for Transfer (as defined in the Settlement Agreement) to United States Small Business Administration as Receiver of Sterling/Carl Marks Capital Inc. and CMNY Capital II, LP on October 3, 2006 ("Compensation for Transfer Payment Date").

4.4. Brokers' Fees. Except as set forth on Schedule 4.4, neither the Company nor any of the Shareholders has any liability or obligation to pay any finder's, investment banking or other fees or commissions to any broker, finder, or agent with respect to any of the transactions contemplated by this Agreement or the Ancillary Documents.

4.5. Subsidiaries and Investments. The Company does not have any equity interest or other equity or debt investment in, or possesses any right or obligation to purchase any equity interests or other equity or debt investment in, any Person.

4.6. No Conflicts. With the exception of any filing required under the HSR Act, if any, and except as set forth on Schedule 4.6, the execution and the delivery of this Agreement and the Ancillary Documents to which the Company or any of the Significant Shareholders is a party and the consummation of the transactions contemplated hereby and thereby will not (a) violate any Law or Order to which the Company is subject, (b) result in the creation or imposition of any Encumbrance upon the assets of the Company, or (c) conflict with, result in a breach of, constitute a default under, result in any loss of or any acceleration of any rights or obligations under, create in any party the right to accelerate, terminate, modify or cancel, or give rise to any payments or compensation under, any Company Contract, Permit, Order, or the certificate of incorporation or bylaws of the Company. The Company is not the beneficiary of, or exempt from, any Law, Order or Permit because of a "grandfather clause" that will not be available to it following the Closing.

4.7. Financial Statements. Attached hereto as Schedule 4.7 are the following financial statements of the Company (collectively, the "Financial Statements"): (x) the audited balance sheet of the Company and the audited statements of income, cash flows and shareholders' equity of the Company as of and for the years ended July 31, 2004, July 31, 2005 and July 31, 2006 and the reports thereon delivered by Rehmann Robson Certified Public Accountants; and (y) the unaudited balance sheet of the Company (the "February 28 Balance Sheet") and the unaudited statements of income, cash flows and shareholders' equity of the Company as of and for the seven-month period ended February 28, 2007 (together with the February 28 Balance Sheet, the

"Unaudited Interim Financial Statements"). The Financial Statements (i) have been prepared in accordance with GAAP applied on a consistent basis, (ii) fairly present in all material respects the financial condition of the Company as of such dates and the results of operations, shareholders' equity and cash flows of the Company for such periods (subject, in the case of the Unaudited Interim Financial Statements, to normal year end adjustments consistent with past practice which are not, individually or in the aggregate, material, and the absence of footnotes), (iii) are correct and complete in all material respects, and (iv) are consistent with the books and records of the Company. The Company has received unqualified audit opinions from Rehmann Robson Certified Public Accountants with respect to each of the audited Financial Statements described in clause (x) of this Section 4.7. Except as set forth on Schedule 4.7, the Company has no liabilities or obligations of any kind, whether accrued, absolute, fixed or contingent (together the "Liabilities"), except for (A) Liabilities set forth or reserved against on the February 28 Balance Sheet (in the amount or of the magnitude so set forth or reserved against), and (B) Liabilities arising in the ordinary course of business since February 28, 2007 (none of which is a result of a breach of Contract or violation of Law) which, individually or in the aggregate, have not had or would not reasonably be expected to have a Material Adverse Effect.

4.8. Absence of Certain Changes. Since July 31, 2006, the Company has operated only in the ordinary course of business consistent with past practices, and there has not been any event, change, action, failure to act or transaction which, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 4.8, since July 31, 2006, the Company has not taken any actions which, had such actions occurred after the date of this Agreement, would have breached any of the covenants contained in Section 6.2.

4.9. Compliance with Laws. To the Knowledge of the Company, the Company has been and is in compliance with all applicable Laws (which compliance includes the possession by the Company of all material authorizations, licenses, permits, exemptions, certificates and approvals of any Governmental Entity (each a "Permit" and, collectively, "Permits") required under applicable Law, all of which are in full force and effect, and the Company has been and is in compliance with the terms and conditions thereof), and to the Knowledge of the Company no event has occurred and no circumstance exists that (with or without notice or lapse of time) would result in the Company failing to be in compliance in any material respect with any Law or would result in the suspension or revocation of any Permit. Schedule 4.9 sets forth a complete and accurate list of all material Permits held by the Company. During the last five (5) years, the Company has not received any written communication that alleges that the Company, or any agent thereof, is, or may be, in violation of, or has, or may have any material liability under, any Laws which has not been resolved.

4.10. Litigation. Neither the Company nor any of the Shareholders (a) is subject to any Order, or (b) is a party to or the subject of, or, to the Knowledge of the Company, threatened to be made a party to or the subject of, any claim, action, suit, proceeding, hearing, audit or investigation in, by or before any Governmental Entity or any arbitrator ("Litigation"). Except as set forth on Schedule 4.10, since July 31, 2003 the Company has not been a party to any Litigation that has been settled, dismissed or resolved. There is no Litigation pending, or to the Knowledge of the Company, threatened, against or involving any director, officer or employee in connection with such Person's relationship with, or actions taken by such Person on behalf of, the

Company.

4.11. Tax Matters. (a) The Company has duly and timely filed all Tax Returns required to be filed by them, and all such Tax Returns are true, complete and correct in all material respects. The Company has paid all Taxes due and owing by the Company (whether or not shown on any Tax Return). The February 28 Balance Sheet reflects adequate accruals for all Taxes payable by the Company for all taxable periods and portions thereof through February 28, 2007. Except as set forth on Schedule 4.11(a), since February 28, 2007, the Company has not incurred any liability for Taxes arising from extraordinary gains or losses, as that term is used in GAAP, outside the ordinary course of business consistent with past custom or practice.

(b) The Company has complied in all material respects with all applicable Laws relating to the payment and withholding of Taxes and has, within the time and in the manner prescribed by applicable Laws, withheld and paid over to the proper Governmental Entity all amounts required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party.

(c) Except as set forth on Schedule 4.11(c), (i) no deficiencies for any Taxes have been proposed, asserted or assessed against the Company, and no Significant Shareholder or officer or director (or employee responsible for Tax matters) of the Company has knowledge relating to any such deficiency or otherwise expects any Governmental Entity to assess any additional Taxes for any period for which Tax Returns have been filed, (ii) no Governmental Entity is conducting or proposing to conduct an audit or administrative or judicial proceeding with respect to Taxes or any Tax Returns of the Company, (iii) no extension or waiver of the statute of limitations with respect to Taxes or any Tax Return has been granted by the Company, which remains in effect, (iv) the Company is not a party to or bound by any Contract to allocate, share or indemnify another party for Taxes, (v) all Tax deficiencies which have been proposed, asserted or assessed against the Company have been fully paid or finally settled, and no issue has been raised in any examination by a taxing authority which, by application of similar principles, could be expected to result in the proposal or assertion of a Tax deficiency against the Company for another year not so examined, (vi) no power of attorney has been granted by or with respect to the Company with respect to any matter relating to Taxes which remains in effect, (vii) the Company has not received notice of a claim by any Governmental Entity in any jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to taxation by that jurisdiction and (viii) the Company has not been a member of an affiliated group filing a consolidated federal income Tax Return, and the Company is not liable for the Taxes of any Person under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign Law), as a transferee or successor, by contract, or otherwise.

(d) Schedule 4.11(d) sets forth the taxable years of the Company as to which the respective statutes of limitations with respect to Taxes have not expired and, with respect to such taxable years, those years for which examinations have been completed, those years for which examinations are presently being conducted, those years for which examinations have not been initiated and those years for which required Tax Returns have not yet been filed.

(e) The Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending

after the Closing Date as a result of any: change in method of accounting for a taxable period ending on or prior to the Closing Date; "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign income Tax law) executed on or prior to the Closing Date; intercompany transaction or excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local or foreign income Tax law); installment sale or open transaction disposition made on or prior to the Closing Date; or prepaid amount received on or prior to the Closing Date.

(f) The Company is not and has never been a "United States real property holding corporation" within the meaning of Section 897(c)(2) of the Code.

(g) The Company (i) has not taken any deduction or received any Tax benefit arising from participation in a tax shelter as defined for purposes of Section 6111(c) of the Code, and (ii) has not participated in a reportable transaction as defined in Treasury Regulation Section 1.6011-4(b) and (c)(3) or any analogous or similar state, local, or foreign Law.

(h) There are no liens for Taxes (other than Taxes not yet due and payable) upon any of the assets of the Company.

(i) Schedule 4.11(i) sets forth, as of July 31, 2006, the approximate net operating loss carryforward of the Company for U.S. federal income Tax purposes. Except as set forth on Schedule 4.11(i), the Company is not subject to any restriction or limitation (including, without limitation, a restriction or limitation imposed under Section 382, 383 or 384 of the Code) on its ability to utilize such net operating loss carryforward.

(j) Except as set forth on Schedule 4.11(j), the Company has not constituted a "distributing corporation" or a "controlled corporation" (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock, occurring within the past two years, that was intended to qualify for tax-free treatment under Section 355 of the Code.

(k) The Company has made available to Buyer true, correct and complete copies of all federal income Tax Returns and all other Tax Returns, examination reports, and statements of deficiencies assessed against or agreed to by the Company that have been filed or received since December 31, 2004.

(l) Each material Tax election made by the Company has been timely and properly made.

4.12. Assets. Except as set forth on Schedule 4.12, the Company owns and has good and valid title, free and clear of Encumbrances (other than Permitted Encumbrances), to all of its assets, and such assets are adequate and sufficient for the continuing conduct of the business of the Company as currently conducted. All physical assets included in any of the assets of the Company are in good operating condition and repair, subject to normal wear and tear occurring in the ordinary course of business.

4.13. Real Property. (a) Schedule 4.13(a) sets forth a true and complete list of all real

property owned by the Company (the "Owned Real Property Interests"). With respect to each of the Owned Real Property Interests listed and described on Schedule 4.13(a), (i) the Company has good and marketable fee simple title, free and clear of Encumbrances (other than Permitted Encumbrances), (ii) except as set forth on Schedule 4.13(a), the Company has not leased or otherwise granted to any Person the right to use or occupy such Owned Real Property Interest or any portion thereof, and (iii) other than the rights of Buyer pursuant to this Agreement, there are no unrecorded options, rights of first offer or rights of first refusal to purchase such Owned Real Property Interest or any portion thereof or interest therein.

(b) Schedule 4.13(b) includes a true and complete list of all leases, subleases, or other occupancies used by the Company or to which the Company is a party (the "Leased Real Property Interests"). Each of the Leased Real Property Interests is in full force and effect, free and clear of any Encumbrances (other than Permitted Encumbrances), and there is no default by the Company in respect of any such Leased Real Property Interests.

4.14. Related Party Transactions. (a) Except as set forth on Schedule 4.14(a), no Shareholder or other Related Party (i) has any interest in any property (real, personal, or mixed and whether tangible or intangible), used in or pertaining to the business of the Company as currently conducted, (ii) owns, of record or as a beneficial owner, an equity interest or any other financial or a profit interest in a Person that has had business dealings or a material financial interest in any transaction with the Company, or (iii) is a party to any Contract with, or has any claim or right against, the Company (except for employment and similar Contracts and claims thereunder or under any Benefit Plan).

(b) Except as set forth on Schedule 4.14(b), the Company is not indebted, directly or indirectly, to any Person who is a Related Party in any amount whatsoever, other than for salaries for services rendered or reimbursable business expenses, nor is any such Related Party indebted to the Company, except for advances made to employees of the Company in the ordinary course of business to meet reimbursable business expenses anticipated to be incurred by such obligor.

4.15. Contracts. (a) Schedule 4.15 sets forth each contract, agreement, commitment, arrangement or understanding, written or oral (each, a "Contract" and, collectively, "Contracts"), to which the Company is a party or by which the Company or any of its properties or assets is or may be bound (each, a "Company Contract" and, collectively, "Company Contracts"):

(i) for the lease from or to any Person of any real property;

(ii) for the lease of personal property under which the Company is the lessee and is obligated to make payments of more than $25,000 per annum;

(iii) which concerns a partnership or joint venture with any Person;

(iv) which is a marketing, sales, advertising or distribution agreement relating to the Products or the Company's service offerings;

(v) which restricts the conduct of any business by the Company or any of its Affiliates, or any geographic area in which the Company or any of its Affiliates may conduct business or the ability of the Company or any of its

Affiliates to solicit for hire or to hire any Person;

(vi) which obligates any Person to maintain confidentiality of information relating to the Company or any of its Affiliates or obligates the Company or any of its Affiliates to maintain confidentiality of information relating to any Person;

(vii) which constitutes a license, sublicense or permission in respect of, or grants any right to use or practice any rights under, any intellectual property, whether the Company is the licensee or licensor thereunder, or for the development or acquisition of intellectual property;

(viii) which is a stock purchase agreement, asset purchase agreement or other acquisition or divestiture Contract entered into by the Company during the past five (5) years or contains any indemnification provision that is currently in effect;

(ix) with respect to the lending or investing of funds by the Company to or in any Person other than the Company;

(x) which relates to any Litigation that was pending against the Company at any time during the last five years;

(xi) which is a Company Contract not otherwise required to be disclosed by this Section 4.15, requiring payments after the date hereof to or by the Company of $25,000 or more over the life of the Company Contract, other than customer purchase orders entered into in the ordinary course of business;

(xii) which was not entered into in the ordinary course of business; or

(xiii) which, individually or with all other Company Contracts of the same type or with the same or Affiliated parties (whether or not required to be disclosed under any of the other clauses of this Section 4.15), is material to the Company irrespective of amount.

(b) The Company has made available to Buyer complete and correct copies of each written Company Contract (including all amendments thereto) and a summary of the material terms of each oral Company Contract (or a copy of written terms proposed for Company Contracts not executed but in which performance has begun) required to be listed in Schedule 4.15. All of the Company Contracts are valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except as limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar Laws affecting the enforcement of creditors' rights and, neither the Company, nor, to the Knowledge of the Company, any other party to any Company Contract is in breach or default thereunder, and to the Knowledge of the Company, no event has occurred which, with notice or lapse of time or both would constitute a breach or default thereof, require indemnification by the Company thereunder, or permit termination or modification thereof or acceleration thereunder.

4.16. Insurance. Schedule 4.16 contains a true and complete list of all policies of excess loss, fire, liability, production, completion bond, workmen's compensation and other forms of insurance currently in effect or in effect at any time since July 31, 2003 covering any of the assets, business, officers, directors or employees of the Company. All current insurance policies are in full force and effect and all premiums with respect thereto covering all periods up to and including the Closing Date have been paid or will be paid prior to the Closing. Such policies (i) are sufficient for compliance with all requirements of Law and of all Company Contracts, (ii) provide insurance coverage for the assets and business of the Company consistent with the coverage customarily maintained by similarly situated companies, (iii) cover the respective policy periods set forth in Schedule 4.16, and (iv) will not in any way be affected by, or terminate or lapse by reason of, the transactions contemplated by this Agreement and the Ancillary Documents. During the last three years, the Company has not been refused any insurance, nor has its coverage been limited by any insurance carrier. The Company has timely filed all claims for which they are seeking payment or other coverage under any of their insurance policies. The Company has not received any notice of increase in premiums with respect to, or any notice of cancellation or non-renewal of, any of its current insurance policies, and the Company has not made any claim against an insurance policy as to which the insurer is denying coverage or defending the claim under a reservation of rights.

4.17. Employees; Benefits. (a) Schedule 4.17(a)(i) sets forth a list of all Benefit Plans. The Company does not have any Contract, whether legally binding or not, to maintain or modify any Benefit Plan, or to establish any other compensation or employee benefit plan, program, agreement or arrangement. The Company has delivered to Buyer complete and correct copies of each material Benefit Plan. Except as set forth on Schedule 4.17(a)(ii), each Benefit Plan may be amended, terminated or otherwise discontinued at the will of the Company without any liability for such amendment, termination or discontinuance other than for the payment of benefits accrued through the date thereof. The Company has no present intention to materially amend, suspend, terminate or otherwise modify any Benefit Plan in a manner that would adversely change benefits (or the level thereof) thereunder. Since January 1, 2006, there has not been any amendment or change in interpretation relating to any Benefit Plan which would, individually or in the aggregate, materially increase the aggregate cost to the Company of such Benefit Plan.

(b) Except as set forth on Schedule 4.17(b), the Company is not and has not ever been (i) a member of a "controlled group of corporations," under "common control" or an "affiliated service group" within the meaning of Section 414(b), (c) or (m) of the Code, (ii) required to be aggregated under Section 414(o) of the Code or (iii) under "common control," within the meaning of Section 4001(a)(14) of ERISA, or any regulations promulgated or proposed under any of the foregoing Sections, in each case with any other entity.

(c) Each Benefit Plan has been administered in material compliance with the terms thereof and all applicable Laws (including, without limitation, (i) provisions relating to the timely making of contributions, premiums and payments, and (ii) the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code). Each Benefit Plan which is an "employee pension benefit plan" (within the meaning of Section 3(2) of ERISA) and which is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter for such determination from the Internal Revenue Service, and no circumstances exist which could reasonably be expected to adversely affect such qualification. Each Benefit Plan

that is required to be registered or approved by a Governmental Entity has been registered with, or approved by, such Governmental Entity and has been maintained in accordance with such registration or approval requirements.

(d) No Benefit Plan is subject to Title IV of ERISA or Section 412 of the Code, and no Benefit Plan is a "multiemployer plan" (as defined in Section 3(37) of ERISA). The Company has never participated in a voluntary employees beneficiary association, as defined in Section 501(c)(9) of the Code nor has it participated in a "multiemployer plan".

(e) Except as set forth on Schedule 4.17(e), with respect to any Benefit Plan that provides medical, health, life insurance or other, similar benefits, (i) no such Benefit Plan provides benefits beyond termination of employment or retirement other than coverage mandated by statute, and (ii) claims under each such Benefit Plan (x) are subject to contracts of insurance or (y) are subject to contracts with one or more health maintenance organizations, in the case of each of (x) and (y) pursuant to which one or more entities other than the Company bear the liability for such claims. Each insurance contract relating to any Benefit Plan is valid and enforceable, and, to the Knowledge of the Company, there is no ground on which the insurer might avoid liability thereunder.

(f) Except as set forth on Schedule 4.17(f), the execution and delivery of, and performance of the transactions contemplated by this Agreement or any Ancillary Document will not (either alone or upon the occurrence of any additional or subsequent events) (i) constitute an event under any Benefit Plan that will or is reasonably likely to result in any payment (whether of severance pay or otherwise), acceleration, forgiveness of indebtedness, vesting, distribution, increase in benefits or obligation to fund benefits with respect to any employee of the Company, or (ii) result in the triggering or imposition of any restrictions or limitations on the right of the Company or Buyer to cause any such Benefit Plan to be amended or terminated (or which would result in any adverse consequence for so doing). Except as set forth on Schedule 4.17(f), no payment or benefit that will or may be made by the Company with respect to any employee of the Company under any Benefit Plan in connection with the transactions contemplated by this Agreement will be characterized as an "excess parachute payment" within the meaning of Section 280G(b)(1) of the Code.

(g) The Company (i) is not delinquent in payments to any of its employees for any wages, salaries, commissions, bonuses or other direct compensation for any services performed by such employee or for reimbursement of expenses, and (ii) is in compliance in all material respects with all applicable Laws respecting employment, employment practices, labor, employment discrimination, civil rights, safety and health workers' compensation, pay equity, classification of employees, the collection and payment of withholding and/or social security taxes, terms and conditions of employment and wages and hours. Except as set forth in Schedule 4.17(g), (w) the Company is not a party to any collective bargaining agreement covering any current or former employees of any of them; (x) there is no unfair labor practice complaint or charge against the Company pending or, to the Knowledge of the Company, threatened before the National Labor Relations Board or similar body of any other Governmental Entity; (y) there is no labor strike, dispute, slowdown or stoppage pending or, to the Knowledge of the Company, threatened against or affecting the Company and there has been no such job action during the past three years; and (z) no representation question exists respecting the employees of the

Company, and, to the Knowledge of the Company, there are no current organizing activities among the employees of the Company. Without limiting the generality of this Section 4.17(g), to the Knowledge of the Company, any individual who performs services for the Company and who is not classified as an employee by the Company is not an employee for purposes of (i) payments of wages and related withholding of Taxes, or (ii) participation in any Benefit Plan.

(h) The Company does not have any liability for payments or benefits due as a result of any "mass layoff" or "employment loss" (as each is defined in the Worker Adjustment and Restraining Notification Act of 1988) which has not been satisfied in full; nor has the Company been affected by any transaction or engaged in layoffs or employment terminations sufficient in number to trigger application of any similar state or local Law.

(i) There are no written personnel policies or employee handbooks applicable to employees of the Company other than those set forth on Schedule 4.17(i). Complete and correct copies of such written personnel policies and employee handbooks have heretofore been delivered to Buyer.

(j) Except as set forth on Schedule 4.14(b) or Schedule 4.17(j), there are no outstanding notes payable from, accounts receivable from, or advances by the Company to, and the Company is not otherwise a creditor of, any employee of the Company, other than compensation advances in the ordinary course of business.

4.18. Intellectual Property Rights. The Company owns or has the right to use all Intellectual Property Rights used in the conduct of the business of the Company as currently conducted, including, without limitation, the ownership or right to use the name "Midway," as its, or as a part of its, trade name, corporate name, brand name, d/b/a name, trademark, service mark or any other identifier of source or goodwill, in connection with the operation of its business, as currently conducted, without conflict with rights of other Persons ("Company Intellectual Property Rights"), and all such Company Intellectual Property Rights owned by the Company are free and clear of all Encumbrances (other than Permitted Encumbrances). Neither the execution or delivery of this Agreement, nor the consummation of the transactions contemplated hereby will alter or impair the Company Intellectual Property Rights or, with or without notice or lapse of time, result in, or give any other Person the right or option to cause or declare, a breach or termination of, or cancellation or reduction in rights of the Company under, any Contract providing for the license of any Intellectual Property Right to the Company. The Company has taken all commercially reasonable steps to protect and maintain the Company Intellectual Property Rights, including by obtaining enforceable assignment and confidentiality agreements from any employee or consultant that could reasonably be expected to create Company Intellectual Property Rights. To the Knowledge of the Company, no Person is infringing or otherwise violating the Company Intellectual Property Rights. Schedule 4.18 lists all Company Intellectual Property Rights owned by the Company that are patents, and applications therefor, registered trademarks, trade names, service names and service marks, logos and trade dress and applications therefor, and copyright registrations and applications therefor. To the Knowledge of the Company, the Company is not infringing or otherwise violating the Intellectual Property Rights of any other Person. Except as set forth on Schedule 4.18, since March 1, 2001, the Company has not received any written notice alleging that the Company is infringing upon or otherwise violating the Intellectual Property Rights of any Person, and to the Knowledge of the

Company, there are no facts that would support any such allegation. Except as set forth on Schedule 4.18, the Company is not a party to any action, suit or other proceeding relating to Intellectual Property Rights.

4.19. Books and Records. The books and records of the Company have been maintained in accordance with sound business practices, including the maintenance of an adequate system of internal controls, and fairly and accurately reflect, in all material respects, on a basis consistent with past periods and throughout the periods involved, (i) the financial position of the Company, and (ii) all transactions of the Company. The minute books of the Company, complete and correct copies of which have been delivered to Buyer, contain complete and correct records of all meetings held of, and corporate actions taken by, the shareholders, the board of directors, and committees, if any, of the board of directors of the Company, as applicable, and no meeting of any such shareholders, board of directors or committees has been held for which minutes have not been prepared and are not contained in such minute books.

4.20. Suppliers and Customers. Schedule 4.20 contains a list of the top twenty (20) suppliers of the Company and the top twenty (20) customers of the Company in each case for the seven (7) month period ending February 28, 2007. Since July 31, 2003, there has been no termination, cancellation or threatened termination or cancellation of, or any modification in, or any dissatisfaction with, or adverse change in, the business relationship of the Company with any supplier, vendor, customer or client of the Company listed on Schedule 4.20, except for such occurrences in the ordinary course of business which, individually or in the aggregate, have not had or would not reasonably be expected to have a Material Adverse Effect. To the Knowledge of the Company there exists no threatened termination or cancellation of, or any modification in, or any dissatisfaction with, or adverse change in, the business relationship of the Company with any material supplier, vendor, customer or client of the Company.

4.21. Environmental Matters. Except as set forth on Schedule 4.21, (i) The Company is in compliance in all material respects with all applicable Environmental Laws and possesses and is in compliance in all material respects with all permits, licenses, authorizations, certifications and registrations required under Environmental Law; (ii) all real property currently or formerly owned, leased or operated by the Company, or any its predecessors, are free of any Hazardous Substances constituting a material violation of, or likely to give rise to material liability under Environmental Laws; (iii) there have been no releases of Hazardous Substances at, under, about or migrating to or from, any real property currently or formerly owned, leased or operated by the Company, or any its predecessors, requiring investigation, remediation or other response action pursuant to Environmental Law; (iv) the Company is not the subject of any pending, or to the Knowledge of the Company, threatened, claims, notices, actions, suits, hearings, investigations, inquiries, or proceedings alleging a violation of, or liability under, Environmental Law; (v) to the Knowledge of the Company, there are no past or present conditions, events, facts or circumstances that may interfere with or prevent continued compliance by the Company with Environmental Laws or that may cause the Company to incur liability or other obligations under any Environmental Laws; and (vi) the Shareholders have delivered to Buyer true and complete copies and results of any written reports, studies, analyses, tests, or monitoring possessed by the Shareholders or the Company pertaining to any releases of Hazardous Substances at, under, about or migrating to or from, any real property currently or formerly owned, leased or operated by the Company, or any of its predecessors, or concerning

compliance by the Company with Environmental Laws.

4.22. Power of Attorney. None of the Shareholders or the Company has given any irrevocable power of attorney (other than such powers of attorney given in the ordinary course of business with respect to routine matters or as may be necessary or desirable in connection with the transactions contemplated hereby) to any Person for any purpose whatsoever with respect to the Company.

4.23. Product Warranty and Product Liability. There is no notice, demand, claim, action, suit, inquiry, hearing, proceeding, notice of violation or investigation from, by or before any Governmental Entity relating to any product, including the packaging and advertising related thereto, designed, formulated, manufactured, processed, sold, distributed or placed in the stream of commerce by the Company (a "Product"), or claim or lawsuit involving a Product which is, to the Knowledge of the Company, pending or threatened in writing, by any Person which is reasonably likely to result in any material liability to the Company. There has not been, nor is there under consideration by the Company, any Product recall or post-sale warning conducted by or on behalf of the Company concerning any Product. To the Knowledge of the Company, all Products, comply in all material respects with applicable specifications, government safety standards and Laws, and are substantially free from contamination, deficiencies or defects.

4.24. Purchase and Sale Agreements. No claims for indemnification under any prior purchase and sale agreements to which the Company is a party, have been made by or against the Company in the last five (5) years, or are pending or threatened by the Company and, no claims for indemnification have been made in the last five (5) years, or to the Knowledge of the Company are pending or threatened, by any counterparties thereto.

4.25. Escheat Property. The Company has no Liabilities under any applicable Laws pertaining to abandoned property, escheat or other similar Laws with respect to return of fees, outstanding payables, unclaimed checks or other similar matters.

ARTICLE V

Representations and Warranties of Buyer

Buyer represents and warrants to the Shareholders, as follows:

5.1. Organization. Buyer is a corporation duly organized, validly existing, and in good standing under the Laws of the State of Delaware.

5.2. Authorization of Transaction. (a) Buyer has full power and authority to execute and deliver this Agreement and each Ancillary Document to which it is a party and to perform its obligations hereunder and thereunder, and the execution, delivery and performance by Buyer of this Agreement and the Ancillary Documents to which it is a party have been duly authorized by all necessary corporate action on the part of Buyer.

(b) This Agreement and each Ancillary Document to which Buyer is a party constitute, or upon execution will constitute, a valid and legally binding obligation of Buyer enforceable against it in accordance with their respective terms, except as limited by bankruptcy,

insolvency, fraudulent conveyance, reorganization, moratorium or similar Laws affecting the enforcement of creditors' rights.

5.3. No Conflicts. With the exception of any filing required under the HSR Act, if any, the execution and delivery of this Agreement and the Ancillary Documents to which Buyer is a party and the consummation of the transactions contemplated hereby and thereby do not require Buyer to give any notice to, make any filing with, or obtain any authorization, consent, or approval of, any Person other than such notices, filings, authorization, consents and approvals the failure of which to be given, made or obtained would not, individually or in the aggregate, have a material adverse effect on the ability of Buyer to consummate the transactions contemplated hereby (it being understood that in making the foregoing representation and warranty, Buyer is relying on the accuracy of the representations and warranties of the Shareholders contained in Sections 3.2 and 4.6).

5.4. Financing. At the Closing Buyer will have cash in an amount sufficient to consummate the transactions contemplated by this Agreement.

ARTICLE VI

Covenants

6.1. Reasonable Efforts; Notification. (a) If the Estimated Purchase Price delivered to Buyer in accordance with Section 2.3(a) is greater than $57,000,000 (which Estimated Purchase Price shall be reasonably agreed to by Buyer), then as soon as practicable, and in any event no later than five (5) Business Days after receipt of such calculation by Buyer, each of the Parties hereto shall file any Notification and Report Forms and related material required to be filed by it with the Federal Trade Commission and the Antitrust Division of the United States Department of Justice under the HSR Act with respect to transactions contemplated hereby and shall promptly make any further filings pursuant thereto that may be necessary, proper or advisable. If a filing is required pursuant to this Section 6.1(a), the Closing will not occur hereunder until the expiration or termination of all applicable waiting periods (and any extensions thereof) under the HSR Act and the Termination Date shall be extended for up to sixty (60) days to enable the Parties to comply with the requirements of the HSR Act.

(b) Each Party shall furnish to the other Parties all information required or reasonably necessary for any application or other filing to be made pursuant to any applicable Law in connection with the transactions contemplated by this Agreement. Each Party shall promptly inform the other Party of any communication with any Governmental Entity regarding any such filings. Each of the Parties shall use reasonable efforts to resolve such objections, if any, as may be asserted by any Governmental Entity with respect to the transactions contemplated by this Agreement under any applicable Laws. Notwithstanding the foregoing, nothing in this Agreement shall be deemed to require Buyer or any of its Affiliates to enter into any agreement with any Governmental Entity or to consent to any Order requiring Buyer or any of its Affiliates to hold separate or divest, or to restrict the dominion or control of, any of its assets or businesses or any of the stock, assets or business of Buyer, the Company or any of Buyer's Affiliates.

(c) Each of the Parties shall use reasonable efforts to take, or cause to be taken, all

actions, and to do, or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement and the Ancillary Documents, including (i) the giving of all other notices to, the making of all other filings with, and the obtaining of all other authorizations, consents and approvals from, Governmental Entities and other Persons, (ii) the obtaining of any third party consents, Debt pay-off letters, lease amendments and other agreements and documents required to satisfy the conditions set forth in Article VII of this Agreement, and (iii) the execution and delivery of any additional documents that may be necessary or desirable to consummate the transactions contemplated by, and to fully carry out the purposes of, this Agreement and the Ancillary Documents.

(d) The Company and the Shareholders shall keep Buyer informed, on a current basis, of any events, discussions, notices or changes with respect to any criminal or regulatory investigation or action involving the Company or any of the Shareholders (to the extent relating to the Company), so that Buyer and its Affiliates will have the opportunity to take appropriate steps to avoid or mitigate any regulatory consequences to them that might arise from such investigation or action.

6.2. Conduct of the Business. During the period from the date of this Agreement to the Closing, the Company shall and the Shareholders shall cause the Company to (a) conduct its operations in the ordinary course and in a manner consistent with prior practice; (b) use reasonable efforts to maintain and preserve its business organization and to retain the services of their officers and key employees and maintain relationships with customers, clients and other third parties to the end that their goodwill and ongoing business shall not be impaired; (c) maintain its assets in good working order; and (d) comply in all material respects with all applicable Laws. Without limiting the generality of the foregoing, during the period from the date of this Agreement to the Closing, the Company shall not and the Shareholders shall cause the Company to not, except as otherwise expressly contemplated by this Agreement or as set forth in Schedule 6.2, without the prior written consent of Buyer:

(i) do or effect any of the following actions with respect to securities of the Company: (A) adjust, split, combine or reclassify its capital stock, (B) grant (whether or not for consideration) any Person any option or other right to acquire any shares of capital stock or other securities of the Company, (C) issue (whether or not for consideration) any shares of capital stock or other securities, or (D) enter into any Company Contract with respect to the sale, voting, registration or repurchase of the capital stock of the Company;

(ii) other than with respect to the distribution of the Excluded Assets as provided in Section 6.11, declare or pay any non-cash dividend or make any non-cash distribution in respect of, or repurchase or redeem, any shares of capital stock, except that the Company shall be permitted to make cash distributions to Shareholders and key employees of the Company, at any time prior to the close of business on the day preceding the Closing Date so long as any such distributions are reflected in the Purchase Price;

(iii) directly or indirectly sell, transfer, pledge, otherwise create any Encumbrance on or otherwise dispose of any of the assets of the Company, except for sale of products and services in the ordinary course of business, and the distribution of the Excluded Assets as provided in Section 6.11;

(iv) amend its certificate of incorporation or bylaws;

(v) merge or consolidate with any other Person;

(vi) acquire assets (other than purchases of supplies in the ordinary course of business in a manner consistent with past practice) or capital stock or other securities of any other Person;

(vii) incur, create, assume or otherwise become liable for any Debt or assume, guarantee, endorse or otherwise, as an accommodation, become responsible or liable for the obligations of any other Person other than in the ordinary course of business, except that the Company may incur Debt required for payments to be made to certain key employees of the Company set forth on Schedule 6.2(vii), so long as all such Debt and payments are reflected in the Purchase Price;

(viii) enter into or modify any employment, severance, stay-pay, termination or similar Company Contracts with, or grant any bonuses, salary increases, severance or termination pay to, any Employee, or otherwise increase the compensation or benefits provided to any Employee, except as may be required by applicable Law;

(ix) enter into or adopt any new employee benefit plan, program or other similar Company Contract or amend any Benefit Plan except as may be required by applicable Law;

(x) make or change any election, change an annual accounting period, adopt or change any accounting method, file any Tax Return including any amended Tax Return, enter into any closing agreement, settle any Tax claim or assessment relating to the Company, surrender any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment relating to the Company, or take any other similar action relating to the filing of any Tax Return or the payment of any Tax, if such election, adoption, change, amendment, agreement, settlement, surrender, consent or other action would have the effect of increasing the Tax liability of the Company for any period ending after the Closing Date or decreasing any Tax attribute of the Company existing on the Closing Date;

(xi) amend or terminate, or waive, release or assign any rights or claims with respect to, any Company Contract or Permit other than in the ordinary course of business consistent with past practices which, individually or in the aggregate, has not had or would not reasonably be expected to have a Material Adverse Effect;

(xii) enter into any confidentiality, standstill or non-compete Company Contracts under which the Company is the obligor, or modify or waive any of their rights under any existing confidentiality, standstill or non-compete Company Contract under which the Company is the beneficiary;

(xiii) incur or commit to any capital expenditures, except for the purchase of assets as set forth on Schedule 6.2(xiii);

(xiv) accelerate collection of accounts receivable, delay payment of accounts payable, or change cash balances of the Company from the collection, payment, and cash management policies of the Company in the ordinary course of business consistent with past practices;

(xv) enter into, amend, terminate or waive any provision of any Contract with any Related Party or enter into any new transaction with any Related Party;

(xvi) take any action that would result in any of the representations and warranties set forth in Article IV becoming false or inaccurate in any material respect, except as may be required by applicable Laws;

(xvii) enter into or amend in any respect any labor or collective bargaining agreement or, through negotiation or otherwise, make any commitment to incur any liability to any labor organization;

(xviii) enter into, terminate, renew, modify or amend any Contract, other than in the ordinary course of business, and in each case involving amounts in excess of $25,000; or

(xix) agree to take any of the foregoing actions.

6.3. Access. During the period from the date hereof to the Closing, the Shareholders shall cause the Company to (i) permit Buyer and its representatives and financing sources of Buyer to have full access at all reasonable times to the Company's premises, books, records, Company Contracts, documents, division, store and branch managers and cause the Company's independent accountants to give Buyer reasonable access to its accountants' work papers, including without limitation reasonable access to enable Buyer to perform environmental site assessments at such places of business of the Company as Buyer requests, (ii) furnish to Buyer and its representatives and financing sources such financial and operating data and other information as such Persons may reasonably request, (iii) instruct its employees, directors, counsel and financial advisors to cooperate with Buyer in its investigation of the business of the Company and (iv) cooperate to provide reasonable access to customers and suppliers, provided, that with respect to access to customers only, such access must be (x) approved by Michael J. Cetro or a division manager of the Company and (y) in instances of direct communication or contact, Michael J. Cetro or a division manager of the Company must be present electronically or in person. No investigation pursuant to this Section 6.3 shall affect any representation or warranty in this Agreement of any Party or any condition to the obligations of the Parties. All information provided pursuant to this Section 6.3 shall be subject to the Confidentiality

Agreement, dated January 19, 2007, between the Company and McJunkin Corporation.

6.4. Notification of Certain Matters. During the period from the date hereof to the Closing, the Shareholders shall give prompt notice to Buyer, and Buyer shall give prompt notice to the Representative, of (i) the occurrence or nonoccurrence of any event which would cause any representation or warranty by the Company or the Shareholders, or by Buyer, as applicable, contained in this Agreement to be untrue or inaccurate in any material respect at or prior to the Closing Date, and (ii) any material failure by the Company or any of the Shareholders, or by Buyer, as applicable, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by them hereunder; provided, however, that the delivery of any notice pursuant to this Section 6.4 shall not limit or otherwise affect the remedies available hereunder to the Party to which such notice is given.

6.5. Certain Shareholder Restrictions. From the date of this Agreement to the Closing Date, each of the Shareholders agrees it shall not (a) sell, transfer, encumber, assign or otherwise dispose of, or enter into any Contract with respect to the sale, transfer, encumbrance, assignment or other disposition of, any of the Company Stock, or (b) take any action, or omit to take any action, which would have the effect of preventing or disabling such Shareholder from delivering such Shareholder's Company Stock to Buyer at the Closing free and clear of any Encumbrances or otherwise performing such Shareholder's obligations under this Agreement.

6.6. Shareholder Non-Compete and other Agreements. At or prior to the Closing, the Company and each Person listed on Schedule 6.6 shall enter into a Non-Compete and Non-Solicitation Agreement in the form attached hereto as Exhibit C (each, a "Non-Compete Agreement").

6.7. Shareholders' Post-Closing Confidentiality Obligation. Each Shareholder acknowledges that (i) during the course of its affiliation with the Company, it has produced and had access to Confidential Information, and (ii) the unauthorized use or disclosure of any Confidential Information at any time would constitute unfair competition with Buyer and would deprive Buyer of the benefits of this Agreement and the transactions contemplated by this Agreement. Each Shareholder agrees that it will hold in confidence the Confidential Information and will not, directly or indirectly, disclose, publish, or otherwise make available any of the Confidential Information to the public or to any Person or use any of the Confidential Information for its own benefit or for the benefit of any other Person, other than Buyer and its Affiliates; provided, however, that such Shareholder may disclose Confidential Information if, but only to the extent, required to do so by Law; provided, however, that in such case, such Shareholder shall provide Buyer with prior written notice thereof so that Buyer may seek an appropriate protective order or other appropriate remedy, and such Shareholder shall cooperate with the Company in connection therewith; and provided, further, that, in the event that a protective order or other remedy is not obtained, such Shareholder shall furnish only that portion of such information which, in the opinion of its counsel, such Shareholder is legally compelled to disclose and shall exercise commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded any such information so disclosed. Each Shareholder acknowledges that, Buyer shall, without prejudice to any rights to judicial relief it may otherwise have, shall be entitled to seek equitable relief, including injunctive relief, in the event of any breach of this Section 6.7 and that such Shareholder will not resist such application for relief on the basis that Buyer has an

adequate remedy at law.

6.8. Release of Claims by Shareholders. Effective upon the Closing, each of the Shareholders, on such Shareholder's own behalf and on behalf of such Shareholder's heirs, executors, administrators, legal representatives, successors and assigns, hereby irrevocably releases, acquits, and forever discharges the Company and each of its present or former officers, directors, agents, employees, employee benefit plans (and the fiduciaries thereof) and other Affiliates, in each case, in their capacity as such, and the successors and assigns of any of the foregoing (each, a "Released Party"), from any and all claims, actions, causes of action, suits, rights, debts, agreements, damages, injuries, losses, costs, expenses, (including legal fees) and demands whatsoever and all consequences thereof, of every nature or description, whether known or unknown, suspected or unsuspected, foreseen or unforeseen, actual or potential, whether existing as of the Closing or arising thereafter, that any of the Shareholders ever had, now has or may in the future have against any of the Released Parties, in law or in equity, as a result of any act, transaction, agreement, event or omission, occurring or committed from the beginning of time to the Closing (the "Released Claims"). Notwithstanding the foregoing, the following shall not constitute a Released Claim: (y) any obligation by Buyer or the Company to be performed after the Closing pursuant to this Agreement or any of the Ancillary Documents; and (z) any amounts owing under any Benefit Plan disclosed on Schedule 4.17(a)(i).

6.9. Taxes. (a) Buyer shall prepare or cause to be prepared and timely file or cause to be timely filed all Tax Returns for the Company for any Tax period that ends on or before the Closing Date (a "Pre-Closing Period") that are due (taking into account extensions) after the Closing Date. All such Pre-Closing Period Tax Returns shall be prepared on a basis consistent with the past practices of the Company, unless otherwise required by Law (as reasonably determined by Buyer). The Shareholders shall be jointly and severally responsible for the timely payment of all Taxes due on such Pre-Closing Period Tax Returns, except to the extent that the liability for such Taxes is reflected in the Final Statement of Purchase Price. Buyer shall provide the Representative copies of all Pre-Closing Period Tax Returns at least 15 days before filing for the Representative's review and comment. The Representative shall have ten days to comment on each such Tax Return described in this Section 6.9(a). If the Representative delivers written comments to Buyer within the applicable ten-day period, Buyer shall consider such written comments in good faith, and Buyer and the Representative shall negotiate in good faith in order to resolve any material disputes with respect to such Tax Return.

(b) Buyer shall prepare or cause to be prepared and timely file or cause to be timely filed any Tax Returns of the Company for taxable periods beginning on or before and ending after the Closing (a "Straddle Period"). All such Straddle Period Tax Returns shall be prepared on a basis consistent with the past practices of the Company, unless otherwise required by Law (as reasonably determined by Buyer). The Shareholders shall be jointly and severally responsible for the timely payment of the Taxes attributable to the portion of the Straddle Period ending on the Closing Date, determined under the principles of Section 6.9(c), except to the extent that the liability for such Taxes is reflected in the Final Statement of Purchase Price. Buyer shall provide the Representative with copies of the portions of such Tax Returns that relate to the portion of the Straddle Period ending on the Closing Date at least 15 days before filing for the Representative's review and comment. The Representative shall have ten days to comment on each such portion of such Tax Return described in this Section 6.9(b). If the

Representative delivers written comments to Buyer within the applicable ten-day period, Buyer shall consider such written comments in good faith, and Buyer and the Representative shall negotiate in good faith in order to resolve any material disputes with respect to such Tax Return.

(c) For purposes of determining the liability of the Shareholders for Taxes with respect to a Straddle Period under Section 6.9(b) and Section 6.9(g), the following rules of apportionment shall apply: (i) real and personal property Taxes for the taxable period that includes the Closing Date shall be prorated between the Shareholders and Buyer, with such Taxes being borne by the Shareholders based on the ratio of the number of days in the relevant period prior to and including the Closing Date to the total number of days in the actual taxable period with respect to which such Taxes are assessed, and being borne by Buyer based on the ratio of the number of days in the relevant period after the Closing Date to the total number of days in the actual taxable period with respect to which such Taxes are assessed, irrespective of when such Taxes are due, become a lien or are assessed; (ii) sales and use Tax shall be deemed to accrue as property is purchased, sold, used, or transferred; and (iii) all other Taxes shall accrue in accordance with GAAP, except for income Tax or Tax measured by receipts, which shall accrue by way of a closing of books, as though the relevant taxable period had ended on the Closing Date.

(d) Buyer and the Representative agree, upon request, to use their reasonable efforts to obtain any certificate or other document from any Governmental Entity or any other person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including, but not limited to with respect to the transactions contemplated by this Agreement).

(e) The Parties shall reasonably cooperate with each other in a timely manner in the preparation and filing of any Tax Returns, the payment of any Taxes in accordance with this Agreement, and the conduct of any Tax audit or other Tax proceeding. Each Party shall execute and deliver such powers of attorney and make available such other documents as are reasonably necessary to carry out the intent of this Section 6.9.

(f) The Company shall retain copies of all reports, returns or records relating to Pre-Closing Periods and Straddle Periods (including, without limitation, supporting schedules and data). At the request and the expense of the Representative, the Company shall deliver to the Representative a copy of any and all such reports, returns or records. No such reports, returns or records shall be destroyed without first advising the Representative, identifying such reports, returns or records and giving the Representative, at least 30 days' notice to obtain possession thereof.

(g) Each Significant Shareholder shall jointly and severally indemnify and each Non-Significant Shareholder shall severally but not jointly indemnify, defend and hold harmless the Buyer Indemnitees from and against any Losses attributable to (i) all liabilities for Taxes (including for the non-payment thereof) of the Company for all Tax periods ending on or before the Closing Date and the portion of the Straddle Period attributable to the Shareholders under the principles of Section 6.9(c) above, except to the extent that the liability for such Taxes is reflected in the Final Statement of Purchase Price, (ii) all Taxes arising from, attributable to, or related to the Excluded Assets and the Company's distribution thereof, except to the extent that the liability for such Taxes is reflected in the Final Statement of Purchase Price, (iii) all Taxes of

any member of an affiliated, consolidated, combined or unitary group of which the Company (or any predecessor of the Company) is or was a member on or prior to the Closing Date, including pursuant to Treasury Regulation Section 1.1502-6 or any analogous or similar state, local, or foreign law or regulation, and (iv) any and all liabilities for Taxes of any Person imposed on the Company as a transferee or successor, by Contract or pursuant to any Law, which relates to an event or transaction occurring before the Closing. The Shareholders shall pay Buyer for any amounts which are the responsibility of the Shareholders pursuant to this Section 6.9(g) by the later of (i) five days prior to payment of such amount by Buyer or the Company, and (ii) within five days after Buyer makes written demand upon the Representative.

(h) Buyer, on the one hand, and the Representative, on the other hand, shall (i) use reasonable efforts to keep the other advised as to the status of Tax audits or other Litigation involving any Tax relating to a Pre-Closing Period that could give rise to a liability of the Shareholders to Buyer under this Agreement (a "Tax Liability Issue"), (ii) promptly furnish to the other copies of any inquiries or requests for information from any Tax authority concerning any Tax Liability Issue, (iii) timely notify the other regarding any proposed written communication to any such Tax authority with respect to such Tax Liability Issue, (iv) promptly furnish to the other upon receipt copies of any information or document requests, notices of proposed adjustment, revenue agent's reports or similar reports or notices of deficiencies together with all relevant documents and Tax Returns related to the foregoing documents, notices or reports, relating to any Tax Liability Issue, (v) give the other and its or their accountants and counsel the reasonable opportunity to review and comment in advance on all written submissions, filings and any other information relevant to any Tax Liability Issue, and (vi) consider in good faith any suggestions made by the other and its or their accountants and counsel to submit documentation or attend those portions of any meetings and proceedings that relate to such proposed adjustment; provided, however, that the failure of one party to so notify the other party of any such audit or Tax controversy shall not affect the other party's obligations under this Agreement. Notwithstanding the foregoing, the parties may make appropriate redactions in the submissions, filings and any other information provided to the other to preserve the confidentiality of such information as to issues that are not Tax Liability Issues.

(i) Subject to Section 6.9(h), Buyer shall have full responsibility for and discretion in handling, in good faith, any Tax controversy relating to a Pre-Closing Period or Straddle Period, including, without limitation, an audit, a protest to the appeals division of the Internal Revenue Service, and any Litigation in United States Tax Court or any other court of competent jurisdiction involving the Company (a "Pre-Closing Proceeding"), provided, in the case of a Pre-Closing Proceeding relating solely to a Pre-Closing Period, the Representative may elect to assume the defense of such Pre-Closing Proceeding by giving Buyer written notice of such election within five Business Days of the Representatives' receipt of notice of such claim. If the Representative assumes the defense of such Pre-Closing Proceeding relating solely to a Pre-Closing Period, the Representative shall do so at the Shareholders' sole cost and expense, through legal counsel reasonably acceptable to Buyer, and Buyer shall nonetheless have the right to participate in the defense or settlement of such Pre-Closing Proceeding, at its sole cost and expense, through its own legal counsel. In the event that the Representative assumes the defense or prosecution of a Pre-Closing Proceeding, Representative shall not settle or compromise a claim or consent to the entry of any judgment without the prior written consent of Buyer, which consent shall not be unreasonably withheld or delayed.

(j) Any Tax refunds that are received by Buyer or the Company, and any amounts credited against Taxes to which Buyer or the Company become entitled, that relate to a Pre-Closing Period and were not reflected in the calculation of the Final Statement of Purchase Price (excluding, for these purposes, any Tax refund to the extent such refund results from a carry back of a net operating loss, credit or similar item arising in a taxable period (or portion thereof) beginning after the Closing Date) shall be for the account of the Shareholders, and Buyer shall pay over to the Shareholders any such refund or the amount of any such credit, in each case, net of any Tax or other cost to the Company resulting from the receipt of such refund or application of such credit, within ten days after (x) the receipt of any such refund or (y) the application of such credit against a Tax, as applicable. Notwithstanding the foregoing, in the event any redetermination by any Governmental Entity reduces any refund or credit described in the first sentence of this Section 6.9(j) for which Buyer made a payment to the Shareholders under the first sentence of this Section 6.9(j), the Shareholders shall promptly pay to Buyer the amount of such reduction together with any interest due thereon.

(k) All Tax sharing agreements or similar agreements with respect to or involving the Company shall be terminated as of the Closing Date and, after the Closing Date, the Company shall not be bound thereby or have any liability thereunder.

6.10. Director Resignations. The Shareholders shall cause the Company to deliver to Buyer, written letters of resignation, effective on or prior to the Closing, of each of the directors and officers of the Company listed on Schedule 6.10.

6.11. Distribution of Assets. On or prior to the Closing Date, (a) the Shareholders shall cause the Company to distribute the certain assets of the Company identified in Schedule 6.11 (the "Excluded Assets") in the manner described in Schedule 6.11, and (b) the acquiror of the Excluded Assets shall assume all liabilities with respect to any Debt or other obligations relating to the Excluded Assets and the Company shall have received releases of all Encumbrances, securing any such Debt, in form and substance satisfactory to Buyer.

6.12. Parachute Payments. As promptly as practicable after the execution of this Agreement and before the Closing Date, the Shareholders shall cause the Company to submit to the shareholders of the Company for approval in a manner which satisfies all applicable requirements of Section 280G(b)(5)(B) of the Code and the regulations thereunder including Q-7 of Section 1.280G-1 of such regulations, a written consent which, if approved, would cause no payment or benefit that has been, will or may be made by any Person to any individual to be characterized as an "excess parachute payment" within the meaning of Section 280G(b)(1) of the Code by reason of a "change in ownership," "change in effective control" or "change in the ownership of a substantial portion of the assets" of the Company occurring by reason of the transactions contemplated by this Agreement.

6.13. Severance Payments. At or prior to the Closing, the Company shall, and the Shareholders shall cause the Company to pay to John A. Selzer and Michael J. Cetro the amounts set forth in Section 6.1 of their respective employment agreements with the Company, each dated as of January 1, 2005 (the aggregate of such amounts, the "Severance Payments"), treating Mr. Selzer and Mr. Cetro for this purpose as though they terminated their employment immediately following the Closing pursuant to Section 5.4(e) of such employment agreements.

6.14. Termination of Midway-Tristate Corporation Employees' Savings Plan. The Company shall, and the Shareholders shall cause the Company to take all necessary and appropriate steps to terminate its Employees' Savings Plan (401(k) Plan) immediately prior to the Closing Date and contingent upon the Closing, including adoption of a duly authorized board resolution terminating such plan as of a date immediately prior to the Closing Date and contingent upon the Closing. Buyer shall cause a tax-qualified defined contribution plan established or maintained by Buyer (the "Buyer 401(k) Plan") to accept eligible rollover distributions (as defined in Section 402(c)(4) of the Code, including direct rollovers and loan rollovers) by employees continuing with Buyer and who become participants in the Buyer 401(k) Plan in respect of account balances distributed to them on, as of or after the Closing Date by the Company's 401(k) Plan. The 401(k) Plan termination and any resulting distributions and rollovers, as described herein, shall comply with applicable Laws, the terms of the Company's 401(k) Plan and Buyer 401(k) Plan and the Company and Buyer shall make all filings and take any actions required of such party by applicable Laws in connection therewith.

6.15. Norton Arrangement. At such time as Midway Structural Pipe and Supply, Inc., a Michigan corporation, TPJ Properties, L.L.C., a Michigan limited liability company, Jack Adams and Thomas W. Norton, or any of their Related Parties or Affiliates (the "MSP Parties") acquire any Excluded Assets, whether prior to or following the Closing, the Company will enter into a revocable license agreement and non-compete agreement (the "Norton Agreement") with the MSP Parties, in the form attached hereto as Exhibit D. The Company shall not, and the Shareholders shall cause the Company not to directly or indirectly, transfer the Excluded Assets to any of the MSP Parties unless such MSP Parties have entered into the Norton Agreement.

6.16. Escrow Agreement; Debt Pay-Off Letters. On or prior to the Closing, the Shareholders shall cause the Representative to execute and deliver the Escrow Agreement. Prior to the Closing, the Company shall, and the Significant Shareholders shall cause the Company to, use commercially reasonable efforts to obtain the letters contemplated by Section 7.3(i) and to deliver all notices required to obtain such letters.

6.17. Settlement Agreement Waiver and Release. (a) On or prior to the Closing, the Shareholders shall cause the Company to use its commercially reasonable efforts to obtain an executed waiver and release substantially in the form set forth on Exhibit E hereto (a "Settlement Agreement Waiver and Release") from each of the counterparties to the Settlement Agreement (which for the avoidance of doubt shall include, United States Small Business Administration as Receiver of Sterling/Carl Marks Capital Inc. and CMNY Capital II, LP).

(b) If, as a result of the consummation of the transactions contemplated hereby, any amounts become payable by the Company pursuant to the Settlement Agreement, such amounts shall be paid by the Shareholders.

ARTICLE VII

Conditions to Closing

7.1. Conditions to Each Party's Obligations. The respective obligations of the Shareholders and Buyer to consummate the transactions contemplated by this Agreement are

subject to the satisfaction or, to the extent permitted by applicable Law, the waiver at or prior to the Closing of each of the following conditions:

(a) No Injunction; etc. No temporary restraining order, preliminary or permanent injunction or other Order by any Governmental Entity preventing the consummation of the transactions contemplated by this Agreement shall have been issued and be continuing in effect, and no provision of any applicable Law shall prohibit the consummation of the transactions contemplated by this Agreement.

(b) Escrow Agreement. The Escrow Agreement shall have been executed and delivered by the Representative (on behalf of the Shareholders), Buyer and the Escrow Agent.

(c) HSR Waiting Period. If the Parties are required to make a filing under the HSR Act pursuant to Section 6.1(a) hereof, all applicable waiting periods (and any extensions thereof) under the HSR Act shall have expired or otherwise been terminated.

7.2. Conditions to the Obligations of the Shareholders. The obligations of each Shareholder to consummate the transactions contemplated by this Agreement are further subject to the satisfaction or, to the extent permitted by applicable Law, the waiver by the Representative at or prior to the Closing of each of the following conditions:

(a) Performance of Obligations by Buyer. Buyer shall have performed in all material respects each of its agreements and covenants contained in or contemplated by this Agreement that are required to be performed by it at or prior to the Closing pursuant to the terms hereof.

(b) Representations and Warranties. The representations and warranties of Buyer contained in Article V shall be true and correct (determined for purposes of this Section 7.2(b) without giving effect to any materiality or material adverse effect qualifiers contained therein) as of the Closing, with the same effect as though made as of the Closing (provided that any representations and warranties made as of a specified date shall be required only to continue at the Closing to be true and correct as of such specified date), except to the extent that any failures of the representations and warranties to be true and correct would not, individually or in the aggregate, have a material adverse effect on the ability of Buyer to consummate the transactions contemplated by this Agreement.

(c) Closing Certificate. The Representative shall have received a certificate of Buyer, dated the Closing Date, to the effect that the conditions set forth in Sections 7.2(a) and (b) have been satisfied.

7.3. Conditions to the Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement are further subject to the satisfaction or, to the extent permitted by applicable Law, the waiver by Buyer at or prior to the Closing of each of the following conditions:

(a) Performance of Obligations of the Shareholders and the Company. Except for the covenants contained (i) in Section 6.13 (Severance Payments), 6.14 (Termination of Midway-Tristate Corporation Employees' Savings Plan), 6.16 (Escrow Agreement; Debt Pay-Off Letters), and 6.17(b) (Settlement Agreement Payments) which shall have been performed in all

respects by the Shareholders and the Company at or prior to the Closing and (ii) in Section 6.2(i), (ii) and (vii) (Conduct of the Business) which shall not have been breached in any respect by any Shareholder or the Company, each Shareholder and the Company shall have performed in all material respects each of their respective agreements and covenants contained in or contemplated by this Agreement that are required to be performed by them at or prior to the Closing pursuant to the terms hereof.

(b) Representations and Warranties. (i) The representations and warranties of the Shareholders contained in Article III and of the Significant Shareholders and the Company contained in Article IV (other than those in Sections 3.1 (Ownership; Authorization of Transaction), 4.1 (Authorization of Transaction), 4.3 (Capitalization; Debt), 4.4 (Brokers' Fees), 4.5 (Subsidiaries and Investments) and 4.14 (Related Party Transactions)) shall be true and correct (determined for purposes of this Section 7.3(b) without giving effect to any materiality or Material Adverse Effect qualifiers contained therein) as of the Closing, with the same effect as though made as of the Closing (provided that any representations and warranties made as of a specified date shall be required only to continue at the Closing to be true and correct as of such specified date), except to the extent that any failures of such representations and warranties to be true and correct, individually or in the aggregate, has not had or would not reasonably be expected to have a Material Adverse Effect, and (ii) the representations and warranties of the Shareholders contained in Article III and the representations and warranties of the Shareholders and/or the Significant Shareholders, as the case may be, and the Company contained in Sections 3.1 (Ownership; Authorization of Transaction), 4.1 (Authorization of Transaction), 4.3 (Capitalization; Debt), 4.4 (Brokers' Fees), 4.5 (Subsidiaries and Investments) and 4.14 (Related Party Transactions) shall be true and correct in all respects as of the Closing.

(c) Closing Certificate. Buyer shall have received a certificate from the Representative on behalf of the Shareholders, dated the Closing Date, to the effect that the conditions set forth in Sections 7.3(a), (b), (e), (f), and (h) have been satisfied.

(d) Stock Certificates. The Shareholders shall have tendered for delivery to Buyer share certificates representing all of the Outstanding Shares free and clear of any Encumbrance, duly endorsed in blank by each Shareholder, or accompanied by appropriate stock powers, in proper form for transfer.

(e) No Litigation. There shall not be pending or threatened any Litigation seeking to restrain or prohibit the consummation of, or otherwise challenging, any of the transactions contemplated by this Agreement.

(f) Filings; Consents; Good Standing. (i) All filings required to be made with, and all authorizations, consents or approvals required to be obtained from, any Governmental Entity or other Person in connection with the transactions contemplated by this Agreement shall have been made or obtained, as applicable, other than those filings, authorizations, consents or approvals the failure of which to have been made or obtained, as applicable, shall not have a Material Adverse Effect, (ii) the Company shall have obtained and delivered to Buyer, in form and substance reasonably satisfactory to Buyer, all consents and approvals specified on Schedule 7.3(f), and (iii) the Company shall have delivered to Buyer a certificate of good standing of the Company issued no earlier than five (5) days prior to the Closing by the Secretary of the State of

New York.

(g) Non-Compete Agreements. (i) The Company and each Person listed on Schedule 6.6 shall have executed and delivered a Non-Compete Agreement, and each Non-Compete Agreement shall be in full force and effect and (ii) if any of the MSP Parties has acquired any Excluded Assets on or prior to the Closing Date, the Company, and such MSP Parties who acquired the Excluded Assets, shall have executed and delivered the Norton Agreement, and the Norton Agreement shall be in full force and effect.

(h) Material Adverse Effect. No event, development, circumstance or occurrence shall have occurred, that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.

(i) Pay-Off Letters. The Company shall have received pay-off letters, in a form and substance reasonably satisfactory to Buyer, from holders of all Debt of the Company together with all necessary documentation required to release any Encumbrances securing repayment of any such Debt.

(j) Withholding Certificate. Buyer shall have received a certificate, in form and substance reasonably satisfactory to Buyer, conforming to the requirements of Treasury Regulation Sections 1.1445-2(c)(3) and 1.897-2(h).

(k) Transactions with Affiliates. The Company and the Shareholders shall have taken all actions necessary in order to terminate (i) any Contracts or other arrangements between the Company and any Related Parties and (ii) each agreement specified on Schedule 7.3(k), and shall have provided Buyer with written evidence, reasonably satisfactory to Buyer of such termination, and the Company shall have been released of all obligations thereunder without any additional cost, obligation, liability or loss to the Company.

(l) Concurrent Transaction. The Excluded Assets shall have been distributed in accordance with Section 6.11.

(m) Leased Real Property. The Contract set forth on Schedule 7.3(m) shall have been amended to extend the terms thereof substantially in accordance with the terms set forth on Schedule 7.3(m) and the rent payable with respect to such Contract shall be a market amount.

(n) Employment and Consulting Agreements. The Employment Agreement and the Consulting Agreements shall be in full force and effect.

ARTICLE VIII

Termination

8.1. Termination. Notwithstanding anything herein to the contrary, this Agreement may be terminated and the transactions contemplated by this Agreement may be abandoned at any time prior to the Closing:

(a) by the mutual written consent of the Representative and Buyer;

(b) (i) by Buyer, if (x) there shall have been a breach by the Company or the Shareholders of any of their representations, warranties, covenants or agreements contained in this Agreement, which breach would result in the failure to satisfy one or more of the conditions set forth in Section 7.1 or 7.3, and (y) such breach shall be incapable of being cured or, if capable of being cured, shall not have been cured within 30 days after written notice thereof shall have been given to the Representative, or (ii) by the Representative, if (x) there shall have been a breach by Buyer of any of its representations, warranties, covenants or agreements contained in this Agreement, which breach would result in the failure to satisfy one or more of the conditions set forth in Section 7.1 or 7.2, and (y) such breach shall be incapable of being cured or, if capable of being cured, shall not have been cured within 30 days after written notice thereof shall have been given to Buyer;

(c) Subject to Section 6.1(a), by Buyer or the Representative, if the transactions contemplated by this Agreement have not been consummated by June 30, 2007 (the "Termination Date"); provided, however, that the failure of the transactions contemplated by this Agreement to occur on or before such date is not the result of the breach of any covenants, agreements, representations or warranties hereunder of the Party (or the Shareholders or the Company in the case of the Representative) desiring to terminate this Agreement pursuant to this clause (c);

(d) The Party desiring to terminate this Agreement pursuant to clause (b) or (c) of this Section 8.1 shall, in the case of Buyer, give written notice of such termination to the Representative, and, in the case of the Representative, give written notice of such termination to Buyer.

8.2. Effect of Termination. If this Agreement is terminated pursuant to Section 8.1, this Agreement shall have no further force or effect; provided, that the agreements contained in the last sentence of Section 6.3 and Article X shall survive the termination hereof; and provided, further, that no such termination shall relieve any Party of liability for any breach or default under this Agreement occurring prior to such termination.

ARTICLE IX

Survival and Indemnification

9.1. Survival. (a) Except as set forth in Section 9.1(b), the representations and warranties contained in this Agreement or in any Ancillary Document, together with the associated rights of indemnification, shall survive the Closing hereunder and continue in full force and effect until the second anniversary of the Closing and shall thereupon expire, together with the associated rights of indemnification, except to the extent that a claim for breach thereof has been asserted in writing prior to such expiration (in which event the representation or warranty and the associated rights of indemnification shall survive with respect to such claim until such claim has been resolved). Each of the covenants and agreements contained herein or in any Ancillary Document shall survive the Closing and continue in full force and effect until performed in accordance with their terms. The indemnification obligation contained in Section 9.3(a)(G) shall survive the Closing hereunder and continue in full force and effect until the earlier of (x) April 3, 2008, or (y) delivery to Buyer of a duly executed Settlement Agreement Waiver

and Release from the United States Small Business Administration as Receiver of Sterling/Carl Marks Capital Inc. and from CMNY Capital II, LP, except to the extent that a claim pursuant to Section 9.3(a)(G) has been asserted in writing prior to such expiration (in which event such indemnification obligation shall survive with respect to such claim until such claim has been resolved).

(b) The representations and warranties contained in Sections 3.1 (Ownership; Authorization of Transaction), 4.1 (Authorization of Transaction), 4.3 (Capitalization; Debt), 4.4 (Brokers' Fees), 4.5 (Subsidiaries and Investments), 4.11 (Tax Matters), 4.14 (Related Party Transactions), 4.17(b) (ERISA Affiliates), 4.21 (Environmental Matters), 4.25 (Escheat Property) and 5.2 (Authorization of Transaction) shall survive the Closing hereunder and continue in full force and effect, together with the associated rights of indemnification, until 30 days after the expiration of any applicable statute of limitations and shall thereupon expire, together with the associated rights of indemnification, except to the extent that a claim for breach thereof has been asserted in writing prior to such expiration (in which event the representation or warranty and the associated rights of indemnification shall survive with respect to such claim until such claim has been resolved).

9.2. Indemnification by Buyer. From and after the Closing, Buyer shall indemnify, defend and hold harmless the Shareholders, their Affiliates, and the officers, directors, employees, agents, representatives, successors and any assigns of any of the foregoing (collectively, the "Shareholder Indemnitees") against all claims, losses, liabilities, damages (including consequential damages and lost profits), deficiencies, interest and penalties, costs and expenses, including, without limitation, losses resulting from the defense, settlement and/or compromise of a claim and/or demand and/or assessment, reasonable attorneys', accountants' and expert witnesses' fees, costs and expenses of investigation, and the costs and expenses of enforcing the indemnification provided hereunder (individually, a "Loss" and, collectively, "Losses") incurred by any of the Shareholder Indemnitees arising out of or relating to: (A) any breach of any representation or warranty made by Buyer in this Agreement or in any Ancillary Document, or (B) any breach of any covenant, agreement or obligation of Buyer contained in this Agreement or in any Ancillary Document.

9.3. Indemnification by Shareholders. (a) From and after the Closing, the Significant Shareholders shall, jointly and severally, indemnify, defend and hold harmless Buyer and its Affiliates, and the shareholders, members, officers, directors, partners, employees, agents, representatives, successors and assigns of any of the foregoing (collectively, the "Buyer Indemnitees") against all Losses incurred by any of the Buyer Indemnitees and arising out of or relating to: (A) any breach of any representation or warranty made by the Company and/or the Significant Shareholders in Article IV of this Agreement or in any Ancillary Document, (B) any breach of any covenant, agreement or obligation of any of the Shareholders contained in this Agreement or in any Ancillary Document, (C) any breach by the Company of any covenant, agreement or obligation contained in this Agreement or in any Ancillary Document and required to be performed or complied with by the Company on or prior to the Closing, (D) the Excluded Assets (including without limitation the holding and distribution thereof and obligations pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, with respect to former employees of the Company whose employment was terminated in connection with the distribution of the Excluded Assets), (E) activities, operations, conditions, facts or circumstances

existing or conducted prior to the Closing that cause, contribute to or give rise to (x) violations of Environmental Laws, or (y) the presence of Hazardous Materials on, at, under, about or migrating to or from, real property currently or formerly owned, leased or operated by the Company, (F) any actual or alleged personal injury or property damage arising from the exposure to any asbestos containing materials manufactured, used, distributed, supplied, or sold by the Company, any of its affiliates, or any of its predecessors in interest on or prior to the Closing, (G) the Settlement Agreement, or (H) the Asset Purchase Agreement, dated on or about November 21, 1997, between Continental Emsco Company and Oil Field Supply Co., Inc. in respect of the purchase by Oil Field Supply Company, Inc., at the time a wholly owned subsidiary of the Company, of three (3) store locations from Continental Emsco Company. With respect to any Losses arising out of or relating to (x) clauses (A) through (H), such Buyer Indemnitees shall be entitled to be reimbursed the amount of such Losses from the Escrow Account, and (y) clause (G), such Buyer Indemnitees shall be entitled to be reimbursed the amount of such Losses from the Settlement Agreement Indemnification Escrow Account. For the purposes of clauses (A) with respect to breaches of the representation and warranties set for in Section 4.21 and (E) of this Section 9.3(a), the term "Losses" shall further include any administrative or civil penalties, natural resources damages, environmental investigation, remediation or other response costs, medical or environmental monitoring, and sampling costs.

(b) From and after the Closing, each Shareholder shall, severally but not jointly, indemnify, defend and hold harmless the Buyer Indemnitees against all Losses incurred by any of the Buyer Indemnitees and arising out of or relating to: (A) any breach of any representation or warranty made by such Shareholder in Article III of this Agreement or in any Ancillary Document, or (B) any breach of any covenant, agreement or obligation of such Shareholder contained in this Agreement or in any Ancillary Document, and, in the case of each of (A) and (B), such Buyer Indemnitees shall be entitled to be reimbursed the amount of such Losses from the Escrow Account.

9.4. Limitations on Rights of Indemnitees. (a) Except as set forth below, the Shareholders shall not be required to indemnify the Buyer Indemnitees with respect to any claim for indemnification resulting from or arising out of matters described in Section 9.3(a)(A) and 9.3(b)(A) unless and until the aggregate amount of all such claims by the Buyer Indemnitees for such matters exceeds $250,000 (the "Deductible"), in which event the Buyer Indemnitees shall be entitled to recover such Losses resulting from or arising out of such matters, but only to the extent that the aggregate amount of such Losses exceed the Deductible; provided, however, that the foregoing limitation shall not apply to a claim for indemnification to the extent such claim is based upon a breach of any of the representations and warranties contained in Sections 3.1 (Ownership; Authorization of Transaction), 4.1 (Authorization of Transaction), 4.3 (Capitalization; Debt), 4.4 (Brokers' Fees), 4.5 (Subsidiaries and Investments), 4.11 (Tax Matters), 4.14 (Related Party Transactions), 4.17(b) (ERISA Affiliates), 4.21 (Environmental Matters), and 4.25 (Escheat Property) (collectively, the "Special Representations"), or fraud; and provided further, that the Shareholders' maximum liability to the Buyer Indemnitees under Section 9.3(a)(A), 9.3(a)(E), 9.3(a)(F) and 9.3(b)(A) shall not exceed $4,125,000 in the aggregate (the "Cap"), provided, however that the Cap shall not apply to claims in respect of breaches of any of the Special Representations or fraud. Except with respect to Losses arising out of fraud, the Shareholders' maximum liability to the Buyer Indemnitees under Section 9.3(a)(G) shall not exceed $13,125,000; provided that, except with respect to Losses arising out of fraud, the

Shareholders' maximum liability to the Buyer Indemnitees under Section 9.3(a)(G) shall be reduced by $4,500,000 upon delivery of a duly executed Settlement Agreement Waiver and Release from either the United States Small Business Administration as Receiver of Sterling/Carl Marks Capital Inc. or from CMNY Capital II, LP, and the indemnification obligation contained in Section 9.3(a)(G) shall terminate upon delivery of a second duly executed Settlement Agreement Waiver and Release from the other counterparty to the Settlement Agreement (either the United States Small Business Administration as Receiver of Sterling/Carl Marks Capital Inc. or CMNY Capital II, LP).

(b) Except with respect to Losses arising out of a breach of any of the Special Representations or fraud, with respect to Losses relating to any claims for indemnification resulting from or arising out of matters described in Section 9.3(a)(A), 9.3(a)(E), 9.3(a)(F) and 9.3(b)(A), the Buyer Indemnitees (x) will be entitled to recover no more than the amount of cash then available in the Escrow Account, and (y) will not be entitled to recover any such Losses from any source other than the Escrow Account.

(c) Except as set forth below, Buyer shall not be required to indemnify the Shareholder Indemnitees with respect to any claim for indemnification resulting from or arising out of matters described in Section 9.2(A) unless and until the aggregate amount of all such claims by the Shareholder Indemnitees for such matters exceeds the Deductible, in which event the Shareholder Indemnitees shall be entitled to recover such Losses resulting from or arising out of such matters, but only to the extent that the aggregate amount of such Losses exceed the Deductible; provided, however, that the foregoing limitation shall not apply to a claim for indemnification to the extent such claim is based upon a breach of Section 5.2 (Authorization of Transaction) or fraud; and provided further, that Buyer's maximum liability to the Shareholder Indemnitees under Section 9.2(A) shall not exceed the Cap, provided, however that the Cap shall not apply to claims in respect of breaches based upon Section 5.2 or fraud.

(d) Buyer and the Representative agree to prepare and sign joint written instructions that direct the Escrow Agent to distribute (i) $4,500,000 from the Settlement Agreement Indemnification Escrow Account upon the delivery to Buyer of a duly executed Settlement Agreement Waiver and Release from the United States Small Business Administration as Receiver of Sterling/Carl Marks Capital Inc. and (ii) $4,500,000 from the Settlement Agreement Indemnification Escrow Account upon the delivery to Buyer of a duly executed Settlement Agreement Waiver and Release from CMNY Capital II, LP.

9.5. Procedure. (a) If any third party shall notify any Party (the "Indemnitee") with respect to any matter (a "Third Party Claim") which may give rise to a claim for indemnification against any other Party (the "Indemnitor") under this Article IX, then the Indemnitee shall promptly notify the Indemnitor thereof in writing; provided, however, that no delay on the part of the Indemnitee in notifying the Indemnitor shall relieve the Indemnitor from any obligation hereunder except to the extent the Indemnitor is materially prejudiced thereby.

(b) The Indemnitor shall have the right, at its option, to assume the defense of any Third Party Claim with its own counsel, but only if the Indemnitor simultaneously confirms in writing that it will indemnify the Indemnitee for such Third Party Claim. If the Indemnitor elects to assume the defense of such Third Party Claim as aforesaid, then:

(i) notwithstanding anything to the contrary contained in this Agreement, the Indemnitor shall not be required to pay or otherwise indemnify the Indemnitee against any attorneys' fees incurred by the Indemnitee in connection with such Third Party Claim following the Indemnitor's election to assume the defense of such Third Party Claim, unless (A) the Indemnitor fails to defend diligently the action or proceeding within 10 days after receiving notice of such failure from the Indemnitee; or (B) the Indemnitee reasonably shall have concluded (upon advice of its counsel) that there may be one or more legal defenses available to such Indemnitee or other Indemnitees that are not available to the Indemnitor; or (C) the Indemnitee reasonably shall have concluded (upon advice of its counsel) that, with respect to such Third Party Claim, the Indemnitee and the Indemnitor may have different, conflicting, or adverse legal positions or interests;

(ii) the Indemnitee shall make available to the Indemnitor all books, records and other documents and materials that are under the direct or indirect control of the Indemnitee or any of the Indemnitee's agents and that the Indemnitor considers necessary or desirable for the defense of such Third Party Claim;

(iii) the Indemnitee shall otherwise cooperate as reasonably requested by the Indemnitor in the defense of such Third Party Claim;

(iv) the Indemnitee shall not admit any liability with respect to such Third Party Claim;

(v) the Indemnitor shall not, without the written consent of the Indemnitee, which shall not be unreasonably withheld or delayed, settle or compromise any pending or threatened Litigation in respect of which indemnification may be sought hereunder (whether or not the Indemnitee is an actual or potential party to such Litigation) or consent to the entry of any judgment (A) which does not, to the extent that the Indemnitee or any of its Affiliates may have any liability with respect to such Litigation, include as an unconditional term thereof the delivery by the claimant or plaintiff to the Indemnitee of a written release of the Indemnitee and its Affiliates from all liability in respect of such Litigation, (B) which includes any statement as to or an admission of fact, culpability or a failure to act, by or on behalf of the Indemnitee or any of its Affiliates, or (C) in any manner that involves any injunctive relief against the Indemnitee or any of its Affiliates or may materially and adversely affect the Indemnitee or any of its Affiliates; and

(vi) if the Indemnitor elects not to assume the defense of or fails to confirm its obligation to indemnify for any such Third Party Claim, then the Indemnitee shall proceed diligently to defend such Third Party Claim with the assistance of counsel reasonably satisfactory to the Indemnitor, provided, however, that the Indemnitee shall not settle, adjust or compromise such Third Party Claim, or admit any liability with respect to such Third Party Claim,

without the prior written consent of the Indemnitor, such consent not to be unreasonably withheld or delayed.

9.6. Indemnification Payments as Purchase Price Adjustment. Any payments made by Buyer or the Shareholders under this Article IX shall be considered an adjustment to the Purchase Price.

9.7. No Materiality. For purposes of indemnification under this Article IX, each of the representations and warranties that contain any qualifications as to materiality or Material Adverse Effect (or any correlative terms) shall be deemed to have been given as though there were no such qualifications in determining whether there has been any breach of any representations or warranties hereunder.

9.8. No Investigation of the Company. (a) Notwithstanding anything to the contrary in this Agreement, (i) no investigation of the Company by Buyer or its representatives or advisors (or any knowledge of Buyer or its representatives or advisors) prior to or after the date hereof shall, and (ii) the delivery by Buyer of any document, waiver or other instrument or written communication hereunder shall not, diminish, obviate or cure any breach of any of the representations, warranties, covenants or agreements of the Company or the Shareholders contained in this Agreement or any Ancillary Documents.

9.9. Non-Exclusivity. The foregoing indemnification provisions are in addition to, and not in derogation of, any statutory, equitable, or common law remedy any Indemnitee may have for breach of any representation, warranty, covenant or agreement.

ARTICLE X

Miscellaneous

10.1. Press Releases and Public Announcements. No Party shall issue any press release or make any disclosure or public announcement relating to the subject matter of this Agreement or any of the Ancillary Documents without the prior consent of the other Parties unless required by Law.

10.2. No Third Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties, the Buyer Indemnitees, the Shareholder Indemnitees, and their respective successors and permitted assigns.

10.3. Entire Agreement. This Agreement (including the Schedules and Exhibits hereto) and the Ancillary Documents constitute the entire agreement among the Parties and supersede any prior understandings or agreements by or among the Parties, written or oral, to the extent they related in any way to the subject matter hereof.

10.4. Succession and Assignment. Except as otherwise provided herein, this Agreement may not, without the prior written consent of Buyer and the Representative, be assigned by Buyer or any of the Shareholders by operation of law or otherwise, and any attempted assignment shall be null and void; provided, that Buyer may, without prior written consent of the Representative, (i) assign any or all of its rights hereunder to one or more of its Affiliates, (ii)

designate one or more of its Affiliates to perform its obligations hereunder and (iii) assign its rights, but not its obligations, under this Agreement to any of its, or any of its Affiliate's, financing sources (in any or all of which cases described in subclauses (i), (ii) or (iii), Buyer nonetheless shall remain responsible for the performance of all of its obligations hereunder). Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, successors, permitted assigns and legal representatives.

10.5. Expenses. If the transactions contemplated by this Agreement are consummated, the Shareholders, on the one hand, and Buyer, on the other hand, shall bear all costs and expenses incurred by or on behalf of such Party (and by the Company in the case of the Shareholders); provided, that any expenses borne by the Company shall be deemed to be Company Expenses. If the transactions contemplated by this Agreement are not consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby, shall be paid by the Party incurring such expense.

10.6. Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

10.7. Notices. All notices, requests, demands, claims, and other communications hereunder shall be in writing, and shall be given (and shall be deemed to have been duly given upon receipt) by personal delivery, electronic facsimile transmission, overnight courier or registered or certified mail, postage prepaid, and addressed to the intended recipient as set forth below (or at such other address as shall be specified in a notice given in accordance with this Section 10.7):

If to the Shareholders:

John A. Selzer
c/o Noari Capital
One Bridge Street, Ste. 126
Irvington-on-Hudson, NY 10533

with a copy to:

Thelen, Reid, Brown, Raysman & Steiner LLP
875 Third Avenue
New York, NY 10022
Attention: Joel Handel, Esq.
Fax: (212) 603-2001

If to Buyer:

McJunkin Development Corporation
835 Hillcrest Drive
Charleston, WV 25311
Attention: H.B. Wehrle III
Fax: (304) 348-1557

with copies to:

c/o GS Capital Partners
85 Broad Street, 10th Floor
New York, NY 10004
Attention: Nathaniel M. Zilkha
Fax: (212) 357-5505

and:

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004
Attention: Robert C. Schwenkel, Esq.
Fax: (212) 859-4000

and:

Bowles Rice McDavid Graff & Love LLP
Post Office Box 1386
Charleston, West Virginia 25325-1386
Attention: Tom Heywood, Esq.
Facsimile: (304) 343-3058

10.8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of New York without giving effect to the principles of conflicts of law.

10.9. Amendments and Waivers. No amendment or waiver of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Representative and Buyer. No waiver by any Party of any default or any breach of any representation, warranty, covenant or agreement hereunder or under any Ancillary Document shall be deemed to extend to any prior or subsequent default or breach or affect in any way any rights arising by virtue of any such prior or subsequent occurrence.

10.10. Severability. If any provision of this Agreement for any reason shall be held to be illegal, invalid or unenforceable, such illegality shall not affect any other provision of this Agreement, this Agreement shall be amended so as to enforce the illegal, invalid or unenforceable provision to the maximum extent permitted by applicable Law, and the parties shall cooperate in good faith to further modify this Agreement so as to preserve to the maximum extent possible the intended benefits to be received by the parties.

10.11. Construction. The Parties intend that each representation, warranty, covenant and agreement contained herein shall have independent significance. If any Party has breached any representation, warranty, covenant or agreement contained herein in any respect, the fact that there exists another representation, warranty, covenant or agreement relating to the same subject

matter (regardless of the relative levels of specificity) which the Party has not breached shall not detract from or mitigate the fact that the Party is in breach of the first representation, warranty, covenant or agreement.

10.12. Specific Performance. The Company and each of the Shareholders acknowledge and agree that Buyer would be damaged irreparably in the event any of the provisions of this Agreement or any of the Ancillary Documents is not performed in accordance with its specific terms or otherwise is breached by the Company or any of the Shareholders. Accordingly, the Company and each of the Shareholders agree that Buyer shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement or of any of the Ancillary Documents and to enforce specifically this Agreement or any of the Ancillary Documents, and the terms and provisions hereof and thereof, in addition to any other rights to which Buyer may be entitled at law or in equity. Any such remedy shall be in addition to any other remedy that Buyer may have hereunder.

10.13. Jurisdiction; Court Proceedings; Waiver of Jury Trial. Any Litigation against any Party to this Agreement arising out of or relating to this Agreement shall be brought in any federal or state court located in the State of New York in New York County and each of the parties hereby submits to the exclusive jurisdiction of such courts for the purpose of any such Litigation. A final judgment in any such Litigation shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. To the extent that service of process by mail is permitted by applicable Law, each Party irrevocably consents to the service of process in any such Litigation in such courts by the mailing of such process by registered or certified mail, postage prepaid, at its address for notices provided for herein. **Each Party irrevocably agrees not to assert (a) any objection which it may ever have to the laying of venue of any such Litigation in any federal or state court located in the State of New York in New York County and (b) any claim that any such Litigation brought in any such court has been brought in an inconvenient forum. Each Party waives any right to a trial by jury, to the extent lawful, and agrees that any of them may file a copy of this paragraph with any court as written evidence of the knowing, voluntary and bargained-for agreement among the Parties irrevocably to waive its right to trial by jury in any Litigation whatsoever between them relating to this Agreement or the transactions contemplated hereby.**

10.14. Attorneys' Fees. In the event that any action or proceeding is brought for the purpose of determining or enforcing the right of any Party or Parties hereunder, the Party or Parties prevailing in such action or proceeding shall be entitled to recover from the other Party or Parties all reasonable costs and expenses incurred by the prevailing Party or Parties, including reasonable attorneys' fees.

10.15. Representative. (a) By the execution and delivery of this Agreement, including counterparts hereof, each Shareholder hereby irrevocably constitutes and appoints John A. Selzer as the true and lawful agent and attorney-in-fact of such Shareholder with full powers of substitution (the "Representative", and, if substituted, the Representative shall promptly notify Buyer of such substitution) to act in the name, place and stead of such Shareholder with respect to this Agreement, as the same may be from time to time amended, and with respect to the transfer of such Shareholder's Company Stock to Buyer pursuant hereto and the other transactions

contemplated hereby, and to do or refrain from doing all such acts and things, and to execute all such documents, as the Representative shall deem necessary or appropriate in connection with this Agreement, the Ancillary Documents or any of the transactions contemplated hereby or thereby. In the event of the death or other incapacity of the then current Representative, or resignation of the Representative, Shareholders which immediately prior to the Closing held a majority of the Company Stock, shall, by any writing executed by the appropriate number of Shareholders and the new Representative (counterparts and facsimiles of signatures acceptable) approve and appoint a new Representative by delivering a written notice to that effect, whereupon the person designated in such notice shall be the new Representative with respect to all actions taken and/or documents signed from and after actual receipt by Buyer of such notice.

(b) Without limiting the generality of the foregoing, the Representative is hereby authorized (i) to receive any payment owing to the Shareholders pursuant to Section 2.3, (ii) to execute the Escrow Agreement on behalf of the Shareholders, and (iii) to take all actions on behalf of the Shareholders in connection with any actions taken or to be taken under Section 2.3 and Article IX of this Agreement (including accepting service of process upon the Shareholders and accepting or compromising any claim for indemnification and any claim relating to the Proposed Purchase Price Calculation). The Representative and the Shareholders hereby agree that any amounts disbursed out of the Escrow Account or the Settlement Agreement Indemnification Escrow Account to the Representative pursuant to the terms of this Agreement and/or the Escrow Agreement shall be distributed by the Representative to the Shareholders in accordance with Schedule 1. All decisions and actions of the Representative permitted hereunder shall be final, binding and conclusive on the Shareholders and may be relied upon by Buyer and its Affiliates as the decisions and actions of all of the Shareholders. The Representative shall not be liable to any of the Shareholders for any act done or omitted by him in good faith pursuant to this Agreement or any mistake of fact or Law unless caused by his own gross negligence or willful misconduct, and the Significant Shareholders shall jointly and severally and the Non-Significant Shareholders shall severally but not jointly indemnify the Representative from any Losses arising out of his serving as Representative hereunder. In taking any action or refraining from taking any action whatsoever the Representative shall be protected in relying upon any notice, paper or other document reasonably believed by him to be genuine, or upon any evidence reasonably deemed by him to be sufficient. The Representative may consult with counsel in connection with his duties and shall be fully protected in any act taken, suffered or permitted by him in good faith in accordance with the advice of counsel.

10.16. No Presumption Against Drafting Party. Buyer, the Company and each Shareholder acknowledges that each party to this Agreement has been represented by counsel in connection with this Agreement, each of the Ancillary Documents and the transactions contemplated herein and therein. Accordingly, any rule of Law or any legal decision that would require interpretation of any claimed ambiguities in this Agreement or any of the Ancillary Documents against the drafting party has no application and is expressly waived.

10.17. Signatures. This Agreement shall be effective upon delivery of original signature pages or .pdf or facsimile copies thereof executed by each of the Parties.

[*signature pages to follow*]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

McJUNKIN DEVELOPMENT CORPORATION

By: /s/ J.F. Underhill
Name: J.F. Underhill
Title: Vice President and Chief Financial Officer

MIDWAY-TRISTATE CORPORATION

By: /s/ Michael J. Cetro
Name: Michael J. Cetro
Title:

SHAREHOLDERS:

/s/ Michael J. Cetro
Michael J. Cetro

/s/ John Borer, III
John Borer, III

/s/ Jane Brady
Jane Brady

/s/ John Gleason
John Gleason

/s/ George Kowski
George Kowski

/s/ Jeffrey Manning
Jeffery Manning

/s/ Kevin P. McArdle
Kevin P. McArdle

/s/ Thomas Pinou
Thomas Pinou

/s/ John A. Selzer
John A. Selzer

MAYTHORPE HOLDINGS LIMITED

By: /s/ Joel M. Handel
Name: Joel M. Handel
Title: Director

/s/ Daniel J. Feld
Daniel J. Feld

/s/ Elizabeth Doyle
Elizabeth Doyle

/s/ Will Gleason
Will Gleason

/s/ Mary Marchisio
Mary Marchisio

REPRESENTATIVE:

/s/ John A. Selzer
John A. Selzer

Execution Copy

ASSIGNMENT AGREEMENT

This ASSIGNMENT AGREEMENT (this "Agreement"), dated April 27, 2007, by and between McJunkin Development Corporation, a Delaware corporation ("Buyer") and McJunkin Appalachian Oilfield Supply Company, a West Virginia corporation and an Affiliate of Buyer ("McApple"). Each capitalized term which is used but not otherwise defined in this Agreement has the meaning assigned to such term in the Purchase Agreement (as defined below).

WHEREAS, Buyer is a party to that certain Stock Purchase Agreement, dated as of April 5, 2007 (the "Purchase Agreement"), pursuant to which Buyer has agreed to purchase 83,185 shares of common stock, par value $0.01 (the "Company Stock") of Midway-Tristate Corporation, a New York corporation (the "Company"), which represents the entire issued and outstanding capital stock of the Company, on the terms and subject to the conditions described therein and in reliance upon the representations and warranties of, and the covenants made therein by, the Company and the holders of Capital Stock listed on Schedule 1 thereto, as amended (the "Shareholders");

WHEREAS, Section 10.4 of the Purchase Agreement provides that Buyer may, without prior written consent of the Representative, (i) assign any or all of its rights thereunder to one or more of its Affiliates, (ii) designate one or more of its Affiliates to perform its obligations thereunder and (iii) assign its rights, but not its obligations, under the Purchase Agreement to any of its, or any of its Affiliate's, financing sources (in any or all of which cases described in subclauses (i), (ii) or (iii), Buyer nonetheless shall remain responsible for the performance of all of its obligations thereunder); and

WHEREAS, the Shareholders executed stock powers that state that they are transferring their Outstanding Shares to Buyer, and execution and delivery of prior to Closing of stock powers stating that the Shareholders are transferring their Outstanding Shares to McApple is not possible.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and in the Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Buyer and McApple agree as follows:

1. Assignment. In accordance with Section 10.4 of the Purchase Agreement, (i) Buyer does hereby assign to McApple (A) all of Buyer's rights under the Purchase Agreement and (B) Buyer's obligation to acquire from the Shareholders all of the Outstanding Shares in exchange for payment of the Purchase Price pursuant to Article II of the Purchase Agreement, and (ii) McApple does hereby (X) accept the assignment by Buyer of all of Buyer's rights under the Purchase Agreement and (Y) assume Buyer's obligation to acquire from the Shareholders all of the Outstanding Shares in exchange for payment of the Purchase Price pursuant to Article II of the Purchase Agreement (it being understood that Buyer is not assigning to McApple any other obligations under the Purchase Agreement and that Buyer nonetheless shall remain responsible for the performance of all of its other obligations under the Purchase Agreement).

2. Nominee/Agent. McApple is hereby naming Buyer as its nominee and agent for the sole purpose of receiving the Outstanding Shares from the Shareholders. Immediately after receipt of the certificates evidencing the Outstanding Shares, Buyer will retransfer such shares to McApple, as McApple's nominee and agent. At all times from and after the Closing, McApple, and not Buyer, will be the beneficial owner of the Outstanding Shares and Buyer will be acting solely in its capacity as McApple's nominee and agent. McApple may remove Buyer as its nominee and agent at any time.

3. General. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to the principles of conflicts of laws. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

McJUNKIN APPALACHIAN OILFIELD SUPPLY COMPANY

By: /s/ DAVID A. FOX III
Name: David A. Fox III
Title: Vice President

McJUNKIN DEVELOPMENT CORPORATION

By: /s/ J.F. UNDERHILL
Name: J.F. Underhill
Title: Chief Financial Officer and Vice President

Acknowledged and Agreed
as of April 27, 2007:

MIDWAY-TRISTATE CORPORATION

By: /s/ MICHAEL J. CETRO
Name: Michael J. Cetro
Title: President

Acknowledged and Agreed
as of April 27, 2007:

REPRESENTATIVE:

/s/ JOHN A. SELZER
John A. Selzer

Exhibit 2.3

Execution Version

STOCK PURCHASE AGREEMENT

by and among

WEST OKLAHOMA PVF COMPANY,

RED MAN PIPE & SUPPLY CO.,

THE SHAREHOLDERS LISTED
ON SCHEDULE 1,

McJ HOLDING LLC (for purposes of Sections 2.3(c) and 10.4 only)

and

Craig Ketchum, as Representative

Dated July 6, 2007

TABLE OF CONTENTS

EXHIBITS

STOCK PURCHASE AGREEMENT

STOCK PURCHASE AGREEMENT, dated July 6, 2007 (the "Agreement"), by and among West Oklahoma PVF Company, a Delaware corporation ("Buyer"), Red Man Pipe & Supply Co., an Oklahoma corporation (the "Company"), the holders of all outstanding shares of stock of the Company listed on Schedule 1 (each, a "Shareholder" and, collectively, the "Shareholders"), McJ Holding LLC, a Delaware limited liability company ("McJ Holding") (for purposes of Sections 2.3(c) and 10.4 only) and Craig Ketchum, as Representative (as defined below). Buyer, the Company and each of the Shareholders (and any Person who becomes a Shareholder after the date hereof as contemplated by Section 6.17) are separately referred to herein as a "Party" and, together, as the "Parties."

WHEREAS, Buyer desires to acquire all of the issued and outstanding capital stock of the Company;

WHEREAS, the Shareholders own, in the aggregate, 143,976 shares of Class A Voting Common Stock, par value $0.01 per share, of the Company (the "Class A Stock"), and 34,344 shares of Class B Non-Voting Common Stock, par value $0.01 per share, of the Company (the "Class B Stock" and, together with the Class A Stock, the "Company Stock");

WHEREAS, the Company Stock represents the entire issued and outstanding capital stock of the Company;

WHEREAS, upon the terms and subject to the conditions of this Agreement and the Contribution Agreement (as defined below), Buyer desires to acquire, and the Shareholders desire to sell, the Company Stock;

WHEREAS, BJHK Limited Partnership and K.F. Enterprises L.L.C. (each a "Ketchum Entity" and collectively, the "Ketchum Entities") have entered into a Contribution Agreement with McJ Holding, dated as of the date hereof and attached hereto as Exhibit A (the "Contribution Agreement"), pursuant to which the Ketchum Entity has agreed to contribute the Contributed Shares (as defined below) to McJ Holding immediately prior to the Closing in exchange for limited liability company units of McJ Holding ("McJ Units"); and

WHEREAS, McJ Holding and McJunkin Corporation have entered into an employment agreement with each of those persons listed on Schedule 2 (each, an "Employment Agreement"), which Employment Agreements will be effective as of the Closing.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I

Definitions

As used in this Agreement, the following terms have the respective meanings set forth below:

"Accounting Firm" shall have the meaning assigned to such term in Section 2.3(b)(ii).

"Actual Adjustment" means (x) the Purchase Price as set forth on the Final Statement of Purchase Price minus (y) the Estimated Purchase Price.

"Advance Ruling Certificate" means an advance ruling certificate issued by the Commissioner of Competition pursuant to section 102 of the Competition Act with respect to the transactions contemplated by this Agreement.

"Affiliate," (or any correlative term) means, with respect to a Person, any Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person (and, for purposes of this Agreement, the Company and its Subsidiaries shall be considered Affiliates of each of the Shareholders before the Closing and Affiliates of Buyer after the Closing).

"Aggregate Contribution Percentage" means the percentage that (x) the aggregate number of shares of Company Stock to be contributed to McJ Holding pursuant to the Contribution Agreement bears to (y) the total number of Outstanding Shares. The Aggregate Contribution Percentage is set forth on Exhibit B and is subject to adjustment as provided in Section 6.17.

"Agreement" shall have the meaning assigned such term in the Preamble.

"Ancillary Documents" means each agreement, certificate or other instrument executed or to be executed by Buyer, the Company and/or any Shareholder in connection with this Agreement, including the Escrow Agreement, the Employment Agreements, the Contribution Agreement, the Non-Compete Agreement and the letter agreement dated on or about the date hereof between the Ketchum Entities and GS Capital Partners V Fund, L.P. and affiliated funds.

"Associate" means, with respect to a Person, (a) any corporation or organization of which such Person is an officer or partner or is directly or indirectly the beneficial owner of 10% or more of any class of equity securities, (b) any trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity, and (c) any relative or spouse of a Person described in clause (a) or (b) of this definition or any relative of such spouse, who has the same home as such Person.

"Audited Financial Statements" shall have the meaning assigned to such term in Section 4.5.

"Bankruptcy and Equity Exception" shall have the meaning assigned to such term in Section 3.1(b).

"Benefit Plans" shall have the meaning assigned to such term in Section 4.8(a).

"Business Day" means a day, other than a Saturday or Sunday, on which commercial banks in New York City are open for the general transaction of business.

"Buyer" shall have the meaning assigned such term in the Preamble.

"Call Period" shall have the meaning assigned to such term in Section 6.14.

"CanHCo" shall have the meaning assigned to such term in Section 6.14.

"CanHCo Call Price" shall have the meaning assigned to such term in the Midfield Shareholders Agreement.

"CanHCo Call Right" shall have the meaning assigned to such term in the Midfield Shareholders Agreement.

"Cash and Cash Equivalents" means the sum of the fair market value (expressed in United States dollars) of all cash and cash equivalents (including marketable securities and short term investments) of the Company or any of its Subsidiaries as of immediately prior to the Closing.

"Cash Escrow Amount" shall have the meaning assigned to such term in Section 2.3(a)(i).

"CK" means Craig Ketchum or any Person controlled by Craig Ketchum in which Craig Ketchum and his wife and children have at least a 90% economic beneficial interest.

"CK Contributed Share Number" means the number of shares of Company Stock contributed by CK to McJ Holding pursuant to the Contribution Agreement plus, for each Ketchum Entity (other than CK) and for each Other Ketchum Entity that contributes shares of Company Stock to McJ Holding pursuant to the Contribution Agreement, the product of (x) the number of shares of Company Stock so contributed and (y) Craig Ketchum's economic beneficial interest in such Other Ketchum Entity expressed as a percentage.

"CK Contributed Share Percentage" means the percentage that the CK Contributed Share Number bears to the CK Total Share Number.

"CK Total Share Number" means the number of shares of Company Stock beneficially owned by CK immediately prior to the Closing (before giving effect to the contribution of CK's Contributed Shares, but without counting any shares beneficially owned by any Ketchum Entity other than CK, or any Other Ketchum Entity) plus, for each Ketchum Entity (other than CK), and for each Other Ketchum Entity that beneficially owns shares of Company Stock at such time, the product of (x) the number of shares of Company Stock so beneficially owned and (y) Craig Ketchum's economic beneficial interest in such Other Ketchum Entity..

"Claims" shall have the meaning assigned to such term in Section 4.7.

"Class A Stock" shall have the meaning assigned such term in the Recitals.

"Class B Stock" shall have the meaning assigned such term in the Recitals.

"Closing" shall have the meaning assigned to such term in Section 2.4.

"Closing Date" shall have the meaning assigned to such term in Section 2.4.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commissioner of Competition" means the Commissioner of Competition appointed pursuant to the Competition Act and includes her staff at the Competition Bureau.

"Company" shall have the meaning assigned to such term in the Preamble, and includes any of its predecessors.

"Company Benefit Plans" shall have the meaning assigned to such term in Section 4.8(b).

"Company Expenses" means the sum of (i) the collective amount of the Company's, the Company's Subsidiaries' and any of the Shareholder's expenses payable by the Company or any of the Company's Subsidiaries to Baker Botts L.L.P., Blakes, Cassel & Graydon LLP, Fleming LLP, Boylan Partners LLC, Fiduciary Counselors, Inc. and Murray, Devine & Co., Inc. and all other out-of-pocket costs and expenses incurred by the Company, the Company's Subsidiaries or any of the Shareholders and to the extent payable by the Company or any of its Subsidiaries on or after the Closing, in each case in connection with this Agreement or any of the transactions contemplated by this Agreement, plus (ii) any fees payable by the Company or any of its Subsidiaries to any of the Shareholders, any other Related Party or any Affiliate of the Company or any of its Subsidiaries, plus (iii) any broker's, finder's, investment banker's, financial adviser's or similar fee to the extent payable by the Company or any of the Company's Subsidiaries on or after the Closing in connection with this Agreement or any of the transactions contemplated by this Agreement, plus (iv) any amounts payable by the Company or any of its Subsidiaries on or after the Closing to any officer, director or employee of the Company or any of its Subsidiaries in the nature of a "change in control," closing or signing bonus, severance or retention payment or similar payment, as a result of the execution and delivery of this Agreement or the consummation of the transactions contemplated by this Agreement, including the Closing, and plus (v) all Taxes and expenses of the Company and/or any of its Subsidiaries arising from, attributable to, or related to the assets listed on Schedule 6.11 and the Company's distribution or transfer thereof.

"Company Indemnified Parties" shall have the meaning assigned to such term in Section 6.9(a).

"Company Retirement Plan" means the Red Man Pipe & Supply Company Retirement Savings Plan.

"Company Stock" shall have the meaning assigned such term in the Recitals.

"Competition Act" means the Competition Act (Canada).

"Competition Act Compliance" means: (i) (A) the issuance of an Advance Ruling Certificate, (B) Buyer and the Company have given the notice required under section 114 of the Competition Act with respect to the transactions contemplated by this Agreement and the applicable waiting period under section 123 of the Competition Act has expired or been terminated in accordance with the Competition Act or (C) the obligation to give the requisite notice has been waived pursuant to subsection 113(c) of the Competition Act, and (ii) in the case of (B) or (C), Buyer has been advised in writing by the Commissioner of Competition or a person authorized by the Commissioner of Competition that such person is of the view, at that time, that, in effect, there are not sufficient grounds to initiate proceedings before the Competition Tribunal under the merger provisions of the Competition Act with respect to the transactions contemplated by this Agreement, and the form of and any terms and conditions attached to any such advice are acceptable to Buyer and such advice has not been rescinded or amended.

"Confidential Information" shall have the meaning assigned such term in Section 6.6.

"Confidentiality Agreement" means the confidentiality letter agreement dated March 7, 2007 by and between the Company and McJunkin Corporation.

"Continuing Shareholder" means each Person that is or becomes a party to the Contribution Agreement pursuant to the terms of this Agreement and holds Contributed Shares immediately prior to the closing of the transactions contemplated by the Contribution Agreement.

"Contract" means any agreement, lease, license, contract, note, mortgage, indenture, arrangement or other obligation, whether written or oral.

"Contributed Shares" means all shares of Company Stock contributed to McJ Holding pursuant to the Contribution Agreement.

"Contribution Agreement" shall have the meaning assigned to such term in the Recitals.

"Contribution Percentage Notice" shall have the meaning assigned to such term in Section 6.17.

"Debt" means the outstanding principal amount of, all accrued and unpaid interest on and other payment obligations (including any premiums, termination fees, expenses or breakage costs due upon prepayment of or payable in connection with this Agreement or the consummation of the transactions contemplated by this Agreement) in respect of, (i) any indebtedness for borrowed money of the Company or any of its Subsidiaries, whether or not recourse to the Company or any of its Subsidiaries, (ii) any obligation of the Company or any of its Subsidiaries evidenced by bonds, debentures, notes or other

similar instruments, (iii) any reimbursement obligation of the Company or any of its Subsidiaries with respect to letters of credit (including standby letters of credit to the extent drawn upon), bankers' acceptances or similar facilities issued for the account of the Company or any of its Subsidiaries, (iv) any obligation of the Company or any of its Subsidiaries issued or assumed as the deferred purchase price of property or services, (v) any lease obligation of the Company or any if its Subsidiaries required to be classified as a capitalized lease obligation under GAAP, (vi) any obligation of the Company or any of its Subsidiaries under any interest rate, currency or other hedging agreements, (vii) any obligation of the Company or any of its Subsidiaries under any factoring, securitization or other similar facility or arrangement and (viii) any obligation of the type referred to in clauses (i) through (vii) of this definition of another Person the payment of which the Company or any of its Subsidiaries has guaranteed or for which the Company or any of its Subsidiaries is responsible or liable, directly or indirectly, jointly or severally, as obligor, guarantor or otherwise.

"Debt Amount" means an amount equal to the sum of (a) the aggregate amount of Debt outstanding immediately prior to the Closing, before giving effect to any repayment or refinancing thereof occurring at or immediately prior to the Closing, plus (b) an amount equal to all Pre-Closing Taxes, plus (c) the Tax Amount, plus (d) the aggregate amount of the accrued liability of the Company under the EPSP Plan as of immediately prior to the Closing to the extent not included in clause (a) above, and plus (e) the amount of the DISC commission liability of the Company or any of its Subsidiaries as of immediately prior to the Closing to the extent not included in clause (a) above.

"Debt Financing" shall have the meaning assigned to such term in Section 5.5.

"Debt Financing Commitment" shall have the meaning assigned to such term in Section 5.5.

"Employees" shall have the meaning assigned to such term in Section 4.8(a).

"Employment Agreement" shall have the meaning assigned such term in the Recitals.

"Encumbrance" means any mortgage, pledge, lien, encumbrance, claim, charge, security interest, or other similar restriction.

"Enterprise Value" means $1,111,045,718.37.

"Environmental Laws" means any applicable law (including common law), regulation, code, license, permit, order, judgment, decree or injunction from any Governmental Entity relating to (a) the protection of the environment (including air, water, soil and natural resources), (b) the use, storage, handling, release or disposal of or exposure to hazardous substances, or (c) occupational health or safety as it relates to Hazardous Substance handling or exposure, in each case as presently in effect.

"EPSP Plan" means the Midfield Group Employees Profit Sharing Plan, effective June 15, 2005.

"ERISA" shall have the meaning assigned to such term in Section 4.8(a).

"ERISA Affiliate" shall have the meaning assigned to such term in Section 4.8(c).

"ERISA Plan" shall have the meaning assigned to such term in Section 4.8(b).

"Escrow Account" shall have the meaning assigned to such term in Section 2.3(a)(i).

"Escrow Agent" shall have the meaning assigned to such term in Section 2.3(a)(i).

"Escrow Agreement" shall have the meaning assigned to such term in Section 2.3(a)(i).

"Escrow Amount" means $40,000,000.

"Escrow Funds" shall have the meaning assigned to such term in Section 2.3(a)(i).

"Estimated Purchase Price" means a good faith estimate of the Purchase Price, as determined by the Representative. In connection with determining the Estimated Purchase Price, the Representative shall (i) use the Enterprise Value and (ii) estimate (A) the Debt Amount (using the actual Tax Amount), (B) the amount of Company Expenses, (C) the Net Working Capital Adjustment, and (D) the amount of Cash and Cash Equivalents.

"Equity Financing Commitment" shall have the meaning assigned to such term in Section 5.5.

"Excluded Representations" shall have the meaning assigned to such term in Section 7.3(b).

"Final Statement of Purchase Price" shall have the meaning assigned to such term in Section 2.3(b)(ii).

"Financial Statements" shall have the meaning assigned to such term in Section 4.5.

"Financing" shall have the meaning assigned to such term in Section 5.5.

"Financing Commitments" shall have the meaning assigned to such term in Section 5.5.

"Former Real Property" shall have the meaning assigned to such term in Section 4.12(a).

"GAAP" means United States generally accepted accounting principles and practices as in effect from time to time and applied consistently throughout the periods involved.

"Governmental Entity" means the government of the United States of America, any other nation or any political subdivision of any of the foregoing, whether state or local, and any agency, authority, instrumentality, regulatory body, court, or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of government.

"Hazardous Substances" means any substance listed, defined, designated or classified as a pollutant or contaminant or as hazardous, toxic or radioactive under any applicable Environmental Law, including, without limitation, petroleum and any derivative or by-products thereof and asbestos and asbestos-containing materials.

"HSR Act" shall have the meaning assigned to such term in Section 3.2.

"including" means including without limitation.

"Independent Fiduciary" shall have the meaning assigned to such term in Section 4.23.

"Insurance Policies" shall have the meaning assigned to such term in Section 4.15.

"Investment Canada Act" means the Investment Canada Act (Canada).

"IRS" shall have the meaning assigned to such term in Section 4.8(b).

"Ketchum Entity" shall have the meaning assigned to such term in the Recitals.

"Knowledge of the Company" means the actual knowledge of Craig Ketchum, Dee Paige, Bob Bastemeyer, Dan Endersby or Fred Moore, after reasonable inquiry.

"Laws" means any federal, state, local or foreign law (including the Foreign Corrupt Practices Act of 1977, as amended and the laws implemented by the Office of Foreign Assets Control, United States Department of Treasury), statute or ordinance, common law, or any rule, regulation, standard, judgment, order, writ, injunction, decree, arbitration award, agency requirement, license or permit of any Governmental Entity.

"Leased Real Property" shall have the meaning assigned to such term in Section 4.11(b).

"LLC Agreement" means that Limited Liability Company Operating Agreement of McJ Holding LLC, dated as of December 4, 2006, as amended, to which the Continuing Shareholders will become party as of the Closing.

"Major Customers" shall have the meaning assigned to such term in Section 4.18.

"Major Suppliers" shall have the meaning assigned to such term in Section 4.18.

"Material Adverse Effect" means (x) any event, change or effect that, individually or in the aggregate, has a material adverse effect on the financial condition, properties, assets, liabilities, business or results of operations of the Company and its Subsidiaries, taken as a whole, other than any, event, change or effect resulting from (a) changes in the economy or financial markets generally in the United States or other countries in which the Company conducts material operations or that are the result of acts of war or terrorism, (b) changes that are the result of factors generally affecting the principal industries in which the Company and its Subsidiaries operate, (c) any loss of, or adverse change in, the relationship of the Company with its customers, employees or suppliers caused by the announcement of the transactions contemplated by this Agreement, (d) changes required by this Agreement or any Ancillary Document, and (e) changes in GAAP or in any Law unrelated to the transactions contemplated by this Agreement and of general applicability after the date hereof; provided that, with respect to clauses (a), (b) and (e), such event, change or effect may be taken into consideration for purposes of determining if a Material Adverse Effect has occurred if such event, change or effect (i) primarily relates only to (or has the effect of primarily relating only to) the Company and its Subsidiaries or (ii) disproportionately adversely affects the Company and its Subsidiaries compared to other companies of similar size operating in the principal industries in which the Company and its Subsidiaries operate, or (y) a material adverse effect on the ability of the Shareholders or the Company to consummate the transactions contemplated by this Agreement.

"Material Contracts" shall have the meaning assigned to such term in Section 4.10.

"McJ Holding" shall have the meaning assigned to such term in the Preamble.

"McJ Units" shall have the meaning assigned to such term in the Recitals.

"Midfield Amount" shall have the meaning assigned to such term in Section 6.14.

"Midfield Shareholders Agreement" means the Shareholders Agreement, dated June 15, 2005, by and among Midfield Supply, Red Man Pipe & Supply Canada Ltd. and Midfield Holdings (Alberta) Ltd., as amended.

"Midfield Supply" means Midfield Supply ULC, an Alberta unlimited liability company.

"MinorityHCo" shall have the meaning assigned to such term in Section 6.14.

"Multiemployer Plan" shall have the meaning assigned to such term in Section 4.8(b).

"Negative Adjustment Amount" shall have the meaning assigned to such term in Section 2.3(c)(ii).

"Net Working Capital" means the consolidated net book value of the current assets of the Company and its Subsidiaries, as of immediately prior to the Closing, less

the consolidated net book value of the current liabilities (other than accrued Tax liabilities that are included in Pre-Closing Taxes) of the Company and its Subsidiaries, as of immediately prior to the Closing, in each case, without duplication and as determined in accordance with GAAP consistently applied with the application thereof in the Company's audited consolidated financial statements for the fiscal year ended October 31, 2006, subject to the accounting principles, methodologies, procedures and classifications set forth in Exhibit C.

"Net Working Capital Adjustment" means (i) the amount by which the Net Working Capital as of immediately prior to the Closing exceeds the sum of (x) US$453,000,000 and (y) CDN$137,000,000 (converted to U.S. Dollars using the spot rate at the close of business on the Business Day immediately prior to the Closing Date), or (ii) the amount by which Net Working Capital as of immediately prior to the Closing is less than the sum of (x) US$419,000,000 and (y) CDN$137,000,000 (converted to U.S. Dollars using the spot rate at the close of business on the Business Day immediately prior to the Closing Date); provided that any amount which is calculated pursuant to clause (ii) above shall be deemed to be a negative number.

"Non-Compete Agreement" shall have the meaning assigned to such term in Section 6.5.

"Non-Plan Shareholders" means each of the Shareholders other than the Company Retirement Plan.

"Non-Wholly Owned Investment" shall have the meaning assigned to such term in Section 4.3(b).

"Order" means any order, injunction, judgment, decree or ruling of any Governmental Entity.

"Other Ketchum Entity" means any Person, other than CK, a Ketchum Entity or BJHK Living Trust, that is controlled by Betty Ketchum and/or any direct descendant of Betty Ketchum, and/or a spouse of any of the foregoing.

"Outstanding Shares" means the shares of Company Stock issued and outstanding immediately prior to the Closing before giving effect to the contribution of the Contributed Shares to McJ Holding pursuant to the Contribution Agreement.

"Owned Real Property" shall have the meaning assigned to such term in Section 4.11(a).

"Party" and "Parties" shall have the meaning assigned such terms in the Preamble.

"Permit" shall have the meaning assigned to such term in Section 4.9.

"Permitted Encumbrances" means (i) liens for Taxes that are not yet due and payable or which are being contested in good faith for which an adequate reserve has

been established on the books and records of the Company, (ii) mechanics', workmen's, repairmen's, warehousemen's, carriers' or other statutory liens arising or incurred in the ordinary course of business in respect of liabilities that will be paid prior to Closing or included in the Debt Amount or in the computation of Net Working Capital and (iii) in the case of any Owned Real Property, (A) other encumbrances that do not, individually or in the aggregate, materially impair the continued use, operation, value or marketability of the specific parcel of Owned Real Property to which they relate or the conduct of the business of the Company and its Subsidiaries as presently conducted, (B) restrictions or exclusions which would be shown on a current title report or similar report, and (C) any condition or other matters, if any, that may be shown or disclosed by a current and accurate survey or physical inspection.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or other entity.

"Positive Adjustment Amount" shall have the meaning assigned to such term in Section 2.3(c)(i).

"Pre-Closing Tax Period" shall have the meaning assigned to such term in the definition of Pre-Closing Taxes.

"Pre-Closing Taxes" means all liabilities for Taxes (including the non-payment thereof) of the Company and each of its Subsidiaries for all taxable periods ending on or before the Closing Date and the portion through the end of the Closing Date for any taxable period that includes but does not end on the Closing Date (each, a "Pre-Closing Tax Period"), other than Taxes resulting from actions taken outside the ordinary course of business by Buyer after the Closing on the Closing Date; it being understood that in the case of any taxable period that includes but does not end on the Closing Date (a "Straddle Period"), the amount of any Taxes based on or measured by income or receipts of the Company and its Subsidiaries for the Pre-Closing Tax Period shall be determined based on an interim closing of the books as of the close of business on the Closing Date (and, for such purpose, the taxable period of any partnership or other pass-through entity in which the Company or any of its Subsidiaries holds a beneficial interest shall be deemed to terminate at such time) and the amount of other Taxes of the Company and its Subsidiaries for a Straddle Period that relates to the Pre-Closing Tax Period shall be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the taxable period ending on the Closing Date and the denominator of which is the number of days in such Straddle Period.

"Prior Purchase Agreements" shall have the meaning assigned to such term in Section 4.19.

"Product" shall have the meaning assigned to such term in Section 4.17.

"Proposed Cash and Cash Equivalents" shall have the meaning assigned to such term in Section 2.3(b)(i).

"Proposed Company Expenses" shall have the meaning assigned to such term in Section 2.3(b)(i).

"Proposed Debt Amount" shall have the meaning assigned to such term in Section 2.3(b)(i).

"Proposed Net Working Capital" shall have the meaning assigned to such term in Section 2.3(b)(i).

"Proposed Purchase Price Calculation" shall have the meaning assigned to such term in Section 2.3(b)(i).

"Purchase Price" means an amount equal to (i) the Enterprise Value, plus (ii) the Net Working Capital Adjustment (which may be a negative number if the calculation results in a negative number under clause (ii) of the definition of "Net Working Capital Adjustment"), plus (iii) the amount of Cash and Cash Equivalents, minus (iv) the Debt Amount and minus (v) the amount of Company Expenses.

"Purchase Price Dispute Notice" shall have the meaning assigned to such term in Section 2.3(b)(ii).

"Registration Rights Agreement" means that Registration Rights Agreement, dated as of December 4, 2006, among McJ Holding and the other signatories thereto, to which the Continuing Shareholders will become party as of the Closing.

"Related Party" means (a) any Shareholder or any officer or director of the Company or any of its Subsidiaries, (b) any spouse, former spouse, child, parent, parent of a spouse, sibling or grandchild of any of the Persons listed in clause (a) above, and (c) any Affiliate or Associate of any of the Persons listed in clause (a) or (b) above, other than the Company and the Company's Subsidiaries.

"Released Claims" shall have the meaning assigned to such term in Section 6.7.

"Released Parties" shall have the meaning assigned to such term in Section 6.7.

"Representative" shall have the meaning assigned such term in Section 10.14(a).

"Schedules" shall have the meaning assigned to such term in Article IV.

"Shareholder" and "Shareholders" shall have the meaning assigned such terms in the Preamble.

"Straddle Period" shall have the meaning assigned to such term in the definition of Pre-Closing Taxes.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, joint venture, or other legal entity of which such Person (either alone or through or together with any other Subsidiary) owns, directly or indirectly, more than 50% of the stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity (for the avoidance of doubt, the Parties agree that for purposes of this Agreement Midfield Supply and its Subsidiaries shall be deemed to be Subsidiaries of the Company).

"Tax" or "Taxes" means all federal, state, local and foreign income, profits, franchise, gross receipts, environmental, customs duty, capital stock, severances, stamp, documentary, registration, payroll, sales, employment, unemployment, disability, use, transfer, real property transfer, stock transfer, property, withholding, excise, production, value added, occupancy, and other taxes, duties or assessments imposed by a Governmental Entity of any nature whatsoever, together with all interest, penalties and additions imposed with respect to such amounts and any interest in respect of such penalties and additions.

"Tax Amount" means $2,520,000.00.

"Tax Return" means all returns and reports (including elections, declarations, disclosures, schedules, estimates and information returns) required to be supplied to a Governmental Entity relating to Taxes.

"Termination Date" shall have the meaning assigned to such term in Section 8.1(c).

"Transfer Taxes" means all transfer, real property transfer, stock transfer, documentary, sales, use, value added, stamp, registration and other similar Taxes.

"Transferred Shares" shall have the meaning assigned to such term in Section 2.1.

"Willful or Deliberate Breach" means a willful or deliberate material breach which does not require malicious or tortuous intent.

ARTICLE II

Acquisition of Company Stock

2.1. Acquisition of Company Stock. Upon the terms and subject to the conditions of this Agreement, at the Closing, the Shareholders shall assign, transfer, convey and deliver to Buyer, and Buyer shall acquire from the Shareholders, all of the Outstanding Shares, other than the Contributed Shares (the "Transferred Shares"), free and clear of all Encumbrances.

2.2. Purchase Price. The Purchase Price shall be allocated among the Shareholders in proportion to their respective shareholdings set forth in Schedule 1, and payment in respect of Transferred Shares shall be made in cash in accordance with Section 2.3 and payment in respect of Contributed Shares shall be made by exchanging McJ Units therefor in accordance with the

Contribution Agreement. Subject to the adjustments set forth in Section 2.3, the Purchase Price to be paid for all of the Outstanding Shares shall consist of cash and McJ Units and shall be payable by Buyer as set forth in Section 2.3.

2.3. Calculation of Purchase Price.

(a) *Estimated Purchase Price*. No later than five (5) Business Days prior to the Closing Date, the Representative shall deliver to Buyer a calculation of the Estimated Purchase Price and the components thereof, together with reasonable supporting detail, and based on the Company's books and records and other information then available. The Estimated Purchase Price shall be reasonably acceptable to Buyer. On the Closing Date, Buyer shall pay, or shall cause to be paid, the Estimated Purchase Price as follows:

(i) an amount in cash equal to the product of (A) the Escrow Amount and (B) 100% minus the Aggregate Contribution Percentage (such amount, the "Cash Escrow Amount" and such cash, the "Escrow Funds") shall be deposited into an escrow account (the "Escrow Account"), which shall be established pursuant to an escrow agreement (the "Escrow Agreement"), which Escrow Agreement (x) shall be entered into on the Closing Date among the Representative, Buyer and an escrow agent (the "Escrow Agent") to be mutually agreed upon between the Representative and Buyer and (y) shall be substantially in the form of Exhibit D; and

(ii) an amount in cash equal to the Estimated Purchase Price minus (A) the Cash Escrow Amount and minus (B) an amount equal to the product of (x) the Estimated Purchase Price and (y) the Aggregate Contribution Percentage, shall be paid by wire transfer of immediately available funds to the Representative, on behalf of the Shareholders, for distribution to the Shareholders in accordance with their respective Cash Proceeds Percentages set forth on Exhibit B, in an account to be designated by the Representative in a written notice to Buyer at least five (5) Business Days prior to the Closing, net of applicable withholding taxes, if any. The portion of the Estimated Purchase Price not otherwise allocated pursuant to clauses (i) and (ii) of this Section 2.3(a) (i.e., that will consist of McJ Units) shall be paid in accordance with the Contribution Agreement.

(b) *Preparation of the Final Statement of Purchase Price*.

(i) As soon as practicable, but no later than one hundred and twenty (120) days after the Closing Date, Buyer shall prepare and deliver to the Representative the proposed calculation of the Purchase Price (the "Proposed Purchase Price Calculation") and the components thereof, including (A) a proposed calculation of Net Working Capital and the Net Working Capital Adjustment (the "Proposed Net Working Capital"), (B) a proposed calculation of the amount of Cash and Cash Equivalents (the "Proposed Cash and Cash Equivalents"), (C) a proposed calculation of the Debt Amount (the "Proposed Debt Amount"), and (D) a proposed calculation of the amount of Company

Expenses (the "Proposed Company Expenses"), and, in each case, the components thereof, together with reasonable supporting detail.

(ii) If the Representative does not give a written notice of dispute (a "Purchase Price Dispute Notice") to Buyer within thirty (30) days after receiving the Proposed Purchase Price Calculation, Buyer and the Representative agree that (A) the Proposed Net Working Capital shall be deemed to set forth the Net Working Capital, (B) the Proposed Cash and Cash Equivalents shall be deemed to set forth the Cash and Cash Equivalents, (C) the Proposed Debt Amount shall be deemed to set forth the Debt Amount, (D) the Proposed Company Expenses shall be deemed to set forth the Company Expenses and (E) the Proposed Purchase Price Calculation shall be deemed to be final and binding in determining the Purchase Price. If the Representative gives a Purchase Price Dispute Notice to Buyer (which Purchase Price Dispute Notice must set forth, in reasonable detail, the items and amounts in dispute) within such 30-day period, Buyer and the Representative will use commercially reasonable efforts to resolve the dispute during the 30-day period commencing on the date Buyer receives the applicable Purchase Price Dispute Notice from the Representative. Items and amounts not objected to by the Representative in the Purchase Price Dispute Notice shall be deemed resolved. If the Representative and Buyer do not obtain a final resolution within such 30-day period, then the items in dispute shall be submitted immediately to Deloitte & Touche LLP or another nationally-recognized, independent accounting firm reasonably acceptable to the Representative and Buyer (the "Accounting Firm"). The Accounting Firm shall be required to render a determination resolving the applicable dispute within 45 days after referral of the matter to the Accounting Firm, which determination must be in writing and must set forth, in reasonable detail, the basis therefor. The determination of the Accounting Firm shall be conclusive and binding upon the Representative, the Shareholders and Buyer. Buyer will revise the Proposed Purchase Price Calculation as appropriate to reflect the resolution of any objections thereto pursuant to this Section 2.3(b)(ii). The "Final Statement of Purchase Price" shall mean the Proposed Purchase Price Calculation together with any revisions thereto pursuant to this Section 2.3(b)(ii).

(iii) In the event the Representative and Buyer submit any unresolved objections to the Accounting Firm for resolution as provided in Section 2.3(b)(ii), the responsibility for the fees and expenses of such Accounting Firm shall be paid by Buyer, on the one hand, and the Representative on behalf of the Shareholders, on the other hand, in inverse proportion (based on value) as Buyer and the Representative prevail on any disputed matters, as determined by the Accounting Firm.

(iv) Buyer will make the Company's financial records available to the Accounting Firm and the Representative and his accountants and other representatives at reasonable times at any time during the review by the Representative and/or the Accounting Firm, as the case may be, of, and the

resolution of any objections with respect to, the Proposed Purchase Price Calculation.

(c) *Adjustment to Estimated Purchase Price*.

(i) If the Actual Adjustment is a positive amount (the "Positive Adjustment Amount"):

(A) Buyer will pay, or cause to be paid, to the Representative on behalf of the Shareholders for distribution to the Shareholders in accordance with their respective Cash Proceeds Percentages set forth on Exhibit B, an amount in cash equal to the product of (x) the Positive Adjustment Amount and (y) 100% minus the Aggregate Contribution Percentage, net of applicable withholding taxes, if any, by wire transfer or delivery of other immediately available funds within three (3) Business Days after the date on which the Purchase Price is finally determined pursuant to Section 2.3(b);

(B) Buyer and the Representative will instruct the Escrow Agent to pay to the Representative on behalf of the Shareholders for distribution to the Shareholders in accordance with their respective Cash Proceeds Percentages set forth on Exhibit B, an amount equal to the Cash Escrow Amount, net of applicable withholding taxes, if any, out of the Escrow Account by wire transfer or delivery of other immediately available funds within three (3) Business Days after the date on which the Purchase Price is finally determined pursuant to Section 2.3(b); and

(C) McJ Holding will issue additional McJ Units to the Continuing Shareholders in accordance with Exhibit B with an aggregate value (determined based on the price per McJ Unit to be paid under the Contribution Agreement) equal to the product of (x) the Positive Adjustment Amount plus the Escrow Amount and (y) the Aggregate Contribution Percentage.

(ii) If the Actual Adjustment is a negative amount (the absolute value of such negative amount, the "Negative Adjustment Amount") and the Negative Adjustment Amount is less than the Escrow Amount:

(A) Buyer and the Representative will instruct the Escrow Agent to pay (1) to the Representative on behalf of the Shareholders for distribution to the Shareholders in accordance with their respective Cash Proceeds Percentages set forth on Exhibit B, an amount, if any, equal to the product of (x) the Escrow Amount minus the Negative Adjustment Amount and (y) 100% minus the Aggregate Contribution Percentage, net of applicable withholding taxes, if any, out of the Escrow Account by wire transfer or delivery of other immediately available funds within three (3) Business Days after the date on which the Purchase Price is finally

determined pursuant to Section 2.3(b), and (2) to Buyer the remaining amount of the Escrow Funds out of the Escrow Account by wire transfer or delivery of other immediately available funds within three (3) Business Days after the date on which the Purchase Price is finally determined pursuant to Section 2.3(b); and

(B) McJ Holding will issue additional McJ Units to the Continuing Shareholders in accordance with their respective Contributed Share Percentages set forth on Exhibit B with an aggregate value (based on the price per McJ Unit set forth in the Contribution Agreement) equal to the product of (x) the Escrow Amount minus the Negative Adjustment Amount and (y) the Aggregate Contribution Percentage.

(iii) If the Actual Adjustment is a Negative Adjustment Amount and is greater than or equal to the Escrow Amount:

(A) Buyer and the Representative will instruct the Escrow Agent to pay to Buyer the Cash Escrow Amount out of the Escrow Account by wire transfer or delivery of other immediately available funds within three (3) Business Days after the date on which the Purchase Price is finally determined pursuant to Section 2.3(b);

(B) if the Negative Adjustment Amount is greater than the Escrow Amount, the Non-Plan Shareholders will pay to Buyer, in accordance with the column entitled "Non-Plan Shareholders Percentages" on Schedule 1, an amount equal to the product of (x) the Negative Adjustment Amount minus the Escrow Amount and (y) 100% minus the Aggregate Contribution Percentage by wire transfer or delivery of other immediately available funds within three (3) Business Days after the date on which the Purchase Price is finally determined pursuant to Section 2.3(b); provided that Buyer may instead, in its sole discretion, elect to set off any amount owed by the Shareholders to Buyer pursuant to this clause (B) against the Midfield Amount payable to the Shareholders pursuant to Section 6.14; and

(C) if the Negative Adjustment Amount is greater than the Escrow Amount, McJ Holding will cancel McJ Units issued to the Continuing Shareholders pursuant to the Contribution Agreement with an aggregate value equal to the product of (x) the Negative Adjustment Amount minus the Escrow Amount and (y) the Aggregate Contribution Percentage, in accordance with Exhibit B.

2.4. Closing. Subject to the provisions of Article VII, the closing of the transactions contemplated by this Agreement (the "Closing") and all actions specified in this Agreement to occur at the Closing shall take place at the offices of Fried, Frank, Harris, Shriver & Jacobson LLP, One New York Plaza, New York, New York at 9:00 a.m., New York time, on the fifth Business Day immediately following the day on which the last of the conditions set forth in

Article VII (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions) are satisfied or waived in accordance with this Agreement, or on such other date as Buyer and the Representative shall agree (the date on which the Closing takes place, the "Closing Date").

2.5 Withholding. Each of Buyer and the Company shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any Shareholder such amounts as it is required to deduct and withhold with respect to the making of such payment under the Code; or any other applicable state, local or foreign Tax law. To the extent that amounts are so withheld by Buyer or the Company, as the case may be, such withheld amounts (a) shall be remitted by Buyer or the Company, as applicable, to the applicable Governmental Entity, and (b) shall be treated for all purposes of this Agreement as having been paid to the Shareholder in respect of which such deduction and withholding was made by Buyer or the Company, as the case may be.

ARTICLE III

Representations and Warranties of the Shareholders

Each Shareholder represents and warrants to Buyer, as follows (it being understood that no Shareholder shall be liable for the representation or warranty of any other Shareholder under this Article III):

3.1. Ownership; Authorization of Transaction.

(a) Schedule 1 accurately sets forth the number of shares of Company Stock owned of record and beneficially by such Shareholder. Such Company Stock is owned by such Shareholder free and clear of any Encumbrances.

(b) Such Shareholder has full power and authority to execute and deliver this Agreement and each Ancillary Document to which such Shareholder is a party, including the Escrow Agreement (which shall be executed by the Representative in his capacity as the true and lawful agent and attorney-in-fact of each of the Shareholders), and to perform such Shareholder's obligations hereunder and thereunder, and, if such Shareholder is an entity, the execution, delivery and performance by such Shareholder of this Agreement and the Ancillary Documents to which it is a party have been duly authorized by all necessary corporate or other similar action on the part of such Shareholder. This Agreement and each Ancillary Document to which such Shareholder is a party constitute, or upon execution will constitute, a valid and legally binding obligation of such Shareholder, enforceable against such Shareholder in accordance with their respective terms, except as limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar Laws affecting the enforcement of creditors' rights or by general principles of equity, whether such enforceability is considered in a court of law, a court of equity or otherwise (the "Bankruptcy and Equity Exception).

3.2. No Conflicts. With the exception of any filing required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR Act") and the Competition Act, the execution and the delivery of this Agreement and the Ancillary Documents to which such

Shareholder is a party and the consummation of the transactions contemplated hereby and thereby will not (a) violate any Law or Order to which such Shareholder is subject, (b) result in the creation or imposition of any Encumbrance upon the Company Stock owned of record and beneficially by such Shareholder, or (c) require such Shareholder to give any notice to, make any filing with, or obtain any authorization, consent or approval of, any Person.

ARTICLE IV

Representations and Warranties of the Company

Except as set forth in the corresponding sections of the disclosure letter delivered to Buyer by the Company simultaneously with the execution and delivery of this Agreement (the "Schedules") (it being agreed that disclosure of any item in any section of the Schedules shall be deemed disclosure with respect to any other section to which the relevance of such item is reasonably apparent), the Company represents and warrants to Buyer, as follows:

4.1. Authorization of Transaction. The Company has full power and authority to execute and deliver this Agreement and each Ancillary Document to which it is a party and to perform its obligations hereunder and thereunder, and the execution, delivery and performance by the Company of this Agreement and the Ancillary Documents to which it is a party have been duly authorized by all necessary corporate action on the part of the Company. This Agreement and each Ancillary Document to which the Company is a party constitute, or upon execution will constitute, a valid and legally binding obligation of the Company, enforceable against the Company in accordance with their respective terms, except as limited by the Bankruptcy and Equity Exception.

4.2. Corporate Organization; Authority. Each of the Company and each of its Subsidiaries is a legal entity duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of organization and has all requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except where the failure to be so organized, qualified or in good standing, or to have such power or authority, are not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect. The Company has made available to Buyer complete and correct copies of the Company's and each of its Subsidiaries' certificate of incorporation and by laws or comparable governing documents, each as amended to the date hereof, and each as so delivered is in full force and effect. Schedule 4.2 contains a true and complete list of each jurisdiction where the Company and each of its Subsidiaries are organized and qualified to do business.

4.3. Capitalization.

(a) The authorized capital stock of the Company consists of (x) 50,000,000 shares of Class A Stock, of which 143,976 shares are issued and outstanding as of the date of this Agreement, (y) 50,000,000 shares of Class B Stock, of which 34,344 shares are issued and outstanding as of the date of this Agreement and (z) 2,000 shares of Preferred Stock, par value

$2,500 per share, of which no shares are issued and outstanding as of the date of this Agreement. All of the Outstanding Shares have been duly authorized and are validly issued, fully paid and nonassessable. The Company has no shares of capital stock reserved for issuance. At the Closing, Buyer will acquire all of the Transferred Shares free and clear of any Encumbrances other than those imposed by or as a result of any act by Buyer. Each of the outstanding shares of capital stock or other securities of each of the Company's Subsidiaries is duly authorized, validly issued, fully paid and nonassessable and, except as set forth on Schedule 4.3(a), owned by the Company or by a direct or indirect wholly-owned Subsidiary of the Company, free and clear of any Encumbrance. Except as set forth on Schedule 4.3(a), there are no preemptive or other outstanding rights, options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements, calls, commitments or rights of any kind that obligate the Company or any of its Subsidiaries to issue or sell any Company Stock or any shares of capital stock or other securities of the Company or any of its Subsidiaries or any securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire, any Company Stock or any shares of capital stock or other securities of the Company or any of its Subsidiaries, and no securities or obligations evidencing such rights are authorized, issued or outstanding. None of the Company or any of its Subsidiaries has outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the shareholders of the Company or any of its Subsidiaries on any matter.

(b) Schedule 4.3(b) sets forth (i) each of the Company's Subsidiaries and the ownership interest of the Company in each such Subsidiary, as well as the ownership interest of any other Person or Persons in each such Subsidiary and (ii) the Company's or any of its Subsidiaries' capital stock, voting or equity interest or other direct or indirect ownership interest in any other Person. With respect to each Person identified on Schedule 4.3(b) that is (x) a Subsidiary of the Company that is not wholly-owned by the Company or (y) not a Subsidiary of the Company (each such entity described in (x) and (y), a "Non-Wholly Owned Investment"), the Company has delivered to Buyer copies of all Contracts and other documents to which the Company or any of its Subsidiaries is a party that relates in any way to any Non-Wholly Owned Investment and each such Contract is a valid and binding agreement of the Company or one of its Subsidiaries, as the case may be, and is in full force and effect, and neither the Company nor any of its Subsidiaries nor, to the Knowledge of the Company, any other party thereto is in default or breach in any respect under the terms of any such Contract. Neither the Company nor any of its Subsidiaries is obligated to make any capital contribution or to assume or otherwise become liable for any debts or obligations or make any other payments with respect to any Non-Wholly Owned Investment. The CanHCo Call Right set forth in the Midfield Shareholders Agreement is in full force and effect and entitles CanHCo to acquire all shares of Midfield Supply owned by MinorityHCo for the CanHCo Call Price during the Call Period.

4.4. No Conflicts.

(a) Other than the filings required under the HSR Act and the Competition Act, no notices, reports or other filings are required to be made by the Company or any of its Subsidiaries with, nor are any consents, registrations, approvals, permits or authorizations required to be obtained by the Company or any of its Subsidiaries from, any Governmental Entity, in connection with the execution, delivery and performance of this Agreement and the

Ancillary Documents by the Company and the Shareholders and the consummation by the Company and the Shareholders of the transactions contemplated hereby and thereby, or in connection with the continuing operation of the business of the Company and its Subsidiaries following the Closing, except those for which the failure to obtain such consent, approval or waiver is not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect.

(b) Except as set forth on Schedule 4.4(b), the execution, delivery and performance of this Agreement and the Ancillary Documents by the Company or any of the Shareholders do not, and the consummation of the transactions contemplated hereby and thereby will not, constitute or result in (i) a breach or violation of, or a default under, the certificate of incorporation or by laws of the Company or the comparable governing instruments of any of its Subsidiaries, (ii) with or without notice, lapse of time or both, a breach or violation of, a termination (or right of termination) or a default under, the creation or acceleration of any obligations or the creation of an Encumbrance on any of the assets of the Company or any of its Subsidiaries pursuant to any Contract binding upon the Company or any of its Subsidiaries or, assuming (solely with respect to performance of this Agreement and consummation of the transactions contemplated hereby) the requisite filing under the HSR Act and the Competition Act, under any Law to which the Company or any of its Subsidiaries is subject, or (iii) any change in the rights or obligations of any party under any Contract binding on the Company or any of its Subsidiaries, except, in the case of clause (ii) or (iii) above, for any such breach, violation, termination, default, creation, acceleration or change that, individually or in the aggregate, is not reasonably likely to have a Material Adverse Effect. None of the Company or any of its Subsidiaries is the beneficiary of, or exempt from, any Law, Order or Permit because of a "grandfather clause" that will not be available to it following the Closing.

(c) Neither the Company nor any of its Subsidiaries is a party to or bound by any non-competition Contracts or other Contract that purports to limit either the type of business in which the Company or its Affiliates (or, after giving effect to the transactions contemplated by this Agreement, Buyer or its Affiliates) may engage or the manner or locations in which any of them may engage in any business (for the avoidance of doubt, distribution agreements and similar Contracts entered into in the ordinary course of business consistent with past practice shall not be deemed to be covered by this Section 4.4(c) provided that such distribution agreements or similar Contracts do not in any way restrict Buyer or any of its Affiliates (other than the Company and its Subsidiaries) after consummation of the transactions contemplated hereby).

4.5. Financial Statements. The Company has delivered to Buyer copies of (a) the audited consolidated financial statements and other financial information for the Company and its consolidated Subsidiaries as of October 31, 2004, October 31, 2005 and October 31, 2006 and for the fiscal years then ended (the "Audited Financial Statements"), and (b) the unaudited consolidated financial statements and other financial information for the Company and its consolidated Subsidiaries for the seven-month period ending May 31, 2007 (together with the Audited Financial Statements, the "Financial Statements"). Each of the consolidated balance sheets included in the Financial Statements (including any related notes and schedules) fairly presents in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of its date and each of the consolidated statements of income,

shareholders' equity and cash flows included in the Financial Statements (including any related notes and schedules) fairly presents in all material respects the consolidated results of operations and cash flows of the Company and its consolidated Subsidiaries for the periods then ended, in each case in conformity with GAAP, subject in the case of the unaudited financial statements to (i) the absence of footnote disclosures and other presentation items and (ii) changes resulting from normal de minimis year-end adjustments. The audit reports with respect to the Audited Financial Statements are not subject to any qualification.

4.6. Absence of Certain Changes. Since October 31, 2006, the Company and its Subsidiaries have conducted their respective businesses only in, and have not engaged in any material transaction outside the ordinary and usual course of such businesses, and there has not been any event, change, action, failure to act or transaction which, individually or in the aggregate, has had or would be reasonably likely to have a Material Adverse Effect. Except as set forth on Schedule 4.6, since October 31, 2006, the Company has not taken any actions or omitted to take any actions which, had such actions or omissions occurred after the date of this Agreement, would have breached any of the covenants contained in Section 6.1(a), (b), (c), (d), (e), (f), (g), (h), (i), (k), (m), (n) (provided that the $100,000 referenced in such subsection shall be $100,000 individually, not in the aggregate), (o), (p), (q), (s), or (t).

4.7. Litigation and Liabilities.

(a) There are no civil, criminal or administrative actions, information requests, suits, claims, hearings, arbitrations, investigations or other proceedings (collectively, "Claims") pending or, to the Knowledge of the Company, threatened against the Company or any of its Subsidiaries, except as listed on Schedule 4.7 and for those that are not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect. Except as reflected or reserved against in the Company's audited consolidated balance sheet for the year ending October 31, 2006 (and the notes thereto) and for obligations or liabilities incurred in the ordinary course of business consistent with past practice since October 31, 2006 (and reflected or reserved against in the Company's unaudited consolidated balance sheet for the seven months ended May 31, 2007, to the extent incurred prior to such date), there are no obligations or liabilities of the Company or any of its Subsidiaries, whether or not accrued, contingent or otherwise and whether or not required to be disclosed, or any other facts or circumstances of which to the Knowledge of the Company is reasonably likely to result in any Claims against, or obligations or liabilities of, the Company or any of its Subsidiaries, including those relating to matters involving any Environmental Law), except for those that are not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect.

(b) Neither the Company nor any of its Subsidiaries is a party to or subject to the provisions of any Order of any Governmental Entity which is, individually or in the aggregate, reasonably likely to have a Material Adverse Effect.

4.8. Employees; Benefits.

(a) All material benefit, employment, retention, transaction, severance, change in control and compensation plans, contracts, policies or arrangements covering current or former employees of the Company and its Subsidiaries (the "Employees") and current or former

directors of the Company or any of its Subsidiaries, or with respect to which the Company or any of its Subsidiaries could have any liability, including, but not limited to, "employee benefit plans" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and deferred compensation, severance, stock option, stock purchase, stock appreciation rights, stock based, incentive and bonus plans (the "Benefit Plans"), are listed on Schedule 4.8(a), and each Benefit Plan which has received a favorable opinion letter from the Internal Revenue Service National Office has been separately identified. True and complete copies of all Benefit Plans listed on Schedule 4.8(a) have been made available to Buyer.

(b) To the Knowledge of the Company, all Benefit Plans, other than "multiemployer plans" within the meaning of Section 3(37) of ERISA (each, a "Multiemployer Plan") (collectively, "Company Benefit Plans") are in compliance in all material respects with their terms and ERISA, the Code and other applicable Laws. Each Company Benefit Plan which is subject to ERISA (an "ERISA Plan") that is an "employee pension benefit plan" within the meaning of Section 3(2) of ERISA intended to be qualified under Section 401(a) of the Code, has received a favorable determination letter from the Internal Revenue Service (the "IRS") covering all tax law changes prior to the Economic Growth and Tax Relief Reconciliation Act of 2001 or has applied to the IRS for such favorable determination letter within the applicable remedial amendment period under Section 401(b) of the Code, and to the Knowledge of the Company, no circumstances exist which are likely to result in the loss of the qualification of such Company Benefit Plan under Section 401(a) of the Code. No Benefit Plan which is a Multiemployer Plan is insolvent or is in reorganization within the meaning of Part 3 of Subtitle E of Title IV of ERISA and to the Company's Knowledge no condition exists which presents a risk of any Multiemployer Plan becoming insolvent or going into reorganization. Neither the Company nor any of its Subsidiaries has engaged in a transaction with respect to any ERISA Plan that, assuming the taxable period of such transaction expired as of the date hereof, could subject the Company or any Subsidiary to a tax or penalty imposed by either Section 4975 of the Code or Section 502(i) of ERISA in an amount which would be material.

(c) No material liability under Subtitle C or D of Title IV of ERISA has been or is expected to be incurred by the Company or any of its Subsidiaries with respect to any ongoing, frozen or terminated Company Benefit Plan or with respect to the single-employer plan of any entity which is considered one employer with the Company or any of its Subsidiaries under Section 4001 of ERISA or Section 414 of the Code (an "ERISA Affiliate"). Other than the Company and its Subsidiaries, neither the Company nor any of its Subsidiaries has any ERISA Affiliates nor any liability with respect to any entity that previously was an ERISA Affiliate. The Company and its Subsidiaries have not incurred and do not expect to incur any material withdrawal liability with respect to a Multiemployer Plan under Subtitle E of Title IV of ERISA (regardless of whether based on contributions of an ERISA Affiliate).

(d) As of the date hereof, there is no material pending or, to the Knowledge of the Company threatened, litigation or dispute relating to the Benefit Plans or by an Employee against the Company or any of its Subsidiaries, other than routine claims for benefits. No Benefit Plan is under audit, investigation or similar proceeding by the IRS, the Department of Labor, the Pension Benefit Guarantee Corporation or any other Governmental Entity and, to the Knowledge of the Company, no such audit, investigation or proceeding is pending. Neither the Company

nor any of its Subsidiaries has any obligations for retiree health or life benefits under any ERISA Plan or collective bargaining agreement or has obligations to any Employee (either individually or Employees as a group) that such Employee(s) would be provided with such retiree health or life benefits upon their retirement or termination of employment, except to the extent required by Section 4980B of the Code.

(e) Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby will (x) entitle any Employees to severance pay or any material increase in severance pay upon any termination of employment after the date hereof, or (y) accelerate the time of payment or vesting, or result in any payment or funding (through a grantor trust or otherwise) of compensation or benefits under, or increase the amount payable, or result in any other material obligation pursuant to, any of the Benefit Plans or (z) result in the triggering or imposition of any restrictions or limitation on the right of the Company or any of its Subsidiaries to amend or terminate any Benefit Plan. Except as set forth on Schedule 4.8(e), no payment or benefit which will or may be made by Buyer, the Company or any of its Subsidiaries with respect to any Employee will be characterized as an "excess parachute payment," within the meaning of Section 280G(b)(1) of the Code.

(f) Except for such Benefit Plans set forth on Schedule 4.8(f), none of the Benefit Plans, if administered in accordance with their terms, could result in the imposition of interest or an additional tax on any participant thereunder pursuant to Section 409A of the Code.

4.9. Compliance with Laws. The businesses of the Company and each of its Subsidiaries have not been, and are not being, conducted in violation of any applicable Law, except for violations that, individually or in the aggregate, are not reasonably likely to have a Material Adverse Effect. Except with respect to regulatory matters covered by Section 6.2, no investigation or review by any Governmental Entity with respect to the Company or any of its Subsidiaries is pending or, to the Knowledge of the Company, threatened, nor has any Governmental Entity indicated an intention to conduct the same, except for those the outcome of which are not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect. To the Knowledge of the Company, no material change is required in the Company's or any of its Subsidiaries' processes, properties or procedures in connection with any such Laws, and none of the Company or any of its Subsidiaries has received any notice or communication of any material noncompliance with any such Laws that has not been cured as of the date hereof. The Company and its Subsidiaries each has obtained and is in compliance with all permits, licenses, certifications, approvals, registrations, consents, authorizations, franchises, variances, exemptions and orders issued or granted by a Governmental Entity (each a "Permit") necessary to conduct its business as presently conducted, except those the absence of which is not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect.

4.10. Material Contracts. As of the date of this Agreement and except as otherwise expressly contemplated by this Agreement or as set forth on Schedule 4.10, neither the Company nor any of its Subsidiaries is a party to or bound by:

(a) any individual lease of real or personal property providing for annual rentals of $5 million or more;

(b) any Contract with any Governmental Entity or any Contract (other than purchase orders entered into the ordinary course of business consistent with past practice) that is reasonably likely to require either (x) annual payments to or from the Company or any of its Subsidiaries of more than $5 million or (y) aggregate payments to or from the Company or any of its Subsidiaries of more than $5 million;

(c) other than with respect to any wholly owned Subsidiary of the Company, any partnership, joint venture or other similar agreement or arrangement relating to the formation, creation, operation, management or control of any partnership or joint venture material to the Company or any of its Subsidiaries or in which the Company or any of its Subsidiaries directly or indirectly owns more than a 15% voting or economic interest, or any interest valued at more than $5 million without regard to percentage voting or economic interest;

(d) any Contract (other than among direct or indirect wholly owned Subsidiaries of the Company) relating to Debt in excess of $5 million;

(e) any non-competition Contract or other Contract that purports to limit either the type of business in which the Company or its Subsidiaries or, after consummation of the transactions contemplated hereby, Buyer or any of its Affiliates may engage or the manner or locations in which any of them may so engage in any business (for the avoidance of doubt, distribution agreements and similar Contracts entered into in the ordinary course of business consistent with past practice shall not be deemed to be covered by this Section 4.10(e) provided that such distribution agreements or similar Contracts do not in any way restrict Buyer or any of its Affiliates (other than the Company and its Subsidiaries) after consummation of the transactions contemplated hereby);

(f) any Contract containing a standstill or similar agreement pursuant to which one party has agreed not to acquire assets or securities of the other party or any of its Affiliates;

(g) any Contract with any Shareholder, Related Party, Affiliate, director or officer of the Company, or any Affiliate, shareholder, director or officer of any Subsidiary of the Company;

(h) any Contract providing for indemnification by the Company or any of its Subsidiaries of any Person, except for any such Contract that is (x) not material to the Company or any of its Subsidiaries or is a purchase order and (y) entered into in the ordinary course of business consistent with past practice;

(i) any Contract that contains a put, call or similar right pursuant to which the Company or any of its Subsidiaries could be required to purchase or sell, as applicable, any equity interests of any Person or assets that have a fair market value or purchase price of more than $5 million, other than the Midfield Shareholders Agreement; and

(j) any other Contract or group of related Contracts that, if terminated or subject to a default by any party thereto, is, individually or in the aggregate, reasonably likely to result in a Material Adverse Effect.

The Contracts described in Sections 4.10(a) through (j), together with all exhibits and schedules to such Contracts, are referred to herein as the "Material Contracts." A copy of each written Material Contract and a summary of the material terms of each oral Material Contract (or a copy of written terms proposed for Material Contracts not executed but in which performance has begun) have previously been delivered or made available to Buyer, and each Material Contract is a valid and binding agreement of the Company or one of its Subsidiaries, as the case may be, and is in full force and effect, and neither the Company nor any of its Subsidiaries nor, to the Knowledge of the Company, any other party thereto is in default or breach in any respect under the terms of any such Contract.

4.11. Real Property.

(a) With respect to the real property owned by the Company or any of its Subsidiaries (the "Owned Real Property"), (i) the Company or one of its Subsidiaries, as applicable, has good and marketable title to the Owned Real Property, free and clear of any Encumbrance other than Permitted Encumbrances, (ii) there are no outstanding options or rights of first refusal to purchase the Owned Real Property, or any portion thereof or interest therein, and (iii) neither the Company nor any of its Subsidiaries leases Owned Real Property to any other Person.

(b) With respect to the real property leased or subleased to the Company or any of its Subsidiaries (the "Leased Real Property"), the lease or sublease for such property is valid, legally binding, enforceable and in full force and effect, and none of the Company or any of its Subsidiaries is in material breach of or default under such lease or sublease, and no event has occurred which, with notice, lapse of time or both, would constitute a breach or default by any of the Company or its Subsidiaries or permit termination, modification or acceleration by any third party thereunder.

(c) Schedule 4.11(c) contains a true and complete list of all Owned Real Property and Leased Real Property and sets forth a correct street address or such other information as is reasonably necessary to identify each parcel of Owned Real Property and Leased Real Property.

4.12. Environmental Matters.

(a) Except as is not reasonably likely to have a Material Adverse Effect: (A) the Company and its Subsidiaries are, and have since January 1, 2002 been, in compliance with all applicable Environmental Laws; (B) the Company and its Subsidiaries possess all permits, licenses, registrations, identification numbers, authorizations and approvals required under applicable Environmental Laws for the operation of the business as presently conducted; (C) neither the Company nor any of its Subsidiaries has received any claim, notice of violation, citation or other communication concerning any violation or alleged violation of, or liability under, any applicable Environmental Law which has not been fully resolved, imposing no outstanding liability or obligation on the Company or any of its Subsidiaries; (D) there are no writs, injunctions, decrees, orders or judgments outstanding, or any actions, suits, proceedings, inquiries, information requests, or investigations pending or, to the Knowledge of the Company, threatened, concerning compliance by the Company or any of its Subsidiaries with, or liability of the Company or any of its Subsidiaries under, any Environmental Law; and (E) there are no Hazardous Substances at, on, under, or migrating to or from, the Owned Real Property, the

Leased Real Property, or, to the Knowledge of the Company, any real property formerly owned, leased or operated by the Company, or any of its Subsidiaries (the "Former Real Property"), in each case, which is reasonably expected to result in liability to the Company or any Subsidiary under Environmental Law.

(b) The Company has made available to Buyer or its counsel true and complete copies of any material reports, site assessments, tests, or monitoring possessed by the Company or any of its Subsidiaries (A) pertaining to Hazardous Substances at, on, under, or migrating to or from, any Owned Real Property, Leased Real Property or Former Real Property, or (B) concerning compliance by the Company or any of its Subsidiaries with Environmental Law or their liability thereunder.

(c) Notwithstanding any other representation and warranty in this Article IV, the representations and warranties contained in this Section 4.12 and in Sections 4.7 and 4.9 constitute the sole representations and warranties of the Company and the Shareholders relating to any Environmental Law.

4.13. Tax Matters. The Company and each of its Subsidiaries (a) have prepared in good faith and duly and timely filed (taking into account any extension of time within which to file) all Tax Returns required to be filed by any of them and all such filed Tax Returns are complete and accurate in all material respects; (b) have paid all Taxes that are shown as due on such filed Tax Returns (or Taxes that are otherwise due and payable) or that the Company or any of its Subsidiaries are obligated to withhold from amounts owing to any employee, creditor or other third party, except with respect to matters contested in good faith and for which adequate reserves have been established in accordance with GAAP; and (c) have not waived any statute of limitations with respect to Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency. As of the date hereof, there are not pending or, to the Knowledge of the Company, threatened, any audits, examinations, investigations or other proceedings in respect of Taxes or Tax matters. Except as set forth on Schedule 4.13, there are not, to the Knowledge of the Company, any material unresolved questions or claims concerning the Company's or any of its Subsidiaries' Tax liability. The Company has made available to Buyer true and correct copies of the United States federal income Tax Returns filed by the Company and each of its Subsidiaries for each of the three most recent fiscal years. The consolidated United States federal income Tax Returns of the Company have been examined, or the statutes of limitations have closed, with respect to all taxable years through and including the taxable year ended October 31, 2002. To the Knowledge of the Company, no claim has been made in the previous five years by a Governmental Entity in a jurisdiction where the Company or any of its Subsidiaries does not file Tax Returns that the Company or any of its Subsidiaries is or may be subject to taxation by that jurisdiction. Neither the Company nor any of its Subsidiaries has any liability for Taxes of any Person (other than the Company and its Subsidiaries) under Treasury Regulation Section 1.1502-6 or any comparable provision of U.S., state, local or foreign Law, or otherwise. Neither the Company nor any of its Subsidiaries has been a party to a "reportable transaction" (as that term is defined in Treasury Regulation Section 1.6011-4(b)(1)). Neither the Company nor any of its Subsidiaries is a party to any Tax sharing agreement with any Person (other than the Company and/or any of its Subsidiaries). Neither the Company nor any of its Subsidiaries has been a party to any distribution occurring during the last 30 months in which the parties to such distribution treated the distribution as one to which Section 355 of the Code (or

any similar provision of state, local or foreign law) applied. Each material Tax election made by the Company or any of its Subsidiaries has been timely and properly made. Each of the Class A Stock and the Class B Stock is not "taxable Canadian property" for purposes of the Income Tax Act (Canada).

4.14. Labor Matters.

(a) To the Knowledge of the Company, there is no organizational effort currently being made or threatened on behalf of any labor organization to organize the employees of the Company or any of its Subsidiaries, nor a demand for recognition of any of the employees of the Company or any of its Subsidiaries on behalf of any labor organization within the last two (2) years; nor is the Company or any of its Subsidiaries the subject of any material proceeding asserting that the Company or any of its Subsidiaries has committed an unfair labor practice within the meaning of the National Labor Relations Act or comparable restrictions under other applicable Laws or seeking to compel it to bargain with any labor organization; nor is there pending or, to the Knowledge of the Company, threatened, nor has there been for the past two (2) years, any labor strike, picketing, walkout, work stoppage or lockout involving the Company or any of its Subsidiaries. Neither the Company nor any of its Subsidiaries is presently, nor has been in the past a party to, or bound by, any collective bargaining agreement or union contract with respect to Employees, and no such agreement or contract is currently being negotiated. The consummation of the transactions contemplated by this Agreement will not entitle any third party (including any labor organization) to any payments under any collective bargaining agreement or union contract with respect to Employees to which the Company or any of its Subsidiaries is a party or by which any of them are otherwise bound.

(b) The Company and its Subsidiaries (i) are in compliance in all material respects with all applicable Laws respecting employment, overtime pay and wages and hours, in each case, with respect to their employees; (ii) have withheld all material amounts required by applicable Law or by agreement to be withheld from the wages, salaries and other payment to their employees; and (iii) are not liable for or in arrears with respect to material wages or any material taxes or any penalty for failure to comply with any of the foregoing except, in each case, to the extent as is not reasonably likely to have a Material Adverse Effect.

(c) Neither the Company nor any of its Subsidiaries has classified any individual as an "independent contractor" or similar status who, according to a Benefit Plan or applicable Law, should have been classified as an employee or of similar status.

4.15. Insurance. The Company and its Subsidiaries maintain fire and casualty, general liability, business interruption, product liability and sprinkler and water damage insurance policies (the "Insurance Policies") with reputable insurance carriers. The Insurance Policies provide full and adequate coverage for all normal risks incident to the business of the Company and its Subsidiaries and their respective properties and assets, and are in character and amount at least equivalent to that carried by Persons engaged in similar businesses and subject to the same or similar perils or hazards, except for any such failure to maintain insurance polices that, individually or in the aggregate, are not reasonably likely to have a Material Adverse Effect. Each Insurance Policy is in full force and effect and all premiums due with respect to all

Insurance Policies have been paid, with such exceptions that, individually or in the aggregate, are not reasonably likely to have a Material Adverse Effect.

4.16. Related Party Transactions.

(a) Except as set forth on Schedule 4.16(a), no Shareholder or other Related Party (i) has any interest in any property (real, personal, or mixed and whether tangible or intangible), used in or pertaining to the business of the Company or any of its Subsidiaries as currently conducted, (ii) owns, of record or as a beneficial owner, an equity interest or any other financial or a profit interest (other than ownership of publicly-traded securities representing less than 5% of the total equity and less than 5% of the total voting power of the issuer) in a Person that has had material business dealings or a material financial interest in any transaction with the Company or any of its Subsidiaries, or (iii) is a party to any Contract with, or has any claim or right against, the Company or any of its Subsidiaries (except for employment and similar Contracts and claims thereunder).

(b) Except as set forth on Schedule 4.16(b), none of the Company or any of its Subsidiaries is indebted, directly or indirectly, to any Person who is a Shareholder or other Related Party in any amount whatsoever, other than for ordinary compensation (including salaries, wages and benefits) for services rendered or reimbursable business expenses, nor is any such Shareholder or other Related Party indebted to the Company or any of its Subsidiaries, except for advances made to employees of the Company or any of its Subsidiaries in the ordinary course of business to meet reimbursable business expenses anticipated to be incurred by such obligor. There is no Debt owed by the Company or any of its Subsidiaries to any employee of Midfield. All Debt that is owed by the Company or any of its Subsidiaries to MinorityHCo is unsecured and subordinated to any bank Debt of the Company or any of its Subsidiaries, and does not exceed CDN$27 million.

4.17. Product Warranty and Product Liability. There is no notice, demand, claim, action, suit, inquiry, hearing, proceeding, notice of violation or investigation from, by or before any Governmental Entity relating to any product, including the packaging and advertising related thereto, designed, formulated, manufactured, processed, sold, distributed or placed in the stream of commerce by the Company or any of its Subsidiaries (a "Product"), or claim or lawsuit involving a Product which is, to the Knowledge of the Company, pending or threatened, by any Person which is reasonably likely to result in any material liability to the Company or any of its Subsidiaries. There has not been, nor is there under consideration by the Company or any of its Subsidiaries, any Product recall or post-sale warning conducted by or on behalf of the Company or any of its Subsidiaries concerning any Product, except for such recalls or post-sale warnings that are not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect. To the Knowledge of the Company, at the time sold, distributed or placed in the stream of commerce by the Company or any of its Subsidiaries, all Products, complied in all material respects with applicable specifications, government safety standards and other applicable Laws, and were substantially free from contamination, deficiencies or defects, except for such non-compliance, contamination, deficiency or defect as is not, individually or in the aggregate, reasonably likely have a Material Adverse Effect.

4.18. Suppliers and Customers. Schedule 4.18 sets forth a list of (a) the fifteen (15) largest suppliers (by dollar amount and not by name) to the Company and its Subsidiaries, taken as a whole, during the seven month period ending May 31, 2007 ("Major Suppliers") and (ii) the fifteen (15) customers (by dollar amount of purchases and not by name) with the highest dollar amount of purchases from or services of, the companies, taken as a whole, during the seven month period ending May 31, 2007 (the "Major Customers"). No Major Supplier or Major Customer has during the last two (2) years materially decreased or limited, or to the Knowledge of the Company threatened to materially decrease or limit, its provision or receipt of services or supplies to or from the Company or any of its Subsidiaries. No termination, cancellation or material limitation of, or any material modification or change in, the business relationship of the Company or any of its Subsidiaries has occurred or, to the Knowledge of the Company, has been threatened by any Major Supplier or Major Customer.

4.19. Purchase and Sale Agreements. No claims for indemnification under any prior purchase and sale agreements to which the Company or any of its Subsidiaries is a party (the "Prior Purchase Agreements"), have been made by the Company or any of its Subsidiaries in the last five (5) years, or are pending or threatened by the Company or any of its Subsidiaries. No claims for indemnification under any Prior Purchase Agreements have been made in the last five (5) years or to the Knowledge of the Company are pending or threatened, by any counterparties thereto.

4.20. Brokers and Finders. None of the Shareholders, the Company, any of the Company's Subsidiaries or any of the Company's or any of its Subsidiaries' officers, directors or employees has employed, retained or engaged any broker or finder or incurred any liability for any brokerage, finder's or similar fees or commissions in connection with the transactions contemplated by this Agreement, except that the Company has employed Boylan Partners, LLC as its financial advisor with respect to the transactions contemplated by this Agreement, the fees and expenses of which shall be either paid by the Shareholders or included as Company Expenses.

4.21. Power of Attorney. None of the Shareholders, the Company or any of the Company's Subsidiaries has given any irrevocable power of attorney (other than such powers of attorney given in the ordinary course of business with respect to routine matters or as may be necessary or desirable in connection with the transactions contemplated hereby) to any Person for any purpose whatsoever with respect to the Company or any of the Company's Subsidiaries.

4.22. Investment Canada Act. The Company is a WTO investor (within the meaning of the Investment Canada Act). None of the Company or any of its Subsidiaries (i) is engaged in the production of uranium or owns an interest in a producing uranium property in Canada, (ii) provides a financial service (as such term is defined in the Investment Canada Act) in Canada, (iii) provides any transportation service (as such term is defined in the Investment Canada Act) in Canada, and (iv) is involved in any sensitive sector activities in Canada as described in subsections 14.1(5) and 15(a) of the Investment Canada Act. The value, calculated in the manner prescribed in the Investment Canada Act, of the assets of the Company and its Subsidiaries carrying on a business in Canada and of any Subsidiary incorporated in Canada, amounts to less than fifty per cent of the value, calculated in the manner prescribed in the Investment Canada Act, of all of the assets of the Company and its Subsidiaries.

4.23. Opinion. The Company, as the plan administrator of the Company Retirement Plan, has received a written report from Fiduciary Counselors Inc., an independent fiduciary appointed for the purpose of determining the participation by the Company Retirement Plan in the transactions contemplated by this Agreement (the "Independent Fiduciary"), which written report (i) includes an opinion from Murray, Devine & Co. to the effect that the transactions contemplated by this Agreement are fair to the Company Retirement Plan from a financial point of view, (ii) concludes that the transactions contemplated by this Agreement are fair to the Company Retirement Plan from a financial point of view and (iii) directs the trustees of the Company Retirement Plan to execute this Agreement on behalf of the Company Retirement Plan. The Company has provided Buyer a correct and complete copy of such report.

ARTICLE V

Representations and Warranties of Buyer

Buyer represents and warrants to the Shareholders as follows:

5.1. Organization, Good Standing and Qualification. Buyer is a legal entity duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization and has all requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except where the failure to be so organized, qualified or in such good standing, or to have such power or authority, are not, individually or in the aggregate, reasonably likely to prevent, materially delay or materially impair the consummation of the transactions contemplated by this Agreement.

5.2. Corporate Authority. Buyer has all requisite corporate power and authority and has taken all corporate action necessary in order to execute, deliver and perform its obligations under this Agreement and each Ancillary Document and to consummate the transactions contemplated hereby and thereby. This Agreement and each Ancillary Document has been duly executed and delivered by Buyer and is a valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms, subject to the Bankruptcy and Equity Exception.

5.3. Governmental Filings; No Violations; Etc.

(a) Other than the filings required under the HSR Act and the Competition Act, no notices, reports or other filings are required to be made by Buyer with, nor are any consents, registrations, approvals, permits or authorizations required to be obtained by Buyer from, any Governmental Entity in connection with the execution, delivery and performance of this Agreement and the Ancillary Documents by Buyer and the consummation by Buyer of the transactions contemplated hereby and thereby, except those that the failure to make or obtain are not, individually or in the aggregate, reasonably likely to prevent, materially delay or materially impair the consummation of the transactions contemplated by this Agreement (assuming that with respect to Investment Canada Act, the representations and warranties made by the Company in Section 4.22 are true and correct).

(b) The execution, delivery and performance of this Agreement and the Ancillary Documents by Buyer do not, and the consummation by Buyer of the transactions contemplated hereby and thereby will not, constitute or result in (i) a breach or violation of, or a default under, the certificate of incorporation or by laws of Buyer, (ii) with or without notice, lapse of time or both, a breach or violation of, a termination (or right of termination) or a default under, the creation or acceleration of any obligations or the creation of an Encumbrance on any of the assets of Buyer pursuant to, any Contracts binding upon Buyer, or (iii) any change in the rights or obligations of any party under any such Contract, except, in the case of clause (ii) or (iii) above, for any such breach, violation, termination, default, creation, acceleration or change that is not, individually or in the aggregate, reasonably likely to prevent, materially delay or materially impair the consummation of the transactions contemplated by this Agreement and the Ancillary Documents.

5.4. Litigation. There are no civil, criminal or administrative actions, suits, claims, hearings, investigations or proceedings pending or, to the knowledge of the officers of Buyer, threatened against Buyer, except for those that are not, individually or in the aggregate, reasonably likely to (i) have a material adverse effect on the financial condition, properties, assets, liabilities, business or results of operations of Buyer or (ii) prevent, materially delay or materially impair the consummation of the transactions contemplated by this Agreement.

5.5. Financing. Attached as Exhibit E is a true and complete copy of a debt commitment letter, other than the fee letter relating thereto (the "Debt Financing Commitment"), pursuant to which the lenders party thereto have agreed, subject to the terms and conditions set forth therein, to lend the amounts set forth therein for the purposes of financing a portion of the proceeds to be used for the transactions contemplated by this Agreement (the "Debt Financing"). Attached as Exhibit F is a true and complete copy of an equity commitment letter (the "Equity Financing Commitment," and together with the Debt Financing Commitment, the "Financing Commitments"), pursuant to which the parties thereto have agreed, subject to the terms and conditions set forth therein, to invest the amount set forth therein (together with the Debt Financing, the "Financing"). As of the date of this Agreement, (a) the Financing Commitments have not been amended or modified, (b) no such amendment or modification is contemplated and (c) the respective commitments contained in the Financing Commitments have not been withdrawn or rescinded in any respect. Buyer has fully paid any and all commitment fees or other fees in connection with the Financing Commitments that are payable on or prior to the date hereof, and the Financing Commitments are in full force and effect and are the valid, binding and enforceable obligations of Buyer, and to the knowledge of Buyer, the other parties thereto. There are no conditions precedent or other contingencies related to the funding of the full amount of the Financing, other than as set forth in or contemplated by the Financing Commitments. As of the date hereof, no event has occurred which, with or without notice, lapse of time or both, would constitute a default on the part of Buyer under the Financing Commitments and as of the date hereof Buyer has no reason to believe that any of the conditions to the Financing contemplated by the Financing Commitments will not be satisfied or that the Financing will not be made available to Buyer. Subject to the terms and conditions contained in this Agreement and the Financing Commitments, Buyer will have at the Closing funds sufficient to pay the cash portion of the Estimated Purchase Price (and any repayment or refinancing of debt contemplated by this Agreement or the Financing Commitments) and any other amounts

required to be paid in connection with the consummation of the transactions contemplated hereby, and to pay all related fees and expenses.

5.6. Brokers and Finders. Other than Goldman, Sachs & Co., none of the Buyer, McJ Holding, any of the their respective Subsidiaries or any of their respective members, officers, directors or employees has employed, retained or engaged any broker or finder or incurred any liability for any brokerage, finder's or similar fees or commissions in connection with the transactions contemplated by this Agreement.

ARTICLE VI

Covenants

6.1. Interim Operations. After the date hereof and prior to the Closing (unless Buyer shall otherwise approve in writing, such approval not to be unreasonably withheld or delayed, and except as otherwise expressly contemplated by this Agreement, and except as required by applicable Laws), the Company shall, and the Shareholders covenant and agree to cause the Company and its Subsidiaries to, conduct the business of the Company and its Subsidiaries in the ordinary and usual course and, to the extent consistent therewith, the Company shall and the Shareholders shall cause the Company and the Company's Subsidiaries to (x) use their respective reasonable best efforts to preserve the Company's and its Subsidiaries' business organizations intact and maintain existing relations and goodwill with all Governmental Entities, customers, suppliers, distributors, creditors, lessors, employees and business associates, (y) keep available the services of the Company's and its Subsidiaries' present employees and agents and (z) make capital expenditures substantially in compliance with the Company's 2007 budget provided to Buyer prior to the date of this Agreement and set forth on Schedule 6.1. Without limiting the generality of the foregoing and in furtherance thereof, from the date of this Agreement until the Closing, except (A) as otherwise expressly contemplated by this Agreement, (B) as Buyer may approve in writing (such approval not to be unreasonably withheld or delayed) or (C) for transactions set forth on Schedule 6.1, the Company will not and the Shareholders shall cause the Company and each of its Subsidiaries not to:

(a) adopt or propose any change in its certificate of incorporation or by laws or other applicable governing instruments;

(b) merge or consolidate with any other Person, or restructure, reorganize or completely or partially liquidate or otherwise enter into any agreements or arrangements imposing material changes or restrictions on its assets, operations or businesses;

(c) acquire any entity or business (including by way of merger, stock purchase, asset purchase or otherwise) from any other Person, other than acquisitions pursuant to Contracts in effect as of the date of this Agreement and disclosed on the Schedules;

(d) issue, sell, pledge, dispose of, grant, transfer, encumber, or authorize the issuance, sale, pledge, disposition, grant, transfer, lease, license, guarantee or encumbrance of, any Company Stock or any shares of capital stock of the Company or any of its Subsidiaries (other than the issuance of shares by a wholly-owned Subsidiary of the Company to the Company or

another wholly-owned Subsidiary), or securities convertible or exchangeable into or exercisable for any shares of such capital stock, or any options, warrants or other rights of any kind to acquire any Company Stock or any shares of such capital stock or such convertible or exchangeable securities;

(e) create or incur any Encumbrance in excess of $5 million on any assets of the Company or any of its Subsidiaries;

(f) make any loans, advances or capital contributions to or investments in any Person, other than non-material advances to vendors and employees in the ordinary course of business consistent with past practice;

(g) enter into any agreement with respect to the voting of its capital stock or declare, set aside, make or pay any non-cash dividend or other distribution, or purchase, redeem or otherwise acquire any of its capital stock payable other than in cash, with respect to any of its capital stock;

(h) reclassify, split or combine, directly or indirectly, any of its capital stock or securities convertible or exchangeable into or exercisable for any shares of its capital stock;

(i) incur any Debt (other than borrowings under the Company's existing debt facilities in the ordinary course of business consistent with past practice) or guarantee Debt of another Person, or issue or sell any debt securities or warrants or other rights to acquire any debt security of the Company or any of its Subsidiaries;

(j) enter into any Contract that would have been a Material Contract had it been entered into prior to the entering into of this Agreement;

(k) make any changes with respect to accounting policies or procedures, except as required by changes in GAAP;

(l) other than in the ordinary course of business consistent with past practice, amend, modify or terminate any Material Contract, or cancel, modify or waive any Debts or claims held by it or waive any rights;

(m) except as set forth on Schedule 6.1(m), make any material Tax election, take any material position on any Tax Return filed on or after the date of this Agreement or adopt any tax accounting method that is inconsistent with positions taken or methods used in preparing or filing similar Tax Returns in prior periods, or settle or resolve any material Tax controversy;

(n) other than pursuant to Contracts in effect prior to the date of this Agreement and disclosed on the Schedules, transfer, sell, lease, license, mortgage, pledge, surrender, encumber, divest, cancel, abandon or allow to lapse or expire or otherwise dispose of any assets, product lines or businesses of the Company or its Subsidiaries, including capital stock of any of its Subsidiaries, except for sales, leases, licenses or other dispositions of assets with a fair market value not in excess of $100,000 in the aggregate;

(o) except as set forth on Schedule 6.1(o) or otherwise required by applicable Law, (i) increase the compensation, bonus or pension or welfare benefits of, or make any new equity — based awards to, any director, officer or employee of the Company or any of its Subsidiaries (other than those increases in the ordinary course of business consistent with past practice to employees below the Vice President level), (ii) establish, adopt, amend or terminate any Benefit Plan or amend the terms of any Benefit Plan or outstanding equity-based awards or (iii) take any action to accelerate the vesting or payment, or fund or in any other way secure the payment, of compensation or benefits under any Benefit Plan, to the extent not already required by any such Benefit Plan;

(p) settle, or consent to any settlement of, any actions, suits, claims or proceedings against the Company or any of its Subsidiaries or any obligation or liability of the Company or any of its Subsidiaries alleging any injury or damage (other than disputes with customers or suppliers in the ordinary course of business consistent with past practice and not exceeding $50,000 per claimant);

(q) take any action or omit to take any action that will waive, modify, compromise or extinguish any of the Company's or any of its Subsidiaries' rights with respect to any agreements, understandings or arrangements relating to any insurance coverage;

(r) take any action or omit to take any action that is reasonably likely to result in any of the conditions to Closing set forth in Article VII not being satisfied (other than the taking of any action required to be taken under applicable Law or the omission of any action prohibited under applicable Law);

(s) enter into, terminate, amend or modify any Contract or transaction with any Affiliate, Shareholder or other Related Party;

(t) enter into any purchase order (other than purchase orders entered into in the ordinary course of business consistent with past practice and in an amount less than $10 million); or

(u) agree, authorize or commit to do any of the foregoing.

6.2. Other Actions; Notification.

(a) Cooperation. Subject to the terms and conditions set forth in this Agreement, each Party shall cooperate with each other and use (and the Company shall cause its Subsidiaries to use) their respective commercially reasonable efforts to take or cause to be taken all actions, and do or cause to be done all things reasonably necessary, proper or advisable on its part under this Agreement and applicable Laws to consummate and make effective the transactions contemplated by this Agreement as soon as practicable, including preparing and filing as promptly as practicable all documentation to effect all necessary notices, reports and other filings and to obtain as promptly as practicable all consents, registrations, approvals, permits and authorizations necessary or advisable to be obtained from any third party and/or any Governmental Entity in order to consummate the transactions contemplated by this Agreement. Without limiting the foregoing, Buyer will, as soon as practicable after the date of this Agreement, (i) prepare and file any Notification and Report Forms and related material required

to be filed by it with the Federal Trade Commission and the Antitrust Division of the United States Department of Justice under the HSR Act and (ii) prepare and provide submissions to the Commissioner of Competition including a request for an Advance Ruling Certificate and, if requested by Buyer, the Company and Buyer will promptly file a short-form or long-form pre-merger notification pursuant to the Competition Act. Notwithstanding anything contained in this Agreement to the contrary, Buyer shall not be required to proffer or accept any Order providing for Buyer or any of its Affiliates to (x) sell or otherwise dispose of, or hold separate or agree to sell or otherwise dispose of, any entities, assets, or facilities of the Company or any of its Subsidiaries, or any entity, facility or asset of Buyer or any of its Subsidiaries or any of its or their Affiliates, (y) terminate, amend or assign any existing relationships or contractual rights or obligations, or (z) amend, assign or terminate any existing licenses or other agreements or enter into any new licenses or other agreements.

(b) Information. Each Party shall, upon request by any other, furnish such other Parties with all information concerning itself, its Subsidiaries, directors, officers and shareholders and such other matters as may be reasonably necessary or advisable in connection with any filing, notice or application made by or on behalf of any Party or any of their respective Subsidiaries to any Governmental Entity in connection with the transactions contemplated by this Agreement.

(c) Status. Subject to applicable Laws and the instructions of any Governmental Entity, the Company and the Shareholders shall keep Buyer, and Buyer shall keep the Company and the Representative, apprised of the status of matters relating to completion of the transactions contemplated hereby, including promptly furnishing such Parties with copies of notices or other communications received by such Party, as the case may be, or any of its Subsidiaries, from any third party and/or any Governmental Entity, including under the HSR Act and the Competition Act, with respect to the transactions contemplated by this Agreement. The Company and the Shareholders shall give prompt notice to Buyer of any change, fact or condition that is reasonably likely to result in a Material Adverse Effect or of any failure of any condition to Buyer's obligations to effect the Closing and Buyer shall give prompt notice to the Company and the Representative of any change, fact or condition that is reasonably likely to have a material adverse effect on Buyer's ability to consummate the Financings or of any failure of any condition to the Company's obligations to effect the Closing; provided, however, that the delivery of any notice pursuant to this sentence shall not limit or otherwise affect the remedies available hereunder to the Party to which such notice is given.

6.3. Access and Reports. Subject to applicable Law, upon reasonable notice, the Company shall (and shall cause each of its Subsidiaries to) afford Buyer's officers, its financing sources and other authorized representatives of Buyer reasonable access, during normal business hours throughout the period prior to the Closing, to its employees, properties, books, Contracts and records and, during such period, the Company shall (and shall cause each of its Subsidiaries to) furnish promptly to Buyer all information concerning its business, properties and personnel as may reasonably be requested, provided that no investigation pursuant to this Section 6.3 shall affect or be deemed to modify any representation or warranty made by the Company or the Shareholders herein, and provided, further, that the foregoing shall not require the Company (i) to permit any inspection, or to disclose any information, that in the reasonable judgment of the Company would result in the disclosure of any trade secrets of third parties or violate any of its

obligations with respect to confidentiality or (ii) to disclose any privileged information of the Company or any of its Subsidiaries. All requests for information made pursuant to this Section 6.3 shall be directed to the Representative or other Person designated by the Representative. All such information shall be governed by the terms of the Confidentiality Agreement.

6.4. Shareholder Restrictions. From the date of this Agreement to the Closing, except as necessary to comply with Sections 6.17 and 6.18, each of the Shareholders agrees it shall not (a) sell, transfer, encumber, assign or otherwise dispose of, or enter into any Contract with respect to the sale, transfer, encumbrance, assignment or other disposition of, any of the Company Stock held by such Shareholder or (b) take any action (other than any action required by Law), or omit to take any action (other than any action prohibited by Law), which would reasonably be expected to have the effect of preventing or disabling such Shareholder from delivering such Shareholder's Company Stock to Buyer or McJ Holding at the Closing, or immediately prior to Closing, free and clear of any Encumbrances or otherwise performing such Shareholder's obligations under this Agreement or the Contribution Agreement.

6.5. Shareholder Non-Compete Agreements. At or prior to the Closing, the Company and each Person listed on Schedule 6.5 shall enter into a Non-Compete and Non-Solicitation Agreement in the form attached hereto as Exhibit G (each, a "Non-Compete Agreement").

6.6. Shareholders' Post-Closing Confidentiality Obligation. Each Shareholder acknowledges that (i) during the course of its affiliation with the Company, it has produced and/or had access to confidential information relating to the Company and its Subsidiaries ("Confidential Information"), and (ii) the unauthorized use or disclosure of any Confidential Information at any time would constitute unfair competition with Buyer and would deprive Buyer of the benefits of this Agreement and the transactions contemplated by this Agreement. Each Shareholder agrees that it will hold in confidence the Confidential Information and will not, directly or indirectly, disclose, publish, or otherwise make available any of the Confidential Information to the public or to any Person or use any of the Confidential Information for its own benefit or for the benefit of any other Person, other than Buyer and its Affiliates; provided, however, that such Shareholder may disclose Confidential Information if, but only to the extent, required to do so by Law, provided, however, that in such case, such Shareholder shall provide Buyer with prior written notice thereof so that Buyer may seek an appropriate protective order or other appropriate remedy, and such Shareholder shall (at Buyer's expense) reasonably cooperate with the Company in connection therewith and provided, further, that, in the event that a protective order or other remedy is not obtained, such Shareholder shall furnish only that portion of such information which, in the opinion of its counsel, such Shareholder is legally compelled to disclose and shall exercise commercially reasonable efforts to obtain reasonable assurance that confidential treatment will be accorded any such information so disclosed.

6.7. Release of Claims by Shareholders. Effective upon the Closing, each of the Shareholders, on such Shareholder's own behalf and on behalf of such Shareholder's heirs, executors, administrators, legal representatives, successors and assigns, hereby irrevocably releases, acquits, and forever discharges the Company and the Company's Subsidiaries and each of their respective present or former officers, directors, agents, employees, employee benefit plans (and the fiduciaries thereof) and Affiliates, in each case, in their capacity as such, and the successors and assigns of any of the foregoing (collectively, the "Released Parties"), from any

and all claims, actions, causes of action, suits, rights, debts, agreements, damages, injuries, losses, costs, expenses, (including legal fees) and demands whatsoever and all consequences thereof, of every nature or description, whether known or unknown, suspected or unsuspected, foreseen or unforeseen, actual or potential, existing as of or prior to the Closing, that any of the Shareholders ever had, now has or may in the future (as of or prior to the Closing) have against any of the Released Parties, in law or in equity, as a result of any act, transaction, agreement, event or omission, occurring or committed from the beginning of time through the Closing (the "Released Claims"), other than (i) any claims for current wages, benefits and expense reimbursements arising in the ordinary course of business or (ii) any other claims that constitute current liabilities of the Company and its Subsidiaries and the amount of which are taken in the computation of Net Working Capital. Notwithstanding the foregoing, any obligation by Buyer or the Company to any Shareholder to be performed after the Closing pursuant to this Agreement or any of the Ancillary Documents shall not constitute a Released Claim.

6.8. Investigations and Actions. The Shareholders and the Company shall keep Buyer informed, on a current basis, of any events, discussions, notices or changes with respect to any criminal or regulatory investigation or action involving the Company or any of its Subsidiaries, so that Buyer and its Affiliates will have the opportunity to take appropriate steps to avoid or mitigate any regulatory consequences to them that might arise from such investigation or action.

6.9. Indemnification; Directors' and Officers' Insurance.

(a) From and after the Closing the Company will indemnify and hold harmless, to the fullest extent permitted under applicable Law (and the Company shall also advance expenses as incurred to the fullest extent permitted under applicable Law provided the Person to whom expenses are advanced provides an undertaking to repay such advances if it is ultimately determined that such Person is not entitled to indemnification), each present and former director, officer and employee of the Company or any of its Subsidiaries (collectively, the "Company Indemnified Parties") against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to matters existing or occurring at or prior to the Closing; provided, however, that the Company shall not indemnify any director, officer or employee for any liability for (i) receipt of a financial benefit to which such Company Indemnified Party is not entitled, (ii) an intentional infliction of harm on the Company or its Affiliates, (iii) in the case of a director, a distribution in violation of Section 1052 of the Oklahoma General Corporation Act or Section 2030 of the Oklahoma Limited Liability Company Act or (iv) an intentional violation of criminal Law.

(b) Any Company Indemnified Party wishing to claim indemnification under Section 6.9(a) upon learning of any such claim, action, suit, proceeding or investigation, shall promptly notify the Company thereof, but the failure to so notify shall not relieve the Company of any liability it may have to such Company Indemnified Party except to the extent such failure materially prejudices the indemnifying party. In the event of any such claim, action, suit, proceeding or investigation (whether arising before or after the Closing), (i) the Company shall have the right to assume the defense thereof and the Company shall not be liable to such Company Indemnified Parties for any legal expenses of other counsel or any other expenses

subsequently incurred by such Company Indemnified Parties in connection with the defense thereof, except that if the Company elects not to assume such defense or counsel for the Company Indemnified Parties advises that there are issues which raise conflicts of interest between the Company and the Company Indemnified Parties, the Company Indemnified Parties may retain counsel satisfactory to them, and the Company shall pay all reasonable fees and expenses of such counsel for the Company Indemnified Parties promptly as statements therefor are received; provided, however, that Company shall be obligated pursuant to this Section 6.9(b) to pay for only one firm of counsel for all Company Indemnified Parties in any jurisdiction unless the use of one counsel for such Company Indemnified Parties would present such counsel with a conflict of interest; provided that the fewest number of counsels necessary to avoid conflicts of interest shall be used; (ii) the Company Indemnified Parties will cooperate in the defense of any such matter; and (iii) the Company shall not be liable for any settlement effected without the Company's prior written consent; and provided, further, that the Company shall not have any obligation hereunder to any Company Indemnified Party if and when a court of competent jurisdiction shall ultimately determine, and such determination shall have become final, that the indemnification of such Company Indemnified Party in the manner contemplated hereby is prohibited by applicable Law. If such indemnity is not available with respect to any Company Indemnified Party, then the Company and the Company Indemnified Party shall contribute to the amount payable in such proportion as is appropriate to reflect relative faults and benefits to the extent permitted by applicable Law.

(c) Prior to the Closing, Buyer shall obtain and fully pay for "tail" insurance policies with a claims period of at least six years from and after the Closing from an insurance carrier with the same or better credit rating as the Company's current insurance carrier with respect to directors' and officers' liability insurance and fiduciary liability insurance with benefits and levels of coverage at least as favorable as the Company's existing policies with respect to matters existing or occurring at or prior to the Closing (including in connection with this Agreement or the transactions or actions contemplated hereby); provided, however, that in no event shall Buyer or the Company be required to expend for such policies an annual premium amount in excess of 200% of the annual premiums currently paid by the Company for such insurance; and provided, further, that if the annual premiums of such insurance coverage exceed such amount, Buyer or the Company shall obtain a policy with the greatest coverage available for a cost not exceeding such amount.

(d) If the Company or any of their respective successors or assigns (i) shall consolidate with or merge into any other corporation or entity and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) shall transfer all or substantially all of its properties and assets to any individual, corporation or other entity, then, and in each such case, proper provisions shall be made so that the successors and assigns of the Company shall assume all of the obligations set forth in this Section 6.9.

(e) The provisions of this Section 6.9 are intended to be for the benefit of, and shall be enforceable by, each of the Company Indemnified Parties.

(f) The rights of the Company Indemnified Parties under this Section 6.9 shall be in addition to any rights such Company Indemnified Parties may have under the certificate of

incorporation or bylaws of the Company or any of its Subsidiaries, or under any applicable Contracts or Laws.

6.10. Director Resignations. The Shareholders shall cause the Company to deliver to Buyer, written letters of resignation, effective on or prior to the Closing, of each of the directors and officers of the Company and its Subsidiaries requested by Buyer prior to the Closing.

6.11. Excluded Assets. Prior to the Closing, the Company shall cause the assets set forth on Schedule 6.11 to be transferred in accordance with such Schedule.

6.12. Ancillary Documents. On or prior to the Closing, the Shareholders shall cause the Representative to execute and deliver, and Buyer shall execute and deliver, the Escrow Agreement.

6.13. Financing.

(a) Buyer shall use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to arrange the Debt Financing on the terms and conditions described in the Debt Financing Commitment (provided that Buyer may replace or amend the Debt Financing Commitment to add lenders, lead arrangers, bookrunners, syndication agents or similar entities which had not executed the Debt Financing Commitment as of the date hereof, or otherwise so long as the terms would not materially adversely impact the ability of Buyer to consummate the transactions contemplated hereby or the likelihood of consummation of the transactions contemplated hereby), including using reasonable best efforts to (i) maintain in effect the Debt Financing Commitment, (ii) satisfy on a timely basis all conditions applicable to Buyer to obtaining the Debt Financing set forth in the Debt Financing Commitment (including by consummating the equity financing pursuant to the terms of the Equity Financing Commitment), (iii) enter into definitive agreements with respect thereto on the terms and conditions contemplated by the Financing Commitments or on other terms that would not adversely impact the ability or likelihood of Buyer to consummate the transactions contemplated hereby, and (iv) consummate the Financing at or prior to the Closing. If any portion of the Debt Financing becomes unavailable on the terms and conditions contemplated in the Debt Financing Commitment, Buyer shall use its reasonable best efforts to arrange to obtain alternative financing from alternative sources in an amount sufficient to consummate the transactions contemplated by this Agreement as promptly as practicable following the occurrence of such event; provided, that such alternative financing shall be on terms and conditions materially no less favorable to Buyer than those provided in the Debt Financing Commitment, or otherwise on terms and conditions acceptable to Buyer. Buyer shall give the Company prompt notice of any material breach by any party to the Financing Commitments of which Buyer becomes aware, or any termination of the Financing Commitments. Buyer shall keep the Company informed on a reasonably current basis in reasonable detail of the status of its efforts to arrange the Debt Financing and provide copies of all documents related to the Debt Financing (other than any fee letters and ancillary documents subject to confidentiality agreements) to the Company. The Company hereby consents to the use of its and its Subsidiaries' names and logos in connection with the Financing.

(b) Prior to the Closing, the Company shall, and the Shareholders shall cause the Company to, provide to Buyer, and shall cause its Subsidiaries to, and shall use its reasonable best efforts to cause the respective officers, employees and advisors, including legal and accounting, of the Company and its Subsidiaries to, provide to Buyer all cooperation reasonably requested by Buyer that is necessary in connection with the Debt Financing, including using reasonable best efforts to (i) participate in meetings, presentations, road shows, due diligence sessions and sessions with rating agencies, (ii) provide assistance in preparation of confidential information memoranda (including execution and delivery of a customary representation letter) and other materials to be used in connection with obtaining financing contemplated by the Debt Financing Commitment and all information (including financial information) customarily contained therein, (iii) provide assistance in the preparation for, and participate in, meetings, due diligence sessions and similar presentations to and with, among others, prospective lenders, investors and rating agencies, (iv) enter into a loan agreement and related documents (including pledge and security documents), (v) execute and deliver customary certificates, legal opinions or other documents reasonably requested by Buyer (including a certificate of the chief financial officer of the Company with respect to solvency matters) and otherwise reasonably facilitate the pledging of collateral contemplated by the Debt Financing Commitment (including taking all actions reasonably necessary to (A) permit the prospective lenders involved in the Debt Financing to evaluate the Company's current assets, cash management and accounting systems, policies and procedures relating thereto for the purpose of establishing collateral arrangements and to conduct the appraisals and field examinations relating thereto as contemplated by the Debt Financing Commitment and (B) establish bank and other accounts and blocked account agreements and lock box arrangements in connection with the foregoing) and (vi) provide the financial statements and other information necessary for the satisfaction of the obligations and conditions set forth in the Debt Financing Commitment within the time periods required thereby in order to permit a Closing Date on or prior to the Termination Date; provided, however, that nothing herein shall require such cooperation to the extent it would interfere unreasonably with the business or operations of the Company or any of its Subsidiaries. The Company shall use its reasonable best efforts to obtain pay-off letters, in form and substance reasonably satisfactory to Buyer, from holders of all Debt and to ensure that each such pay-off letter will provide for the waiver of any notice provisions relating thereto. If this Agreement is terminated pursuant to Section 8.1(a) or 8.1(b)(ii) (but with respect to Section 8.1(b)(ii) only for a Willful or Deliberate Breach by Buyer), Buyer shall, promptly upon request by the Company, reimburse the Company for all reasonable and documented out-of-pocket costs incurred by the Company or its Subsidiaries in connection with such cooperation.

6.14. CanHCo Call Right. The Parties agree that during the period from June 15, 2008 to December 15, 2008 (the "Call Period"), Buyer may, in its sole discretion, cause Red Man Pipe & Supply Canada Ltd, a wholly owned Subsidiary of the Company ("CanHCo"), to exercise the CanHCo Call Right set forth in Section 10 of the Midfield Shareholders Agreement. If Buyer so elects to exercise the CanHCo Call Right, then no later than five (5) Business Days following payment of the CanHCo Call Price to Midfield Holdings (Alberta) Ltd. ("MinorityHCo") or any of its Permitted Transferees (as defined in the Midfield Shareholders Agreement), Buyer shall pay by wire transfer of immediately available funds to the Representative, on behalf of the Shareholders, for distribution to the Shareholders in accordance with Schedule 1, to an account designated by the Representative in a written notice to Buyer, an amount in cash equal to (i) $99,954,281.63 minus (ii) the sum of (x) the CanHCo Call Price (in U.S. Dollars using the

spot rate at the close of business on the Business Day immediately prior to the day the CanHCo Call right is exercised) paid by CanHCo to MinorityHCo or any of its Permitted Transferees (as defined in the Midfield Shareholders Agreement) and (y) all costs, charges, fees, expenses, losses, liabilities, obligations, claims, fines, Transfer Taxes and other Taxes imposed on CanHCo, the Company or any of their Affiliates as a result of the exercise of the CanHCo Call Right or the consummation of such transaction (in U.S. Dollars using the spot rate at the close of business on the Business Day immediately prior to the day the CanHCo Call right is exercised), including the amount equal to the aggregate principal amount, plus accrued interest thereon, of all shareholder loans which are repaid by CanHCo as contemplated by Section 10(e) of the Midfield Shareholders Agreement except to the extent such amounts were included in the Debt Amount (the difference of (i) and (ii), as may be set off pursuant to Section 2.3(c), "Midfield Amount"). If Buyer elects not to cause CanHCo to exercise the CanHCo Call Right, then on or prior to the one month anniversary of the expiration of the Call Period, Buyer shall pay by wire transfer of immediately available funds to the Representative, on behalf of the Shareholders, for distribution to the Shareholders in accordance with the column entitled "Cash Proceeds Percentages" on Exhibit B, to an account designated by the Representative in a written notice to Buyer, an amount in cash equal to the Midfield Amount determined as if Buyer exercised the CanHCo Call Right on the final day of the Call Period. If the CanHCo Call Right is exercised and the Midfield Amount is a negative amount, the Non-Plan Shareholders shall, severally and not jointly, pro rata in proportion to each such Shareholder's ownership of shares of Company Stock in accordance with the column entitled "Non-Plan Shareholders Percentages" on Schedule 1, be liable to Buyer for the absolute value of such negative amount. Any payments made under this Section 6.14 shall be considered an adjustment to the Purchase Price.

6.15. Assets of Buyer. The Shareholders and the Company hereby acknowledge and agree that (a) as of the date hereof, (i) Buyer's sole assets are cash in a de minimis amount and its rights under this Agreement and the agreements contemplated hereby, and (b) no additional funds are expected to be contributed to Buyer unless and until the Closing occurs.

6.16. Phantom Stock. Prior to Closing, the Shareholders shall cause the Company to cancel all of the phantom stock awards held by Brian J. Collins, Dee Paige and Jeff Lang solely in consideration for the Shareholders' obligation to pay such individuals cash or other property at such time or times and in such amounts as may be agreed before the Closing Date, and which payments shall not constitute "parachute payments" within the meaning of Section 280G of the Code, in each case, as reasonably acceptable to Buyer.

6.17. Contribution Percentages. Each Shareholder agrees that Exhibit B under the heading "Contributed Shares" sets forth for such Shareholder the minimum number of shares of Company Stock that such Shareholder shall contribute to McJ Holding as Contributed Shares pursuant to the Contribution Agreement. The Parties agree that the Representative may, no later than 15 Business Days prior to the Closing Date, deliver a written notice to Buyer (the "Contribution Percentage Notice") changing the number of shares of Company Stock to be contributed pursuant to the Contribution Agreement by any Ketchum Entity, or adding BJHK Living Trust, CK and/or any Other Ketchum Entity that holds shares of Company Stock as a Continuing Shareholder; provided that (i) the CK Contributed Share Percentage shall in no event be less than 25% or greater than 50% and (ii) the aggregate number of Contributed Shares shall not exceed 30,996.30 (that is, an Aggregate Contribution Percentage of 17.38%). The Parties

agree that Exhibit B shall be amended prior to the Closing to reflect any change in the number of Contributed Shares or any additional Person contributing shares of Company Stock pursuant to the Contribution Percentage Notice. In addition, (x) BJHK Living Trust shall execute and deliver the Contribution Agreement prior to Closing if its number of Contributed Shares as adjusted pursuant to this Section 6.17 is greater than zero and (y) each of CK and each Other Ketchum Entity shall execute and deliver the Contribution Agreement and this Agreement as a Shareholder prior to Closing if it is added as an additional Person contributing shares of Company Stock pursuant to the Contribution Percentage Notice; provided that if BJHK Living Trust or such CK or Other Ketchum Entity fails to execute and deliver the Contribution Agreement and/or this Agreement, as applicable, its number of Contributed Shares shall be zero. The Parties acknowledge and agree that Consolidated Investment Services, Inc., the Company Retirement Plan and Louie Leflore shall not be entitled to become Continuing Shareholders and shall not be entitled to contribute any shares of Company Stock to McJ Holding pursuant to the Contribution Agreement.

6.18. CK Contributed Share Percentage. Each of K.F. Enterprises, L.L.C. and BJHK Limited Partnership agree to take all such actions as may be necessary and appropriate such that the CK Contributed Share Percentage shall not be less than 25% and not greater than 50% upon the closing of the transactions contemplated by the Contribution Agreement.

ARTICLE VII

Conditions to Closing

7.1. Conditions to Obligations of the Shareholders and Buyer. The respective obligations of the Shareholders and Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction or, to the extent permitted by applicable Law, the waiver at or prior to the Closing of each of the following conditions:

(a) Litigation. No court or other Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law or Order (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated by this Agreement.

(b) Escrow Agreement. The Escrow Agreement shall have been executed and delivered by the Representative (on behalf of the Shareholders), Buyer and the Escrow Agent.

(c) HSR Waiting Period. All applicable waiting periods (and any extensions thereof) under the HSR Act shall have expired or otherwise been terminated.

(d) Competition Act. Competition Act Compliance shall have been obtained.

7.2. Conditions to the Obligations of the Shareholders. The obligations of each Shareholder to consummate the transactions contemplated by this Agreement are further subject to the satisfaction or, to the extent permitted by applicable Law, the waiver by the Representative at or prior to the Closing of each of the following conditions:

(a) Performance of Obligations by Buyer. Buyer shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing.

(b) Representations and Warranties. (i) The representations and warranties of Buyer set forth in this Agreement (other than those in Section 5.2 (Corporate Authority)) shall be true and correct as of the date of this Agreement and as of the Closing (without giving effect to any "material," "materiality" or "material adverse effect" qualifications to such representations and warranties), except (A) to the extent that the failure of such representations and warranties of Buyer to be true and correct individually or in the aggregate would not have, or reasonably be likely to have, a material adverse effect on Buyer or would not prevent, materially delay or materially impair the consummation of the transactions contemplated by this Agreement and (B) for those representations and warranties which expressly relate to any earlier date (in which case such representations and warranties shall have been true and correct as of such earlier date); and (ii) the representations and warranties set forth in Section 5.2 shall be true and correct in all respects as of the date of this Agreement and as of the Closing.

(c) Closing Certificate. The Representative shall have received a certificate of Buyer, dated the Closing Date, to the effect that the conditions set forth in Sections 7.2(a) and (b) have been satisfied.

(d) Contribution Agreement. McJ Holding shall have performed in all material respects all obligations required to be performed by it under the Contribution Agreement at or prior to the Closing.

7.3. Conditions to the Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement are further subject to the satisfaction or, to the extent permitted by applicable Law, the waiver by Buyer at or prior to the Closing of each of the following conditions:

(a) Performance of Obligations of the Shareholders and the Company. Each Shareholder and the Company shall have performed in all material respects all obligations required to be performed by he, she or it under this Agreement at or prior to the Closing.

(b) Representations and Warranties. (i) The representations and warranties of the Shareholders and the Company set forth in this Agreement (other than those in Sections 3.1 (Ownership; Authorization of Transaction), 4.1 (Authorization of Transaction), 4.3 (Capitalization), 4.16 (Related Party Transactions) and 4.20 (Brokers and Finders) (collectively, the "Excluded Representations") shall be true and correct as of the date of this Agreement and as of the Closing (without giving effect to any "material", "materiality", "Material Adverse Effect" or "Knowledge" qualification to such representations and warranties), except (A) to the extent that the failure of such representations and warranties of the Shareholders and/or the Company to be true and correct, individually or in the aggregate, has not had, and is not reasonably likely to have, a Material Adverse Effect and (B) for those representations and warranties which expressly relate to an earlier date (in which case such representations and warranties shall have been true and correct as of such earlier date); and (ii) the Excluded Representations shall be true and correct in all respects as of the date of this Agreement and as of the Closing.

(c) Closing Certificate. Buyer shall have received a certificate from the Representative on behalf of the Shareholders, dated the Closing Date, to the effect that the conditions set forth in Sections 7.3(a) and (b) have been satisfied.

(d) Stock Certificates. The Shareholders shall have tendered for delivery to Buyer share certificates representing all of the Transferred Shares free and clear of any Encumbrance, duly endorsed in blank by each Shareholder, or accompanied by appropriate stock powers, in proper form for transfer.

(e) No Restraints. There shall not be instituted or pending any suit, action or proceeding in which a Governmental Entity of competent jurisdiction is seeking an Order (i) to prohibit, limit, restrain or impair Buyer's ability to own or operate or to retain or change all or a material portion of the assets, licenses, operations, rights, product lines, businesses or interest therein of the Company or its Subsidiaries or other Affiliates from and after the Closing (including, without limitation, by requiring any sale, divestiture, transfer, license, lease, disposition of or encumbrance or hold separate arrangement with respect to any such assets, licenses, operations, rights, product lines, businesses or interest therein) or (ii) to prohibit or limit Buyer's ability to vote, transfer, receive dividends or otherwise exercise full ownership rights with respect to the stock of the Company, and no Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law deemed applicable to the transactions contemplated by this Agreement individually or in the aggregate resulting in, or that is reasonably likely to result in, any of the foregoing.

(f) Phantom Stock. The Shareholders shall have caused the Company to cancel all of the phantom stock awards held by Brian J. Collins, Dee Paige and Jeff Lang solely in consideration for the Shareholders' obligation to pay such individuals cash or other property at such time or times and in such amounts as may be agreed before the Closing Date, and which payments shall not constitute "parachute payments" within the meaning of Section 280G of the Code, in each case, as reasonably acceptable to Buyer.

(g) Debt Financing. Buyer shall have received the proceeds of the Debt Financing on the terms and conditions set forth in the Debt Financing Commitment, or the proceeds of any alternative debt financing as contemplated by Section 6.13(a).

(h) Material Adverse Effect. No event, development, circumstance or occurrence shall have occurred, since the date of this Agreement that, individually or in the aggregate, has had or is reasonably likely to have a Material Adverse Effect.

(i) Pay-Off Letters. The Company shall have received pay-off letters, in a form and substance reasonably satisfactory to Buyer, from holders of all Debt that Buyer has requested be paid off, together with all necessary documentation required to release any Encumbrances securing repayment of any such Debt, and each such pay-off letter shall provide for the waiver of any notice provisions relating thereto.

(j) Employment Agreements. Each of the Employment Agreements shall be in full force and effect.

(k) Continuing Shareholders. (i) Immediately prior to the Closing, each Continuing Shareholder shall have consummated the transactions contemplated by the Contribution Agreement, (ii) the Contribution Agreement shall be in full force and effect and (iii) the CK Contributed Share Percentage shall be not less than 25% and not greater than 50%.

(l) Withholding Certificate. Buyer shall have received from the Company a certificate issued by the Company, in form and substance reasonably satisfactory to Buyer, conforming to the requirements of Treasury Regulation Sections 1.1445-2(c)(3) and 1.897-2(h).

(m) Non-Compete Agreements. The Company and each Person listed on Schedule 6.5 shall have executed and delivered a Non-Compete Agreement, and each Non-Compete Agreement shall be in full force and effect.

ARTICLE VIII

Termination

8.1. Termination. Notwithstanding anything herein to the contrary, this Agreement may be terminated and the transactions contemplated by this Agreement may be abandoned at any time prior to the Closing:

(a) by the mutual written consent of the Representative and Buyer;

(b) (i) by Buyer, if there has been a breach of any representation, warranty, covenant or agreement made by any of the Shareholders or the Company in this Agreement or in any Ancillary Document, or any such representation and warranty shall have become untrue after the date of this Agreement, such that the conditions set forth in Section 7.3(a) or 7.3(b) would not be satisfied and such breach or condition is not curable or, if curable, is not cured prior to the earlier of (x) 30 days after written notice thereof is given by Buyer to the Representative or (y) two business days prior to the Termination Date; or (ii) by the Representative, if there has been a breach of any representation, warranty, covenant or agreement made by Buyer in this Agreement or in any Ancillary Document, or any such representation and warranty shall have become untrue after the date of this Agreement, such that the conditions set forth in Section 7.2(a) or 7.2(b) would not be satisfied and such breach or condition is not curable or, if curable, is not cured prior to the earlier of (x) 30 days after written notice thereof is given by the Representative to Buyer or (y) two (2) Business Days prior to the Termination Date; or

(c) by Buyer or the Representative, if (i) the transactions contemplated by this Agreement have not been consummated on or prior to December 31, 2007 (the "Termination Date") or (ii) any Order permanently restraining, enjoining or otherwise prohibiting consummation of the transactions contemplated by this Agreement shall become final and non-appealable; provided, that, in each of the foregoing cases, the right to terminate this Agreement pursuant to this Section 8.1(c) shall not be available to any Party (or the Shareholders or the Company in the case of the Representative) that is responsible for a Willful or Deliberate Breach of its obligations under this Agreement in any manner that shall have proximately contributed to the occurrence of the failure of a condition to the consummation of the transactions contemplated by this Agreement on or prior to the Termination Date.

The Party desiring to terminate this Agreement pursuant to clause (b) or (c) of this Section 8.1 shall, in the case of Buyer, give written notice of such termination to the Representative, and, in the case of the Representative, give written notice of such termination to Buyer.

8.2. Effect of Termination and Abandonment. In the event of termination of this Agreement and the abandonment of the transactions contemplated hereby pursuant to Section 8.1, this Agreement shall become void and of no effect with no liability to any Person on the part of any Party (or of any of its representatives or Affiliates); provided, that Article X shall survive the termination of this Agreement; and provided, further, that except as otherwise provided herein, no such termination shall relieve any Party of any liability or damages to any other Party resulting from any Willful or Deliberate Breach of this Agreement prior to any such termination.

ARTICLE IX

Survival

9.1. Survival. The representations and warranties contained in this Agreement or in any Ancillary Document shall not survive the Closing. Each of the covenants and agreements contained in this Agreement or in any Ancillary Document shall survive the Closing and continue in full force and effect until performed in accordance with their terms.

ARTICLE X

Miscellaneous

10.1. Publicity. The initial press release regarding the transactions contemplated by this Agreement shall be a joint press release and thereafter no press releases or public announcements with respect to the transactions contemplated by this Agreement and filings with any third party and/or any Governmental Entity (including any national securities exchange or interdealer quotation service) with respect thereto, shall be issued or made by the Company or any Shareholder, on the one hand, or Buyer, on the other hand, without the prior written consent of Buyer or the Company, as the case may be (which consent shall not be unreasonably withheld or delayed), except as may be required by Law or by obligations pursuant to any listing agreement with or rules of any national securities exchange or interdealer quotation service or by the request of any Government Entity.

10.2. Entire Agreement. This Agreement (including the Schedules and Exhibits hereto) and those Ancillary Documents entered into contemporaneously with or subsequent to this Agreement constitute the entire agreement among the Parties and supersede any prior understandings or agreements by or among the Parties, written or oral, to the extent they related in any way to the subject matter hereof.

10.3. Succession and Assignment. Except as otherwise provided herein, this Agreement may not, without the prior written consent of Buyer and the Representative, be assigned by Buyer, the Company or any of the Shareholders by operation of law or otherwise, and any attempted assignment shall be null and void; provided that Buyer may, without prior written consent of the Representative, (i) assign any or all of its rights hereunder to one or more

of its Affiliates, (ii) designate one or more of its Affiliates to perform its obligations hereunder and (iii) assign its rights, but not its obligations, under this Agreement to any of its, or any of its Affiliate's, financing sources (in any or all of which cases described in clause (i), (ii) or (iii), Buyer nonetheless shall remain responsible for the performance of all of its obligations hereunder). Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, successors, permitted assigns and legal representatives.

10.4. Expenses. If the transactions contemplated by this Agreement are consummated, the Shareholders, on the one hand, and Buyer, on the other hand, shall bear all costs and expenses incurred by or on behalf of such Party (and by the Company or any of its Subsidiaries in the case of the Shareholders); provided, that (i) any Company Expenses borne by the Company or any of its Subsidiaries shall be taken into account in making the adjustment provided for in Section 2.3, and (ii) that all Transfer Taxes resulting from the transactions contemplated by this Agreement shall be paid by Buyer. If the transactions contemplated by this Agreement are not consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby, shall be borne by the Party incurring such expense; provided, that if Buyer terminates this Agreement pursuant to Section 8.1(b)(i) (but only for a Willful or Deliberate Breach by the Company or any Shareholder), the Company shall pay all of Buyer's and its Affiliates' costs and expenses incurred in connection with this Agreement. The provisions of this Section 10.4 are intended to be for the benefit of, and shall be enforceable by McJ Holding and its Affiliates (including its members and Subsidiaries) in addition to the Parties.

10.5. Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

10.6. Notices. All notices, requests, demands, claims, and other communications hereunder shall be in writing, and shall be given (and shall be deemed to have been duly given upon receipt) by personal delivery, electronic facsimile transmission, overnight courier or registered or certified mail, postage prepaid, and addressed to the intended recipient as set forth below (or at such other address as shall be specified in a notice given in accordance with this Section 10.6):

If to the Shareholders, the Representative or, prior to the Closing, the Company:

c/o Craig Ketchum
8023 East 63rd Place
Suite 800
Tulsa, Oklahoma 74133
Fax: (918) 461-5375

with a copy to:
Baker Botts L.L.P.
30 Rockefeller Plaza, 44th Floor
New York, NY 10112
Attention: Lee D. Charles, Esq. and Marc A. Leaf, Esq.
Fax: (212) 259-2505 and (212) 259-2597

If to Buyer or, following the Closing, the Company:

835 Hillcrest Drive
Charleston, WV 25311
Attention: H.B. Wehrle III
Fax: (304) 348-1557

with copies to:

GS Capital Partners
85 Broad Street, 10th Floor
New York, NY 10004
Attention: Henry Cornell and Jack Daly
Fax: (212) 357-5505

and:

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004
Attention: Robert C. Schwenkel, Esq.
Fax: (212) 859-4000

10.7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Delaware without giving effect to the principles of conflicts of law.

10.8. Amendments and Waivers. No amendment or waiver of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Company, the Representative and Buyer. No waiver by any Party of any default or any breach of any representation, warranty, covenant or agreement hereunder or under any Ancillary Document shall be deemed to extend to any prior or subsequent default or breach or affect in any way any

rights arising by virtue of any such prior or subsequent occurrence. Notwithstanding the foregoing, (a) this Agreement may be amended to add additional Persons as "Shareholders" to reflect changes in the ownership of Company Stock prior to the Closing as contemplated by Section 6.17 and (b) Exhibit B may be amended as contemplated by Section 6.17.

10.9. Severability. If any provision of this Agreement for any reason shall be held to be illegal, invalid or unenforceable, such illegality shall not affect any other provision of this Agreement, this Agreement shall be amended so as to enforce the illegal, invalid or unenforceable provision to the maximum extent permitted by applicable Law, and the parties shall cooperate in good faith to further modify this Agreement so as to preserve to the maximum extent possible the intended benefits to be received by the Parties.

10.10. Construction. The Parties intend that each representation, warranty, covenant and agreement contained in this Agreement or in any Ancillary Document shall have independent significance. If any Party has breached any representation, warranty, covenant or agreement contained herein in any respect, the fact that there exists another representation, warranty, covenant or agreement relating to the same subject matter (regardless of the relative levels of specificity) which the Party has not breached shall not detract from or mitigate the fact that the Party is in breach of the first representation, warranty, covenant or agreement.

10.11. Specific Performance. The Company and each of the Shareholders acknowledge and agree that Buyer would be damaged irreparably in the event any of the provisions of this Agreement or any of the Ancillary Documents is not performed in accordance with its specific terms or otherwise is breached by the Company or any of the Shareholders. Accordingly, the Company and each of the Shareholders agree that Buyer shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or any Ancillary Document by the Company or any of the Shareholders and to enforce specifically the terms and provisions of this Agreement and each Ancillary Document, this being in addition to any other remedy to which Buyer is entitled at law or in equity. In addition, Buyer agrees that the Company and the Shareholders shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by Buyer and to enforce specifically the terms and provisions of this Agreement, this being in addition to any other remedy to which the Company and the Shareholders are entitled at law or in equity, but the Company and the Shareholders shall be entitled to such injunction or injunctions solely to prevent breaches of or to enforce compliance with (x) Sections 6.2, 6.9, 10.1 and 10.4 and (y) those covenants of Buyer contained in Section 2.3(a), only if the proceeds of the financing provided for in the Debt Financing Commitment (and, if alternative debt financing is being used in accordance with Section 6.13(a), the proceeds of the financing contemplated by such alternative debt financing) are available to be drawn down by Buyer pursuant to the terms of the applicable agreements but is not so drawn down solely as a result of Buyer refusing to do so in breach of this Agreement.

10.12. Jurisdiction; Court Proceedings; Waiver of Jury Trial. Any Claim against any Party to this Agreement arising out of or relating to this Agreement shall be brought in any federal or state court located in the State of Delaware located in the County of New Castle and each of the parties hereby submits to the exclusive jurisdiction of such courts for the purpose of any such Claim. A final judgment in any such Claim shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. To the

extent that service of process by mail is permitted by applicable Law, each Party irrevocably consents to the service of process in any such Claim in such courts by the mailing of such process by registered or certified mail, postage prepaid, at its address for notices provided for herein. **Each Party irrevocably agrees not to assert (a) any objection which it may ever have to the laying of venue of any such Claim in any federal or state court located in the State of Delaware in the County of New Castle and (b) any claim that any such Claim brought in any such court has been brought in an inconvenient forum. Each Party waives any right to a trial by jury, to the extent lawful, and agrees that any of them may file a copy of this paragraph with any court as written evidence of the knowing, voluntary and bargained-for agreement among the Parties irrevocably to waive its right to trial by jury in any Claim whatsoever between them relating to this Agreement or the transactions contemplated hereby.**

10.13. Attorneys' Fees. In the event that any action or proceeding is brought for the purpose of determining or enforcing the right of any Party or Parties hereunder, the Party or Parties prevailing in such action or proceeding shall be entitled to recover from the other Party or Parties all reasonable costs and expenses incurred by the prevailing Party or Parties, including reasonable attorneys' fees.

10.14. Representative.

(a) By the execution and delivery of this Agreement, including counterparts hereof, each Shareholder hereby irrevocably constitutes and appoints Craig Ketchum as the true and lawful agent and attorney-in-fact of such Shareholder with full powers of substitution (the "Representative"), and, if substituted, the Representative shall promptly notify Buyer of such substitution, to act in the name, place and stead of such Shareholder with respect to this Agreement, as the same may be from time to time amended, and with respect to the transfer of such Shareholder's Company Stock to Buyer pursuant hereto and the transactions contemplated hereby, and to do or refrain from doing all such acts and things, and to execute all such documents, as the Representative shall deem necessary or appropriate in connection with this Agreement, the Ancillary Documents or any of the transactions contemplated hereby or thereby. In the event of the death or other incapacity of the then current Representative, or resignation of the Representative, Shareholders which on the date hereof hold a majority of the Company Stock, shall, by any writing executed by the appropriate number of Shareholders and the new Representative (counterparts and facsimiles of signatures acceptable) approve and appoint a new Representative by delivering a written notice to that effect, whereupon the person designated in such notice shall be the new Representative with respect to all actions taken and/or documents signed from and after actual receipt by Buyer of such notice.

(b) Without limiting the generality of the foregoing, the Representative is hereby authorized (i) to receive any payment owing to the Shareholders pursuant to Section 2.3, (ii) to execute the Escrow Agreement on behalf of the Shareholders, and (iii) to take all actions on behalf of the Shareholders in connection with any actions taken or to be taken under Section 2.3 of this Agreement (including accepting service of process upon the Shareholders and accepting or compromising any claim relating to the Proposed Purchase Price Calculation). The Representative and the Shareholders hereby agree that any amounts disbursed out of the Escrow Account to the Representative pursuant to the terms of this Agreement and/or the Escrow

Agreement shall be distributed by the Representative to the Shareholders in accordance with Schedule 1 and Exhibit B, as applicable. All decisions and actions of the Representative permitted hereunder shall be final, binding and conclusive on the Shareholders and may be relied upon by Buyer and its Affiliates as the decisions and actions of all of the Shareholders. The Representative shall not be liable to any of the Shareholders for any act done or omitted by him in good faith pursuant to this Agreement or any mistake of fact or Law unless caused by his own gross negligence or willful misconduct, and the Shareholders shall jointly and severally indemnify the Representative from any Losses arising out of his serving as Representative hereunder. In taking any action or refraining from taking any action whatsoever the Representative shall be protected in relying upon any notice, paper or other document reasonably believed by him to be genuine, or upon any evidence reasonably deemed by him to be sufficient. The Representative may consult with counsel in connection with his duties and shall be fully protected in any act taken, suffered or permitted by him in good faith in accordance with the advice of counsel.

10.15. No Third Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties, the Company Indemnified Parties, the Buyer Indemnitees and McJ Holding and its Affiliates (including its members and Subsidiaries) under Section 10.4, and their respective successors and permitted assigns. The Parties further agree that the rights of the Company Indemnified Parties under Section 6.9 shall not arise unless and until the Closing occurs.

10.16. Obligations of Parties. Whenever this Agreement requires a Subsidiary of the Company to take any action, such requirement shall be deemed to include an undertaking on the part of the Company and the Shareholders to use reasonable best efforts to cause such Subsidiary to take such action.

10.17. No Presumption Against Drafting Party. Each Party acknowledges that each Party has been represented by counsel in connection with this Agreement, each of the Ancillary Documents and the transactions contemplated herein and therein. Accordingly, any rule of Law or any legal decision that would require interpretation of any claimed ambiguities in this Agreement or any of the Ancillary Documents against the drafting party has no application and is expressly waived.

10.18. Signatures. This Agreement shall be effective upon delivery of original signature pages or .pdf or facsimile copies thereof executed by each of the Parties. This Agreement may be executed in any number of counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

10.19. Computation of Time. Whenever the last day for the exercise of any privilege or the discharge or any duty hereunder shall fall upon a day that is not a Business Day, the Party having such privilege or duty may exercise such privilege or discharge such duty on the next succeeding day which is a Business Day.

10.20. Dollars. Except as otherwise expressly provided, all references to dollars or “$” in this Agreement and the Ancillary Documents shall refer to United States dollars.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

RED MAN PIPE & SUPPLY CO.

By: /s/ CRAIG KETCHUM
Name: Craig Ketchum
Title: President and Chief Executive Officer

WEST OKLAHOMA PVF COMPANY

By: /s/ F.T. GRAFF JR.
Name: F.T. Graff Jr.
Title:

McJ HOLDING LLC
(for purposes of Sections 2.3(c) and 10.4 only)

By: /s/ F.T. GRAFF JR.
Name: F.T. Graff Jr.
Title:

[Signature Page to Stock Purchase Agreement]

SHAREHOLDERS:

BJHK LIMITED PARTNERSHIP

By: /s/ LEWIS CRAIG KETCHUM
Name: Lewis Craig Ketchum
Title: Trustee/General Partner

BJHK LIVING TRUST

By: /s/ BETTY KETCHUM
Name: Betty Ketchum
Title: General Partner

K.F. ENTERPRISES, L.L.C.

By: /s/ BETTY KETCHUM
Name: Betty Ketchum
Title: General Partner

CONSOLIDATED INVESTMENT SERVICES, INC.

By: /s/ HEATHER KREAGER
Name: Heather Kreager
Title: Senior Vice President

RED MAN PIPE & SUPPLY COMPANY RETIREMENT SAVINGS PLAN

By: /s/ BETTY KETCHUM
Name: Betty Ketchum
Title: Trustee

By: /s/ DEE PAIGE
Name: Dee Paige
Title: Trustee

LOUIE LEFLORE

/s/ LOUIE LEFLORE

REPRESENTATIVE:

CRAIG KETCHUM

/s/ CRAIG KETCHUM

Exhibit 2.3.1

Execution Copy

CONTRIBUTION AGREEMENT

CONTRIBUTION AGREEMENT, dated as of July 6, 2007 (the "*Agreement*"), among McJ Holding LLC, a Delaware limited liability company (the "*Company*") (whose name will be changed to PVF Holdings LLC on or prior to Closing (as defined below), and certain shareholders of Sooner (as defined below) listed under the heading "Contributing Shareholders" on the signature page hereto (collectively, the "*Contributing Shareholders*"). Each capitalized term which is used but not otherwise defined in this Agreement has the meaning assigned to such term in the Purchase Agreement (as defined below); provided that any references to "the Company" in any such definitions in the Purchase Agreement shall be deemed to refer to McJ Holding LLC for purposes of this Agreement.

RECITALS

WHEREAS, simultaneously with the execution and delivery of this Agreement, Red Man Pipe & Supply Co., an Oklahoma corporation ("*Sooner*"), the holders of all outstanding shares of stock of Sooner listed on Schedule 1 thereto, West Oklahoma PVF Company, a Delaware corporation ("*Buyer*") and the Company (for purposes of certain provisions only), are executing and delivering a stock purchase agreement (the "*Purchase Agreement*"), pursuant to which Buyer will acquire all of the issued and outstanding capital stock of Sooner (the "*Acquisition*");

WHEREAS, each of the Contributing Shareholders owns the number of shares of Class A Voting Common Stock, par value $0.01 per share, of Sooner, and/or the number of shares of Class B Non-Voting Common Stock, par value $0.01, of Sooner (collectively, "*Sooner Shares*") set forth opposite his, her or its name under the heading "Number of Shares Owned" on Exhibit A hereto and desires to contribute to the Company the number of Company Shares set forth opposite his, her or its name under the heading "Number of Shares Contributed" on Exhibit A hereto ("*the Contribution Shares*");

WHEREAS, upon the terms and subject to the conditions contained in this Agreement, the parties hereto desire that the Contribution Shares be contributed immediately prior to the consummation of the Acquisition by or on behalf of the Contributing Shareholders; and

WHEREAS, the contribution of the Contribution Shares by or on behalf of the Contributing Shareholders to the Company in exchange for LLC Units (as defined below) is part of a larger transaction that is intended to be governed by Sections 707 and 721 of the Internal Revenue Code of 1986, as amended (the "*Code*").

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements contained herein and in the Purchase Agreement, the parties hereto agree as follows:

ARTICLE I

Definitions and Contribution

1.1. Definitions. As used in this Agreement, the following terms have the respective meanings set forth below:

"*Affiliate*," "*Affiliated*" (or any correlative term) means, with respect to a Person, any Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person (and, for purposes of this Agreement, the Company and its Subsidiaries shall be considered Affiliates of each of the members of the Company before the Closing and Affiliates of Buyer after the Closing).

"*Governmental Entity*" means the government of the United States of America, any other nation or any political subdivision of any of the foregoing, whether state or local, and any agency, authority, instrumentality, regulatory body, court, or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of government.

"*Knowledge of the Company*" means the actual knowledge of H.B. Wehrle III, James F. Underhill, David Fox, III, Theresa Dudding, or Cody Mueller, after reasonable inquiry.

"*Material Adverse Effect*" means (x) any event, change or effect that, individually or in the aggregate, has a material adverse effect on the financial condition, properties, assets, liabilities, business or results of operations of the Company and its Subsidiaries, taken as a whole, other than any, event, change or effect resulting from (a) changes in the economy or financial markets generally in the United States or other countries in which the Company conducts material operations or that are the result of acts of war or terrorism, (b) changes that are the result of factors generally affecting the principal industries in which the Company and its Subsidiaries operate, (c) any loss of, or adverse change in, the relationship of the Company with its customers, employees or suppliers caused by the announcement of the transactions contemplated by this Agreement, (d) changes required by this Agreement, and (e) changes in GAAP or in any Law unrelated to the transactions contemplated by this Agreement and of general applicability after the date hereof; provided that, with respect to clauses (a), (b) and (e), such event, change or effect may be taken into consideration for purposes of determining if a Material Adverse Effect has occurred if such event, change or effect (i) primarily relates only to (or has the effect of primarily relating only to) the Company and its Subsidiaries or (ii) disproportionately adversely affects the Company and its Subsidiaries compared to other companies of similar size operating in the principal industries in which the Company and its Subsidiaries operate, or (y) a material adverse effect on the ability of the Company to consummate the transactions contemplated by this Agreement.

"Unit Number" means, for each Contributing Shareholder the quotient obtained by dividing (a) the product of (i) the Estimated Purchase Price minus the Escrow Amount, times (ii) the Aggregate Contribution Percentage and times (iii) such Contributing

Shareholder's Contributed Shares Percentage as set forth on Exhibit A, by (b) the Purchase Price Per Unit.

"*Person*" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or other entity.

"*Purchase Price Per Unit*" means the per Unit price paid by GSCP upon GSCP's investment in the Company in connection with the Company's acquisition of McJunkin Corporation (i.e., $3,933.81).

"*Related Party*" means (a) any member or any officer or director of the Company or any of its Subsidiaries, (b) any spouse, former spouse, child, parent, parent of a spouse, sibling or grandchild of any of the Persons listed in clause (a) above, and (c) any Affiliate or Associate of any of the Persons listed in clause (a) or (b) above, other than the Company and the Company's Subsidiaries.

"*Subsidiary*" means, with respect to any Person, any corporation, limited liability company, partnership, joint venture, or other legal entity of which such Person (either alone or through or together with any other Subsidiary) owns, directly or indirectly, more than 50% of the stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity.

1.2. Contribution. Upon the terms and subject to the conditions contained in this Agreement, at the Closing provided for in Section 1.3, each of the Contributing Shareholders shall contribute or cause to be contributed to the Company all Contribution Shares owned by such Contributing Shareholder, and in exchange therefore, the Company shall issue to each Contributing Shareholder the number of Common Units in the Company equal to such Contributing Shareholder's Unit Number ("*the LLC Units*"); provided, that each Contributing Shareholder acknowledges and agrees that pursuant to the purchase price adjustment provisions contained in Section 2.3(c) of the Purchase Agreement, the number of LLC Units issued to each Contributing Shareholder in such exchange may be subsequently increased or reduced by an additional issuance or cancellation thereof, as applicable, after the determination of the final Purchase Price in accordance with such Section 2.3(c) of the Purchase Agreement. The parties agree that (a) each Shareholder who becomes a Continuing Shareholder in accordance with Section 6.17 of the Purchase Agreement shall become a party to this Agreement as a Contributing Shareholder and (b) if Exhibit B to the Purchase Agreement is amended pursuant to Section 6.17 of the Purchase Agreement, then Exhibit A hereto shall be amended in the same manner.

1.3. Closing. Subject to the satisfaction or waiver of the conditions set forth in Article IV (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions), the consummation of the transactions contemplated hereunder (the "*Closing*") shall take place at the offices of Fried, Frank, Harris, Shriver & Jacobson LLP, One New York Plaza, New York, New York (or such other place as the parties may agree) immediately prior to the closing of the Acquisition on the Closing Date

(as defined in the Purchase Agreement). The actual time and date of the Closing is referred to herein as the "*Closing Date*".

ARTICLE II

Representations and Warranties

2.1. Representations and Warranties of the Contributing Shareholders. Each Contributing Shareholder hereby represents and warrants to the Company that:

(a) Such Contributing Shareholder has all requisite partnership or limited liability company or equivalent power and authority and, in the case of any Contributing Shareholder that is an entity, has taken all action necessary in order to execute, deliver and perform his, her or its obligations under this Agreement and such Contributing Shareholder is a legal entity duly organized, validly existing and in good standing under the Laws of its respective jurisdiction or organization. This Agreement has been duly executed and delivered by such Contributing Shareholder and constitutes a valid and binding agreement of such Contributing Shareholder enforceable against him, her or it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles. Such Contributing Shareholder is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933 and, in connection with the execution of this Agreement, agrees to deliver such certificates to that effect as the Company may request.

(b) Such Contributing Shareholder is the sole record owner of, and has good and marketable title to, the number of Contribution Shares set forth opposite his, her or its name under the heading "Number of Shares Contributed" on Exhibit A hereto, free and clear of any Encumbrances. Upon consummation of the contribution of Contribution Shares by such Contributing Shareholders as provided in this Agreement, the Company will acquire good and marketable title to such Contribution Shares free and clear of all Encumbrances, other than those imposed by or as a result of any act by the Company.

(c) The execution, delivery and performance of this Agreement by such Contributing Shareholder does not and will not (i) require him, her or it to obtain any consents, registrations, approvals, permits or authorizations from any domestic or foreign governmental or regulatory authority, agency, commission body, court or other legislative, executive or judicial governmental entity (except as would not have a material adverse effect on his, her or its ability to perform his, hers or its obligations under this Agreement) or (ii) constitute or result in a breach or violation of, or a default under, or result in the creation of a lien or encumbrance on any of his, hers or its properties pursuant to any bond, debenture, note or other evidence of indebtedness of him, her or it or any indenture or other material agreement to which he, she or it is a party or by which he, she or it is bound or to which any of his, her or its material property may be subject

(except as would not have a material adverse effect on his, her or its ability to perform his, her or its obligations under this Agreement).

(d) Such Contributing Shareholder has not granted and is not a party to any proxy, voting trust or other agreement which conflicts with any provision of this Agreement, and such Contributing Shareholder shall not grant any proxy or become party to any voting trust or other agreement which conflicts with any provision of this Agreement.

2.2. Representations and Warranties of the Company. Except as set forth in the corresponding sections of the disclosure letter delivered to the Representative by the Company simultaneously with the execution and delivery of this Agreement (the "Schedules") (it being agreed that disclosure of any item in any section of the Schedules shall be deemed disclosure with respect to any other section to which the relevance of such item is reasonably apparent), the Company represents and warrants to the Contributing Shareholders, as follows (it being acknowledged and agreed that none of the representations and warranties made by the Company contained in this Agreement relate or pertain to any of the assets, liabilities or business of Midway-Tristate Corporation acquired pursuant to the Midway Agreement as defined herein, substantially all of which have been assigned to McJunkin Appalachian Oilfield Supply Company):

(a) Authorization of Transaction. The Company has all requisite power and authority and has taken all limited liability company action necessary in order to execute, deliver and perform its obligations under this Agreement. This Agreement has been duly executed and delivered by it and constitutes its valid and binding agreement enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(b) Corporate Organization; Authority. The Company and each of its Subsidiaries is a legal entity duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of organization and has all requisite limited liability company power or similar power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except where the failure to be so organized, qualified or in good standing, or to have such power or authority, are not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect. The Company's and each of its Subsidiaries' certificate of formation and limited liability company agreement or comparable governing documents, each as amended to the date hereof, is in full force and effect. Schedule 2.2(b) contains a correct and complete list of each jurisdiction where the Company and each of its Subsidiaries are organized and qualified to do business.

(c) Capitalization.

(i) Schedule 2.2(c) sets forth a complete and accurate list of the issued and outstanding limited liability company interests of the Company (collectively, the "*LLC Interests*"). All of the LLC Interests have been duly authorized and are validly issued, fully paid and nonassessable. At the Closing, the Contributing Shareholders will acquire all of the LLC Units free and clear of any Encumbrances other than those imposed by or as a result of any act by the Contributing Shareholders. Each of the outstanding shares of capital stock or other securities of each of the Company's Subsidiaries is duly authorized, validly issued, fully paid and nonassessable and, except as set forth on Schedule 2.2(c) owned by the Company or by a direct or indirect wholly-owned Subsidiary of the Company, free and clear of any Encumbrance. Except as set forth on Schedule 2.2(c), there are no preemptive or other outstanding rights, options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements, calls, commitments or rights of any kind that obligate the Company or any of its Subsidiaries to issue or sell any LLC Interests or any shares of capital stock or other securities of the Company or any of its Subsidiaries or any securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire, any LLC Interests or any shares of capital stock or other securities of the Company or any of its Subsidiaries, and no securities or obligations evidencing such rights are authorized, issued or outstanding. None of the Company or any of its Subsidiaries has outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the members or shareholders of the Company or any of its Subsidiaries on any matter.

(ii) Schedule 2.2(c) sets forth (A) each of the Company's Subsidiaries and the ownership interest of the Company in each such Subsidiary, as well as the ownership interest of any other Person or Persons in each such Subsidiary and (B) the Company's or any of its Subsidiaries' capital stock, voting or equity interest or other direct or indirect ownership interest in any other Person. With respect to each Person identified on Schedule 2.2(c) that is (x) a Subsidiary of the Company that is not wholly-owned by the Company or (y) not a Subsidiary of the Company (each such entity described in (x) and (y), a "*Non-Wholly Owned Investment*"), the Company has made available to the Representative copies of all Contracts and other documents to which the Company or any of its Subsidiaries is a party that relates in any way to any Non-Wholly Owned Investment and each such Contract is a valid and binding agreement of the Company or one of its Subsidiaries, as the case may be, and is in full force and effect, and neither the Company nor any of its Subsidiaries nor, to the Knowledge of the Company, any other party thereto is in default or breach in any respect under the terms of any such Contract. Neither the Company nor any of its Subsidiaries is obligated to make any capital contribution or to assume or otherwise become liable for any debts or obligations or make any other payments with respect to any Non-Wholly Owned Investment.

(d) No Conflicts.

(i) No notices, reports or other filings are required to be made by the Company or any of its Subsidiaries with, nor are any consents, registrations, approvals, permits or authorizations required to be obtained by the Company or any of its

Subsidiaries from, any Governmental Entity, in connection with the execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby, or in connection with the continuing operation of the business of the Company and its Subsidiaries following the Closing, except those for which the failure to obtain such consent, approval or waiver is not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect.

(ii) The execution, delivery and performance of this Agreement by the Company or any of its members do not, and the consummation of the transactions contemplated hereby will not, constitute or result in (i) a breach or violation of, or a default under, the certificate of formation or limited liability company agreement of the Company or the comparable governing instruments of any of its Subsidiaries, (ii) with or without notice, lapse of time or both, a breach or violation of, a termination (or right of termination) or a default under, the creation or acceleration of any obligations or the creation of an Encumbrance on any of the assets of the Company or any of its Subsidiaries pursuant to any Contract binding upon the Company or any of its Subsidiaries or under any Law to which the Company or any of its Subsidiaries is subject, or (iii) any change in the rights or obligations of any party under any Contract binding on the Company or any of its Subsidiaries, except, in the case of clause (ii) or (iii) above, for any such breach, violation, termination, default, creation, acceleration or change that, individually or in the aggregate, is not reasonably likely to have a Material Adverse Effect. None of the Company or any of its Subsidiaries is the beneficiary of, or exempt from, any Law, Order or Permit because of a "grandfather clause" that will not be available to it following the Closing.

(iii) Neither the Company nor any of its Subsidiaries is a party to or bound by any non-competition Contracts or other Contract that purports to limit either the type of business in which the Company or its Affiliates (including, after the Acquisition, Sooner and its Affiliates) may engage or the manner or locations in which any of them may engage in any business (for the avoidance of doubt, distribution agreements and similar Contracts entered into in the ordinary course of business consistent with past practice shall not be deemed to be covered by this Section 2.2(d).

(e) Financial Statements. Attached hereto as Schedule 2.2(e) are copies of (i) the audited consolidated financial statements and other financial information for McJunkin Corporation and its consolidated Subsidiaries as of December 31, 2004, 2005 and 2006 and for the fiscal years then ended (the "*Audited Financial Statements*"), and (ii) the unaudited consolidated financial statements and other financial information for McJunkin Corporation and its consolidated Subsidiaries for the five month period ending May 31, 007 (together with the Audited Financial Statements, the "*Financial Statements*"). Each of the consolidated balance sheets included in the Financial Statements (including any related notes and schedules) fairly presents in all material respects the consolidated financial position of McJunkin Corporation and its consolidated Subsidiaries as of its date and each of the consolidated statements of income, members' equity and cash flows included in the Financial Statements (including any related notes and schedules) fairly presents in all material respects the consolidated results of operations and cash flows of McJunkin Corporation and its

consolidated Subsidiaries for the periods then ended, in each case in conformity with GAAP, subject in the case of the unaudited financial statements to (A) the absence of footnote disclosures and other presentation items and (B) changes resulting from normal de minimis year-end adjustments. The audit reports with respect to the Audited Financial Statements are not subject to any qualification.

(f) Absence of Certain Changes. Since January 31, 2007, the Company and its Subsidiaries have conducted their respective businesses only in, and have not engaged in any material transaction outside the ordinary and usual course of such businesses, and there has not been any event, change, action, failure to act or transaction which, individually or in the aggregate, has had or would be reasonably likely to have a Material Adverse Effect. Except as set forth on Schedule 2.2(f), since January 31, 2007, the Company has not taken any actions or omitted to take any actions which, had such actions or omissions occurred after the date of this Agreement, would have breached any of the covenants contained in Section 3.1(a), (b), (c), (d), (e), (f), (g), (h), (i), (k), (m), (n), (o), (p), (q), (s), or (t).

(g) Litigation and Liabilities.

(i) There are no civil, criminal or administrative actions, information requests, suits, claims, hearings, arbitrations, investigations or other proceedings (collectively, "Claims") pending or, to the Knowledge of the Company, threatened against the Company or any of its Subsidiaries, except for those that are not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect. Except as reflected or reserved against in McJunkin Corporation's audited consolidated balance sheet for the year ending December 31, 2006 (and the notes thereto) and for obligations or liabilities incurred in the ordinary course of business consistent with past practice since December 31, 2006 (and reflected or reserved against in the Company's unaudited consolidated balance sheet for the period then ended, to the extent incurred prior to such date), there are no obligations or liabilities of the Company or any of its Subsidiaries, whether or not accrued, contingent or otherwise and whether or not required to be disclosed, or any other facts or circumstances of which to the Knowledge of the Company is reasonably likely to result in any Claims against, or obligations or liabilities of, the Company or any of its Subsidiaries, including those relating to matters involving any Environmental Law), except for those that are not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect.

(ii) Neither the Company nor any of its Subsidiaries is a party to or subject to the provisions of any Order of any Governmental Entity which is, individually or in the aggregate, reasonably likely to have a Material Adverse Effect.

(h) Employees; Benefits.

(i) All material benefit, employment, retention, transaction, severance, change in control and compensation plans, contracts, policies or arrangements covering current or former employees of the Company and its Subsidiaries (the "*Employees*") and current or former directors of the Company or any of its Subsidiaries, or with respect to

which the Company or any of its Subsidiaries could have any liability, including, but not limited to, "employee benefit plans" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("*ERISA*"), and deferred compensation, severance, stock option, stock purchase, stock appreciation rights, stock based, incentive and bonus plans (the "*Benefit Plans*"), are listed on Schedule 2.2(h), and each Benefit Plan which has received a favorable opinion letter from the Internal Revenue Service National Office has been separately identified. True and complete copies of all Benefit Plans listed on Schedule 2.2(h) have been made available to the Representative.

(ii) To the Knowledge of the Company, all Benefit Plans, other than "multiemployer plans" within the meaning of Section 3(37) of ERISA (each, a "*Multiemployer Plan*") (collectively, "*Company Benefit Plans*") are in compliance in all material respects with their terms and ERISA, the Code and other applicable Laws. Each Company Benefit Plan which is subject to ERISA (an "*ERISA Plan*") that is an "employee pension benefit plan" within the meaning of Section 3(2) of ERISA intended to be qualified under Section 401(a) of the Code, has received a favorable determination letter from the Internal Revenue Service (the "*IRS*") covering all tax law changes prior to the Economic Growth and Tax Relief Reconciliation Act of 2001 or has applied to the IRS for such favorable determination letter within the applicable remedial amendment period under Section 401(b) of the Code, and to the Knowledge of the Company, no circumstances exist which are likely to result in the loss of the qualification of such Company Benefit Plan under Section 401(a) of the Code. No Benefit Plan which is a Multiemployer Plan is insolvent or is in reorganization within the meaning of Part 3 of Subtitle E of Title IV of ERISA and to the Company's Knowledge no condition exists which presents a risk of any Multiemployer Plan becoming insolvent or going into reorganization. Neither the Company nor any of its Subsidiaries has engaged in a transaction with respect to any ERISA Plan that, assuming the taxable period of such transaction expired as of the date hereof, could subject the Company or any Subsidiary to a tax or penalty imposed by either Section 4975 of the Code or Section 502(i) of ERISA in an amount which would be material.

(iii) No material liability under Subtitle C or D of Title IV of ERISA has been or is expected to be incurred by the Company or any of its Subsidiaries with respect to any ongoing, frozen or terminated Company Benefit Plan or with respect to the single-employer plan of any entity which is considered one employer with the Company or any of its Subsidiaries under Section 4001 of ERISA or Section 414 of the Code (an "*ERISA Affiliate*"). Other than the Company and its Subsidiaries, neither the Company nor any of its Subsidiaries has any ERISA Affiliates nor any liability with respect to any entity that previously was an ERISA Affiliate. The Company and its Subsidiaries have not incurred and do not expect to incur any material withdrawal liability with respect to a Multiemployer Plan under Subtitle E of Title IV of ERISA (regardless of whether based on contributions of an ERISA Affiliate).

(iv) As of the date hereof, there is no material pending or, to the Knowledge of the Company threatened, litigation or dispute relating to the Benefit Plans or by an Employee against the Company or any of its Subsidiaries, other than routine claims for

benefits. No Benefit Plan is under audit, investigation or similar proceeding by the IRS, the Department of Labor, the Pension Benefit Guarantee Corporation or any other Governmental Entity and, to the Knowledge of the Company, no such audit, investigation or proceeding is pending. Neither the Company nor any of its Subsidiaries has any obligations for retiree health or life benefits under any ERISA Plan or collective bargaining agreement or has obligations to any Employee (either individually or Employees as a group) that such Employee(s) would be provided with such retiree health or life benefits upon their retirement or termination of employment, except to the extent required by Section 4980B of the Code.

(v) Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby will (x) entitle any Employees to severance pay or any material increase in severance pay upon any termination of employment after the date hereof, or (y) accelerate the time of payment or vesting, or result in any payment or funding (through a grantor trust or otherwise) of compensation or benefits under, or increase the amount payable, or result in any other material obligation pursuant to, any of the Benefit Plans or (z) result in the triggering or imposition of any restrictions or limitation on the right of the Company or any of its Subsidiaries to amend or terminate any Benefit Plan. Except as set forth on Schedule 2.2(g), no payment or benefit which will or may be made by Buyer, the Company or any of its Subsidiaries with respect to any Employee will be characterized as an "excess parachute payment," within the meaning of Section 280G(b)(1) of the Code.

(vi) None of the Benefit Plans, if administered in accordance with their terms, could result in the imposition of interest or an additional tax on any participant thereunder pursuant to Section 409A of the Code.

(i) Compliance with Laws. The businesses of the Company and each of its Subsidiaries have not been, and are not being, conducted in violation of any applicable Law, except for violations that, individually or in the aggregate, are not reasonably likely to have a Material Adverse Effect. Except with respect to regulatory matters covered by Section 6.2 of the Purchase Agreement, no investigation or review by any Governmental Entity with respect to the Company or any of its Subsidiaries is pending or, to the Knowledge of the Company, threatened, nor has any Governmental Entity indicated an intention to conduct the same, except for those the outcome of which are not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect. To the Knowledge of the Company, no material change is required in the Company's or any of its Subsidiaries' processes, properties or procedures in connection with any such Laws, and none of the Company or any of its Subsidiaries has received any notice or communication of any material noncompliance with any such Laws that has not been cured as of the date hereof. The Company and its Subsidiaries each has obtained and is in compliance with all permits, licenses, certifications, approvals, registrations, consents, authorizations, franchises, variances, exemptions and orders issued or granted by a Governmental Entity (each a "*Permit*") necessary to conduct its business as presently conducted, except those the absence of which is not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect.

(j) Material Contracts. As of the date of this Agreement and except as otherwise expressly contemplated by this Agreement, neither the Company nor any of its Subsidiaries is a party to or bound by:

(i) any individual lease of real or personal property providing for annual rentals of $5 million or more;

(ii) any Contract with any Governmental Entity or any Contract (other than purchase orders entered into the ordinary course of business consistent with past practice) that is reasonably likely to require either (x) annual payments to or from the Company or any of its Subsidiaries of more than $5 million or (y) aggregate payments to or from the Company or any of its Subsidiaries of more than $5 million;

(iii) other than with respect to any wholly owned Subsidiary of the Company, any partnership, joint venture or other similar agreement or arrangement relating to the formation, creation, operation, management or control of any partnership or joint venture material to the Company or any of its Subsidiaries or in which the Company or any of its Subsidiaries directly or indirectly owns more than a 15% voting or economic interest, or any interest valued at more than $5 million without regard to percentage voting or economic interest;

(iv) any Contract (other than among direct or indirect wholly owned Subsidiaries of the Company) relating to Debt in excess of $5 million;

(v) any non-competition Contract or other Contract that purports to limit either the type of business in which the Company or its Subsidiaries (including, after the Acquisition, Sooner and its Affiliates) may engage or the manner or locations in which any of them may so engage in any business (for the avoidance of doubt, distribution agreements and similar Contracts entered into in the ordinary course of business consistent with past practice shall not be deemed to be covered by this Section 2.2(j)(v);

(vi) any Contract containing a standstill or similar agreement pursuant to which one party has agreed not to acquire assets or securities of the other party or any of its Affiliates;

(vii) any Contract with any member, Related Party, Affiliate, director or officer of the Company, or any Affiliate, shareholder, director or officer of any Subsidiary of the Company;

(viii) any Contract providing for indemnification by the Company or any of its Subsidiaries of any Person, except for any such Contract that is (x) not material to the Company or any of its Subsidiaries or is a purchase order and (y) entered into in the ordinary course of business consistent with past practice;

(ix) any Contract that contains a put, call or similar right pursuant to which the Company or any of its Subsidiaries could be required to purchase or sell, as applicable, any equity interests of any Person or assets that have a fair market value or purchase price of more than $5 million; and

(x) any other Contract or group of related Contracts that, if terminated or subject to a default by any party thereto, is, individually or in the aggregate, reasonably likely to result in a Material Adverse Effect.

The Contracts described in Sections 2.2(j)(i) through (x), together with all exhibits and schedules to such Contracts, are referred to herein as the "*Material Contracts*". A copy of each written Material Contract (or a copy of written terms proposed for Material Contracts not executed but in which performance has begun) has been made available to Representative, and each Material Contract is a valid and binding agreement of the Company or one of its Subsidiaries, as the case may be, and is in full force and effect, and neither the Company nor any of its Subsidiaries nor, to the Knowledge of the Company, any other party thereto is in default or breach in any respect under the terms of any such Contract.

(k) Real Property.

(i) With respect to the real property owned by the Company or any of its Subsidiaries (the "*Owned Real Property*"), (i) the Company or one of its Subsidiaries, as applicable, has good and marketable title to the Owned Real Property, free and clear of any Encumbrance other than Permitted Encumbrances, (ii) there are no outstanding options or rights of first refusal to purchase the Owned Real Property, or any portion thereof or interest therein, and (iii) neither the Company nor any of its Subsidiaries leases Owned Real Property to any other Person.

(ii) With respect to the real property leased or subleased to the Company or any of its Subsidiaries (the "*Leased Real Property*"), the lease or sublease for such property is valid, legally binding, enforceable and in full force and effect, and none of the Company or any of its Subsidiaries is in material breach of or default under such lease or sublease, and no event has occurred which, with notice, lapse of time or both, would constitute a breach or default by any of the Company or its Subsidiaries or permit termination, modification or acceleration by any third party thereunder.

(iii) Schedule 2.2(k) contains a true and complete list of all Owned Real Property and Leased Real Property and sets forth a correct street address and such other information as is reasonably necessary to identify each parcel of Owned Real Property and Leased Real Property.

(l) Environmental Matters.

(i) Except as is not reasonably likely to have a Material Adverse Effect: (A) the Company and its Subsidiaries are, and have since January 1, 2002 been, in compliance with all applicable Environmental Laws; (B) the Company and its Subsidiaries possess all permits, licenses, registrations, identification numbers, authorizations and approvals required under applicable Environmental Laws for the operation of the business as presently conducted; (C) neither the Company nor any of its Subsidiaries has received any claim, notice of violation, citation or other communication concerning any violation or alleged violation of, or liability under, any applicable Environmental Law which has not been fully resolved, imposing no outstanding liability

or obligation on the Company or any of its Subsidiaries; (D) there are no writs, injunctions, decrees, orders or judgments outstanding, or any actions, suits, proceedings, inquiries, information requests, or investigations pending or, to the Knowledge of the Company, threatened, concerning compliance by the Company or any of its Subsidiaries with, or liability of the Company or any of its Subsidiaries under, any Environmental Law; and (E) there are no Hazardous Substances at, on, under, or migrating to or from, the Owned Real Property, the Leased Real Property, or, to the Knowledge of the Company, any real property formerly owned, leased or operated by the Company, or any of its Subsidiaries (the "*Former Real Property*"), in each case, which is reasonably expected to result in liability to the Company or any Subsidiary under any Environmental Law. As used in this Agreement, "*Hazardous Substance*" means any substance listed, defined, designated or classified as a pollutant or contaminant or as hazardous, toxic or radioactive under any applicable Environmental Law, including, without limitation, petroleum and any derivative or by-products thereof and asbestos and asbestos-containing materials, and "*Environmental Law*" means any applicable law (including common law), regulation, code, license, permit, order, judgment, decree or injunction from any Governmental Entity relating to (a) the protection of the environment (including air, water, soil and natural resources), (b) the use, storage, handling, release or disposal of or exposure to hazardous substances, or (c) occupational health or safety as it relates to Hazardous Substance handling or exposure, in each case as presently in effect.

(ii) The Company has made available to Representative or its counsel true and complete copies of any material reports, site assessments, tests, or monitoring possessed by the Company or any of its Subsidiaries (A) pertaining to Hazardous Substances at, on, under, or migrating to or from, any Owned Real Property, Leased Real Property or Former Real Property, or (B) concerning compliance by the Company or any of its Subsidiaries with Environmental Law or their liability thereunder.

(iii) Notwithstanding any other representation and warranty in this Section 2.2, the representations and warranties contained in this Section 2.2(l) and in Sections 2.2(g) and 2.2(i) constitute the sole representations and warranties of the Company relating to any Environmental Law.

(m) Tax Matters. The Company and each of its Subsidiaries (i) have prepared in good faith and duly and timely filed (taking into account any extension of time within which to file) all Tax Returns required to be filed by any of them and all such filed Tax Returns are complete and accurate in all material respects; (ii) have paid all Taxes that are shown as due on such filed Tax Returns (or Taxes that are otherwise due and payable) or that the Company or any of its Subsidiaries are obligated to withhold from amounts owing to any employee, creditor or other third party, except with respect to matters contested in good faith and for which adequate reserves have been established in accordance with GAAP; and (iii) have not waived any statute of limitations with respect to Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency. As of the date hereof, there are not pending or, to the Knowledge of the Company, threatened, any audits, examinations, investigations or other proceedings in respect of Taxes or Tax matters. There are not, to the Knowledge of the Company, any material unresolved questions or claims concerning the

Company's or any of its Subsidiaries' Tax liability. The Company has made available to Representative true and correct copies of the United States federal income Tax Returns filed by the Company and each of its Subsidiaries for each of the three most recent fiscal years. The consolidated United States federal income Tax Returns of McJunkin Corporation have been examined, or the statutes of limitations have closed, with respect to all taxable years through and including 2004. To the Knowledge of the Company, no claim has been made in the previous five years by a Governmental Entity in a jurisdiction where the Company or any of its Subsidiaries does not file Tax Returns that the Company or any of its Subsidiaries is or may be subject to taxation by that jurisdiction. Neither the Company nor any of its Subsidiaries has any liability for Taxes of any Person (other than the Company and its Subsidiaries) under Treasury Regulation Section 1.1502-6 or any comparable provision of U.S., state, local or foreign Law or otherwise. Neither the Company nor any of its Subsidiaries has been a party to a "reportable transaction" (as that term is defined in Treasury Regulation Section 1.6011-4(b)(1)). Neither the Company nor any of its Subsidiaries is a party to any Tax sharing agreement with any Person (other than the Company and/or any of its Subsidiaries). Neither the Company nor any of its Subsidiaries has been a party to any distribution occurring during the last 30 months in which the parties to such distribution treated the distribution as one to which Section 355 of the Code (or any similar provision of state, local or foreign law) applied. Each material Tax election made by the Company or any of its Subsidiaries has been timely and properly made. As used in this Agreement, "***Tax***" or "***Taxes***" means all federal, state, local and foreign income, profits, franchise, gross receipts, environmental, customs duty, capital stock, severances, stamp, documentary, registration, payroll, sales, employment, unemployment, disability, use, transfer, real property transfer, stock transfer, property, withholding, excise, production, value added, occupancy, and other taxes, duties or assessments imposed by a Governmental Entity of any nature whatsoever, together with all interest, penalties and additions imposed with respect to such amounts and any interest in respect of such penalties and additions, and "***Tax Return***" means all returns and reports (including elections, declarations, disclosures, schedules, estimates and information returns) required to be supplied to a Governmental Entity relating to Taxes.

(n) Labor Matters.

(i) To the Knowledge of the Company, there is no organizational effort currently being made or threatened on behalf of any labor organization to organize the employees of the Company or any of its Subsidiaries, nor a demand for recognition of any of the employees of the Company or any of its Subsidiaries on behalf of any labor organization within the last two (2) years; nor is the Company or any of its Subsidiaries the subject of any material proceeding asserting that the Company or any of its Subsidiaries has committed an unfair labor practice within the meaning of the National Labor Relations Act or comparable restrictions under other applicable Laws or seeking to compel it to bargain with any labor organization; nor is there pending or, to the Knowledge of the Company, threatened, nor has there been for the past two (2) years, any labor strike, picketing, walkout, work stoppage or lockout involving the Company or any of its Subsidiaries. Neither the Company nor any of its Subsidiaries is presently, nor has been in the past a party to, or bound by, any collective bargaining agreement or union

contract with respect to Employees, and no such agreement or contract is currently being negotiated. The consummation of the transactions contemplated by this Agreement will not entitle any third party (including any labor organization) to any payments under any collective bargaining agreement or union contract with respect to Employees to which the Company or any of its Subsidiaries is a party or by which any of them are otherwise bound.

(ii) The Company and its Subsidiaries (A) are in compliance in all material respects with all applicable Laws respecting employment, overtime pay and wages and hours, in each case, with respect to their employees; (B) have withheld all material amounts required by applicable Law or by agreement to be withheld from the wages, salaries and other payment to their employees; and (C) are not liable for or in arrears with respect to material wages or any material taxes or any penalty for failure to comply with any of the foregoing except, in each case, to the extent as is not reasonably likely to have a Material Adverse Effect.

(iii) Neither the Company nor any of its Subsidiaries has classified any individual as an "independent contractor" or similar status who, according to a Benefit Plan or applicable Law, should have been classified as an employee or of similar status.

(o) Insurance. The Company and its Subsidiaries maintain fire and casualty, general liability, business interruption, product liability and sprinkler and water damage insurance policies (the "*Insurance Policies*") with reputable insurance carriers. The Insurance Policies provide full and adequate coverage for all normal risks incident to the business of the Company and its Subsidiaries and their respective properties and assets, and are in character and amount at least equivalent to that carried by Persons engaged in similar businesses and subject to the same or similar perils or hazards, except for any such failure to maintain insurance polices that, individually or in the aggregate, are not reasonably likely to have a Material Adverse Effect. Each Insurance Policy is in full force and effect and all premiums due with respect to all Insurance Policies have been paid, with such exceptions that, individually or in the aggregate, are not reasonably likely to have a Material Adverse Effect.

(p) Related Party Transactions.

(i) Except as set forth on Schedule 2.2(p), no member or shareholder of the Company or its Subsidiaries or other Related Party (A) has any interest in any property (real, personal, or mixed and whether tangible or intangible), used in or pertaining to the business of the Company or any of its Subsidiaries as currently conducted, (B) owns, of record or as a beneficial owner, an equity interest or any other financial or a profit interest (other than ownership of publicly-traded securities representing less than 5% of the total equity and less than 5% of the total voting power of the issuer) in a Person that has had material business dealings or a material financial interest in any transaction with the Company or any of its Subsidiaries, or (C) is a party to any Contract with, or has any claim or right against, the Company or any of its Subsidiaries (except for employment and similar Contracts and claims thereunder).

(ii) Except as set forth on Schedule 2.2(p), none of the Company or any of its Subsidiaries is indebted, directly or indirectly, to any Person who is a member, shareholder or other Related Party in any amount whatsoever, other than for ordinary compensation (including salaries, wages and benefits) for services rendered or reimbursable business expenses, nor is any such member, shareholder or other Related Party indebted to the Company or any of its Subsidiaries, except for advances made to employees of the Company or any of its Subsidiaries in the ordinary course of business to meet reimbursable business expenses anticipated to be incurred by such obligor.

(q) Product Warranty and Product Liability. There is no notice, demand, claim, action, suit, inquiry, hearing, proceeding, notice of violation or investigation from, by or before any Governmental Entity relating to any product, including the packaging and advertising related thereto, designed, formulated, manufactured, processed, sold, distributed or placed in the stream of commerce by the Company or any of its Subsidiaries (a "***Product***"), or claim or lawsuit involving a Product which is, to the Knowledge of the Company, pending or threatened, by any Person which is reasonably likely to result in any material liability to the Company or any of its Subsidiaries. There has not been, nor is there under consideration by the Company or any of its Subsidiaries, any Product recall or post-sale warning conducted by or on behalf of the Company or any of its Subsidiaries concerning any Product, except for such recalls or post-sale warnings that are not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect. To the Knowledge of the Company, at the time sold, distributed or placed in the stream of commerce by the Company or any of its Subsidiaries, all Products, complied in all material respects with applicable specifications, government safety standards and other applicable Laws, and were substantially free from contamination, deficiencies or defects, except for such non-compliance, contamination, deficiency or defect as is not, individually or in the aggregate, reasonably likely have a Material Adverse Effect.

(r) Suppliers and Customers. Schedule 2.2(r) sets forth a list of (i) the fifteen (15) largest suppliers (by dollar amount and not by name) to the Company and its Subsidiaries, taken as a whole, as of December 31, 2006 immediately preceding the date of this Agreement ("***Major Suppliers***") and (ii) the fifteen (15) customers (by dollar amount of purchases and not by name) with the highest dollar amount of purchases from or services of, the companies, taken as a whole, as of December 31, 2006 immediately preceding the date of this Agreement (the "***Major Customers***"). No Major Supplier or Major Customer has during the last two (2) years materially decreased or limited, or to the Knowledge of the Company threatened to materially decrease or limit, its provision or receipt of services or supplies to or from the Company or any of its Subsidiaries. No termination, cancellation or material limitation of, or any material modification or change in, the business relationship of the Company or any of its Subsidiaries has occurred or, to the Knowledge of the Company, has been threatened by any Major Supplier or Major Customer.

(s) Purchase and Sale Agreements.

(i) No claims for indemnification under any prior purchase and sale agreements to which the Company or any of its Subsidiaries is a party (the "*Prior Purchase Agreements*"), have been made by the Company or any of its Subsidiaries in the last five (5) years, or are pending or threatened by the Company or any of its Subsidiaries. No claims for indemnification under any Prior Purchase Agreements have been made in the last five (5) years or to the Knowledge of the Company are pending or threatened, by any counterparties thereto.

(ii) Buyer has provided the Representative with a true and complete copy of the Stock Purchase Agreement (the "*Midway Agreement*"), dated April 5, 2007 by and among McJunkin Development Corporation (a Subsidiary of the Company), Midway-Tristate Corporation, a New York Corporation, and the shareholders of Midway-Tristate Corporation as of such date and the Disclosure Schedules referenced therein.

(t) Power of Attorney. Neither the Company nor any of its Subsidiaries has given any irrevocable power of attorney (other than such powers of attorney given in the ordinary course of business with respect to routine matters or as may be necessary or desirable in connection with the transactions contemplated hereby) to any Person other than a manager of the Company with respect to the Company or any such Subsidiary.

ARTICLE III

Covenants

3.1. Interim Operations. After the date hereof and prior to the Closing (unless the Representative shall otherwise approve in writing, such approval not to be unreasonably withheld or delayed, and except as otherwise expressly contemplated by this Agreement, and except as required by applicable Laws), the Company shall, and shall cause its Subsidiaries to, conduct the business of the Company and its Subsidiaries in the ordinary and usual course and, to the extent consistent therewith, the Company shall and shall cause the Company's Subsidiaries to (x) use their respective reasonable best efforts to preserve the Company's and its Subsidiaries' business organizations intact and maintain existing relations and goodwill with all Governmental Entities, customers, suppliers, distributors, creditors, lessors, employees and business associates, and (y) keep available the services of the Company's and its Subsidiaries' present employees and agents. Without limiting the generality of the foregoing and in furtherance thereof, from the date of this Agreement until the Closing, except (A) as otherwise expressly contemplated by this Agreement, the Purchase Agreement or the Letter Agreement, (B) as the Representative may approve in writing (such approval not to be unreasonably withheld or delayed) or (C) for transactions set forth on Schedule 3.1, the Company will not and shall cause each of its Subsidiaries not to:

(a) adopt or propose any change in its certificate of formation or limited liability company agreement or other applicable governing instruments;

(b) merge or consolidate with any other Person, or restructure, reorganize or completely or partially liquidate or otherwise enter into any agreements or

arrangements imposing material changes or restrictions on its assets, operations or businesses;

(c) acquire any entity or business (including by way of merger, stock purchase, asset purchase or otherwise) from any other Person, other than acquisitions pursuant to Contracts in effect as of the date of this Agreement and disclosed on the Schedules;

(d) issue, sell, pledge, dispose of, grant, transfer, encumber, or authorize the issuance, sale, pledge, disposition, grant, transfer, lease, license, guarantee or encumbrance of, any LLC Interests or any shares of capital stock of the Company or any of its Subsidiaries (other than the issuance of shares by a wholly-owned Subsidiary of the Company to the Company or another wholly-owned Subsidiary), or securities convertible or exchangeable into or exercisable for any shares of such capital stock, or any options, warrants or other rights of any kind to acquire any LLC Interests or any shares of such capital stock or such convertible or exchangeable securities;

(e) create or incur any Encumbrance in excess of $5 million on any assets of the Company or any of its Subsidiaries;

(f) make any loans, advances or capital contributions to or investments in any Person, other than non-material advances to vendors and employees in the ordinary course of business consistent with past practice;

(g) enter into any agreement with respect to the voting of its LLC Interests or declare, set aside, make or pay any distribution, or purchase, redeem or otherwise acquire any of its LLC Interests payable other than in cash, with respect to any of its LLC Interests;

(h) reclassify, split or combine, directly or indirectly, any of its LLC Interests;

(i) incur any Debt (other than borrowings under the Company's existing debt facilities in the ordinary course of business consistent with past practice) or guarantee Debt of another Person, or issue or sell any debt securities or warrants or other rights to acquire any debt security of the Company or any of its Subsidiaries;

(j) enter into any Contract that would have been a Material Contract had it been entered into prior to the entering into of this Agreement;

(k) make any changes with respect to accounting policies or procedures, except as required by changes in GAAP;

(l) other than in the ordinary course of business consistent with past practice, amend, modify or terminate any Material Contract, or cancel, modify or waive any Debts or claims held by it or waive any rights;

(m) except as set forth on Schedule 3.1(m), make any material Tax election, take any material position on any Tax Return filed on or after the date of this Agreement or adopt any tax accounting method that is inconsistent with positions taken or methods used in preparing or filing similar Tax Returns in prior periods, or settle or resolve any material Tax controversy;

(n) other than pursuant to Contracts in effect prior to the date of this Agreement and disclosed on the Schedules, transfer, sell, lease, license, mortgage, pledge, surrender, encumber, divest, cancel, abandon or allow to lapse or expire or otherwise dispose of any assets, product lines or businesses of the Company or its Subsidiaries, including capital stock of any of its Subsidiaries, except for sales, leases, licenses or other dispositions of assets with a fair market value not in excess of $100,000 in the aggregate;

(o) except as set forth on Schedule 3.1(o) or otherwise required by applicable Law, (i) increase the compensation, bonus or pension or welfare benefits of, or make any new equity-based awards to, any director, officer or employee of the Company or any of its Subsidiaries (other than those increases in the ordinary course of business consistent with past practice to employees below the Vice President level), (ii) establish, adopt, amend or terminate any Benefit Plan or amend the terms of any Benefit Plan or outstanding equity-based awards or (iii) take any action to accelerate the vesting or payment, or fund or in any other way secure the payment, of compensation or benefits under any Benefit Plan, to the extent not already required by any such Benefit Plan;

(p) settle, or consent to any settlement of, any actions, suits, claims or proceedings against the Company or any of its Subsidiaries or any obligation or liability of the Company or any of its Subsidiaries alleging any injury or damage (other than disputes with customers or suppliers in the ordinary course of business consistent with past practice and not exceeding $50,000 per claimant);

(q) take any action or omit to take any action that will waive, modify, compromise or extinguish any of the Company's or any of its Subsidiaries' rights with respect to any agreements, understandings or arrangements relating to any insurance coverage;

(r) take any action or omit to take any action that is reasonably likely to result in any of the conditions to Closing set forth in Article VI not being satisfied (other than the taking of any action required to be taken under applicable Law or the omission of any action prohibited under applicable Law);

(s) enter into, terminate, amend or modify any Contract or transaction with any Affiliate, member or other Related Party;

(t) enter into any purchase order (other than purchase orders entered into in the ordinary course of business consistent with past practice and in an amount less than $10 million); or

(u) agree, authorize or commit to do any of the foregoing.

3.2. Access and Reports. Subject to applicable Law, upon reasonable notice, the Company shall (and shall cause each of its Subsidiaries to) afford the Representative and other authorized representatives reasonable access, during normal business hours throughout the period prior to the Closing, to its employees, properties, books, Contracts and records and, during such period, the Company shall (and shall cause each of its Subsidiaries to) furnish promptly to Representative all information concerning its business, properties and personnel as may reasonably be requested, provided that no investigation pursuant to this Section 3.2 shall affect or be deemed to modify any representation or warranty made by the Company herein, and provided, further, that the foregoing shall not require the Company (i) to permit any inspection, or to disclose any information, that in the reasonable judgment of the Company would result in the disclosure of any trade secrets of third parties or violate any of its obligations with respect to confidentiality or (ii) to disclose any privileged information of the Company or any of its Subsidiaries. All such information shall be governed by the terms of the Confidentiality Agreement.

ARTICLE IV

Additional Agreements

4.1. Joinder to the Company LLC Agreement. The parties hereto agree that, upon the Closing, each Contributing Shareholder shall be made a party to the limited liability company operating agreement of the Company (the "*Company LLC Agreement*"), as amended pursuant to the letter agreement dated on or about the date hereof between GS Capital Partners V Fund, L.P. and its related funds (collectively, "*GSCP*"), and the Contributing Shareholders and attached hereto (the "*Letter Agreement*"), as a Member with the rights and obligations of holders of Common Units and as set forth in the Letter Agreement and each Contributing Shareholder hereby agrees to become a party to the Company LLC Agreement and to be bound by, and subject to, all of the representations, covenants, terms and conditions of the Company LLC Agreement that are applicable to a Member with such rights and obligations. Execution and delivery of this Agreement by each Contributing Shareholder shall also constitute execution and delivery by him, her or it of the Company LLC Agreement, without further action of any party.

4.2. Joinder to the Registration Rights Agreement. The parties hereto agree that, upon the Closing, each Contributing Shareholder shall be made a party to the Company registration rights agreement (the "*Registration Rights Agreement*"), as amended pursuant to the Letter Agreement, as a Holder (as defined in the Registration Rights Agreement) and each Contributing Shareholder hereby agrees to become a party to the Registration Rights Agreement and to be bound by, and subject to, all of the representations, covenants, terms and conditions of the Registration Rights that are applicable to a Holder. Execution and delivery of this Agreement by each Contributing Shareholder shall also constitute execution and delivery by him, her or it of the Registration Rights Agreement, without further action of any party.

ARTICLE V

Deliveries at the Closing

5.1. Deliveries by the Company at the Closing. At the Closing, the Company shall:

(a) amend Schedule A to the Company LLC Agreement to reflect the LLC Units acquired by the Contributing Shareholders pursuant to this Agreement; and

(b) deliver to each Contributing Shareholder a copy of the fully executed Company LLC Agreement, as amended pursuant to the Letter Agreement, together with copies of all board resolutions and/or other writings evidencing the effectiveness of such amendments.

5.2. Deliveries by the Contributing Shareholders at the Closing. At the Closing, each Contributing Shareholder shall deliver certificates representing the number of Contribution Shares set forth opposite his, her or its name under the heading "Number of Shares Contributed" on Exhibit A hereto, to the Company, duly endorsed in blank or otherwise in proper form for transfer to the Company.

ARTICLE VI

Conditions to Closing

6.1. Conditions to Obligations of the Company. The obligations of the Company to consummate the transactions contemplated hereunder and to take the other actions at Closing required by this Agreement are subject to the satisfaction or waiver by such party of the following conditions as of the Closing Date:

(a) (i) The representations and warranties of the Contributing Shareholders set forth in this Agreement (other than those in 2.1(a)) shall be true and correct as of the date of this Agreement and as of the Closing (without giving effect to any "material," "materiality" or "material adverse effect" qualifications to such representations and warranties), except (A) to the extent that the failure of such representations and warranties of the Contributing Shareholders to be true and correct individually or in the aggregate would not and would not reasonably be likely to prevent, materially delay or materially impair the ability of the Contributing Shareholders to consummate the transactions contemplated by this Agreement and (B) for those representations and warranties which expressly relate to any earlier date (in which case such representations and warranties shall have been true and correct as of such earlier date); and (ii) the representations and warranties set forth in 2.1(a) shall be true and correct in all respects as of the date of this Agreement and as of the Closing.

(b) Each Contributing Shareholder shall have performed in all material respects each of their respective agreements and covenants contained in or contemplated

by this Agreement that are required to be performed by them at or prior to the Closing pursuant to the terms hereof.

(c) The Company shall have received a certificate from the Representative on behalf of the Contributing Shareholders, dated the Closing Date, to the effect that the conditions set forth in Sections 6.1(a) and (b) have been satisfied.

6.2. Conditions to Obligations of the Contributing Shareholders. The obligations of each Contributing Shareholder to consummate the transactions contemplated by this Agreement are subject to the satisfaction, or to the extent permitted by applicable Law, the waiver by the Representative at or prior to the Closing of each of the following conditions:

(a) (i) The representations and warranties of the Company set forth in this Agreement (other than those in Sections 2.2(a) (Authorization of Transaction), 2.2(c) (Capitalization), 2.2(p) (Related Party Transactions) (collectively, the "***Excluded Representations***") shall be true and correct as of the date of this Agreement and as of the Closing (without giving effect to any "material", "materiality", "Material Adverse Effect" or "Knowledge" qualification to such representations and warranties), except (A) to the extent that the failure of such representations and warranties of the Company to be true and correct, individually or in the aggregate, has not had, and is not reasonably likely to have, a Material Adverse Effect and (B) for those representations and warranties which expressly relate to an earlier date (in which case such representations and warranties shall have been true and correct as of such earlier date); and (ii) the Excluded Representations shall be true and correct in all respects as of the date of this Agreement and as of the Closing.

(b) The Company shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing.

(c) The Representative shall have received a certificate of Buyer dated the Closing Date, to the effect that the conditions set forth in Sections 6.2(a) and (b) have been satisfied.

6.3. Acquisition not Consummated. The parties hereto agree that if for any reason the Acquisition is not consummated on or prior to the third business day after the Closing, then the transactions effected at the Closing shall be unwound and the provisions of this Agreement shall be restored as if the Closing had not taken place and shall thereafter remain in full force and effect until terminated pursuant to the terms hereof.

ARTICLE VII

Termination

7.1. Termination. (a) This Agreement shall automatically terminate upon termination of the Purchase Agreement pursuant to the terms thereof prior to the closing of the Acquisition.

(b) The parties hereto acknowledge and agree that if the transactions contemplated hereby are not consummated as a result of the failure of any of the conditions contained in Section 6.1 or 6.2, the transactions contemplated by the Purchase Agreement will not be consummated since the condition contained in Section 7.1(e) thereof will not have been satisfied.

(c) In the event of termination of this Agreement and the abandonment of the transactions contemplated hereby pursuant to this Section 7.1, this Agreement shall become void and of no effect with no liability to any Person on the part of any Party (or of any of its representatives or Affiliates); provided, that Article VIII shall survive the termination of this Agreement; and provided, further, that except as otherwise provided herein, no such termination shall relieve any Party of any liability or damages to any other Party resulting from any Willful or Deliberate Breach of this Agreement prior to any such termination.

ARTICLE VIII

Miscellaneous

8.1. Entire Agreement; Binding Effect; Assignment; No Third Party Beneficiaries. This Agreement (including the Exhibit hereto), the Company LLC Agreement, the Registration Rights Agreement, the Purchase Agreement and Letter Agreement constitutes the entire agreement, and supersedes any prior understandings or agreements by or among the parties, written or oral, to the extent related in any way to the subject matter hereof. This Agreement shall be binding upon, inure to the benefit of and be enforceable only by the parties hereto and their respective successors and permitted assigns. No party may assign its rights or obligations under this Agreement to any other person or entity without the prior written consent of the other parties and any purported assignment without such consent is void. Nothing in this Agreement, express or implied, is intended to, or shall, give to any person other than the parties hereto, their successors and permitted assigns any benefit or any legal or equitable right, remedy or claim under this Agreement.

8.2. Modification or Amendment; Waiver. This Agreement may only be amended, modified, supplemented or waived with the written approval of each party hereto. No failure or delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof or of any other or future exercise of any such right, power or privilege.

8.3. Counterparts. This Agreement may be executed in any number of counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

8.4. Governing Law and Venue; Waiver of Jury Trial; Specific Performance.

(a) THIS AGREEMENT SHALL BE DEEMED TO BE MADE IN AND IN ALL RESPECTS SHALL BE INTERPRETED, CONSTRUED AND GOVERNED BY AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF

DELAWARE WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF. The parties hereby irrevocably submit to the personal jurisdiction of the courts of the State of Delaware located in New Castle County and the Federal courts of the United States of America located in New Castle County solely in respect of the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such courts, and the parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a Delaware State or Federal court located in New Castle County. The parties hereby consent to and grant any such court jurisdiction over the person of such parties and, to the extent permitted by law, over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 8.5 or in such other manner as may be permitted by law shall be valid and sufficient service thereof.

(b) 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 LITIGATION 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 LITIGATION, 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 8.4.

(c) The parties 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 were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in Delaware State or Federal court in New Castle County, this being in addition to any other remedy to which such party is entitled at law or in equity.

8.5. Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, or by facsimile:

If to the Company:

c/o GS Capital Partners V Fund, L.P.,
85 Broad Street, 10th Floor,
New York, New York 10004.
Attention: Jack Daly
Fax: (212) 357-5505

and:

Fried, Frank, Harris, Shriver & Jacobson LLP,
One New York Plaza,
New York, New York 10004.
Attention: Robert C. Schwenkel, Esq.
Fax: (212) 859-4000

If to the Contributing Shareholders:

c/o Craig Ketchum
8023 East 63rd Place
Suite 800
Tulsa, Oklahoma 74133
Fax: [•]

with a copy to:

Baker Botts LLP
30 Rockefeller Plaza, 44th Floor
New York, NY 10112
Attention: Lee D. Charles, Esq.
and Marc A. Leaf, Esq.
Fax: (212) 259-2505 and (212) 259-2597

or to such other persons or addresses as may be designated in writing by the party to receive such notice as provided above. Any notice, request, instruction or other document given as provided above shall be deemed given to the receiving party upon actual receipt, if delivered personally; three business days after deposit in the mail, if sent by registered or certified mail; upon confirmation of successful transmission if sent by facsimile (provided that if given by facsimile such notice, request, instruction or other document shall be followed up within one business day by dispatch pursuant to one of the other methods described herein); or on the next business day after deposit with an overnight courier, if sent by an overnight courier.

8.6. Interpretation; Construction.

(a) The headings herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof. Where a reference in this Agreement is made to a Section, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.”

(b) The parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

8.7. Tax Matters. The parties hereto shall not take any position on any tax return inconsistent with the treatment of the contribution of the Contribution Shares to the Company in exchange for LLC Units when considered together with the Acquisition as a transaction governed by Sections 707 and 721 of the Code, unless otherwise required pursuant to a “determination” within the meaning of Section 1313(a) of the Code. Notwithstanding any other provision of this Agreement, the obligations imposed by this Section 8.7 will survive indefinitely.

(the remainder of this page has been intentionally left blank)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first mentioned above.

McJ HOLDING LLC

By: /s/ T Graff
Name:
Title:

BJHK LIMITED PARTNERSHIP

By: /s/ Lewis Craig Ketchum
Name: Lewis Craig Ketchum
Title: Trustee/general Partner

K.F. ENTERPRISES, L.L.C.

By: /s/ Betty Ketchum
Name: Betty Ketchum
Title:

AMENDMENT NO. 1 TO THE STOCK PURCHASE AGREEMENT

THIS AMENDMENT NO. 1 TO THE STOCK PURCHASE AGREEMENT (this "***Amendment***"), is made and entered into as of October 24, 2007, by and among West Oklahoma PVF Company, a Delaware corporation ("***Buyer***"), Red Man Pipe & Supply Co., an Oklahoma corporation (the "***Company***) and Craig Ketchum (the "***Representative***"), as Representative of the Shareholders. All capitalized terms used in this Amendment which are not otherwise defined herein are used with the same meaning attributed to such capitalized terms in the Stock Purchase Agreement (as defined below).

WITNESSETH:

WHEREAS, Buyer, the Company and the holders of all outstanding shares of stock of the Company listed on Schedule 1 thereto (each a "***Shareholder***" and, collectively, the "***Shareholders***"), McJ Holding LLC, a Delaware limited liability company (for purposes of Sections 2.3(c) and 10.4 only) and the Representative are parties to that certain Stock Purchase Agreement dated July 6, 2007 (the "***Stock Purchase Agreement***");

WHEREAS, pursuant to the letter attached hereto as ***Annex 1***, the Company is giving certain participants in the Company Retirement Plan the ability to elect to receive, prior to Closing, a distribution (the "***Distribution***") of shares of Company Stock from the Company Retirement Plan (the participants who elect to receive a Distribution, the "***Electing Participants***");

WHEREAS, as a condition precedent to receiving the Distribution, each Electing Participant will be required to sign a joinder agreement (a "***Joinder Agreement***"), in the form attached hereto as ***Annex 2***, whereby each Electing Participant will agree to become a party to the Stock Purchase Agreement as a "Shareholder" and a "Plan Shareholder"; and

WHEREAS, Buyer and the Representative desire to amend and waive certain provisions of the Stock Purchase Agreement, solely to the extent necessary to permit the Distribution and the execution of the Joinder Agreement in connection therewith, as hereinafter more particularly set forth.

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants contained herein and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. ***Amendments to Stock Purchase Agreement***.

1.1. Article I of the Stock Purchase Agreement is hereby amended as follows:

(a) The definition of "Ancillary Documents" is hereby amended and restated in its entirety as follows:

"Ancillary Documents" means each agreement, certificate or other instrument executed or to be executed by Buyer, the Company and/or any Shareholder in connection with this Agreement, including the Escrow Agreement, the Holdback Escrow Agreement, the Employment Agreements, the Contribution Agreement, the Non-Compete Agreement and the letter agreement dated on or about the date hereof between the Ketchum Entities and GS Capital Partners V Fund, L.P. and affiliated funds.

(b) The following definition is hereby added immediately after the definition of "Debt Financing Commitment":

"Distribution" means the distribution of shares of Company Stock to the Plan Shareholders from the Company Retirement Plan pursuant to the election made by the Plan Shareholders in accordance with the letter attached hereto as *Annex 1*.

(c) The following definitions are hereby added immediately after the definition of "Hazardous Substances":

"Holdback Escrow Account" means the escrow account established pursuant to the Holdback Escrow Agreement.

"Holdback Escrow Agreement" means the escrow agreement to be entered into on the Closing Date among the Representative, Buyer and the Escrow Agent, to be mutually agreed upon between the Representative and Buyer and which shall be substantially similar to Escrow Agreement.

"Holdback Percentage" means, with respect to each Plan Shareholder, 20%, plus the applicable state withholding tax rate.

(d) The definition of "Non-Plan Shareholders" is amended and restated in its entirety as follows:

"Non-Plan Shareholders" means each of the Shareholders other than the Company Retirement Plan, the Plan Shareholders and T. Wayne Windham.

(e) The following definitions are hereby added immediately after the definition of "Person":

"Plan Shareholder Holdback Release Date" means, with respect to each Plan Shareholder, the later of (i) the expiration of all applicable statutes of limitations for the Company Retirement Plan's taxable year ending December 31, 2007 and (ii) the expiration of all applicable statutes of limitations for such Plan Shareholder's 2007 taxable year; provided, however, that, if the

Company agrees to extend the statute of limitations with respect to the Company Retirement Plan's taxable year ending December 31, 2007 without the consent of the Representative, such consent not to be unreasonably withheld, or if the Company fails to timely file IRS Form 945 (or other applicable form, if any such form is required to be filed) for the 2007 taxable year, then the Plan Shareholder Holdback Release Date with respect to each Plan Shareholder shall be the later of (x) the expiration of all applicable statutes of limitations for such Plan Shareholder's 2007 taxable year and (y) April 15, 2011. Notwithstanding the foregoing, if a Plan Shareholder, the Company Retirement Plan, the Company, or McJ Holding or any of its Subsidiaries has been notified by the IRS or any other Governmental Entity that the tax treatment of the Distribution to such Plan Shareholder may be subject to challenge by the IRS or any other Governmental Entity, then the Plan Shareholder Holdback Release Date shall not be prior to the date on which such challenge has been finally resolved and any tax, interest or penalties due and owing as a result of such challenge have been fully paid to the appropriate Governmental Entity.

"Plan Shareholders" means each person who signs a Joinder Agreement substantially in the form attached hereto as Annex 2. (For avoidance of doubt, T. Wayne Windham is not a "Plan Shareholder" as so defined.)

1.2. Section 6.12 of the Stock Purchase Agreement is hereby amended to add the following at the end thereof:

On or prior to the Closing, the Plan Shareholders shall cause the Representative to execute and deliver, and Buyer shall execute and deliver, the Holdback Escrow Agreement.

1.3. The last sentence of Section 6.17 of the Stock Purchase Agreement is hereby amended and restated in its entirety as follows:

"The Parties acknowledge and agree that Consolidated Investment Services, Inc., the Company Retirement Plan, Louie Leflore, T. Wayne Windham and the Plan Shareholders shall not be entitled to become Continuing Shareholders and shall not be entitled to contribute any shares of Company Stock to McJ Holding pursuant to the Contribution Agreement."

1.4. The following is hereby added immediately after Section 6.18 of the Stock Purchase Agreement:

"6.19. Plan Shareholder Holdback. Notwithstanding anything in this Agreement to the contrary, including, without limitation, Article II and

Section 6.17 for each Plan Shareholder: (a) at the Closing, an amount equal to such Plan Shareholder's respective Holdback Percentage multiplied by all amounts to be paid to the Representative on behalf of such Plan Shareholder pursuant to Section 2.3(a)(ii) and Section 2.3(c)(i)(A) shall instead be deposited into the Holdback Escrow Account and not distributed to the Plan Shareholders, (b) an amount equal to such Plan Shareholder's respective Holdback Percentage multiplied by all amounts to be paid to the Representative on behalf of such Plan Shareholder out of the Escrow Account pursuant to Section 2.3(c)(i)(B) or Section 2.3(c)(ii)(A) shall instead be deposited into the Holdback Escrow Account and not distributed to the Plan Shareholders and (c) an amount equal to such Plan Shareholder's respective Holdback Percentage multiplied by all amounts to be paid to the Representative on behalf of such Plan Shareholder pursuant to Section 6.14 shall instead be deposited into the Holdback Escrow Account and not distributed to the Plan Shareholders. Buyer and the Representative will instruct the Escrow Agent to pay to Buyer or the Company (or any of their Affiliates) the amounts held in the Holdback Escrow Account pursuant to this Section 6.19 to the extent that Buyer or the Company (or any of their Affiliates) becomes obligated to pay any applicable tax, interest and/or penalties to the IRS or any other Governmental Entity in respect of the distribution of shares of Common Stock to any Plan Shareholder in the Distribution. On the applicable Plan Shareholder Holdback Release Date for a Plan Shareholder, Buyer and the Representative shall instruct the Escrow Agent to distribute to the Representative, on behalf of such Plan Shareholder, an amount (if any) equal to the amount held in the Holdback Escrow Account pursuant to this Section 6.19 with respect to such Plan Shareholder, less any amounts distributed or required to be distributed from the Holdback Escrow Account to Buyer, the Company (or any of their Affiliates) pursuant to the immediately preceding sentence with respect to the distribution of shares of Common Stock to such Plan Shareholder in the Distribution.

1.5. Section 7.3 of the Stock Purchase Agreement is hereby amended by adding the following immediately after clause (m) thereof:

(n) Holdback Escrow Agreement. The Holdback Escrow Agreement shall have been executed and delivered by the Representative (on behalf of the Shareholders) and the Escrow Agent.

1.6. Section 10.14(b) of the Stock Purchase Agreement is hereby amended by adding the following at the end thereof:

Without limiting the generality of the foregoing, the Representative is hereby authorized (i) to receive any payment owing to the Plan Shareholders pursuant to Section 6.19, (ii) to execute the Holdback Escrow Agreement on behalf of the Plan Shareholders, and (iii) to take all

actions on behalf of the Plan Shareholders in connection with any actions taken or to be taken under Section 6.19. The Representative and the Plan Shareholders hereby agree that any amounts disbursed out of the Holdback Escrow Account to the Representative pursuant to the terms of Section 6.19 and/or the Holdback Escrow Agreement shall be distributed by the Representative to the Plan Shareholders in accordance with Schedule 1 and Exhibit B, as applicable.

1.7. Annex 1 and Annex 2 to this Amendment are hereby added as Annex 1 and Annex 2 to the Stock Purchase Agreement, respectively.

2. *Schedule 1 and Exhibit B*. Schedule 1 and Exhibit B to the Stock Purchase Agreement will be amended to add, as Shareholders and Plan Shareholders, those persons who become Electing Participants.

3. *Acceptance of Joinder*. Buyer, the Company and the Representative (on behalf of the Shareholders) accept the Joinder Agreements to be entered into by each Electing Participant, and agree that upon execution of a Joinder Agreement each Electing Participant shall become a "Shareholder" and a "Plan Shareholder" under the Stock Purchase Agreement, in each case entitled to all the rights and benefits of such a party under the Stock Purchase Agreement (and bound by and subject to the terms and conditions thereof), as if a signatory directly thereto.

4. *Limited Waiver; Full Force and Effect of the Stock Purchase Agreement.* Buyer, the Company and the Representative (on behalf of the Shareholders) hereby waive any and all breaches of representation, warranty and covenant of the Shareholders or the Company set forth in the Stock Purchase Agreement, in each case solely to the extent necessary to permit without breach the Distribution and the execution and delivery of the Joinder Agreement and the Holdback Escrow Agreement. The waiver set forth in the immediately preceding sentence shall not be deemed to extend to any prior or subsequent default or breach or affect in any way any rights arising by virtue of any such prior or subsequent occurrence and the parties hereto do not waive any right that they may have under the Stock Purchase Agreement. Except as expressly set forth herein, the parties make no amendment, alteration or modification of the Stock Purchase Agreement. Except as expressly set forth herein, the Stock Purchase Agreement shall remain in full force and effect.

5. *Applicability of Article X of the Stock Purchase Agreement*. The provisions of Article X of the Stock Purchase Agreement shall apply to this Amendment as if such provisions were part of this Amendment.

[The next page is the signature page]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

RED MAN PIPE & SUPPLY CO.

By: /s/ CRAIG KETCHUM
Name: Craig Ketchum
Title: President and CEO

WEST OKLAHOMA PVF COMPANY

By: /s/ F.T. GRAFF JR.
Name: F.T. Graff Jr.
Title: Secretary

CRAIG KETCHUM,
as Representative

/s/ CRAIG KETCHUM

JOINDER AGREEMENT AND
AMENDMENT NO. 2 TO THE STOCK PURCHASE AGREEMENT

This JOINDER AGREEMENT AND AMENDMENT NO. 2 TO THE STOCK PURCHASE AGREEMENT (this "Joinder Agreement"), is made and entered into as of October 31, 2007, by and among Betts, LLC, an Oklahoma limited liability company ("Betts"), BGJC, LLC, an Oklahoma limited liability company ("BGJC"), CSK, LLC, an Oklahoma limited liability company ("CSK"), KBK, LLC, an Oklahoma limited liability company ("KBK"), KSKN, LLC, an Oklahoma limited liability company ("KSKN", and, together with Betts, BGJC, CSK and KBK, the "LLCs"), West Oklahoma PVF Company, a Delaware corporation ("*Buyer*"), Red Man Pipe & Supply Co., an Oklahoma corporation (the "Company), McJ Holding LLC, a Delaware limited liability company ("McJ Holding") and Craig Ketchum (the "Representative"), as Representative of the Shareholders. All capitalized terms used in this Joinder Agreement which are not otherwise defined herein are used with the same meaning attributed to such capitalized terms in the Stock Purchase Agreement (as defined below).

WITNESSETH:

WHEREAS Buyer, the Company and the holders of all outstanding shares of stock of the Company listed on Schedule 1 thereto (each a "Shareholder" and, collectively, the "Shareholders"), McJ Holding (for purposes of Sections 2.3(c) and 10.4 only) and the Representative are parties to that certain Stock Purchase Agreement dated, July 6, 2007, as amended by Amendment No. 1 thereto, dated October 24, 2007 (the "Stock Purchase Agreement");

WHEREAS BJHK Limited Partnership, an Oklahoma limited partnership ("BJHK LP"), K.F. Enterprises, L.L.C., an Oklahoma limited liability company ("KFE"), and BJHK Living Trust, an Oklahoma trust ("BJHK LT" and, together with BJHK LP and KFE, the "Former Shareholders"), are parties to the Stock Purchase Agreement named as Shareholders therein;

WHEREAS, pursuant to certain restructurings and business combinations consummated prior to the Closing (collectively, the "Restructurings"), among other things: (i) BJHK LP has merged with and into KFE, and (ii) effective on the Closing Date, as of immediately prior to the Closing, KFE is transferring all its shares of Company Stock in equal proportions to BGJC, CSK, KBK, and KSKN, and BJHK LT is transferring all its shares of Company Stock to Betts;

WHEREAS, as a result of the Restructurings, at the Closing, the Former Shareholders will not own any shares of Company Stock and each of the LLCs will own the number of shares of Company Stock set forth opposite the name of such LLC on Schedule 1 hereto (representing, in the aggregate, 96,549 shares of Company Stock); and

WHEREAS (i) this Joinder Agreement is intended to constitute the Contribution Percentage Notice pursuant to Section 6.17 of the Stock Purchase Agreement, (ii) Section 6.17 contemplates that, prior to the Closing, each of CK and each Other Ketchum Entity named in the Contribution Percentage Notice shall become a party to the Stock Purchase Agreement as a

Shareholder, and (iii) each of the undersigned desires and intends that, by executing and delivering this Joinder Agreement, each of the LLCs shall become a party to the Stock Purchase Agreement as a Shareholder thereunder.

NOW, THEREFORE, in consideration of the foregoing, and of the representations, warranties, covenants and agreements contained herein, and intending to be legally bound hereby, the parties hereby covenant and agree as follows:

Section 1. Party to the Agreement. Each of the LLCs hereby agrees to become a party to the Stock Purchase Agreement as a "Shareholder" thereunder, effective as of the date hereof, and to be bound by, and subject to, all of the representations, covenants, agreements, terms and conditions of the Stock Purchase Agreement that are applicable to a Shareholder, and to be entitled to all the rights and benefits of such a party under the Stock Purchase Agreement, in each case as if a signatory directly thereto. Without limiting the generality of the foregoing, each of the LLCs, by executing this Joinder Agreement, is (a) making the representations and warranties set forth in Article III of the Stock Purchase Agreement as a Shareholder (provided that such representations and warranties are being made by each such LLC as of the date hereof, and provided further that in the case of the representation and warranty of each LLC pursuant to Section 3.1(a) of the Stock Purchase Agreement, such representation and warranty is being made by such LLC as of immediately prior to the Closing) and (b) agreeing to be bound by, and subject to, all of the covenants and agreements set forth in the Stock Purchase Agreement applicable to a Shareholder. Execution and delivery of this Joinder Agreement by each of the LLCs shall constitute execution and delivery by it of the Stock Purchase Agreement, without further action of any party. Each of the LLCs hereby acknowledges that the Stock Purchase Agreement provides for the escrow, in accordance with an escrow agreement as set forth in the Stock Purchase Agreement, of a portion of the proceeds otherwise payable by Buyer to each Shareholder in exchange for such Shareholder's shares of Company Stock. Each of the LLCs hereby (i) appoints Craig Ketchum to serve as each such LLC's agent in selling such LLC's Company Stock to Buyer and (ii) grants Craig Ketchum an irrevocable power of attorney to sell such LLC's Company Stock to Buyer pursuant to the terms of the Stock Purchase Agreement. Pursuant to Section 10.4 of the Stock Purchase Agreement, each of the LLCs further agrees that by becoming a Shareholder it will be deemed to irrevocably constitute and appoint Craig Ketchum as its true and lawful agent and attorney-in-fact with full powers of substitution, to act in the name, place and stead of such LLC with respect to the Stock Purchase Agreement and with respect to the transfer of such LLC's Company Stock to Buyer pursuant to the Stock Purchase Agreement and the transactions contemplated thereby, and to do or refrain from doing all such acts and things, and to execute all such documents, as the Representative shall deem necessary or appropriate in connection with the Stock Purchase Agreement, the Ancillary Documents or any of the transactions contemplated thereby.

Section 2. Schedule 1 and Exhibit B. Schedule 1 and Exhibit B to the Stock Purchase Agreement are hereby amended and restated in the forms attached as Schedule 1 and Exhibit B hereto, respectively. Schedule 1 and Exhibit B to the Stock Purchase Agreement will be further amended to add, as Shareholders and Plan Shareholders, those persons who become Electing Participants (as defined in Amendment No. 1 to the Stock Purchase Agreement).

Section 3. Sale of Securities. Each of the LLCs hereby directs the Representative to sell the shares of Company Stock set forth opposite its name under the column "Number of Shares Sold for Cash ("Transferred Shares")" on Exhibit B, as hereby amended, to the Stock Purchase Agreement, at the Closing, in accordance with the terms and conditions of the Stock Purchase Agreement.

Section 4. Representations and Warranties. In addition to the representations and warranties in Article III of the Stock Purchase Agreement that each of the LLCs makes to Buyer as a Shareholder, each such LLC represents and warrants to Buyer and the Company that (a) such LLC has carefully reviewed copies of the Stock Purchase Agreement and all other documents such LLC deems necessary or desirable in order for it to execute this Joinder Agreement, (b) such LLC has been granted the opportunity to ask questions of, and receive answers from, representatives of the Company concerning the Stock Purchase Agreement and the terms and conditions thereof that such LLC deems necessary and (c) this Joinder Agreement has been duly executed and delivered by such LLC and constitutes a valid and binding agreement of such LLC enforceable against it in accordance with its terms. CSK represents and warrants to Buyer that it is a Person controlled by Craig Ketchum in which Craig Ketchum and his [wife and] children have at least a 90% economic beneficial interest. Each LLC other than CSK represents and warrants to Buyer that it is an "Other Ketchum Entity" as defined in the Stock Purchase Agreement.

Section 5. Contribution Percentage Notice; Limited Waivers. This Joinder Agreement constitutes a Contribution Percentage Notice pursuant to Section 6.17 of the Stock Purchase Agreement. Buyer hereby waives any requirement that the Contribution Percentage Notice be delivered to Buyer a specified number of days prior to closing and any right to object to the Contribution Percentage Notice on the ground that it was not timely delivered. Buyer hereby waives any closing condition under the Stock Purchase Agreement to the effect or other requirement that the representations and warranties of the Former Shareholders under Section 3.1(a) be true or correct at the Closing. Buyer hereby waives any closing condition under the Stock Purchase Agreement to the effect or other requirement that the representations and warranties of the LLCs under Section 3.1(a) be true or correct as of the date of the Stock Purchase Agreement, provided that such representations and warranties of the LLCs are true and correct as of the Closing after giving effect to the amendment and restatement of Schedule 1 to the Stock Purchase Agreement as provided herein.

Section 6. No Required Consents. Each of the Former Shareholders hereby represents and warrants that the Restructurings, including without limitation the direct and indirect transfers of Company Stock from the Former Shareholders to the LLCs acquiring such Company Stock, as described in third "Whereas" clause above, do not (a) violate any Law or Order to which such Former Shareholder is subject, result in the creation or imposition of any Encumbrance upon the Company Stock formerly held of record or beneficially owned by such Former Shareholder, or require such Former Shareholder to give any notice to, make any filing with, or obtain any authorization, consent or approval of, any Person.

Section 7. Further Assurances. At any time or from time to time after the date hereof, each LLC agrees to execute and deliver any further instruments or documents and take

such additional actions as the Company, the Representative or Buyer may reasonably request in order to evidence or effectuate its sale of Company Stock pursuant to the Stock Purchase Agreement and to otherwise carry out the intent of the parties under this Joinder Agreement.

Section 8. Governing Law. This Joinder Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without effect to the principles of conflicts of law.

Section 9. Acceptance of Joinder. The Company, Buyer, McJ Holding and the Representative (on behalf of the Shareholders) hereby accept this Joinder Agreement, and agree that upon execution hereof, each LLC shall become a party to the Stock Purchase Agreement as a "Shareholder," entitled to all the rights and benefits of such a party thereunder (and bound by and subject to the terms and conditions thereof), as if a signatory directly thereto.

Section 10. Effect of the Stock Purchase Agreement. Except as expressly set forth herein, the parties make no amendment, alteration or modification of the Stock Purchase Agreement. Except as expressly set forth herein, the Stock Purchase Agreement shall remain in full force and effect.

Section 11. Applicability of Article X of the Stock Purchase Agreement. The provisions of Article X of the Stock Purchase Agreement shall apply to this Joinder Agreement as if such provisions were part of this Joinder Agreement.

[The next page is the signature page]

IN WITNESS WHEREOF, the undersigned have executed this Joinder Agreement as of the date first above written.

Betts, LLC

By: /s/ BETTY KETCHUM
Name: Betty Ketchum
Title: Member

BGJC, LLC

By: /s/ BRIAN KETCHUM
Name: Brian Ketchum
Title: Member

CSK, LLC

By: /s/ CRAIG KETCHUM
Name: Craig Ketchum
Title: Member

KBK, LLC

By: /s/ KEVIN KETCHUM
Name: Kevin Ketchum
Title: Member

KSKN, LLC

By: /s/ KENT KETCHUM
Name: Kent Ketchum
Title: Member

[Signature Page to Joinder Agreement and Amendment No. 2 to Stock Purchase Agreement]

RED MAN PIPE & SUPPLY CO.

By: /s/ DEE PAIGE
Name: Dee Paige
Title: CFO

WEST OKLAHOMA PVF COMPANY

By: /s/ F.T. GRAFF JR.
Name:
Title:

MCJ HOLDING LLC

By: /s/ F.T. GRAFF JR.
Name:
Title:

CRAIG KETCHUM,
as Representative

/s/ CRAIG KETCHUM

[Signature Page to Joinder Agreement and Amendment No. 2 to Stock Purchase Agreement]

September 26, 2008

McJunkin Red Man Holding Corporation
8023 East 63rd Place
Tulsa, Oklahoma 74133

RE: Registration Statement on Form S-1, File No. 333-153091 (the "Registration Statement")

Ladies and Gentlemen:

We have acted as counsel for McJunkin Red Man Holding Corporation, a Delaware corporation (the "Company"), in connection with the underwritten initial public offering (the "Offering") of shares of common stock, par value $0.01 per share, of the Company (the "Shares") by PVF Holdings LLC, a Delaware limited liability company and stockholder of the Company (the "Selling Stockholder"), including Shares which may be offered and sold upon the exercise of the option granted to the underwriters by the Selling Stockholder (the "Optional Shares" and, together with the Shares, the "Offered Shares"). The Offered Shares are to be offered to the public pursuant to an underwriting agreement to be entered into among the Company, the Selling Stockholder and Goldman, Sachs & Co. and Lehman Brothers Inc., as representatives of the underwriters (the "Underwriting Agreement"). With your permission, all assumptions and statements of reliance set forth herein have been made without any independent investigation or verification on our part except to the extent otherwise expressly stated, and we express no opinion with respect to the subject matter or accuracy of such assumptions or items relied upon.

In connection with this opinion, we have (i) investigated such questions of law, (ii) examined the originals or certified, conformed or reproduction copies of such agreements, instruments, documents and records of the Company, such certificates of public officials and such other documents and (iii) received such information from officers and representatives of the Company and others, in each case, as we have deemed necessary or appropriate for the purposes of this opinion.

In all such examinations, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of original and certified documents and the conformity to original or certified documents of all copies submitted to us as conformed or reproduction copies. As to various questions of fact

relevant to the opinions expressed herein, we have relied upon, and assume the accuracy of, representations and warranties contained in the documents and certificates and oral or written statements and other information of or from representatives of the Company and others and assume compliance on the part of all parties to the documents with their covenants and agreements contained therein.

Based upon the foregoing and subject to the limitations, qualifications and assumptions set forth herein, we are of the opinion that the Shares and the Optional Shares registered pursuant to the Registration Statement to be sold by the Selling Stockholder (when issued, delivered and paid for in accordance with the Underwriting Agreement and Registration Statement) will be duly authorized, validly issued, fully paid and nonassessable.

The opinions expressed herein are limited to the laws of the General Corporation Law of the State of Delaware, as currently in effect, together with applicable provisions of the Constitution of Delaware and relevant decisional law, and no opinion is expressed with respect to any other laws or any effect that such other laws may have on the opinions expressed herein. The opinions expressed herein are limited to the matters stated herein, and no opinion is implied or may be inferred beyond the matters expressly stated herein. The opinions expressed herein are given as of the date of effectiveness of the Registration Statement, and we undertake no obligation to supplement this letter if any applicable laws change after that date or if we become aware of any facts that might change the opinions expressed herein or for any other reason.

We hereby consent to the filing of this letter as an exhibit to the Registration Statement and to the reference to this firm under the caption “Legal Matters” in the prospectus that is included in the Registration Statement. In giving this consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended.

Very truly yours,

/s/ Fried, Frank, Harris, Shriver & Jacobson LLP

FRIED, FRANK, HARRIS, SHRIVER & JACOBSON LLP

Exhibit 10.1

EXECUTION VERSION

$650,000,000

REVOLVING LOAN CREDIT AGREEMENT
Dated as of October 31, 2007
among

MCJUNKIN CORPORATION,
as the Borrower

The Several Lenders
from Time to Time Parties Hereto

GOLDMAN SACHS CREDIT PARTNERS L.P. and
LEHMAN BROTHERS INC.,
as Co-Lead Arrangers and Joint Bookrunners

THE CIT GROUP/BUSINESS CREDIT, INC.,
as Administrative Agent and Co-Collateral Agent

BANK OF AMERICA, N.A.,
as Co-Collateral Agent and Syndication Agent,

and

JPMORGAN CHASE BANK, N.A., WACHOVIA BANK, N. A. and PNC BANK, NATIONAL ASSOCIATION,
as Co-Documentation Agents

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

SCHEDULES

EXHIBITS

REVOLVING LOAN CREDIT AGREEMENT dated as of October 31, 2007, among MCJUNKIN CORPORATION, a West Virginia corporation (the "Borrower"), the lending institutions from time to time parties hereto (each a "Lender" and, collectively, the "Lenders"), Goldman Sachs Credit Partners L.P. ("GSCP") and Lehman Brothers Inc., as Co-Lead Arrangers and Joint Bookrunners, The CIT Group/Business Credit, Inc. ("CIT"), as Administrative Agent and Co-Collateral Agent, Bank of America, N.A ("Bank of America"), as Co-Collateral Agent, Bank of America, as Syndication Agent and JPMorgan Chase Bank, N.A., Wachovia Bank, N.A. and PNC Bank, National Association, as Co-Documentation Agents (such term and each other capitalized term used but not defined in this introductory statement having the meaning provided in Section 1).

WHEREAS, pursuant to the Stock Purchase Agreement (as amended from time to time in accordance therewith, the "Red Man Transaction Agreement"), dated as of July 6, 2007, among McJ Holding LLC, a Delaware limited liability company ("McJ Holding") (for purposes of Sections 2.3(c) and 10.4 only), Red-Man Pipe and Supply Company, an Oklahoma corporation ("Red Man"), West Oklahoma PVF Company, a Delaware corporation ("Buyer") and the shareholders of Red Man, Buyer will acquire all of the outstanding capital stock of Red Man (the "Red Man Transaction");

WHEREAS, to fund, in part, the Red Man Transaction, (a) the Sponsors and certain other investors (including the Management Investors) will contribute an amount in cash to McJ Holding (the "Equity Contribution") in exchange for Stock and Stock Equivalents (which cash will be contributed to McJ Holding Corporation and in turn to the Borrower in exchange for common and/or preferred Stock), and (b) certain equity investments in Red Man held by existing shareholders of Red Man will be rolled over as equity of McJ Holding (the "Rollover Equity" and together with the Equity Contribution, the "Equity Investments"), which together with the amount of the Equity Contribution, shall be no less than an amount (the "Minimum Equity Investment Amount") equal to 30% of the pro forma capitalization of the Borrower and McJ Holding on the Closing Date (after giving effect to the Transactions);

WHEREAS, in connection herewith, the requisite lenders under the Term Loan Credit Agreement (as defined below) will enter into an amendment to the Term Loan Credit Agreement and the Intercreditor Agreement (as defined below) and the senior secured term loans (the "Term Loans") under the Term Loan Credit Agreement shall remain outstanding;

WHEREAS, in connection with the foregoing, the Borrower has requested that the Lenders extend credit in the form of Revolving Credit Loans made available to the Borrower at any time and from time to time prior to the Revolving Credit Maturity Date, in an aggregate principal amount at any time outstanding not in excess of the aggregate of $650,000,000 *plus* the amount of New Revolving Credit Commitments (as defined below) less the sum of (i) the aggregate Letters of Credit Outstanding at such time and (ii) the aggregate principal amount of all Swingline Loans outstanding at such time. The Borrower has requested (a) the Letter of Credit Issuer to issue Letters of Credit at any time and from time to time prior to the L/C Maturity Date, in an aggregate face amount at any time outstanding not in excess of $60,000,000 and (b) to deem the letters of credit identified on Schedule 1.1(a) hereto (the "Existing Letters of Credit") to be Letters of Credit for all purposes under this Agreement. The Borrower has requested the Swingline Lender to extend credit in the form of Swingline Loans at any time and

from time to time prior to the Swingline Maturity Date, in an aggregate principal amount at any time outstanding not in excess of $60,000,000;

WHEREAS, the repayment of the Revolving Credit Loans will be secured by perfected security interests in and liens upon substantially all of the Accounts and Inventory and certain personal property relating to such Accounts and Inventory of the Borrower and each Guarantor, and the repayment of the Term Loans will be secured by perfected security interests in and liens upon substantially all of the personal property and certain real property of the Borrower and each Guarantor. The respective rights and priorities of the Lenders and the lenders under the Term Loan Agreement to such collateral will be as set forth in the Intercreditor Agreement;

WHEREAS, the proceeds of up to $450,000,000 of Revolving Credit Loans will be used by the Borrower, together with the net proceeds of the Equity Investments, on the Closing Date (x) to finance the repayment of (i) substantially all of the existing indebtedness of Red Man and its subsidiaries (the "Red Man Group") (other than existing indebtedness of Midfield Supply Co., a Nova Scotia unlimited liability company and its subsidiaries) and (ii) the Borrower under its existing Revolving Loan Agreement dated as of January 31, 2007 (the "Existing Revolving Credit Agreement") (collectively, the "Debt Repayment"), (y) to effect the Red Man Transaction and (z) to pay Transaction Expenses. Proceeds of Revolving Credit Loans and Swingline Loans will be used by the Borrower on or after the Closing Date for working capital and other general corporate purposes (including Permitted Acquisitions). Letters of Credit will be used by the Borrower for general corporate purposes; and

WHEREAS, the Lenders and Letter of Credit Issuer are willing to make available to the Borrower such revolving credit and letter of credit facilities upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, the parties hereto hereby agree as follows:

SECTION 1. Definitions

1.1 Defined Terms. (a) As used herein, the following terms shall have the meanings specified in this Section 1.1 unless the context otherwise requires (it being understood that defined terms in this Agreement shall include in the singular number the plural and in the plural the singular):

"ABR" shall mean, for any day, a rate *per annum* (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greater of (a) the Prime Rate in effect on such day or (b) the Federal Funds Effective Rate in effect on such day plus $^1/_2$ of 1%. Any change in the ABR due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"ABR Loan" shall mean each Loan bearing interest at the rate provided in Section 2.8(a) and, in any event, shall include all Swingline Loans.

"Account" has the meaning assigned to such term in the Security Agreement.

"Account Debtor" means any Person obligated on an Account.

"Acquired EBITDA" shall mean, with respect to any Acquired Entity or Business, any Converted Restricted Subsidiary (any of the foregoing, a "Pro Forma Entity") for any period, the amount for such period of Consolidated EBITDA of such Pro Forma Entity (determined using such definitions as if references to the Borrower and its Subsidiaries therein were to such Pro Forma Entity and its Subsidiaries), all as determined on a consolidated basis for such Pro Forma Entity in accordance with GAAP.

"Acquired Entity or Business" shall have the meaning provided in the definition of the term "Consolidated EBITDA".

"Activation Notice" shall have the meaning provided in Section 15.1(d)(i).

"Adjusted Total Revolving Credit Commitment" shall mean at any time the Total Revolving Credit Commitment less the aggregate Revolving Credit Commitments of all Defaulting Lenders.

"Administrative Agent" shall mean CIT, as the administrative agent for the Lenders under this Agreement and the other Credit Documents, or any successor administrative agent pursuant to Section 13.

"Administrative Agent's Office" shall mean in respect of all Credit Events for the account of the Borrower, the office of the Administrative Agent located at 505 Fifth Avenue, New York City, New York, or such other office as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

"Administrative Questionnaire" shall have the meaning provided in Section 14.6(b).

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with such Person. A Person shall be deemed to control a corporation if such Person possesses, directly or indirectly, the power (a) to vote 20% or more of the securities having ordinary voting power for the election of directors of such corporation or (b) to direct or cause the direction of the management and policies of such corporation, whether through the ownership of voting securities, by contract or otherwise.

"Agent Parties" shall have the meaning provided in Section 14.17(c).

"Agents" shall mean each Co-Lead Arranger, each Co-Collateral Agent, each Co-Documentation Agent, the Administrative Agent and the Syndication Agent.

"Aggregate Revolving Credit Outstandings" shall have the meaning provided in Section 5.2(b).

"Agreement" shall mean this Revolving Loan Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Applicable ABR Margin" shall mean at any date, with respect to each ABR Loan that is a Revolving Credit Loan or a Swingline Loan, the applicable percentage *per annum* set forth below based upon the Status in effect on such date:

Status	Applicable ABR Margin for Revolving Credit Loans and Swingline Loans
Level I Status	0.50%
Level II Status	0.25%
Level III Status	0.00%

Notwithstanding the foregoing, the term "Applicable ABR Margin" shall mean, with respect to all ABR Loans, 0.50% *per annum*, during the period from and including the Closing Date to but excluding the Trigger Date.

"Applicable Amount" shall mean, at any time (the "Reference Time"), an amount equal to (a) the sum, without duplication, of:

(i) an amount (which shall not be less than zero) equal to 50% of Consolidated Net Income commencing on the Original Closing Date and ending on the last day of the most recent fiscal quarter for which Section 9.1 Financials have been delivered (taken as one accounting period); and

(ii) the amount of any capital contributions (other than the Equity Investments) made in cash to, or any proceeds of an equity issuance received by, the Borrower from and including the Business Day immediately following the Original Closing Date through and including the Reference Time, including proceeds from the issuance of Stock or Stock Equivalents of any direct or indirect parent of the Borrower but excluding the cash portion of the Minimum Equity Investment Amount,

minus (b) the sum, without duplication, of:

(iii) the aggregate amount of Investments made pursuant to Section 10.5(g)(ii)(y) or 10.5(i)(ii)(y) since the Original Closing Date and prior to the Reference Time;

(iv) the aggregate amount of dividends pursuant to Section 10.6(c)(ii) since the Original Closing Date and prior to the Reference Time; and

(v) the aggregate amount of prepayments, repurchases and redemptions of Subordinated Indebtedness pursuant to Section 10.7(a)(i)(y) since the Original Closing Date and prior to the Reference Time.

"Applicable LIBOR Margin" shall mean at any date, with respect to each LIBOR Loan that is a Revolving Credit Loan, the applicable percentage *per annum* set forth below based upon the Status in effect on such date:

Status	Applicable LIBOR Margin for Revolving Credit Loans
Level I Status	1.50%
Level II Status	1.25%
Level III Status	1.00%

Notwithstanding the foregoing, the term "Applicable LIBOR Margin" shall mean, with respect to all LIBOR Loans, 1.50% *per annum*, during the period from and including the Closing Date to but excluding the Trigger Date.

"Approved Fund" shall have the meaning provided in Section 14.6.

"Asset Sale Prepayment Event" shall mean any Disposition of Collateral pursuant to Section 10.4(b).

"Assignment and Acceptance" shall mean an assignment and acceptance substantially in the form of Exhibit K.

"Authorized Officer" shall mean the President, the Chief Financial Officer, the Treasurer or any other senior officer of the Borrower designated as such in writing to the Administrative Agent by the Borrower.

"Available Commitment" shall mean an amount equal to the excess, if any, of (a) the amount of the Total Revolving Credit Commitment over (b) the sum of (i) the aggregate principal amount of all Revolving Credit Loans (but not Swingline Loans) then outstanding and (ii) the aggregate Letters of Credit Outstanding at such time.

"Bankruptcy Code" shall have the meaning provided in Section 11.5.

"Blocked Accounts" shall have the meaning provided in Section 15.1(c).

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Borrower" shall have the meaning provided in the preamble to this Agreement.

"Borrowing" shall mean and include (a) the incurrence of Swingline Loans from the Swingline Lender on a given date and (b) the incurrence of one Type of Revolving Credit Loan on a given date (or resulting from conversions on a given date) having, in the case of LIBOR Revolving Credit Loans, the same Interest Period (provided that ABR Loans incurred pursuant to Section 2.10(b) shall be considered part of any related Borrowing of LIBOR Revolving Credit Loans).

"Borrowing Base" shall mean at any time, an amount equal to the sum of, without duplication:

(a) the aggregate of all Incorporated Borrowing Bases, minus

(b) subject to Section 15.2, effective (i) immediately upon or (ii) five (5) Business Days after, in the case of Reserves which would cause the aggregate amount of the Lender's Revolving Credit Exposures at such time to exceed the lesser of the Total Revolving Credit Commitment and the Borrowing Base then in effect, in each case, notification thereof to Borrower by the Collateral Agent, any and all Reserves established or modified from time to time by the Collateral Agent in the exercise of its Permitted Discretion.

The Borrowing Base at any time shall be determined by reference to the most recent Borrowing Base Certificate theretofore delivered to the Collateral Agent and the Administrative Agent with such adjustments as Administrative Agent and Collateral Agent deem appropriate in their Permitted Discretion to assure that the Borrowing Base is calculated in accordance with the terms of this Agreement.

"Borrowing Base Certificate" shall mean a certificate, executed by a Financial Officer of Borrower, substantially in the form of (or in such other form as may be mutually agreed upon by Borrower, Administrative Agent and Collateral Agent), and containing the information prescribed by, Exhibit N, delivered to the Administrative Agent and the Collateral Agent setting forth Borrower's calculation of the Borrowing Base.

"Borrowing Base Guarantor" shall mean each Subsidiary of Borrower (a) listed on Schedule 1.1(b) and (b) each other Subsidiary of Borrower (i) which (A) is organized in a State within the United States, (B) is currently able to prepare all collateral reports in a comparable manner to the Borrower's reporting procedures and (C) has executed and delivered to Collateral Agent such joinder agreements to Security Documents as Collateral Agent has reasonably requested and (ii) if the aggregate value (or Cost in the case of Inventory) of Accounts and Inventory of such Subsidiary is in excess of $20,000,000 and only to the extent reasonably requested by the Collateral Agent, for which the Collateral Agent has received and approved, in its reasonable discretion, a collateral audit and Inventory Appraisal conducted by an independent appraisal firm reasonably acceptable to Collateral Agent; provided, that if no collateral audit and Inventory Appraisal is delivered to and approved by the Collateral Agent with respect to the Accounts and Inventory of such Subsidiary, then the lowest recovery rates from the current Inventory Appraisal shall apply to the Accounts and Inventory of such Subsidiary.

"Business Day" shall mean (a) for all purposes other than as covered by clause (b) below, any day excluding Saturday, Sunday and any day that shall be in The City of New York a legal holiday or a day on which banking institutions are authorized by law or other governmental actions to close and (b) with respect to all notices and determinations in connection with, and payments of principal and interest on, LIBOR Loans, any day which is a Business Day described in clause (a) and which is also a day for trading by and between banks in Dollar deposits in the interbank eurodollar market.

"Buyer" shall have the meaning provided in the recitals to this Agreement.

"Capital Lease" shall mean, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP, is, or is required to be, accounted for as a capital lease on the balance sheet of that Person.

"Capitalized Lease Obligations" shall mean, as applied to any Person, all obligations under Capital Leases of such Person or any of its Subsidiaries, in each case taken at the amount thereof accounted for as liabilities in accordance with GAAP.

"Cash Collateral Account" shall mean a collateral account in the form of a deposit account established and maintained by the Collateral Agent for the benefit of the Secured Parties from the funds collected in the Collection Account that have not either been released to the Borrower or applicable Guarantor or applied immediately to outstanding Obligations.

"Cash Dominion Event" shall mean the occurrence of any one of the following events: (i) Excess Availability shall be less than 7% of the then existing Total Revolving Credit Commitment for any period of five (5) consecutive Business Days or (ii) an Event of Default pursuant to Sections 11.1, 11.3(a) (but only to the extent such Event of Default was caused by a breach of Sections 10.5, 10.6, 10.7 and 10.10 and the Administrative Agent or the Required Lenders have reasonably determined (by written notice to the Borrower) to effect a Cash Dominion Event as a result of such breach) or 11.5 shall occur and be continuing; provided, that, to the extent that the Cash Dominion Event has occurred due to clause (i) of this definition, if Excess Availability shall be equal to or greater than 7% of the then existing Total Revolving Credit Commitment for at least thirty (30) consecutive days, the Cash Dominion Event shall be deemed to be over. At any time that a Cash Dominion Event shall be deemed to be over or otherwise cease to exist, the Collateral Agent shall take such actions, including delivering such notices and directions to depositary institutions at which Blocked Accounts are established, to terminate the cash sweeps and other transfers existing pursuant to Section 15.1(d) as a result of any Activation Notice or other notices or directions given by Collateral Agent during the existence of such Cash Dominion Event.

"Cash Management System" shall have the meaning provided in Section 15.1(d).

"Casualty Event" shall mean, with respect to any Collateral, any loss of or damage to, or any condemnation or other taking by a Governmental Authority of, such property for which such Collateral for which the Borrower or any of its Restricted Subsidiaries receives insurance proceeds, or proceeds of a condemnation award or other compensation.

"Change in Law" shall mean (a) the adoption of any law, treaty, order, policy, rule or regulation after the date of this Agreement, (b) any change in any law, treaty, order, policy, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by the Lender with any guideline, request or directive issued or made after the date hereof by any central bank or other governmental or quasi governmental authority (whether or not having the force of law).

"Change of Control" shall mean and be deemed to have occurred if (a) the Sponsors shall at any time not own, in the aggregate, directly or indirectly, beneficially and of record, at least 35% of the voting power of the outstanding Voting Stock of Borrower (other than as the result of

one or more widely distributed offerings of the common Stock of the Borrower or any direct or indirect parent thereof, in each case whether by the Borrower, such parent, or the Sponsors); or (b) any person, entity or "group" (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended) shall at any time have acquired direct or indirect beneficial ownership of a percentage of the voting power of the outstanding Voting Stock of Borrower that exceeds the percentage of the voting power of such Voting Stock then beneficially owned, in the aggregate, by the Sponsors, unless, in the case of either clause (a) or (b) above, the Sponsors have, at such time, the right or the ability by voting power, contract or otherwise to elect or designate for election at least a majority of the board of directors of Borrower; or (c) Continuing Directors shall not constitute at least a majority of the board of directors of the Borrower.

"Class", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Credit Loans, New Revolving Loans or Swingline Loans and, when used in reference to any Commitment, refers to whether such Commitment is a Revolving Credit Commitment or a New Revolving Credit Commitment.

"Closing Date" shall mean the date of the initial Borrowing hereunder.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to the Code are to the Code, as in effect at the date of this Agreement, and any subsequent provisions of the Code, amendatory thereof, supplemental thereto or substituted therefor.

"Co-Collateral Agent" shall mean (a) CIT, a New York corporation, as collateral agent for the Lenders and the other Secured Parties and (b) Bank of America, as collateral agent for the Lenders and the other Secured Parties.

"Co-Collateral Agent Fee Letters" shall mean (a) that certain confidential fee letter by and between CIT and the Borrower and (b) that certain confidential fee letter by and between Bank of America and the Borrower.

"Co-Documentation Agent" shall mean JPMorgan Chase Bank, N.A., Wachovia Bank, N.A. and PNC Bank, National Association, in each case as co-documentation agent for the Lenders under this Agreement and the other Credit Documents.

"Co-Lead Arrangers" shall mean Goldman Sachs Credit Partners L.P. and Lehman Brothers Inc.

"Collateral" shall have the meaning provided in the Security Agreement or any other Security Document, as applicable.

"Collateral Access Agreement" means a landlord waiver, bailee letter or other access agreement reasonably acceptable to the Administrative Agent.

"Collateral Agent" shall mean, collectively or individually as the context requires, CIT, as a Co-Collateral Agent, and Bank of America, as a Co-Collateral Agent.

"Collection Account" shall have the meaning provided in Section 15.1(d)(i).

"Commitment Fee Rate" shall mean, with respect to the Available Commitment on any day, the rate *per annum* set forth below opposite the Status in effect on such day:

Status	Commitment Fee Rate
Level I Status	0.375%
Level II Status	0.25%
Level III Status	0.25%

Notwithstanding the foregoing, the term "Commitment Fee Rate" shall mean 0.375% during the period from and including the Closing Date to but excluding the Trigger Date.

"Commitments" shall mean, with respect to each Lender (to the extent applicable), such Lender's Revolving Credit Commitment and New Revolving Credit Commitment.

"Communications" shall have the meaning provided in Section 14.17(a).

"Concentration Account" shall have the meaning provided in Section 15.1(d)(i).

"Concentration Account Bank" shall have the meaning provided in Section 15.1(d)(i).

"Confidential Information" shall have the meaning provided in Section 14.16.

"Confidential Information Memorandum" shall mean the Confidential Information Memorandum of the Borrower dated as of October 2, 2007, delivered to the Lenders in connection with this Agreement.

"Consolidated EBITDA" shall mean, for any period, Consolidated Net Income for such period, plus:

(a) without duplication and to the extent already deducted (and not added back) in arriving at such Consolidated Net Income, the sum of the following amounts for such period:

(i) total interest expense and to the extent not reflected in such total interest expense, any losses on hedging obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, net of interest income and gains on such hedging obligations, and costs of surety bonds in connection with financing activities,

(ii) provision for taxes based on income, profits or capital of the Borrower and the Restricted Subsidiaries, including state, franchise and similar taxes and foreign withholding taxes paid or accrued during such period,

(iii) depreciation and amortization,

(iv) Non-Cash Charges,

(v) extraordinary losses and unusual or non-recurring charges, severance, relocation costs and curtailments or modifications to pension and post-retirement employee benefit plans,

(vi) restructuring charges or reserves (including restructuring costs related to acquisitions after the date hereof and to closure and/or consolidation of facilities),

(vii) any deductions attributable to minority interests (including the minority interest portion of Midfield Supply ULC's employee profit sharing plan),

(viii) the amount, if any, of management, monitoring, consulting and advisory fees and related expenses paid to the Sponsors,

(ix) any costs or expenses incurred by the Borrower or a Restricted Subsidiary pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of the Borrower or net cash proceeds of an issuance of Stock or Stock Equivalents of the Borrower; and

(x) (A) for any period that includes a fiscal quarter occurring prior to fifth fiscal quarter occurring after the Original Closing Date, the cost savings described on Schedule 1.1(e)(A), and (B) for any period that includes a fiscal quarter occurring after the Closing Date, the amount of net cost savings projected by the Borrower in good faith to be realized as a result of specified actions taken by the Borrower and its Restricted Subsidiaries in connection with the Transactions (calculated on a Pro Forma Basis as though such cost savings had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions, provided that (1) such cost savings are reasonably identifiable, factually supportable and not duplicative of the cost savings added pursuant to clause (x)(A), (2) such actions are taken on or prior to the third anniversary of the Closing Date, (3) no cost savings shall be added pursuant to this clause (x) to the extent duplicative of any expenses or charges relating to such cost savings that are included in clause (vi) above with respect to such period and (4) the aggregate amount of cost savings added pursuant to this clause (x)(B) shall not exceed 5% of the amount of Consolidated EBITDA computed pursuant to the most recently delivered Section 9.1 Financials for any period consisting of four consecutive quarters, less

(b) without duplication and to the extent included in arriving at such Consolidated Net Income, the sum of the following amounts for such period:

(i) extraordinary gains and unusual or non-recurring gains,

(ii) non-cash gains (excluding any non-cash gain to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced Consolidated Net Income in any prior period),

(iii) gains on asset sales (other than asset sales in the ordinary course of business),

(iv) any net after-tax income from the early extinguishment of Indebtedness or hedging obligations or other derivative instruments, and

(v) all gains from investments recorded using the equity method,

in each case, as determined on a consolidated basis for the Borrower and the Restricted Subsidiaries in accordance with GAAP; provided that, to the extent included in Consolidated Net Income,

(A) there shall be excluded in determining Consolidated EBITDA currency translation gains and losses related to currency remeasurements of Indebtedness or intercompany balances (including the net loss or gain resulting from Hedge Agreements for currency exchange risk),

(B) there shall be excluded in determining Consolidated EBITDA for any period any adjustments resulting from the application of Statement of Financial Accounting Standards No. 133, and

(C) there shall be included in determining Consolidated EBITDA for any period, without duplication, (A) the Acquired EBITDA of any Person, property, business or asset acquired by the Borrower or any Restricted Subsidiary during such period (including Red Man but not the Acquired EBITDA of any related Person, property, business or assets to the extent not so acquired) to the extent not subsequently sold, transferred, abandoned or otherwise disposed by the Borrower or such Restricted Subsidiary (each such Person, property, business or asset acquired and not subsequently so disposed of, an "Acquired Entity or Business") and the Acquired EBITDA of any Unrestricted Subsidiary that is converted into a Restricted Subsidiary during such period (each, a "Converted Restricted Subsidiary"), based on the actual Acquired EBITDA of such Acquired Entity or Business or Converted Restricted Subsidiary for such period (including the portion thereof occurring prior to such acquisition or conversion) and (B) an adjustment in respect of each Acquired Entity or Business equal to the amount of the Pro Forma Adjustment with respect to such Acquired Entity or Business for such period (including the portion thereof occurring prior to such acquisition) as specified in a Pro Forma Adjustment Certificate and delivered to the Lenders and the Administrative Agents and (C) there shall be excluded in determining Consolidated EBITDA for any period the Disposed EBITDA of any Person, property, business or asset (other than an Unrestricted Subsidiary) sold, transferred, abandoned or otherwise disposed of, closed or classified as discontinued operations by the Borrower or any Restricted Subsidiary during such period (each such Person, property, business or asset so sold or disposed of, a "Sold Entity or Business"), and the Acquired EBITDA of any Restricted Subsidiary that is converted into an Unrestricted Subsidiary during such period (each, a "Converted Unrestricted Subsidiary") based on the actual Disposed EBITDA of such Sold Entity or Business or Converted Restricted Subsidiary for such period (including the portion thereof occurring prior to such sale, transfer or disposition or conversion).

"Consolidated Fixed Charge Coverage Ratio" shall mean, for any Test Period, the ratio of (a) Consolidated EBITDA for such Test Period to (b) Consolidated Fixed Charges for such Test Period.

"Consolidated Fixed Charges" means, for any period, the sum, without duplication, of (a) Consolidated Interest Expense, (b) scheduled payments of principal on Consolidated Total Debt, (c) the aggregate of all unfinanced capital expenditures of Borrower and its Restricted Subsidiaries during such period determined on a consolidated basis and (d) the portion of taxes attributable to Borrower and its Restricted Subsidiaries based on income actually paid in cash and provisions for cash income taxes.

"Consolidated Interest Expense" shall mean, for any period, the sum of (i) the cash interest expense (including that attributable to Capital Leases in accordance with GAAP), net of cash interest income, of the Borrower and the Restricted Subsidiaries on a consolidated basis in accordance with GAAP with respect to all outstanding Indebtedness of the Borrower and the Restricted Subsidiaries, including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Hedge Agreements (other than currency swap agreements, currency future or option contracts and other similar agreements) and (ii) any cash payments made during such period in respect of obligations referred to in clause (b) below relating to Funded Debt that were amortized or accrued in a previous period (other than any such obligations resulting from the discounting of Indebtedness in connection with the application of purchase accounting in connection with the Transaction or any Permitted Acquisition), but excluding, however, (a) amortization of deferred financing costs and any other amounts of non-cash interest, (b) the accretion or accrual of discounted liabilities during such period, and (c) all non-recurring cash interest expense consisting of liquidated damages for failure to timely comply with registration rights obligations and financing fees, all as calculated on a consolidated basis in accordance with GAAP and excluding, for the avoidance of doubt, any interest in respect of items excluded from Indebtedness in the proviso to the definition thereof, provided that (a) except as provided in clause (b) below, there shall be excluded from Consolidated Interest Expense for any period the cash interest expense (or cash interest income) of all Unrestricted Subsidiaries for such period to the extent otherwise included in Consolidated Interest Expense, (b) there shall be included in determining Consolidated Interest Expense for any period the cash interest expense (or income) of any Acquired Entity or Business acquired during such period and of any Converted Restricted Subsidiary converted during such period, in each case based on the cash interest expense (or income) of such Acquired Entity or Business or Converted Restricted Subsidiary for such period (including the portion thereof occurring prior to such acquisition or conversion) assuming any Indebtedness incurred or repaid in connection with any such acquisition or conversion had been incurred or prepaid on the first day of such period, and (c) there shall be excluded from determining Consolidated Interest Expense for any period the cash interest expense (or income) of any Sold Entity or Business disposed of during such period, based on the cash interest expense (or income) relating to any Indebtedness relieved, retired or repaid in connection with any such disposition of such Sold Entity or Business for such period (including the portion thereof occurring prior to such disposal) assuming such debt relieved, retired or repaid in connection with such disposition had been relieved, retired or repaid on the first day of such period. Notwithstanding anything to the contrary contained herein, for purposes of determining Consolidated Interest Expense for any period ending prior to the first anniversary of the Closing Date, Consolidated Interest Expense

shall be an amount equal to actual Consolidated Interest Expense from the Closing Date through the date of determination multiplied by a fraction the numerator of which is 365 and the denominator of which is the number of days from the Closing Date through the date of determination.

"Consolidated Net Income" shall mean, for any period, the net income (loss) of the Borrower and the Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, excluding, without duplication, (a) extraordinary items for such period, (b) the cumulative effect of a change in accounting principles during such period to the extent included in Consolidated Net Income, (c) in the case of any period that includes a period ending prior to June 30, 2008, Transaction Expenses and Original Transaction Expenses, (d) any fees and expenses incurred during such period, or any amortization thereof for such period, in connection with any acquisition, investment, recapitalization, asset disposition, issuance or repayment of debt, issuance of equity securities, refinancing transaction or amendment or other modification of any debt instrument (in each case, including any such transaction consummated prior to the Closing Date and any such transaction undertaken but not completed) and any charges or non-recurring merger costs incurred during such period as a result of any such transaction, (e) any income (loss) for such period attributable to the early extinguishment of Indebtedness and (f) accruals and reserves that are established that are so required to be established or adjusted as a result of the Transactions, or Original Transactions in accordance with GAAP or changes as a result of adoption of or modification of accounting policies, in each case, within twelve months after the Closing Date (or with respect to the Original Transactions, twelve months after the Original Closing Date). There shall be excluded from Consolidated Net Income for any period the purchase accounting effects of adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to the Borrower and the Restricted Subsidiaries), as a result of the Transactions, the Original Transactions, any acquisition whether consummated before or after the Closing Date, any Permitted Acquisition or other Investment, or the amortization or write-off of any amounts thereof.

"Consolidated Secured Debt" shall mean, as of any date of determination, (a) the aggregate principal amount of Indebtedness of the Borrower and the Restricted Subsidiaries outstanding on such date, determined on a consolidated basis in accordance with GAAP (but excluding the effects of any discounting of Indebtedness resulting from the application of purchase accounting in connection with the Transaction or any Permitted Acquisition), consisting of Indebtedness for borrowed money, Capital Lease Obligations and debt obligations evidenced by promissory notes or similar instruments, in each case secured by Liens, minus (b) the aggregate amount of cash and cash equivalents held in accounts on the consolidated balance sheet of the Borrower and the Restricted Subsidiaries as at such date to the extent the use thereof for application to payment of Indebtedness is not prohibited by law or any contract to which the Borrower or any of the Restricted Subsidiaries is a party.

"Consolidated Total Assets" shall mean, as of any date of determination, the amount that would, in conformity with GAAP, be set forth opposite the caption "total assets" (or any like caption) on a consolidated balance sheet of the Borrower and the Restricted Subsidiaries at such date.

"Consolidated Total Debt" shall mean, as of any date of determination, (a) the aggregate principal amount of Indebtedness of the Borrower and the Restricted Subsidiaries outstanding on such date, determined on a consolidated basis in accordance with GAAP (but excluding the effects of any discounting of Indebtedness resulting from the application of purchase accounting in connection with the Transaction or any Permitted Acquisition), consisting of Indebtedness for borrowed money, Capital Lease Obligations and debt obligations evidenced by promissory notes or similar instruments, minus (b) the aggregate amount of cash and cash equivalents held in accounts on the consolidated balance sheet of the Borrower and the Restricted Subsidiaries as at such date to the extent the use thereof for application to payment of Indebtedness is not prohibited by law or any contract to which the Borrower or any of the Restricted Subsidiaries is a party.

"Consolidated Total Debt to Consolidated EBITDA Ratio" shall mean, as of any date of determination, the ratio of (a) Consolidated Total Debt as of the last day of the relevant Test Period to (b) Consolidated EBITDA for such Test Period.

"Continuing Director" shall mean, at any date, an individual (a) who is a member of the board of directors of the Borrower on the date hereof, (b) who, as at such date, has been a member of such board of directors for at least the twelve preceding months, (c) who has been nominated to be a member of such board of directors, directly or indirectly, by a Sponsor or Persons nominated by a Sponsor or (d) who has been nominated to be a member of such board of directors by a majority of the other Continuing Directors then in office.

"Contract Consideration" shall have the meaning provided in the definition of Excess Cash Flow.

"Control Agreements" shall have the meaning assigned to such term in the Security Agreement.

"Converted Restricted Subsidiary" shall have the meaning provided in the definition of the term "Consolidated EBITDA".

"Converted Unrestricted Subsidiary" shall have the meaning provided in the definition of the term "Consolidated EBITDA".

"Cost" shall mean, with respect to Inventory, the weighted average cost thereof, as determined in the same manner and consistent with the most recent Inventory Appraisal which has been received and approved by Collateral Agent in its reasonable discretion.

"Credit Documents" shall mean this Agreement, the Security Documents, each Letter of Credit and any promissory notes issued by the Borrower hereunder.

"Credit Event" shall mean and include the making (but not the conversion or continuation) of a Loan and the issuance of a Letter of Credit.

"Credit Party" shall mean each of the Borrower, the Guarantors and each other Subsidiary of the Borrower that is a party to a Credit Document.

"Currency Agreement" means any foreign exchange contract, currency swap agreement, futures contract, option contract, synthetic cap or other similar agreement or arrangement, each of which is for the purpose of hedging the foreign currency risk associated with Borrower's and its Subsidiaries' operations and not for speculative purposes.

"Debt Repayment" shall have the meaning provided in the recitals to this Agreement.

"Default" shall mean any event, act or condition that with notice or lapse of time, or both, would constitute an Event of Default.

"Defaulting Lender" shall mean any Lender with respect to which a Lender Default is in effect.

"Deferred Net Cash Proceeds" shall have the meaning provided such term in the definition of "Net Cash Proceeds."

"Designated Non-Cash Consideration" shall mean the fair market value of non-cash consideration received by the Borrower or a Restricted Subsidiary in connection with a Disposition pursuant to Section 10.4(b) and Section 10.4(c) that is designated as Designated Non-Cash Consideration pursuant to a certificate of an Authorized Officer of the Borrower, setting forth the basis of such valuation (which amount will be reduced by the fair market value of the portion of the non-cash consideration converted to cash within 180 days following the consummation of the applicable Disposition).

"Disposed EBITDA" shall mean, with respect to any Sold Entity or Business or any Converted Unrestricted Subsidiary for any period, the amount for such period of Consolidated EBITDA of such Sold Entity or Business or Converted Unrestricted Subsidiary (determined as if references to the Borrower and the Restricted Subsidiaries in the definition of Consolidated EBITDA were references to such Sold Entity or Business or Converted Unrestricted Subsidiary and its Subsidiaries), all as determined on a consolidated basis for such Sold Entity or Business.

"Disposition" shall have the meaning provided in Section 10.4(b).

"Dividends" or "dividends" shall have the meaning provided in Section 10.6.

"Dollar Equivalent" shall mean, on any date of determination, (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 in Dollars of such amount, determined by the Administrative Agent pursuant using the applicable Exchange Rate.

"Dollars" and "$" shall mean dollars in lawful currency of the United States of America.

"Domestic Subsidiary" shall mean each Subsidiary of the Borrower that is organized under the laws of the United States, any state or territory thereof, or the District of Columbia.

"Drawing" shall have the meaning provided in Section 3.4(b).

"Eligible Accounts" means, at any time, the Accounts of the Borrower and each Borrowing Base Guarantor, as applicable at such date, except any Account (determined without duplication):

(a) which is not subject to a perfected security interest in favor of the Collateral Agent;

(b) which is subject to any Lien (including Liens permitted by Section 10.2) other than (i) a Lien in favor of the Collateral Agent and (ii) a Permitted Lien which does not have priority over the Lien in favor of the Collateral Agent; provided that, with respect to any tax Lien having such priority, eligibility of Accounts shall, without duplication, be reduced by the amount of such tax Lien;

(c) (i) owing by General Electric with respect to which more than 150 days have lapsed since the date of the original invoice therefor or (ii) owing by any other Account Debtor which more than 120 days have lapsed since the date of the original invoice therefor or which is more than 60 days past the due date for payment (provided, that the aggregate amount of all Accounts eligible under the foregoing clause (i) does not exceed $3,000,000 at any time);

(d) which is owing by an Account Debtor for which more than 50% of the Accounts owing from such Account Debtor and its Affiliates are ineligible pursuant to clause (c) above;

(e) which is owing by an Account Debtor to the extent the aggregate amount of Accounts owing from such Account Debtor and its Affiliates to such Borrower or Borrowing Base Guarantor exceeds 20% of the aggregate Eligible Accounts (but only to the extent of such excess);

(f) with respect to which any covenant, representation, or warranty relating to such Account contained in this Agreement or in the Security Agreement has been breached or is not true in any material respect;

(g) which (i) does not arise from the sale of goods or performance of services in the ordinary course of business, (ii) is not evidenced by an invoice, or other documentation satisfactory to the Administrative Agent, which has been sent to the Account Debtor, (iii) represents a progress billing, (iv) is contingent upon such Borrower's or Borrowing Base Guarantor's completion of any further performance, or (v) represents a sale on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval, consignment which is billed prior to actual sale to the end user, cash-on-delivery or any other repurchase or return basis, except with respect to up to $10,000,000 of such Accounts described in this clause (v);

(h) for which the goods giving rise to such Account (other than Accounts described in the foregoing paragraph (g)(v)) have not been shipped to the Account Debtor or for which the services giving rise to such Account have not been performed by such Borrower or Borrowing Base Guarantor;

(i) with respect to which any check or other instrument of payment has been returned uncollected for any reason;

(j) which is owed by an Account Debtor which is a debtor or a debtor in possession under any bankruptcy law or any other federal, state or foreign (including any provincial) receivership, insolvency relief or other law or laws for the relief of debtors unless the payment of Accounts from such Account Debtor is secured by assets of, or guaranteed by, in either case in a manner reasonably satisfactory to the Administrative Agent, a Person that is reasonably acceptable to the Administrative Agent or, if the Account from such Account Debtor arises subsequent to a decree or order for relief with respect to such Account Debtor under the federal bankruptcy laws, as now or hereafter in effect, the Administrative Agent shall have reasonably determined that the timely payment and collection of such Account will not be impaired;

(k) which is owed by an Account Debtor which is not organized under applicable law of the U.S. or any state of the U.S. unless such Account is backed by a letter of credit or other credit support reasonably acceptable to the Administrative Agent and which is in the possession of the Administrative Agent;

(m) which is owed in any currency other than Dollars;

(n) which is owed by (i) the government (or any department, agency, public corporation, or instrumentality thereof) of any country other than the U.S. unless such Account is backed by a Letter of Credit reasonably acceptable to the Administrative Agent and which is in the possession of the Administrative Agent, or (ii) the government of the U.S., or any department, agency, public corporation, or instrumentality thereof, unless the Federal Assignment of Claims Act of 1940, as amended (31 U.S.C. § 3727 et seq. and 41 U.S.C. § 15 et seq.), and any other steps necessary to perfect the Lien of the applicable Collateral Agent in such Account have been complied with to the Administrative Agent's reasonable satisfaction;

(o) which is owed by any Affiliate, employee, director, or officer of any Credit Party other than Accounts of Borrower or any Borrowing Base Guarantor which are owed by Red Man Distributors; provided that (i) the amount of any such Eligible Accounts shall not include the amount owed by Red Man Distributors to Borrower for administrative services with respect thereto, (ii) such Account shall be subject to ineligibility or such reductions in amount as determined by Collateral Agent's application of the same eligibility criteria as set forth in the remaining clauses of this definition (other than the criteria in clause (a) hereof) to the corresponding Accounts owed to Red Man Distributors by its Account Debtors, (iii) the aggregate amount of all Accounts eligible under this clause (o) (together with the aggregate amount of all Accounts eligible under clause (a) of the definition of Eligible Red Man Business Account) shall not exceed $30,000,000 at any time and (iv) the Organizational Documents of Red Man Distributors provide for a negative pledge of its Accounts (other than with respect

to tax Liens) and for a right of subrogation in favor of the Collateral Agent with respect to such Accounts on terms reasonably satisfactory to the Collateral Agent;

(p) which is owed by an Account Debtor or any Affiliate of such Account Debtor which is the holder of Indebtedness issued or incurred by any Credit Party; provided, that any such Account shall only be ineligible as to that portion of such Account which is less than or equal to the amount owed by the Credit Party to such Person;

(q) which is subject to any counterclaim, deduction, defense, setoff or dispute, but only to the extent of the amount of such counterclaim, deduction, defense, setoff or dispute, unless (i) the Administrative Agent, in its Permitted Discretion, has established an appropriate Reserve and determines to include such Account as an Eligible Account or (ii) such Account Debtor has entered into an agreement reasonably acceptable to the Administrative Agent to waive such rights;

(r) which is evidenced by any promissory note, chattel paper, or instrument (in each case, other than any such items that are held by a Credit Party or delivered to the Administrative Agent or the Collateral Agent);

(s) which is owed by an Account Debtor located in any jurisdiction that requires, as a condition to access to the courts of such jurisdiction, that a creditor qualify to transact business, file a business activities report or other report or form, or take one or more other actions, unless such Borrower or Borrowing Base Guarantor has so qualified, filed such reports or forms, or taken such actions (and, in each case, paid any required fees or other charges), except to the extent such Borrower or Borrowing Base Guarantor may qualify subsequently as a foreign entity authorized to transact business in such state or jurisdiction and gain access to such courts, without incurring any cost or penalty reasonably viewed by the Administrative Agent to be material in amount, and such later qualification cures any access to such courts to enforce payment of such Account;

(t) with respect to which such Borrower or Borrowing Base Guarantor has made any agreement with the Account Debtor for any reduction thereof, but only to the extent of such reduction, other than discounts and adjustments given in the ordinary course of business; or

(u) which the Administrative Agent determines in its Permitted Discretion may not be paid by reason of the Account Debtor's inability to pay.

Subject to Sections 14.1 and 15.2 and the definition of Borrowing Base, the Administrative Agent may modify the foregoing criteria in its Permitted Discretion.

"Eligible Inventory" shall mean, at any date of determination thereof, the aggregate amount of all Inventory owned by the Borrower and each Borrowing Base Guarantor at such date except any Inventory (determined without duplication):

(a) which is not subject to a perfected Lien in favor of the Collateral Agent;

(b) which is subject to any Lien other than (i) a Lien in favor of the Collateral Agent and (ii) a Permitted Lien which does not have priority over the Lien in favor of the Collateral Agent (other than any bailee, warehouseman, landlord or similar non-consensual Liens having priority of operation of law to the extent either subclause (i) or (ii) of such clauses (h) or (i) is satisfied with respect to the relevant Inventory); provided that, with respect to any tax Lien having such priority, eligibility of Inventory shall, without duplication, be reduced by the amount of such tax Lien;

(c) which is, in the Administrative Agent's Permitted Discretion, slow moving, obsolete, unmerchantable, defective, unfit for sale, not salable at prices approximating at least the cost of such Inventory in the ordinary course of business or unacceptable due to age, type, category and/or quantity;

(d) with respect to which any covenant, representation, or warranty contained in this Agreement or any Security Agreement has been breached or is not true;

(e) which does not conform in all material respects to all standards imposed by any Governmental Authority (except that any standard that is qualified as to "materiality" shall have been conformed to in all respects);

(f) which constitutes packaging and shipping material, manufacturing supplies, display items, bill-and-hold goods in excess of $10,000,000, returned or repossessed goods (other than goods that are undamaged and able to be resold in the ordinary course of business), defective goods, goods held on consignment, goods to be returned to the Borrower's or applicable Borrowing Base Guarantor's suppliers or goods which are not of a type held for sale in the ordinary course of business;

(g) which is not located in the U.S. or which is in transit with a common carrier from vendors and suppliers;

(h) which is located in any location leased by the Borrower or applicable Borrowing Base Guarantor unless (i) the lessor has delivered to the Agents a Collateral Access Agreement or (ii) a Reserve for rent, charges, and other amounts due or to become due with respect to such facility has been established by the Administrative Agent in its Permitted Discretion; provided, that any such Reserve shall not exceed an amount equal to the rent due with respect to such facility for the time period used to determine the orderly liquidation value as set forth in the most recent Inventory Appraisal;

(i) which is located (a) in any third party warehouse or is in the possession of a bailee and is not evidenced by a Document, unless (i) such warehouseman or bailee has delivered to the Agents a Collateral Access Agreement and such other documentation as the Administrative Agent may reasonably require or (ii) an appropriate Reserve has been established by the Administrative Agent in its Permitted Discretion; provided, that any such Reserve shall not exceed an amount

equal to the reasonable fees and expenses due with respect to such warehouse or bailee for the time period used to determine the orderly liquidation value as set forth in the most recent Inventory Appraisal or (b) at a vendor location unless an appropriate Reserve has been established by the Administrative Agent in its Permitted Discretion; provided, that any such Reserve shall not exceed an amount equal to the accounts payable with respect to such vendor;

(j) which is the subject of a consignment by the Borrower or any Borrowing Base Guarantor as consignor unless (i) a protective UCC-1 financing statement has been properly filed against the consignee, and (ii) there is a written agreement acknowledging that such Inventory is held on consignment, that the Borrower or such Borrowing Base Guarantor retains title to such Inventory, that no Lien arising by, through or under such consignee has attached or will attach to such Inventory and requiring consignee to segregate the consigned Inventory from the consignee's other personal or movable property and having other terms consistent with the Borrower's or such Borrowing Base Guarantor's past practices for consigned Inventory; provided that the aggregate amount of all Inventory eligible under this clause (j) shall not exceed $25,000,000 at any time;

(k) which is perishable as determined in accordance with GAAP; or

(l) which contains or bears any intellectual property rights licensed to the Borrower or any Borrowing Base Guarantor unless the Administrative Agent is satisfied that it may sell or otherwise dispose of such Inventory without (i) infringing the rights of such licensor in any material respect, (ii) violating any material contract with such licensor or (iii) incurring any material liability with respect to payment of royalties other than royalties incurred pursuant to sale of such Inventory under the current licensing agreement.

Subject to Sections 14.1 and 15.2 and the definition of Borrowing Base, the Administrative Agent may modify the foregoing criteria in its Permitted Discretion.

"Eligible Red Man Business Account**"** shall mean an Account arising in the ordinary course of the Red Man Business from the sale of goods or rendition of services which Collateral Agent, in the exercise of its Permitted Discretion, deems to be an Eligible Red Man Business Account. No Account shall be an Eligible Red Man Business Account if:

(a) it is owed by any Affiliate, employee, director, or officer of any Credit Party other than Accounts of Borrower or any Borrowing Base Guarantor which are owed by Red Man Distributors; provided that (i) the amount of any such Eligible Red Man Business Account shall not include the amount owed by Red Man Distributors to Borrower for administrative services with respect thereto, (ii) such Account shall be subject to ineligibility or such reductions in amount as determined by Collateral Agent's application of the same eligibility criteria as set forth in the remaining clauses of this definition (other than the criteria in clause (m) hereof) to the corresponding Accounts owed to Red Man Distributors by its Account Debtors, (iii) the aggregate amount of all Accounts eligible under this clause (a)

(together with the aggregate amount of all Accounts eligible under clause (o) of the definition of Eligible Accounts) shall not exceed $30,000,000 at any time and (iv) the Organizational Documents of Red Man Distributors provide for a negative pledge of its Accounts (other than with respect to tax Liens) and for a right of subrogation in favor of the Collateral Agent with respect to such Accounts on terms reasonably satisfactory to the Collateral Agent;

(b) it remains unpaid more than ninety (90) days after the original invoice date thereof;

(c) more than thirty percent (30%) of the total Accounts owing by an Account Debtor remain unpaid more than ninety (90) days after the invoice date thereof, to the extent of all Accounts owing by such Account Debtor;

(d) any covenant, representation or warranty contained in this Agreement with respect to such Account has been breached;

(e) the Account Debtor is also Borrower's or the Borrowing Base Guarantor's creditor or supplier, or the Account otherwise is or may become subject to any right of setoff by the Account Debtor; provided, that in such case the Account shall be deemed to be an Eligible Red Man Business Account if, and to the extent, the balance of the Account exceeds all amounts owed by Borrower or such Borrowing Base Guarantor to the Account Debtor or the amount of such setoff;

(f) the Account Debtor has disputed liability with respect to such Account (provided, that if the amount disputed is less than twenty-five percent (25%) of the entire balance of the Account, the Account shall be deemed to be an Eligible Red Man Business Account to the extent the balance of the Account exceeds the amount disputed);

(g) the Account Debtor has commenced a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or made an assignment for the benefit of creditors, or a decree or order for relief has been entered by a court having jurisdiction in the premises in respect of the Account Debtor in an involuntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or if the Account Debtor has ceased to be "solvent" (as such term is interpreted under applicable laws relating to fraudulent transfers and conveyances) or consented to or suffered a receiver, trustee, liquidator or custodian to be appointed for it or for all or a significant portion of its assets or affairs;

(h) it arises from a sale to an Account Debtor outside the United States;

(i) it arises from a sale to the Account Debtor on a bill-and-hold, guaranteed sale, sale-or-return, sale-on-approval, consignment or any other repurchase or return basis;

(j) Collateral Agent believes, in its sole judgment, that, collection of such Account is insecure or that payment thereof is doubtful or will be delayed by reason of the Account Debtor's financial condition;

(k) the Account Debtor is the United States of America or any State or any department, agency or instrumentality thereof;

(l) the Account Debtor is located in the State of New Jersey, unless Borrower or the applicable Borrowing Base Guarantor has filed a Notice of Business Activities Report with the New Jersey Division of Taxation for the then current year;

(m) the Account is not subject to Collateral Agent's duly perfected first priority security interest or is subject to a Lien, other than a Permitted Lien or a Lien permitted by Section 10.2 which is junior to Collateral Agent's security interest;

(n) the goods giving rise to such Account have not been delivered to and accepted by the Account Debtor or the services giving rise to such Account have not been performed by Borrower or the applicable Borrowing Base Guarantor and accepted by the Account Debtor or the Account otherwise does not represent a final sale;

(o) the total unpaid Accounts of the Account Debtor exceed a credit limit determined by Collateral Agent, in its reasonable discretion, to the extent such Account exceeds such limit;

(p) it is evidenced by chattel paper or an instrument of any kind, or has been reduced to judgment;

(q) Borrower or the applicable Borrowing Base Guarantor has made any agreement with the Account Debtor for any deduction therefrom, except for discounts or allowances which are made in the ordinary course of business for prompt payment and which discounts or allowances are reflected in the calculation of the face value of each invoice related to such Account;

(r) Borrower or the applicable Borrowing Base Guarantor has made an agreement with the Account Debtor to extend the time of payment thereof, or

(s) it arises from a sale to the Account Debtor on a C.O.D. or cash basis.

"Eligible Red Man Business International Accounts**"** shall mean an Account arising in the ordinary course of the Red Man Business from the sale of goods or rendition of services to an Account Debtor outside the United States which Collateral Agent, in the exercise of its Permitted Discretion, deems to be an Eligible Red Man International Account. Without limiting the generality of the foregoing, (a) no Account which arises from a sale to an Account Debtor outside of the United States shall be an Eligible Red Man Business International Account unless each of the following is true and correct of such Account: (i) other than for clause (h) of such definition, such Account otherwise constitutes an Eligible Red Man Business Account, and (ii) such Account arises from a sale to an Account Debtor acceptable to Collateral Agent, in its sole discretion, and (b) to the extent the aggregate amount of Accounts which arise from a sale or sales to Account Debtor(s) in Nigeria are in excess of $5,000,000, such Accounts shall in no event constitute "Eligible Red Man Business International Accounts" to the extent of such excess; provided that the aggregate amount of all Eligible Red Man Business International Accounts shall not exceed $10,000,000 at any time.

"Eligible Red Man Business Inventory**"** shall mean Inventory of the Borrower and each Borrowing Base Guarantor which Collateral Agent, in the exercise of its Permitted Discretion,

deems to be Eligible Red Man Business Inventory. No Inventory shall be Eligible Red Man Business Inventory unless, in Collateral Agent's opinion, it:

(a) is in good, new and saleable condition;

(b) is not obsolete or unmerchantable;

(c) meets all standards imposed by any Governmental Authority;

(d) conforms in all respects to the warranties and representations set forth in this Agreement or any Security Agreement;

(e) is at all times subject to Collateral Agent's duly perfected, first priority security interest and no other Lien, except Liens permitted by Section 10.2 of this Agreement;

(f) other than Inventory in transit, is situated at one of the locations disclosed to Collateral Agent; and

(g) consists of finished tubular goods or consumable supplies of the Borrower or such Borrowing Base Guarantor held for sale in the ordinary course of the Red Man Business.

In no event shall any work-in process Inventory constitute "Eligible Red Man Business Inventory". With respect to Inventory located in any leased location or third party warehouse, such Inventory shall not be deemed Eligible Red Man Business Inventory unless such lessor or warehouseman delivers to Collateral Agent a Collateral Access Agreement or Collateral Agent has established a Reserve in an amount equal to the total payments due for the remaining term of the contract for such premises.

"Environmental Claims" shall mean any and all actions, suits, orders, decrees, demands, demand letters, claims, liens, notices of noncompliance, violation or potential responsibility or investigation (other than internal reports prepared by the Borrower or any of the Subsidiaries (a) in the ordinary course of such Person's business or (b) as required in connection with a financing transaction or an acquisition or disposition of real estate) or proceedings relating in any way to any Environmental Law or any permit issued, or any approval given, under any such Environmental Law (hereinafter, "Claims"), including, without limitation, (i) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law and (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief relating to the presence, release or threatened release of Hazardous Materials or arising from alleged injury or threat of injury to health or safety (to the extent relating to human exposure to Hazardous Materials), or the environment including, without limitation, ambient air, surface water, groundwater, land surface and subsurface strata and natural resources such as wetlands.

"Environmental Law" shall mean any applicable Federal, state, foreign or local statute, law, rule, regulation, ordinance, code and rule of common law now or hereafter in effect and in each case as amended, and any binding judicial or administrative interpretation thereof, including any binding judicial or administrative order, consent decree or judgment, relating to the protection of environment, including, without limitation, ambient air, surface water, groundwater, land surface and subsurface strata and natural resources such as wetlands, or human health or safety (to the extent relating to human exposure to Hazardous Materials), or Hazardous Materials.

"Equity Contribution" shall have the meaning provided in the preamble to this Agreement.

"Equity Investments" shall mean the Equity Contribution and the Rollover Equity.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time. Section references to ERISA are to ERISA as in effect at the date of this Agreement and any subsequent provisions of ERISA amendatory thereof, supplemental thereto or substituted therefor.

"ERISA Affiliate" shall mean each person (as defined in Section 3(9) of ERISA) that together with the Borrower or a Subsidiary would be deemed to be a "single employer" within the meaning of Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"Event of Default" shall have the meaning provided in Section 11.

"Excess Availability" means, at any time, an amount equal to the lesser of (a) the Total Revolving Credit Commitment and (b) the Borrowing Base, in each case, *minus* the aggregate of all Lenders' Revolving Credit Exposure.

"Excess Cash Flow" shall have the meaning provided in the Term Loan Credit Agreement, as in effect on the Closing Date.

"Exchange Rate" shall mean on any day with respect to any Foreign Currency, the rate at which such Foreign Currency may be exchanged into Dollars, as set forth at approximately 11:00 a.m. (London time) on such day on the Reuters World Currency Page for such Foreign Currency; in the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower, or, in the absence of such agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such Foreign Currency are then being conducted, at or about 10:00 a.m. (New York City time) on such date for the purchase of Dollars for delivery two Business Days later.

"Excluded Subsidiary" means (a) each Subsidiary listed on Schedule 1.1(d) hereto, (b) any Subsidiary that is not a wholly-owned Subsidiary, (c) any Subsidiary that is prohibited by any applicable Requirement of Law from guaranteeing the Obligations, (d) any Domestic Subsidiary that is a Subsidiary of a Foreign Subsidiary, (e) any Subsidiary acquired pursuant to a Permitted Acquisition financed with secured Indebtedness incurred pursuant to Section 10.1(B)(j) or Section 10.1(B)(k) and each Restricted Subsidiary thereof that guarantees such Indebtedness to the extent and so long as the financing documentation relating to such Permitted Acquisition to which such Restricted Subsidiary is a party prohibits such Restricted Subsidiary from guaranteeing, or granting a Lien on any of its assets to secure, the Obligations; provided that after such time that such prohibitions on guarantees or granting of Liens lapses or terminates, such Restricted Subsidiary shall no longer be an Excluded Subsidiary, (f) any other

Subsidiary with respect to which, in the reasonable judgment of the Administrative Agent (confirmed in writing by notice to the Borrower), the cost or other consequences (including any adverse tax consequences) of providing a Guarantee shall be excessive in view of the benefits to be obtained by the Lenders therefrom, and (g) each Unrestricted Subsidiary.

"Excluded Taxes" shall mean, with respect to the Administrative Agent, the Collateral Agent, any Letter of Credit Issuer or any Lender, (a) (i) net income taxes and franchise taxes (imposed in lieu of net income taxes) and capital taxes imposed on the Administrative Agent, any Letter of Credit Issuer or any Lender and (ii) any taxes imposed on the Administrative Agent, any Letter of Credit Issuer or any Lender as a result of any current or former connection between the Administrative Agent, any Letter of Credit Issuer or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or having been a party to or having enforced this Agreement or any other Credit Document) and (b) (i) any withholding tax that is imposed by a jurisdiction in which the Borrower is located or organized on amounts payable to such Lender under the law in effect at the time such Lender becomes a party to this Agreement (or, in the case of a Participant, on the date such Participant became a Participant hereunder); provided that this clause (b)(i) shall not apply to the extent that (x) the indemnity payments or additional amounts any Lender (or Participant) would be entitled to receive (without regard to this clause (b)(i)) do not exceed the indemnity payment or additional amounts that the person making the assignment, participation or transfer to such Lender (or Participant) would have been entitled to receive in the absence of such assignment, participation or transfer or (y) any Tax is imposed on a Lender in connection with an interest or participation in any Loan or other obligation that such Lender was required to acquire pursuant to Section 14.8(a) or that such Lender acquired pursuant to Section 14.7 (it being understood and agreed, for the avoidance of doubt, that any withholding tax imposed on a Lender as a result of a Change in Law occurring after the time such Lender became a party to this Agreement (or designates a new lending office) shall not be an Excluded Tax) or (ii) any Tax to the extent attributable to such Lender's failure to comply with Section 5.4(d) or Section 5.4(e).

"Existing Letters of Credit" shall have the meaning provided in the preamble to this Agreement.

"Federal Funds Effective Rate" shall mean, for any day, the weighted average of the *per annum* rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the Federal Funds Effective Rate for such day shall be the average rate charged to the Administrative Agent on such day on such transactions as determined by the Administrative Agent.

"Fee Letter" shall mean that certain confidential fee letter dated as of September 20, 2007 by and among Goldman Sachs Credit Partners L.P., Lehman Brothers Inc., Lehman Commercial Paper Inc., Lehman Brothers Commercial Bank and the Borrower.

"Fees" shall mean all amounts payable pursuant to, or referred to in, Section 4.1.

"Financial Officer" shall mean the Chief Financial Officer, principal accounting officer, Treasurer, or Controller or any other senior financial officer of the Borrower designated in writing to the Administrative Agent by any of the foregoing and reasonably acceptable to the Administrative Agent.

"First Amendment to Term Loan Credit Agreement" shall mean that certain First Amendment to Term Loan Credit Agreement dated as of the Closing Date among Borrower, the credit support parties named therein, Lehman Commercial Paper Inc., as administrative agent and collateral agent, and each of the lenders party thereto.

"Foreign Currencies" shall mean any currency other than Dollars.

"Foreign Plan" shall mean any employee benefit plan, program, policy, arrangement or agreement maintained or contributed to by the Borrower or any of its Subsidiaries with respect to employees employed outside the United States.

"Foreign Subsidiary" shall mean each Subsidiary of the Borrower that is not a Domestic Subsidiary.

"Fronting Fee" shall have the meaning provided in Section 4.1(c).

"Funded Debt" shall mean all indebtedness of the Borrower and the Restricted Subsidiaries for borrowed money that matures more than one year from the date of its creation or matures within one year from such date that is renewable or extendable, at the option of the Borrower or any Restricted Subsidiary, to a date more than one year from such date or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date, including all amounts of Funded Debt required to be paid or prepaid within one year from the date of its creation and, in the case of the Borrower, Indebtedness in respect of the Loans.

"GAAP" shall mean generally accepted accounting principles in the United States of America, as in effect from time to time; provided, however, that if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

"Governmental Authority" shall mean any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

"Guarantee" shall mean (a) the Guarantee, made by each Guarantor in favor of the Administrative Agent for the benefit of the Secured Parties, substantially in the form of Exhibit C, and (b) any other guarantee of the Obligations made by a Restricted Subsidiary in form and substance reasonably acceptable to the Administrative Agent, in each case as the same may be amended, supplemented or otherwise modified from time to time.

"Guarantee Obligations" shall mean, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any Indebtedness of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent, (a) to purchase any such Indebtedness or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such Indebtedness or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such Indebtedness of the ability of the primary obligor to make payment of such Indebtedness or (d) otherwise to assure or hold harmless the owner of such Indebtedness against loss in respect thereof; provided, however, that the term "Guarantee Obligations" shall not include endorsements of instruments for deposit or collection in the ordinary course of business or customary and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness). The amount of any Guarantee Obligation shall be deemed to be an amount equal to the stated or determinable amount of the Indebtedness in respect of which such Guarantee Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

"Guarantors" shall mean the Subsidiary Guarantors.

"Hazardous Materials" shall mean (a) any petroleum or petroleum products, radioactive materials, friable asbestos, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing regulated levels of polychlorinated biphenyls, and radon gas; (b) any chemicals, materials or substances defined as or included in the definition of "hazardous substances", "hazardous waste", "hazardous materials", "extremely hazardous waste", "restricted hazardous waste", "toxic substances", "toxic pollutants", "contaminants", or "pollutants", or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance, which is prohibited, limited or regulated by any Environmental Law.

"Hedge Agreement" means an Interest Rate Agreement or a Currency Agreement entered into in order to satisfy the requirements of this Agreement or otherwise in the ordinary course of Borrower's or any of its Subsidiaries' businesses.

"Historical Financial Statements" shall mean as of the Closing Date, (a) the audited financial statements of each of (i) the Borrower and its Subsidiaries (other than Red Man Group) and (ii) the Red Man Group, in each case, for the 2005 and 2006 fiscal years and consisting of balance sheets and the related consolidated statements of income, stockholders' equity and cash flows for such fiscal years and (b) the unaudited financial statements of each of (i) the Borrower

and its Subsidiaries (other than Red Man Group) and (ii) the Red Man Group, in each case, for the fiscal quarters ending March 31, 2007 and June 30, 2007 and consisting of balance sheets and the related consolidated statements of income, stockholders' equity and cash flows for such fiscal quarters.

"Incorporated Borrowing Base" shall mean at any time:

(a) (i) with respect to the McJunkin Business and (ii) with respect to the Red Man Business after the completion of an updated Inventory Appraisal and collateral audit and field examination of Red Man and its Subsidiaries (collectively, the "Red Man Group"), in each case an amount equal to the sum of, without duplication:

(x) the book value of Eligible Accounts multiplied by the advance rate of 85%, plus

(y) the Net Orderly Liquidation Value of Eligible Inventory (which shall be (i) net of the current monthly shrinkage reserve calculated in accordance with GAAP and (ii) valued at Cost) multiplied by the advance rate of 85% and

(b) with respect to the Red Man Business prior to the completion of an updated Inventory Appraisal and collateral audit and field examination of the Red Man Group, an amount equal to the sum of, without duplication:

(x) 85% of the net amount (after deduction of such reserves as established or modified by the Collateral Agent in the exercise of its Permitted Discretion, including a reserve for sales tax payables) of Eligible Red Man Business Accounts outstanding at such date; plus

(y) 85% of the net amount (after deduction of such reserves as established or modified by the Collateral Agent in the exercise of its Permitted Discretion, including a reserve for sales tax payables) of Eligible Red Man Business International Accounts outstanding at such date; plus

(z) the aggregate of (i) 60% of the value (after deduction of such reserves as established or modified by the Collateral Agent in the exercise of its Permitted Discretion) of Eligible Red Man Business Inventory at such date consisting of oil country tubular goods held for sale in the ordinary course of the Red Man Group's business, calculated on the basis of the lower of cost or market; (ii) 50% of the value (after deduction of such reserves as established or modified by the Collateral Agent in the exercise of its Permitted Discretion) of Eligible Red Man Business Inventory at such date consisting of consumable supplies held for sale in the ordinary course of the Red Man Group's business, calculated on the basis of the lower of cost or market, and (iii) 60% of the value (after deduction of such reserves as established or modified by the Collateral Agent in the exercise of its Permitted Discretion) of Eligible Red Man Business Inventory at such date consisting of line pipe held for sale in the ordinary course of the Red Man Group's business, calculated on the basis of the lower of cost or market.

For purposes hereof, the net amount of Eligible Red Man Business Accounts or Eligible Red Man Business International Accounts, as the case may be, at any time shall be the face amount of such Eligible Red Man Business Accounts or such Eligible Red Man Business International

Accounts, less any and all returns, discounts (which may, at Agent's option, be calculated on shortest terms), credits, allowances or excise taxes of any nature at any time issued, owing, claimed by Account Debtors, granted, outstanding or payable in connection with such Accounts at such time.

"Increased Amount Date" shall have the meaning provided in Section 2.14.

"Indebtedness" of any Person shall mean (a) all indebtedness of such Person for borrowed money, (b) the deferred purchase price of assets or services that in accordance with GAAP would be included as liabilities in the balance sheet of such Person, (c) the face amount of all letters of credit issued for the account of such Person and, without duplication, all drafts drawn thereunder, (d) all Indebtedness of a second Person secured by any Lien on any property owned by such first Person, whether or not such Indebtedness has been assumed, (e) all Capitalized Lease Obligations of such Person, (f) all obligations of such Person under interest rate swap, cap or collar agreements, interest rate future or option contracts, currency swap agreements, currency future or option contracts, commodity price protection agreements or other commodity price hedging agreements and other similar agreements and (g) without duplication, all Guarantee Obligations of such Person, provided that Indebtedness shall not include (i) trade payables and accrued expenses, in each case payable directly or through a bank clearing arrangement and arising in the ordinary course of business, (ii) deferred or prepaid revenue, (iii) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller and (iv) all intercompany Indebtedness having a term not exceeding 364 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business.

"Indemnified Taxes" shall mean all Taxes (other than Excluded Taxes) and Other Taxes.

"Intercreditor Agreement" means an intercreditor agreement substantially in the form of Exhibit O, as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"Interest Period" shall mean, with respect to any Revolving Credit Loan, the interest period applicable thereto, as determined pursuant to Section 2.9.

"Interest Rate Agreement" means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedging agreement or other similar agreement or arrangement, each of which is for the purpose of hedging the interest rate exposure associated with Borrower's and its Subsidiaries' operations and not for speculative purposes.

"Inventory" has the meaning assigned to such term in the Security Agreement.

"Inventory Appraisal" shall mean (a) on the Closing Date, with respect to the Credit Parties other than the Red Man Group, the appraisal prepared by HILCO Appraisal Services, LLC dated December 28, 2006 and (b) thereafter, the most recent inventory appraisal conducted by an independent appraisal firm and delivered pursuant to Section 9.14 hereof.

"Investment" shall mean, for any Person: (a) the acquisition (whether for cash, property, services or securities or otherwise) of Stock, Stock Equivalents, bonds, notes, debentures,

partnership or other ownership interests or other securities of any other Person (including any "short sale" or any sale of any securities at a time when such securities are not owned by the Person entering into such sale); (b) the making of any deposit with, or advance, loan or other extension of credit to, any other Person (including the purchase of property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such property to such Person), but excluding any such advance, loan or extension of credit having a term not exceeding 364 days arising in the ordinary course of business; or (c) the entering into of any guarantee of, or other contingent obligation with respect to, Indebtedness.

"Investors" shall mean the Sponsors, the Management Investors and each other investor providing a portion of the Equity Investments on the Closing Date.

"Joinder Agreement" shall mean an agreement substantially in the form of Exhibit M.

"L/C Maturity Date" shall mean the date that is five Business Days prior to the Revolving Credit Maturity Date.

"L/C Participant" shall have the meaning provided in Section 3.3(a).

"L/C Participation" shall have the meaning provided in Section 3.3(a).

"Lender" shall have the meaning provided in the preamble to this Agreement.

"Lender Default" shall mean (a) the failure (which has not been cured) of a Lender to make available its portion of any Borrowing or to fund its portion of any unreimbursed payment under Section 3.3, (b) a Lender having notified the Administrative Agent and/or the Borrower that it does not intend to comply with the obligations under Section 2.1(a), 2.1(b), 2.1(d) or 3.3, or (c) a Lender being deemed insolvent or becoming the subject of a bankruptcy or insolvency proceeding.

"Letter of Credit" shall mean each letter of credit issued pursuant to Section 3.1.

"Letter of Credit Commitment" shall mean $60,000,000, as the same may be reduced from time to time pursuant to Section 3.1.

"Letter of Credit Exposure" shall mean, with respect to any Lender, at any time, the sum of (a) the amount of any Unpaid Drawings in respect of which such Lender has made (or is required to have made) payments to the Letter of Credit Issuer pursuant to Section 3.4(a) at such time and (b) such Lender's Revolving Credit Commitment Percentage of the Letters of Credit Outstanding at such time (excluding the portion thereof consisting of Unpaid Drawings in respect of which the Lenders have made (or are required to have made) payments to the Letter of Credit Issuer pursuant to Section 3.4(a)).

"Letter of Credit Fee" shall have the meaning provided in Section 4.1(b).

"Letter of Credit Issuer" shall mean JPMorgan Chase Bank, N.A. and any of its Affiliates or any replacement or successor pursuant to Section 3.6. The Letter of Credit Issuer may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the Letter of

Credit Issuer, and in each such case the term "Letter of Credit Issuer" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate. In the event that there is more than one Letter of Credit Issuer at any time, references herein and in the other Credit Documents to the Letter of Credit Issuer shall be deemed to refer to the Letter of Credit Issuer in respect of the applicable Letter of Credit or to all Letter of Credit Issuers, as the context requires.

"Letters of Credit Outstanding" shall mean, at any time, the sum of, without duplication, (a) the aggregate Stated Amount of all outstanding Letters of Credit and (b) the aggregate amount of all Unpaid Drawings in respect of all Letters of Credit.

"Letter of Credit Request" shall have the meaning provided in Section 3.2.

"Level I Status" shall mean, on any date, the Consolidated Total Debt to Consolidated EBITDA Ratio is greater than or equal to 2.75 to 1.00 as of such date.

"Level II Status" shall mean, on any date, the circumstance that Level I Status does not exist and the Consolidated Total Debt to Consolidated EBITDA Ratio is greater than or equal to 2.00 to 1.00 as of such date.

"Level III Status" shall mean, on any date, the circumstance that the Consolidated Total Debt to Consolidated EBITDA Ratio is less than 2.00 to 1.00 as of such date.

"LIBOR Loan" shall mean any LIBOR Revolving Credit Loan.

"LIBOR Rate" shall mean, in the case of any LIBOR Revolving Credit Loan, with respect to each day during each Interest Period pertaining to such LIBOR Loan, (a) the rate of interest determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Page 3750 of the Telerate screen as of 11:00 a.m. (London time) two Business Days prior to the beginning of such Interest Period multiplied by (b) the Statutory Reserve Rate. In the event that any such rate does not appear on the applicable Page of the Telerate Service (or otherwise on such service), the "LIBOR Rate" for the purposes of this paragraph shall be determined by reference to such other publicly available service for displaying LIBOR rates as may be agreed upon by the Administrative Agent and the Borrower or, in the absence of such agreement, the "LIBOR Rate" for the purposes of this paragraph shall instead be the rate *per annum* notified to the Administrative Agent by the Reference Lender as the rate at which the Reference Lender is offered Dollar deposits at or about 11:00 a.m. (London time) two Business Days prior to the beginning of such Interest Period in the interbank LIBOR market where the LIBOR and foreign currency and exchange operations in respect of its LIBOR Loans are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to the amount of its LIBOR Revolving Credit Loan, as the case may be, to be outstanding during such Interest Period.

"LIBOR Revolving Credit Loan" shall mean any Revolving Credit Loan bearing interest at a rate determined by reference to the LIBOR Rate.

"Lien" shall mean any mortgage, pledge, security interest, hypothecation, assignment, lien (statutory or other) or similar encumbrance (including any agreement to give any of the

foregoing, any conditional sale or other title retention agreement or any lease in the nature thereof).

"Loan" shall mean any Revolving Credit Loan, Swingline Loan or New Revolving Loan made by any Lender and Protective Advances made by Administrative Agent hereunder.

"Management Investors" shall mean the directors, management officers and employees of the Borrower and its Subsidiaries who are investors in the Borrower (or any direct or indirect parent thereof) on the Closing Date.

"Mandatory Borrowing" shall have the meaning provided in Section 2.1(d).

"Material Adverse Change" shall mean any event or circumstance which has resulted or is reasonably likely to result in a material adverse change in the business, assets, operations, properties or financial condition of the Borrower and its Subsidiaries, taken as a whole or that would materially adversely affect the ability of the Borrower and the other Credit Parties, taken as a whole, to perform their respective payment obligations under this Agreement or any of the other Credit Documents.

"Material Adverse Effect" shall mean a circumstance or condition affecting the business, assets, operations, properties or financial condition of the Borrower and the Subsidiaries, taken as a whole, that would materially adversely affect (a) the business, assets, operations, properties, or financial condition of the Borrower and its Subsidiaries, taken as a whole, (b) the ability of the Borrower and the other Credit Parties, taken as a whole, to perform their respective payment obligations under this Agreement or any of the other Credit Documents or (c) the rights and remedies of the Administrative Agent , Collateral Agent and the Lenders under this Agreement or any of the other Credit Documents.

"Material Subsidiary" shall mean, at any date of determination, each Restricted Subsidiary of the Borrower (a) whose total assets at the last day of the Test Period ending on the last day of the most recent fiscal period for which Section 9.1 Financials have been delivered were equal to or greater than 5% of the consolidated total assets of the Borrower and the Restricted Subsidiaries at such date or (b) whose gross revenues for such Test Period were equal to or greater than 5% of the consolidated gross revenues of the Borrower and the Restricted Subsidiaries for such period, in each case determined in accordance with GAAP.

"McJ Holding" shall have the meaning provided in the preamble to this Agreement.

"McJunkin Business" shall mean the business conducted by the Borrower and its Subsidiaries other than the Red Man Business.

"Minimum Borrowing Amount" shall mean (a) with respect to a Borrowing of Revolving Credit Loans, $1,000,000 and (b) with respect to a Borrowing of Swingline Loans, $250,000.

"Minimum Equity Investment Amount" shall have the meaning provided in the recitals hereto.

"Moody's" shall mean Moody's Investors Service, Inc. or any successor by merger or consolidation to its business.

"Net Cash Proceeds" shall mean, with respect to any Prepayment Event, (a) the gross cash proceeds (including payments from time to time in respect of installment obligations, if applicable) received by or on behalf of the Borrower or any of the Restricted Subsidiaries in respect of such Prepayment Event or issuance, as the case may be, less (b) the sum of:

(i) the amount, if any, of all taxes paid or estimated to be payable by the Borrower or any of the Restricted Subsidiaries in connection with such Prepayment Event,

(ii) the amount of any reasonable reserve established in accordance with GAAP against any liabilities (other than any taxes deducted pursuant to clause (i) above) (x) associated with the assets that are the subject of such Prepayment Event and (y) retained by the Borrower or any of the Restricted Subsidiaries, provided that the amount of any subsequent reduction of such reserve (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Cash Proceeds of such a Prepayment Event occurring on the date of such reduction,

(iii) the amount of any Indebtedness secured by a Lien on the assets that are the subject of such Prepayment Event to the extent that the instrument creating or evidencing such Indebtedness requires that such Indebtedness be repaid upon consummation of such Prepayment Event,

(iv) the amount of any proceeds of such Prepayment Event that the Borrower or any Subsidiary has reinvested (or intends to reinvest within the Reinvestment Period or has entered into a binding commitment prior to the last day of the Reinvestment Period to reinvest) in the business of the Borrower or any of the Restricted Subsidiaries, provided that any portion of such proceeds that has not been so reinvested within such Reinvestment Period (with respect to such Prepayment Event, the "Deferred Net Cash Proceeds") shall, unless the Borrower or a Subsidiary has entered into a binding commitment prior to the last day of such Reinvestment Period to reinvest such proceeds, (x) be deemed to be Net Cash Proceeds of a Prepayment Event occurring on the last day of such Reinvestment Period or 180 days after the date the Borrower or such Subsidiary has entered into such binding commitment, as applicable, and (y) be applied to the repayment of Revolving Loans in accordance with Section 5.2(b); and

(v) reasonable and customary fees.

"Net Orderly Liquidation Value" shall mean, the orderly liquidation value (net of costs and expenses estimated to be incurred in connection with such liquidation) of the Eligible Inventory that is estimated to be recoverable in an orderly liquidation of such Eligible Inventory, as determined from time to time by reference to the most recent Inventory Appraisal.

"New Revolving Credit Commitments" shall have the meaning provided in Section 2.14.

"New Revolving Loan Lender" shall have the meaning provided in Section 2.14.

"New Revolving Loans" shall have the meaning provided in Section 2.14.

"New Term Loan Commitments" shall have the meaning provided in the Term Loan Credit Agreement.

"Non-Cash Charges" shall mean (a) losses on asset sales (other than asset sales in the ordinary course of business), disposals or abandonments, (b) any impairment charge or asset write-off related to intangible assets (including good-will), long-lived assets, and investments in debt and equity securities pursuant to GAAP, (c) all losses from investments recorded using the equity method, (d) stock-based awards compensation expense, and (e) other non-cash charges (provided that if any non-cash charges referred to in this clause (e) represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period).

"Non-Consenting Lender" shall have the meaning provided in Section 14.7(b).

"Non-Core Assets" shall mean the assets described on Schedule 1.1(e).

"Non-Defaulting Lender" shall mean and include each Lender other than a Defaulting Lender.

"Non-U.S. Lender" shall mean any Lender that is not, for United States federal income tax purposes, (a) a citizen or resident of the United States, (b) a corporation or partnership or entity treated as a corporation or partnership created or organized in or under the laws of the United States, or any political subdivision thereof, (c) an estate whose income is subject to U.S. federal income taxation regardless of its source or (d) a trust if a court within the United States is able to exercise primary supervision over the administration of such trust and one or more United States persons have the authority to control all substantial decisions of such trust or a trust that has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

"Non-U.S. Participant" shall mean any Participant that if it were a Lender would qualify as a Non-U.S. Lender.

"Notice of Borrowing" shall mean each notice of a Borrowing of Revolving Credit Loans pursuant to Section 2.3(b) and each notice of a Borrowing of Swingline Loans pursuant to Section 2.3(c).

"Notice of Conversion or Continuation" shall have the meaning provided in Section 2.6.

"Obligations" shall have the meaning assigned to such term in the Security Documents.

"Organizational Documents" means (a) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, and its by-laws, as amended, (b) with respect to any limited partnership, its certificate of limited partnership (if any), as amended, and its partnership agreement, as amended, (c) with respect to any general partnership, its partnership

agreement, as amended, and (d) with respect to any limited liability company, its articles of organization (if any), as amended, and its operating agreement, as amended.

"Original Closing Date" shall mean January 31, 2007.

"Original Transaction Expenses" shall have the meaning assigned to the term "Transaction Expense" in the Existing Revolving Credit Agreement.

"Original Transactions" shall have the meaning assigned to the term "Transactions" in the Existing Revolving Credit Agreement.

"Other Taxes" shall mean any and all present or future stamp, documentary or any other excise, property or similar taxes (including interest, fines, penalties, additions to tax and related expenses with regard thereto) arising directly from any payment made or required to be made under this Agreement or from the execution or delivery of, registration or enforcement of, consummation or administration of, or otherwise with respect to, this Agreement or any other Credit Document.

"Participant" shall have the meaning provided in Section 14.6(c).

"Patriot Act" shall have the meaning provided in Section 14.18.

"PBGC" shall mean the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

"Perfection Certificate" shall mean a certificate of the Borrower in the form of Exhibit E or any other form approved by the Administrative Agent.

"Permitted Acquisition" shall mean the acquisition, by merger or otherwise, by the Borrower or any of the Restricted Subsidiaries of assets or Stock or Stock Equivalents, so long as (a) such acquisition and all transactions related thereto shall be consummated in accordance with applicable law; (b) such acquisition shall result in the issuer of such Stock or Stock Equivalents becoming a Restricted Subsidiary and a Subsidiary Guarantor, to the extent required by Section 9.11; (c) such acquisition shall result in the Administrative Agent, for the benefit of the Secured Parties, being granted a security interest in any Stock, Stock Equivalent or any assets so acquired, to the extent required by Sections 9.11 and/or 9.17; (d) after giving effect to such acquisition, no Default or Event of Default shall have occurred and be continuing; (e) after giving effect to such acquisition, Excess Availability shall be equal to or greater than $30,000,000 and (f) the Borrower shall be in compliance, on a Pro Forma Basis after giving effect to such acquisition (including any Indebtedness assumed or permitted to exist or incurred pursuant to Sections 10.1(B)(j) and 10.1(B)(k), respectively, and any related Pro Forma Adjustment), with the covenants set forth in Section 10.9 of the Term Loan Credit Agreement, as such covenant is recomputed as at the last day of the most recently ended Test Period under such Section as if such acquisition had occurred on the first day of such Test Period.

Notwithstanding the definition of Borrowing Base, in connection with and subsequent to any Permitted Acquisition, the Accounts and Inventory acquired by the Borrower or any Credit Party, or, subject to compliance with Section 9.11 of the Credit Agreement, of the Person so

acquired, may be included in the calculation of the Borrowing Base and thereafter if all criteria set forth in the definitions of Eligible Accounts and Eligible Inventory and Borrowing Base Guarantor have been satisfied and, if the aggregate value (or Cost in the case of Inventory) of such Accounts and Inventory is in excess of $20,000,000 and only to the extent reasonably requested by the Administrative Agent, the Administrative Agent shall have received a collateral audit and appraisal of such Accounts and Inventory acquired by the applicable Credit Parties or owned by such Person acquired by the applicable Credit Parties which shall be reasonably satisfactory in scope, form and substance to the Administrative Agent; provided, that if no collateral audit and appraisal is delivered to and approved by the Administrative Agent with respect to such Accounts and Inventory, then the lowest recovery rates from the current Inventory Appraisal shall apply to such Accounts and Inventory.

"Permitted Additional Debt" shall mean senior unsecured or subordinated Indebtedness, issued by the Borrower or a Subsidiary Guarantor, (a) the terms of which (i) do not provide for any scheduled repayment, mandatory redemption or sinking fund obligation prior to the date that is 90 days following the final maturity of the Term Loans (as in effect on the Closing Date) (other than customary offers to purchase upon a change of control, asset sale or event of loss and customary acceleration rights after an event of default) and (ii) to the extent subordinated provide for customary subordination to the Obligations under the Credit Documents, (b) the covenants, events of default, guarantees and other terms of which (other than interest rate and redemption premiums), taken as a whole, are not more restrictive to the Borrower and the Subsidiaries than those in this Agreement; provided that a certificate of an Authorized Officer of the Borrower is delivered to the Administrative Agents at least five Business Days (or such shorter period as the Administrative Agents may reasonably agree) prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirement shall be conclusive evidence that such terms and conditions satisfy the foregoing requirement unless the Administrative Agents notify the Borrower within such period that it disagrees with such determination (including a reasonable description of the basis upon which it disagrees), and (c) of which no Subsidiary of the Borrower (other than a Guarantor) is an obligor.

"Permitted Discretion" shall mean a determination made by Administrative Agent and/or CIT, in its capacity as a Co-Collateral Agent, in the exercise of its reasonable credit judgment (from the perspective of a secured asset-based lender), exercised in good faith and subject to Section 15.2.

"Permitted Investments" shall mean:

(a) securities issued or unconditionally guaranteed by the United States government or any agency or instrumentality thereof, in each case having maturities of not more than 12 months from the date of acquisition thereof;

(b) securities issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof or any political subdivision of any such state or any public instrumentality thereof having maturities of not more than 12 months from the date of acquisition thereof and, at the

time of acquisition, having an investment grade rating generally obtainable from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, then from another nationally recognized rating service);

(c) commercial paper issued by any Lender or any bank holding company owning any Lender;

(d) commercial paper maturing no more than 12 months after the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 or P-1 from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized rating service);

(e) domestic and LIBOR certificates of deposit or bankers' acceptances maturing no more than two years after the date of acquisition thereof issued by any Lender or any other bank having combined capital and surplus of not less than $250,000,000 in the case of domestic banks;

(f) repurchase agreements with a term of not more than 30 days for underlying securities of the type described in clauses (a), (b) and (e) above entered into with any bank meeting the qualifications specified in clause (e) above or securities dealers of recognized national standing;

(g) marketable short-term money market and similar funds (x) either having assets in excess of $250,000,000 or (y) having a rating of at least A-1 or P-1 from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized rating service);

(h) shares of investment companies that are registered under the Investment Company Act of 1940 and substantially all the investments of which are one or more of the types of securities described in clauses (a) through (g) above; and

(i) in the case of Investments by any Restricted Foreign Subsidiary or Investments made in a country outside the United States of America, Permitted Investments shall also include ((i) direct obligations of the sovereign nation (or any agency thereof) in which such Restricted Foreign Subsidiary is organized and is conducting business or where such Investment is made, or in obligations fully and unconditionally guaranteed by such sovereign nation (or any agency thereof), in each case maturing within a two years after such date and having, at the time of the acquisition thereof, a rating equivalent to at least A-1 from S&P and at least P-1 from Moody's, (ii) investments of the type and maturity described in clauses (a) through (h) above of foreign obligors, which Investments or obligors (or the parents of such obligors) have ratings described in such clauses or equivalent ratings from comparable foreign rating agencies, (iii) shares of money market mutual or similar funds which invest exclusively in assets otherwise satisfying the requirements of this definition (including this proviso) and (iv) other short-term investments utilized by Foreign Restricted Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments in clauses (a) through (i).

"Permitted Liens" shall mean:

(a) Liens for taxes, assessments or governmental charges or claims not yet due or which are being contested in good faith and by appropriate proceedings for which appropriate reserves have been established in accordance with GAAP;

(b) Liens in respect of property or assets of the Borrower or any of the Subsidiaries imposed by law, such as carriers', warehousemen's and mechanics' Liens and other similar Liens arising in the ordinary course of business, in each case so long as such Liens arise in the ordinary course of business and do not individually or in the aggregate have a Material Adverse Effect;

(c) Liens arising from judgments or decrees in circumstances not constituting an Event of Default under Section 11.1;

(d) Liens incurred or deposits made in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations incurred in the ordinary course of business or otherwise constituting Investments permitted by Section 10.5;

(e) ground leases in respect of real property on which facilities owned or leased by the Borrower or any of its Subsidiaries are located;

(f) easements, rights-of-way, restrictions, minor defects or irregularities in title and other similar charges or encumbrances not interfering in any material respect with the business of the Borrower and its Subsidiaries, taken as a whole;

(g) any interest or title of a lessor or secured by a lessor's interest under any lease permitted by this Agreement;

(h) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(i) Liens on goods the purchase price of which is financed by a documentary letter of credit issued for the account of the Borrower or any of its Subsidiaries, provided that such Lien secures only the obligations of the Borrower or such Subsidiaries in respect of such letter of credit to the extent permitted under Section 10.1(B);

(j) leases or subleases granted to others not interfering in any material respect with the business of the Borrower and its Subsidiaries, taken as a whole;

(k) Liens arising from precautionary Uniform Commercial Code financing statement or similar filings made in respect of operating leases entered into by the Borrower or any of its Subsidiaries; and

(l) Liens created in the ordinary course of business in favor of banks and other financial institutions over credit balances of any bank accounts of the Borrower and the Restricted Subsidiaries held at such banks or financial institutions, as the case may be, to facilitate the operation of cash pooling and/or interest set-off arrangements in respect of such bank accounts in the ordinary course of business.

"Permitted Sale Leaseback" shall mean any Sale Leaseback consummated by the Borrower or any of the Restricted Subsidiaries after the Closing Date, provided that any such Sale Leaseback not between the Borrower and any Guarantor or any Guarantor and another Guarantor is consummated for fair value as determined at the time of consummation in good faith by the Borrower or such Restricted Subsidiary and, in the case of any Sale Leaseback (or series of related Sales Leasebacks) the aggregate proceeds of which exceed $25,000,000, the board of directors of the Borrower or such Restricted Subsidiary (which such determination may take into account any retained interest or other Investment of the Borrower or such Restricted Subsidiary in connection with, and any other material economic terms of, such Sale Leaseback).

"Person" shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust or other enterprise or any Governmental Authority.

"Plan" shall mean any multiemployer or single-employer plan, as defined in Section 4001 of ERISA and subject to Title IV of ERISA, that is or was within any of the preceding six plan years maintained or contributed to by (or to which there is or was an obligation to contribute or to make payments to) the Borrower, a Subsidiary or an ERISA Affiliate.

"Platform" shall have the meaning provided in Section 14.17(b).

"Post-Acquisition Period" means, with respect to any Permitted Acquisition, the period beginning on the date such Permitted Acquisition is consummated and ending on the last day of the fourth full consecutive fiscal quarter immediately following the date on which such Permitted Acquisition is consummated.

"Prepayment Event" shall mean any Asset Sale Prepayment Event or Casualty Event.

"Prime Rate" means the rate of interest quoted in *The Wall Street Journal*, Money Rates Section as the Prime Rate (currently defined as the base rate on corporate loans posted by at least 75% of the nation's thirty (30) largest banks), as in effect from time to time. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. The Administrative Agent or any other Lender may make commercial loans or other loans at rates of interest at, above or below the Prime Rate.

"Pro Forma Adjustment" shall mean, for any Test Period that includes all or any part of a fiscal quarter included in any Post-Acquisition Period, with respect to the Acquired EBITDA of the applicable Acquired Entity or Business or the Consolidated EBITDA of the Borrower, the pro forma increase or decrease in such Acquired EBITDA or such Consolidated EBITDA, as the case may be, projected by the Borrower in good faith as a result of (a) actions taken during such Post-Acquisition Period for the purposes of realizing reasonably identifiable and factually supportable cost savings or (b) any additional costs incurred during such Post-Acquisition Period, in each case in connection with the combination of the operations of such Acquired

Entity or Business with the operations of the Borrower and the Restricted Subsidiaries; provided that, so long as such actions are taken during such Post-Acquisition Period or such costs are incurred during such Post-Acquisition Period, as applicable, it may be assumed, for purposes of projecting such pro forma increase or decrease to such Acquired EBITDA or such Consolidated EBITDA, as the case may be, that such cost savings will be realizable during the entirety of such Test Period, or such additional costs, as applicable, will be incurred during the entirety of such Test Period; provided further that any such pro forma increase or decrease to such Acquired EBITDA or such Consolidated EBITDA, as the case may be, shall be without duplication for cost savings or additional costs already included in such Acquired EBITDA or such Consolidated EBITDA, as the case may be, for such Test Period.

"Pro Forma Adjustment Certificate" shall mean any certificate of an Authorized Officer of the Borrower delivered pursuant to Section 9.1(h) or Section 9.1(d).

"Pro Forma Basis", "Pro Forma Compliance" and "Pro Forma Effect" shall mean, with respect to compliance with any test or covenant hereunder, that (A) to the extent applicable, the Pro Forma Adjustment shall have been made and (B) all Specified Transactions and the following transactions in connection therewith shall be deemed to have occurred as of the first day of the applicable period of measurement in such test or covenant: (a) income statement items (whether positive or negative) attributable to the property or Person subject to such Specified Transaction, (i) in the case of a sale, transfer or other disposition of all or substantially all Capital Stock in any Subsidiary of the Borrower or any division, product line, or facility used for operations of the Borrower or any of its Subsidiaries, shall be excluded, and (ii) in the case of a Permitted Acquisition or Investment described in the definition of "Specified Transaction", shall be included, (b) any retirement of Indebtedness, and (c) any Indebtedness incurred or assumed by the Borrower or any of the Restricted Subsidiaries in connection therewith and if such Indebtedness has a floating or formula rate, shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate which is or would be in effect with respect to such Indebtedness as at the relevant date of determination; provided that, without limiting the application of the Pro Forma Adjustment pursuant to (A) above, the foregoing pro forma adjustments may be applied to any such test or covenant solely to the extent that such adjustments are consistent with the definition of Consolidated EBITDA and give effect to events (including operating expense reductions) that are (i) (x) directly attributable to such transaction, (y) expected to have a continuing impact on the Borrower and the Restricted Subsidiaries and (z) factually supportable or (ii) otherwise consistent with the definition of Pro Forma Adjustment.

"Protective Advances" shall have the meaning provided in Section 2.15(a).

"Real Estate" shall have the meaning provided in Section 9.1(i).

"Red Man" shall have the meaning provided in the recitals to this Agreement.

"Red Man Business" shall mean the business conducted by the Red Man Group on the Closing Date.

"Red Man Distributors" shall mean a company to be formed after the Closing Date and owned by the Borrower or a Borrowing Base Guarantor and certain existing shareholders of Red Man.

"Red Man Group" shall have the meaning provided in the definition of Incorporated Borrowing Base.

"Red Man Transaction Agreement" shall have the meaning provided in the recitals to this Agreement.

"Red Man Transaction" shall have the meaning provided in the recitals to this Agreement.

"Reference Lender" shall mean JPMorgan Chase Bank, N.A. (or its successor).

"Register" shall have the meaning provided in Section 14.6(b)(iv).

"Regulation D" shall mean Regulation D of the Board as from time to time in effect and any successor to all or a portion thereof establishing reserve requirements.

"Regulation T" shall mean Regulation T of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Regulation U" shall mean Regulation U of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Regulation X" shall mean Regulation X of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Reinvestment Period" shall mean 15 months following the date of an Asset Sale Prepayment Event or Casualty Event.

"Related Parties" shall mean, with respect to any specified Person, such Person's Affiliates and the directors, officers, employees, agents, trustees and advisors of such Person and any Person that possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise.

"Report" shall mean reports prepared in good faith by an Agent or another Person showing the results of appraisals, field examinations or audits pertaining to the Borrower's assets from information furnished by or on behalf of the Borrower, after an Agent has exercised its rights of inspection pursuant to this Agreement, which Reports may be distributed to the Lenders by the applicable Agent.

"Reportable Event" shall mean an event described in Section 4043 of ERISA and the regulations thereunder.

"Required Lenders" shall mean, at any date, (a) Non-Defaulting Lenders having or holding a majority of the Adjusted Total Revolving Credit Commitment at such date or (b) if the Total Revolving Credit Commitment has been terminated or for the purposes of acceleration pursuant to Section 11, the holders (excluding Defaulting Lenders) of a majority of the outstanding principal amount of the Loans and Letter of Credit Exposures (excluding the Loans and Letter of Credit Exposure of Defaulting Lenders) in the aggregate at such date.

"Requirement of Law" shall mean, as to any Person, the Certificate of Incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or assets or to which such Person or any of its property or assets is subject.

"Reserves" shall mean any and all reserves which the Administrative Agent deems necessary, in its Permitted Discretion, to from time to time establish against the gross amounts of Eligible Accounts and Eligible Inventory.

"Restricted Foreign Subsidiary" shall mean a Foreign Subsidiary that is a Restricted Subsidiary.

"Restricted Subsidiary" shall mean any Subsidiary of the Borrower other than an Unrestricted Subsidiary.

"Revolving Credit Commitment" shall mean, (a) with respect to each Lender that is a Lender on the date hereof, the amount set forth opposite such Lender's name on Schedule 1.1(c) as such Lender's "Revolving Credit Commitment" and (b) in the case of any Lender that becomes a Lender after the date hereof, the amount specified as such Lender's "Revolving Credit Commitment" (which amount shall include the New Revolving Credit Commitment, if any) in the Assignment and Acceptance pursuant to which such Lender assumed a portion of the Total Revolving Credit Commitment, in each case as the same may be changed from time to time pursuant to terms hereof. The aggregate amount of the Revolving Credit Commitment as of the Closing Date is $650,000,000.

"Revolving Credit Commitment Percentage" shall mean at any time, for each Lender, the percentage obtained by dividing (a) such Lender's Revolving Credit Commitment by (b) the aggregate amount of the Revolving Credit Commitments, provided that at any time when the Total Revolving Credit Commitment shall have been terminated, each Lender's Revolving Credit Commitment Percentage shall be its Revolving Credit Commitment Percentage as in effect immediately prior to such termination.

"Revolving Credit Exposure" shall mean, with respect to any Lender at any time, the sum of (a) the aggregate principal amount of the Revolving Credit Loans of such Lender then outstanding, (b) such Lender's Letter of Credit Exposure at such time, (c) such Lender's Revolving Credit Commitment Percentage of the aggregate principal amount of all outstanding Swingline Loans and (d) such Lender's Revolving Credit Commitment Percentage of the aggregate principal amount of all outstanding Protective Advances; provided that, clause (d) of this definition shall be disregarded with respect to any Protective Advance solely for purposes of

calculating Excess Availability and solely to the extent that the making of such Protective Advance would result in the occurrence of a Cash Dominion Event.

"Revolving Credit Loans" shall have the meaning provided in Section 2.1(b).

"Revolving Credit Maturity Date" shall mean the date that is six (6) years after the Closing Date, or, if such date is not a Business Day, the next preceding Business Day.

"Revolving Credit Termination Date" shall mean the date on which the Revolving Credit Commitments shall have terminated, no Revolving Credit Loans shall be outstanding and the Letters of Credit Outstanding shall have been reduced to zero.

"Rollover Equity" shall have the meaning provided in the recitals hereto.

"Sale Leaseback" shall mean any transaction or series of related transactions pursuant to which the Borrower or any of the Restricted Subsidiaries (a) sells, transfers or otherwise disposes of any property, real or personal, whether now owned or hereafter acquired, and (b) as part of such transaction, thereafter rents or leases such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold, transferred or disposed.

"S&P" shall mean Standard & Poor's Ratings Services or any successor by merger or consolidation to its business.

"SEC" shall mean the Securities and Exchange Commission or any successor thereto.

"Section 9.1 Financials" shall mean the financial statements delivered, or required to be delivered, pursuant to Section 9.1(a) or (b) together with the accompanying officer's certificate delivered, or required to be delivered, pursuant to Section 9.1(d).

"Secured Leverage Ratio" shall mean, as of any date of determination, the ratio of (a) Consolidated Secured Debt as of the last day of the relevant Test Period to (b) Consolidated EBITDA for such Test Period.

"Secured Parties" shall have the meaning assigned to such term in the applicable Security Documents.

"Security Agreement" shall mean the Security Agreement entered into by the Borrower, the other grantors party thereto and the Collateral Agent for the benefit of the Lenders, substantially in the form of Exhibit G, as the same may be amended, supplemented or otherwise modified from time to time.

"Security Documents" shall mean, collectively, (a) the Guarantee, (b) the Security Agreement, (c) the Intercreditor Agreement and (d) each other security agreement or other instrument or document executed and delivered pursuant to Section 9.11 or 9.17 or pursuant to any of the Security Documents to secure any of the Obligations.

"Sold Entity or Business" shall have the meaning provided in the definition of the term "Consolidated EBITDA".

"Solvent" shall mean, with respect to the Borrower, that as of the Closing Date, both (a) (i) the sum of the Borrower's debt (including contingent liabilities) does not exceed the present fair saleable value of the Borrower's present assets; (ii) the Borrower's capital is not unreasonably small in relation to its business as contemplated on the Closing Date; and (iii) the Borrower has not incurred and does not intend to incur, or believe that it will incur, debts including current obligations beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (b) such Person is "solvent" within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

"Specified Subsidiary" shall mean, at any date of determination (a) any Material Subsidiary or (b) any Unrestricted Subsidiary (i) whose total assets at the last day of the Test Period ending on the last day of the most recent fiscal period for which Section 9.1 Financials have been delivered were equal to or greater than 15% of the consolidated total assets of the Borrower and the Subsidiaries at such date, (ii) whose gross revenues for such Test Period were equal to or greater than 15% of the consolidated gross revenues of the Borrower and the Subsidiaries for such period, in each case determined in accordance with GAAP and (c) each other Subsidiary that, when such Subsidiary's total assets or gross revenues are aggregated with the total assets or gross revenues, as applicable, of each other Subsidiary that is the subject of an Event of Default described in Section 11.5 would constitute a Specified Subsidiary under clause (a) or (b) above.

"Specified Transaction" shall mean, with respect to any period, any Investment, sale, transfer or other disposition of assets, incurrence or repayment of Indebtedness, Dividend, Subsidiary designation, New Revolving Credit Commitment or other event that by the terms of this Agreement requires "Pro Forma Compliance" with a test or covenant hereunder or requires such test or covenant to be calculated on a "Pro Forma Basis."

"Sponsor" shall mean GS Capital Partners V Fund, L.P. and its respective Affiliates.

"Stated Amount" of any Letter of Credit shall mean the maximum amount from time to time available to be drawn thereunder, determined without regard to whether any conditions to drawing could then be met.

"Status" shall mean, as to the Borrower as of any date, the existence of Level I Status, Level II Status or Level III Status, as the case may be on such date. Changes in Status resulting from changes in the Consolidated Total Debt to Consolidated EBITDA Ratio shall become effective (the date of such effectiveness, the "Effective Date") as of the first day following the last day of the most recent fiscal year or period for which (a) Section 9.1 Financials are delivered to the Lenders under Section 9.1 and (b) an officer's certificate is delivered by the Borrower to

the Lenders setting forth, with respect to such Section 9.1 Financials, the then-applicable Status, and shall remain in effect until the next change to be effected pursuant to this definition, provided that (i) if the Borrower shall have made any payments in respect of interest or commitment fees during the period (the "Interim Period") from and including the Effective Date to but excluding the day any change in Status is determined as provided above, then the amount of the next such payment due on or after such day shall be increased or decreased by an amount equal to any underpayment or overpayment so made by the Borrower during such Interim Period and (ii) each determination of the Consolidated Total Debt to Consolidated EBITDA Ratio pursuant to this definition shall be made with respect to the Test Period ending at the end of the fiscal period covered by the relevant financial statements.

"Statutory Reserve Rate" shall mean for any day as applied to any LIBOR Loan, a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages that are in effect on that day (including any marginal, special, emergency or supplemental reserves), expressed as a decimal, as prescribed by the Board and to which the Administrative Agent is subject, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. LIBOR Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Stock" shall mean shares of capital stock or shares in the capital, as the case may be (whether denominated as common stock or preferred stock or ordinary shares or preferred shares, as the case may be), beneficial, partnership or membership interests, participations or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity, whether voting or non-voting.

"Stock Equivalents" shall mean all securities convertible into or exchangeable for Stock and all warrants, options or other rights to purchase or subscribe for any Stock, whether or not presently convertible, exchangeable or exercisable.

"Subordinated Indebtedness" shall mean Indebtedness of the Borrower or any Guarantor that is by its terms subordinated in right of payment to the obligations of the Borrower and such Guarantor, as applicable, under this Agreement.

"Subsidiary" of any Person shall mean and include (a) any corporation more than 50% of whose Stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time Stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries, (b) any partnership, association, joint venture or other entity in which such Person directly or indirectly through Subsidiaries has more than a 50% equity interest at the time and (c) with respect to the Borrower, Red Man Distributors. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower.

"Subsidiary Guarantors" shall mean (a) each Domestic Subsidiary (other than an Excluded Subsidiary) existing on the Closing Date and (b) each Domestic Subsidiary that becomes a party to the Guarantee after the Closing Date pursuant to Section 9.11 or otherwise.

"Successor Borrower" shall have the meaning provided in Section 10.3(a).

"Super-Majority Lenders" shall mean, at any date, (a) Non-Defaulting Lenders having or holding at least 75% of the Adjusted Total Revolving Credit Commitment at such date or (b) if the Total Revolving Credit Commitment has been terminated, Non-Defaulting Lenders having or holding at least 75% of the outstanding principal amount of the Loans and Letter of Credit Exposures (excluding the Loans and Letter of Credit Exposure of Defaulting Lenders) in the aggregate at such date.

"Swingline Commitment" shall mean $60,000,000.

"Swingline Lender" shall mean CIT in its capacity as lender of Swingline Loans hereunder.

"Swingline Loans" shall have the meaning provided in Section 2.1(c).

"Swingline Maturity Date" shall mean, with respect to any Swingline Loan, the date that is five Business Days prior to the Revolving Credit Maturity Date.

"Syndication Agent" shall mean Bank of America, N.A., together with its affiliates, as the syndication agent for the Lenders under this Agreement and the other Credit Documents.

"Taxes" shall mean any and all present or future taxes, duties, levies, imposts, assessments, deductions, withholdings or other similar charges imposed by any Governmental Authority whether computed on a separate, consolidated, unitary, combined or other basis and any and all liabilities (including interest, fines, penalties or additions to tax) with respect to the foregoing.

"Term Loans" shall have the meaning provided in the recitals hereto.

"Term Loan Credit Agreement" shall mean that certain term loan credit agreement, as amended, restated, increased or otherwise supplemented in accordance with the Intercreditor Agreement, dated as of the Original Closing Date, by and among the Borrower, Lehman Commercial Paper Inc., as administrative agent and collateral agent, Goldman Sachs Credit Partners L.P. and Lehman Brothers Inc., as the co-lead arrangers and joint bookrunners, and Goldman Sachs Credit Partners L.P., as the syndication agent.

"Test Period" shall mean, for any determination under this Agreement, the four consecutive fiscal quarters of the Borrower then last ended.

"Total Commitment" shall mean the Total Revolving Credit Commitment.

"Total Credit Exposure" shall mean, at any date, the Total Revolving Credit Commitment at such date.

"Total Revolving Credit Commitment" shall mean the sum of the Revolving Credit Commitments of all the Lenders.

"Transaction Expenses" shall mean any fees or expenses incurred or paid by the Borrower or any of its Subsidiaries in connection with the Transactions, this Agreement and the other Credit Documents and the transactions contemplated hereby and thereby.

"Transactions" shall mean, collectively, the transactions contemplated by this Agreement, the Term Loan Credit Agreement, the Red Man Transaction and the Equity Investments.

"Transfer" shall have the meaning provided in Section 2.15(b).

"Transfer Date" shall have the meaning provided in Section 2.15(b).

"Transferee" shall have the meaning provided in Section 14.6(e).

"Trigger Date" shall mean the date on which Section 9.1 Financials are delivered to the Lenders under Section 9.1 for the fiscal quarter ending on March 31, 2008.

"Type" shall mean as to any Revolving Credit Loan, its nature as an ABR Loan or a LIBOR Revolving Credit Loan.

"Unfunded Current Liability" of any Plan shall mean the amount, if any, by which the present value of the accrued benefits under the Plan as of the close of its most recent plan year, determined in accordance with Statement of Financial Accounting Standards No. 87 as in effect on the date hereof, based upon the actuarial assumptions that would be used by the Plan's actuary in a termination of the Plan, exceeds the fair market value of the assets allocable thereto.

"Unpaid Drawing" shall have the meaning provided in Section 3.4(a).

"Unrestricted Subsidiary" shall mean (a) any Subsidiary of the Borrower that is formed or acquired after the Closing Date, provided that at such time (or promptly thereafter) the Borrower designates such Subsidiary an Unrestricted Subsidiary in a written notice to the Administrative Agent, (b) any Restricted Subsidiary subsequently re-designated as an Unrestricted Subsidiary by the Borrower in a written notice to the Administrative Agent, provided that in the case of (a) and (b), (x) such designation or re-designation shall be deemed to be an Investment on the date of such re-designation in an Unrestricted Subsidiary in an amount equal to the sum of (i) the Borrower's direct or indirect equity ownership percentage of the net worth of such designation or re-designated Restricted Subsidiary immediately prior to such designation or re-designation (such net worth to be calculated without regard to any guarantee provided by such designated or re-designated Restricted Subsidiary) and (ii) the aggregate principal amount of any Indebtedness owed by such designated or re-designated Restricted Subsidiary to the Borrower or any other Restricted Subsidiary immediately prior to such designated or re-designation, all calculated, except as set forth in the parenthetical to clause (i), on a consolidated basis in accordance with GAAP and (y) no Default or Event of Default would result from such designation or re-designation and (c) each Subsidiary of an Unrestricted Subsidiary; provided, however, that at the time of any written designation or re-designation by the Borrower to the Administrative Agent that any Unrestricted Subsidiary shall no longer

constitute an Unrestricted Subsidiary, such Unrestricted Subsidiary shall cease to be an Unrestricted Subsidiary to the extent no Default or Event of Default would result from such designation or re-designation. On or promptly after the date of its formation, acquisition, designation or re-designation, as applicable, each Unrestricted Subsidiary (other than an Unrestricted Subsidiary that is a Foreign Subsidiary) shall have entered into a tax sharing agreement containing terms that, in the reasonable judgment of the Administrative Agent, provide for an appropriate allocation of tax liabilities and benefits. An Unrestricted Subsidiary which has been re-designated as a Restricted Subsidiary may not be subsequently re-designated as an Unrestricted Subsidiary.

"Voting Stock" shall mean, with respect to any Person, such Person's Stock or Stock Equivalents having the right to vote for the election of directors of such Person under ordinary circumstances.

1.2 Other Interpretive Provisions. With reference to this Agreement and each other Credit Document, unless otherwise specified herein or in such other Credit Document:

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words "herein", "hereto", "hereof" and "hereunder" and words of similar import when used in any Credit Document shall refer to such Credit Document as a whole and not to any particular provision thereof.

(c) Article, Section, Exhibit and Schedule references are to the Credit Document in which such reference appears.

(d) The term "including" is by way of example and not limitation.

(e) The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(f) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding"; and the word "through" means "to and including".

(g) Section headings herein and in the other Credit Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Credit Document.

1.3 Accounting Terms; Exchange Rates. (a) All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP.

(b) Notwithstanding anything to the contrary herein, for purposes of determining compliance with any test or covenant contained in this Agreement with respect to any period

during which any Specified Transaction occurs, the Consolidated Total Debt to Consolidated EBITDA and the Consolidated EBITDA to Consolidated Interest Expense Ratio shall be calculated with respect to such period and such Specified Transaction on a Pro Forma Basis.

(c) For purposes of determining compliance under Sections 7.1(d), 10.4, 10.5 (other than with respect to determining the amount of any Indebtedness), and 10.6 with respect to any amount in a Foreign Currency, such amount shall be deemed to equal the Dollar Equivalent thereof based on the average Exchange Rate for a Foreign Currency for the most recent twelve-month period immediately prior to the date of determination determined in a manner consistent with that used in calculating Consolidated EBITDA for the related period. For purposes of determining compliance with Sections 10.1, 10.2 and 10.5, with respect to any amount of Indebtedness in a Foreign Currency, compliance will be determined at the time of incurrence or advancing thereof using the Dollar Equivalent thereof at the Exchange Rate in effect at the time of such incurrence or advancement.

1.4 Rounding. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.5 References to Agreements, Laws, Etc. Unless otherwise expressly provided herein, (a) references to Organization Documents, agreements (including the Credit Documents) and other Contractual Obligations shall be deemed to include all subsequent amendments, restatements, amendment and restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, amendment and restatements, extensions, supplements and other modifications are permitted by any Credit Document; and (b) references to any Applicable Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Applicable Law.

SECTION 2.Amount and Terms of Credit

2.1 Commitments. (a) [Intentionally Omitted]

(b) (i) Subject to and upon the terms and conditions herein set forth, each Lender having a Revolving Credit Commitment severally agrees to make a loan or loans denominated in Dollars (each a "Revolving Credit Loan" and, collectively, the "Revolving Credit Loans") to the Borrower which Revolving Credit Loans (A) shall be made at any time and from time to time on and after the Closing Date and prior to the Revolving Credit Maturity Date, (B) may, at the option of the Borrower be incurred and maintained as, and/or converted into, ABR Loans or LIBOR Revolving Credit Loans, provided that all Revolving Credit Loans made by each of the Lenders pursuant to the same Borrowing shall, unless otherwise specifically provided herein, consist entirely of Revolving Credit Loans of the same Type, (C) may be repaid and reborrowed in accordance with the provisions hereof, (D) shall not, for any such Lender at any time, after giving effect thereto and to the application of the proceeds thereof, result in such Lender's Revolving Credit Exposure at such time exceeding such Lender's Revolving Credit Commitment

at such time and (E) shall not, after giving effect thereto and to the application of the proceeds thereof, result at any time in the aggregate amount of the Lenders' Revolving Credit Exposures at such time exceeding the lesser of the Total Revolving Credit Commitment and the Borrowing Base then in effect.

(ii) Each Lender may at its option make any LIBOR Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan, provided that (A) any exercise of such option shall not affect the obligation of the Borrower to repay such Loan and (B) in exercising such option, such Lender shall use its reasonable efforts to minimize any increased costs to the Borrower resulting therefrom (which obligation of the Lender shall not require it to take, or refrain from taking, actions that it determines would result in increased costs for which it will not be compensated hereunder or that it determines would be otherwise disadvantageous to it and in the event of such request for costs for which compensation is provided under this Agreement, the provisions of Section 3.5 shall apply). On the Revolving Credit Maturity Date, all Revolving Credit Loans shall be repaid in full.

(c) Subject to and upon the terms and conditions herein set forth, the Swingline Lender in its individual capacity agrees, at any time and from time to time on and after the Closing Date and prior to the Swingline Maturity Date, to make a loan or loans (each a "Swingline Loan" and, collectively, the "Swingline Loans") to the Borrower in Dollars, which Swingline Loans (i) shall be ABR Loans, (ii) shall have the benefit of the provisions of Section 2.1(d), (iii) shall not exceed at any time outstanding the Swingline Commitment, (iv) shall not, after giving effect thereto and to the application of the proceeds thereof, result at any time in the aggregate amount of the Lenders' Revolving Credit Exposures at such time exceeding the lesser of Total Revolving Credit Commitment and the Borrowing Base then in effect and (v) may be repaid and reborrowed in accordance with the provisions hereof. On the Swingline Maturity Date, each outstanding Swingline Loan shall be repaid in full. The Swingline Lender shall not make any Swingline Loan after receiving a written notice from the Borrower or any Lender stating that a Default or Event of Default exists and is continuing until such time as the Swingline Lender shall have received written notice of (i) rescission of all such notices from the party or parties originally delivering such notice or (ii) the waiver of such Default or Event of Default in accordance with the provisions of Section 14.1.

(d) On any Business Day, the Swingline Lender may, in its sole discretion, and shall at least weekly, give notice to the Lenders with a Revolving Credit Commitment that all then- outstanding Swingline Loans shall be funded with a Borrowing of Revolving Credit Loans, in which case Revolving Credit Loans constituting ABR Loans (each such Borrowing, a "Mandatory Borrowing") shall be made on the immediately succeeding Business Day by all Lenders with a Revolving Credit Commitment *pro rata* based on each Lender's Revolving Credit Commitment Percentage, and the proceeds thereof shall be applied directly to the Swingline Lender to repay the Swingline Lender for such outstanding Swingline Loans. Each Lender with a Revolving Credit Commitment hereby irrevocably agrees to make such Revolving Credit Loans upon one Business Day's notice pursuant to each Mandatory Borrowing in the amount and in the manner specified in the preceding sentence and on the date specified to it in writing by the Swingline Lender notwithstanding (i) that the amount of the Mandatory Borrowing may not comply with the minimum amount for each Borrowing specified in Section 2.2, (ii) whether any conditions specified in Section 7 are then satisfied, (iii) whether a Default or

an Event of Default has occurred and is continuing, (iv) the date of such Mandatory Borrowing or (v) any reduction in the Total Commitment after any such Swingline Loans were made. In the event that, in the sole judgment of the Swingline Lender, any Mandatory Borrowing cannot for any reason be made on the date otherwise required above (including as a result of the commencement of a proceeding under the Bankruptcy Code in respect of the Borrower), each Lender with a Revolving Credit Commitment hereby agrees that it shall forthwith purchase from the Swingline Lender (without recourse or warranty) such participation of the outstanding Swingline Loans as shall be necessary to cause the Lenders to share in such Swingline Loans ratably based upon their respective Revolving Credit Commitment Percentages, provided that all principal and interest payable on such Swingline Loans shall be for the account of the Swingline Lender until the date the respective participation is purchased and, to the extent attributable to the purchased participation, shall be payable to the Lender purchasing same from and after such date of purchase.

2.2 Minimum Amount of Each Borrowing; Maximum Number of Borrowings. The aggregate principal amount of each Borrowing of Revolving Credit Loans shall be in a multiple of $1,000,000 and Swingline Loans shall be in a multiple of $250,000 and, in each case, shall not be less than the Minimum Borrowing Amount with respect thereto (except that Mandatory Borrowings shall be made in the amounts required by Section 2.1(d)). More than one Borrowing may be incurred on any date, provided that at no time shall there be outstanding more than six (6) Borrowings of LIBOR Loans under this Agreement.

2.3 Notice of Borrowing. (a) [Intentionally Omitted.]

(b) Whenever the Borrower desires to incur Revolving Credit Loans (other than Mandatory Borrowings or borrowings to repay Unpaid Drawings), it shall give the Administrative Agent at the Administrative Agent's Office, (i) prior to 1:00 p.m. (New York City Time) at least three Business Days' prior written notice (or telephonic notice promptly confirmed in writing) of each Borrowing of LIBOR Revolving Credit Loans, and (ii) written notice prior to 10:00 a.m. (New York City time) on the date of such Borrowing (or telephonic notice promptly confirmed in writing) of each Borrowing of ABR Loans. Such Notice of Borrowing, except as otherwise expressly provided in Section 2.10, shall specify (i) the aggregate principal amount of the Revolving Credit Loans to be made pursuant to such Borrowing, (ii) the date of Borrowing (which shall be a Business Day) and (iii) whether the respective Borrowing shall consist of ABR Loans or LIBOR Revolving Credit Loans and, if LIBOR Revolving Credit Loans, the Interest Period to be initially applicable thereto. The Administrative Agent shall promptly give each Lender written notice (or telephonic notice promptly confirmed in writing) of each proposed Borrowing of Revolving Credit Loans, of such Lender's proportionate share thereof and of the other matters covered by the related Notice of Borrowing.

(c) Whenever the Borrower desires to incur Swingline Loans hereunder, it shall give the Administrative Agent written notice (or telephonic notice promptly confirmed in writing) of each Borrowing of Swingline Loans prior to 1:00 p.m. (New York City time) on the date of such Borrowing. Each such notice shall specify (i) the aggregate principal amount of the Swingline Loans to be made pursuant to such Borrowing and (ii) the date of Borrowing (which shall be a Business Day). The Administrative Agent shall promptly give the Swingline Lender written

notice (or telephonic notice promptly confirmed in writing) of each proposed Borrowing of Swingline Loans and of the other matters covered by the related Notice of Borrowing.

(d) Mandatory Borrowings shall be made upon the notice specified in Section 2.1(d), with the Borrower irrevocably agreeing, by its incurrence of any Swingline Loan, to the making of Mandatory Borrowings as set forth in such Section.

(e) Borrowings to reimburse Unpaid Drawings shall be made upon the notice specified in Section 3.4(a).

(f) Without in any way limiting the obligation of the Borrower to confirm in writing any notice it may give hereunder by telephone, the Administrative Agent may act prior to receipt of written confirmation without liability upon the basis of such telephonic notice believed by the Administrative Agent in good faith to be from an Authorized Officer of the Borrower. In each such case, the Borrower hereby waives the right to dispute the Administrative Agent's record of the terms of any such telephonic notice.

2.4 Disbursement of Funds. (a) No later than 12:00 Noon (New York City time) on the date specified in each Notice of Borrowing (including Mandatory Borrowings), each Lender will make available its *pro rata* portion, if any, of each Borrowing requested to be made on such date in the manner provided below, provided that all Swingline Loans shall be made available in the full amount thereof by the Swingline Lender no later than 3:00 p.m. (New York City time) on the date requested.

(b) Each Lender shall make available all amounts it is to fund to the Borrower under any Borrowing for its applicable Commitments, and in immediately available funds to the Administrative Agent at the Administrative Agent's Office and the Administrative Agent will (except in the case of Mandatory Borrowings and Borrowings to repay Unpaid Drawings) make available to the Borrower, by depositing to an account designated by the Borrower to the Administrative Agent the aggregate of the amounts so made available in Dollars. Unless the Administrative Agent shall have been notified by any Lender prior to the date of any such Borrowing that such Lender does not intend to make available to the Administrative Agent its portion of the Borrowing or Borrowings to be made on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date of Borrowing, and the Administrative Agent, in reliance upon such assumption, may (in its sole discretion and without any obligation to do so) make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender and the Administrative Agent has made available same to the Borrower, the Administrative Agent shall be entitled to recover such corresponding amount from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor the Administrative Agent shall promptly notify the Borrower and the Borrower shall immediately pay such corresponding amount to the Administrative Agent. The Administrative Agent shall also be entitled to recover from such Lender or the Borrower interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower to the date such corresponding amount is recovered by the Administrative Agent, at a rate *per annum* equal to (i) if paid by such Lender, the Federal Funds Effective Rate or (ii) if paid

by the Borrower, the then-applicable rate of interest or fees, calculated in accordance with Section 2.8, for the respective Loans.

(c) Nothing in this Section 2.4 shall be deemed to relieve any Lender from its obligation to fulfill its commitments hereunder or to prejudice any rights that the Borrower may have against any Lender as a result of any default by such Lender hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to fulfill its commitments hereunder).

2.5 Repayment of Loans; Evidence of Debt. (a) The Borrower shall repay to the Administrative Agent in Dollars, for the benefit of the applicable Lenders, on the Revolving Credit Maturity Date, the then-unpaid Revolving Credit Loans made to the Borrower. The Borrower shall repay to the Administrative Agent in Dollars, for the account of the Swingline Lender, on the Swingline Maturity Date, the then-unpaid Swingline Loans.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to the appropriate lending office of such Lender resulting from each Loan made by such lending office of such Lender from time to time, including the amounts of principal and interest payable and paid to such lending office of such Lender from time to time under this Agreement.

(c) The Administrative Agent shall maintain the Register pursuant to Section 14.6(b), and a sub account for each Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount of each Loan made hereunder, whether such Loan is a Revolving Credit Loan or a Swingline Loan, as applicable, the Type of each Loan made and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender or the Swingline Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof. After the occurrence and during the continuation of an Event of Default, the Register shall be available for inspection by any Lender (solely with respect to its own interest) at any reasonable time and upon reasonable prior notice.

(d) The entries made in the Register and accounts and subaccounts maintained pursuant to paragraphs (b) and (c) of this Section 2.5 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain such account, such Register or such subaccount, as applicable, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made to the Borrower by such Lender in accordance with the terms of this Agreement.

2.6 Conversions and Continuations. (a) The Borrower shall have the option on any Business Day to convert all or a portion equal to at least the Minimum Borrowing Amount of the outstanding principal amount of Revolving Credit Loans made to the Borrower (as applicable) of one Type into a Borrowing or Borrowings of another Type and the Borrower shall have the option on any Business Day to continue the outstanding principal amount of any LIBOR Revolving Credit Loans as LIBOR Revolving Credit Loans for an additional Interest Period, on the last Business Day of the existing Interest Period, provided that (i) no partial conversion of

LIBOR Revolving Credit Loans shall reduce the outstanding principal amount of LIBOR Revolving Credit Loans made pursuant to a single Borrowing to less than the Minimum Borrowing Amount, (ii) ABR Loans may not be converted into LIBOR Revolving Credit Loans if a Default or Event of Default is in existence on the date of the conversion and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such conversion, (iii) LIBOR Loans may not be continued as LIBOR Loans for an additional Interest Period if an Event of Default is in existence on the date of the proposed continuation and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuation and (iv) Borrowings resulting from conversions pursuant to this Section 2.6 shall be limited in number as provided in Section 2.2. Each such conversion or continuation shall be effected by the Borrower by giving the Administrative Agent at the Administrative Agent's Office prior to 1:00 p.m. (New York City time) at least three Business Days' prior written notice or written notice prior to 10:00 a.m. (New York City time) on the same Business Day in the case of a conversion into ABR Loans (or, in each case, telephonic notice promptly confirmed in writing) (each, a "Notice of Conversion or Continuation") specifying the Revolving Credit Loans to be so converted or continued, the Type of Revolving Credit Loans to be converted or continued into and, if such Revolving Credit Loans are to be converted into or continued as LIBOR Loans, the Interest Period to be initially applicable thereto. The Administrative Agent shall give each Lender notice as promptly as practicable of any such proposed conversion or continuation affecting any of its Revolving Credit Loans.

(b) If any Default or Event of Default is in existence at the time of any proposed continuation of any LIBOR Loans and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuation, such LIBOR Loans shall be automatically converted on the last day of the current Interest Period into ABR Loans. If upon the expiration of any Interest Period in respect of LIBOR Loans, the Borrower has failed to elect a new Interest Period to be applicable thereto as provided in paragraph (a) above, the Borrower shall be deemed to have elected to continue such Borrowing of LIBOR Loans into a Borrowing of ABR Loans, effective as of the expiration date of such current Interest Period.

2.7 *Pro Rata* Borrowings. Each Borrowing of Revolving Credit Loans under this Agreement shall be granted by the Lenders *pro rata* on the basis of their then-applicable Revolving Credit Commitments. It is understood that (a) no Lender shall be responsible for any default by any other Lender in its obligation to make Loans hereunder and that each Lender shall be obligated to make the Loans provided to be made by it hereunder, regardless of the failure of any other Lender to fulfill its commitments hereunder and (b) other than as expressly provided herein with respect to a Defaulting Lender, failure by a Lender to perform any of its obligations under any of the Credit Documents shall not release any Person from performance of its obligation under any Credit Document.

2.8 Interest. (a) The unpaid principal amount of each ABR Loan shall bear interest from the date of the Borrowing thereof until maturity (whether by acceleration or otherwise) at a rate *per annum* that shall at all times be the Applicable ABR Margin plus the ABR in effect from time to time.

(b) The unpaid principal amount of each LIBOR Loan shall bear interest from the date of the Borrowing thereof until maturity thereof (whether by acceleration or otherwise) at a rate *per annum* that shall at all times be the Applicable LIBOR Margin in effect from time to time plus the relevant LIBOR Rate.

(c) If all or a portion of (i) the principal amount of any Loan or (ii) any interest payable thereon shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest (including post-petition interest in any proceeding under the Bankruptcy Code or other applicable bankruptcy laws) at a rate *per annum* that is (x) in the case of overdue principal, the rate that would otherwise be applicable thereto plus 2% or (y) in the case of any overdue interest, to the extent permitted by applicable law, the rate described in Section 2.8(a) plus 2% from and including the date of such non-payment to but excluding the date on which such amount is paid in full (after as well as before judgment). Payment or acceptance of the increased rates of interest provided for in this Section 2.8 is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Administrative Agent or any Lender.

(d) Interest on each Loan shall accrue from and including the date of any Borrowing to but excluding the date of any repayment thereof and shall be payable (i) in respect of each ABR Loan, quarterly in arrears on the last day of each March, June, September and December, (ii) in respect of each LIBOR Loan, on the last day of each Interest Period applicable thereto and, in the case of an Interest Period in excess of three months, on each date occurring at three-month intervals after the first day of such Interest Period, (iii) in respect of each Loan (except, other than in the case of prepayments, any ABR Loan), on any prepayment date (on the amount prepaid), at maturity (whether by acceleration or otherwise) and, after such maturity, on demand.

(e) All computations of interest hereunder shall be made in accordance with Section 5.5.

(f) The Administrative Agent, upon determining the interest rate for any Borrowing of LIBOR Loans, shall promptly notify the Borrower and the relevant Lenders thereof. Each such determination shall, absent clearly demonstrable error, be final and conclusive and binding on all parties hereto.

2.9 Interest Periods. At the time the Borrower gives a Notice of Borrowing or Notice of Conversion or Continuation in respect of the making of, or conversion into or continuation as, a Borrowing of LIBOR Loans (in the case of the initial Interest Period applicable thereto) or prior to 10:00 a.m. (New York City time) on the third Business Day prior to the expiration of an Interest Period applicable to a Borrowing of LIBOR Loans, the Borrower shall have the right to elect by giving the Administrative Agent written notice (or telephonic notice promptly confirmed in writing) the Interest Period applicable to such Borrowing, which Interest Period shall, at the option of the Borrower be a one, two, three, six or (if available to all the Lenders as determined by such Lenders in good faith based on prevailing market conditions) a nine or twelve month period.

Notwithstanding anything to the contrary contained above:

(a) the initial Interest Period for any Borrowing of LIBOR Loans shall commence on the date of such Borrowing (including the date of any conversion from a Borrowing of ABR Loans) and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the next preceding Interest Period expires;

(b) if any Interest Period relating to a Borrowing of LIBOR Revolving Credit Loans begins on the last Business Day of a calendar month or begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of the calendar month at the end of such Interest Period;

(c) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day, provided that if any Interest Period would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day; and

(d) the Borrower shall not be entitled to elect any Interest Period if such Interest Period would extend beyond the applicable maturity date of such Loan.

2.10 Increased Costs, Illegality, etc. (a) In the event that (x) in the case of clause (i) below, the Administrative Agent or (y) in the case of clauses (ii) and (iii) below, any Lender shall have reasonably determined (which determination shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto):

(i) on any date for determining the LIBOR Rate for any Interest Period that (x) deposits in the principal amounts of the Loans comprising such LIBOR Borrowing are not generally available in the relevant market or (y) by reason of any changes arising on or after the Closing Date affecting the interbank LIBOR market, adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of LIBOR Rate; or

(ii) at any time, that such Lender shall incur increased costs or reductions in the amounts received or receivable hereunder with respect to any LIBOR Loans (other than any such increase or reduction attributable to Taxes) because of (x) any change since the date hereof in any applicable law, governmental rule, regulation, guideline or order (or in the interpretation or administration thereof and including the introduction of any new law or governmental rule, regulation, guideline or order), such as, for example, without limitation, a change in official reserve requirements, and/or (y) other circumstances affecting the interbank LIBOR market or the position of such Lender in such market; or

(iii) at any time, that the making or continuance of any LIBOR Loan has become unlawful by compliance by such Lender in good faith with any law, governmental rule, regulation, guideline or order (or would conflict with any such governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful), or has become impracticable as a result of a contingency occurring after the date hereof that materially and adversely affects the interbank LIBOR market;

then, and in any such event, such Lender (or the Administrative Agent, in the case of clause (i) above) shall within a reasonable time thereafter give notice (if by telephone, confirmed in writing) to the Borrower and to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the other Lenders). Thereafter (x) in the case of clause (i) above, LIBOR Revolving Credit Loans shall no longer be available until such time as the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice by the Administrative Agent no longer exist (which notice the Administrative Agent agrees to give at such time when such circumstances no longer exist), and any Notice of Borrowing or Notice of Conversion given by the Borrower with respect to LIBOR Revolving Credit Loans that have not yet been incurred shall be deemed rescinded by the Borrower (y) in the case of clause (ii) above, the Borrower shall pay to such Lender, promptly after receipt of written demand therefor such additional amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Lender in its reasonable discretion shall determine) as shall be required to compensate such Lender for such increased costs or reductions in amounts receivable hereunder (it being agreed that a written notice as to the additional amounts owed to such Lender, showing in reasonable detail the basis for the calculation thereof, submitted to the Borrower by such Lender shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto) and (z) in the case of clause (iii) above, the Borrower shall take one of the actions specified in Section 2.10(b) as promptly as possible and, in any event, within the time period required by law.

(b) At any time that any LIBOR Loan is affected by the circumstances described in Section 2.10(a)(ii) or (iii), the Borrower may (and in the case of a LIBOR Loan affected pursuant to Section 2.10(a)(iii) shall) either (x) if the affected LIBOR Loan is then being made pursuant to a Borrowing, cancel said Borrowing by giving the Administrative Agent telephonic notice (confirmed promptly in writing) thereof on the same date that the Borrower was notified by a Lender pursuant to Section 2.10(a)(ii) or (iii) or (y) if the affected LIBOR Loan is then outstanding, upon at least three Business Days' notice to the Administrative Agent, require the affected Lender to convert each such LIBOR Revolving Credit Loan into an ABR Loan, provided that if more than one Lender is affected at any time, then all affected Lenders must be treated in the same manner pursuant to this Section 2.10(b).

(c) If, after the date hereof, the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, the National Association of Insurance Commissioners, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by a Lender or its parent with any request or directive made or adopted after the date hereof regarding capital adequacy (whether or not having the force of law) of any such authority, association, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Lender's or its parent's or its Affiliate's capital or assets as a consequence of such Lender's commitments or obligations hereunder to a level below that which such Lender or its parent or its Affiliate could have achieved but for such adoption, effectiveness, change or compliance (taking into consideration such Lender's or its parent's policies with respect to capital adequacy), then from time to time, promptly after demand by such Lender (with a copy to the Administrative Agent), the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or its parent for such reduction, it being understood and agreed, however, that a Lender shall not be entitled to

such compensation as a result of such Lender's compliance with, or pursuant to any request or directive to comply with, any such law, rule or regulation as in effect on the date hereof. Each Lender, upon determining in good faith that any additional amounts will be payable pursuant to this Section 2.10(c), will give prompt written notice thereof to the Borrower which notice shall set forth in reasonable detail the basis of the calculation of such additional amounts, although the failure to give any such notice shall not, subject to Section 2.13, release or diminish the Borrower's obligations to pay additional amounts pursuant to this Section 2.10(c) upon receipt of such notice.

(d) It is understood that to the extent duplicative of Section 5.4, this Section 2.10 shall not apply to Taxes.

2.11 Compensation. If (a) any payment of principal of any LIBOR Loan is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such LIBOR Loan as a result of a payment or conversion pursuant to Section 2.5, 2.6, 2.10, 5.1, 5.2 or 14.7, as a result of acceleration of the maturity of the Loans pursuant to Section 11 or for any other reason, (b) any Borrowing of LIBOR Loans is not made as a result of a withdrawn Notice of Borrowing, (c) any ABR Loan is not converted into a LIBOR Loan as a result of a withdrawn Notice of Conversion or Continuation, (d) any LIBOR Loan is not continued as an LIBOR Loan, as the case may be, as a result of a withdrawn Notice of Conversion or Continuation or (e) any prepayment of principal of any LIBOR Loan is not made as a result of a withdrawn notice of prepayment pursuant to Section 5.1 or 5.2, the Borrower shall, after receipt of a written request by such Lender (which request shall set forth in reasonable detail the basis for requesting such amount), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that such Lender may reasonably incur as a result of such payment, failure to convert, failure to continue or failure to prepay, including any loss, cost or expense (excluding loss of anticipated profits) actually incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such LIBOR Loan.

2.12 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.10(a)(ii), 2.10(a)(iii), 2.10(b), 3.5 or 5.4 with respect to such Lender, it will, if requested by the Borrower use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event, provided that such designation is made on such terms that such Lender and its lending office suffer no economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of any such Section. Nothing in this Section 2.12 shall affect or postpone any of the obligations of the Borrower or the right of any Lender provided in Section 2.10, 3.5 or 5.4.

2.13 Notice of Certain Costs. Notwithstanding anything in this Agreement to the contrary, to the extent any notice required by Section 2.10, 2.11, 3.5 or 5.4 is given by any Lender more than 180 days after such Lender has knowledge (or should have had knowledge) of the occurrence of the event giving rise to the additional cost, reduction in amounts, loss, tax or other additional amounts described in such Sections, such Lender shall not be entitled to compensation under Section 2.10, 2.11, 3.5 or 5.4, as the case may be, for any such amounts incurred or accruing prior to the 181st day prior to the giving of such notice to the Borrower;

provided that if the event giving rise to such additional cost, reduction in amounts, loss, tax or other additional amounts has a retroactive effect, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof**.**

2.14 Incremental Facilities. (a) Borrower may by written notice to Administrative Agent elect to request the establishment of one or more increases in Revolving Credit Commitments (the "New Revolving Credit Commitments") by an aggregate amount (together with any New Term Loan Commitments obtained after the Closing Date) not in excess of the aggregate amounts permitted by clauses (w), (x) & (y) hereafter and not less than $10,000,000 individually (or such lesser amount which shall be approved by Administrative Agent). Each such notice shall specify the date (each, an "Increased Amount Date") on which the Borrower proposes that the New Revolving Credit Commitments shall be effective, which shall be a date not less than ten Business Days after the date on which such notice is delivered to Administrative Agent. The New Revolving Credit Commitments (together with any New Term Loan Commitments obtained after the Closing Date) shall not exceed the sum of: (w) up to $200,000,000 solely to the extent used to fund the exercise of the CanHCo Call Right (as defined under the Red Man Transaction Agreement as in effect on the date hereof) and the refinancing of certain indebtedness of Midfield Supply Co., plus (x) up to an additional $150,000,000, plus (y) only after the entire amount in the preceding clause (x) has been drawn, an amount such that on a Pro Forma Basis after giving effect to the borrowings to be made on the Increased Amount Date (which shall be deemed to be equal to the amount of the New Revolving Credit Commitments for the purposes of this clause (y)) and all Specified Transactions after the beginning of the relevant Test Period but prior to or simultaneous with such borrowing, the Secured Leverage Ratio shall equal or be less than 4.75 to 1.00; provided that any Lender offered or approached to provide all or a portion of the New Revolving Credit Commitments may elect or decline, in its sole discretion, to provide a New Revolving Credit Commitments. Such New Revolving Credit Commitments shall become effective, as of such Increased Amount Date; provided that (i) no Default or Event of Default shall exist on such Increased Amount Date before or after giving effect to such New Revolving Credit Commitments, as applicable; (ii) both before and after giving effect to the making of any New Revolving Loans, each of the conditions set forth in Section 7 shall be satisfied; (iii) Borrower and its Subsidiaries shall be in Pro Forma Compliance with the Borrowing Base as of the last day of the most recently ended fiscal quarter after giving effect to such New Revolving Credit Commitments and any Specified Transaction to be consummated in connection therewith; (iv) the New Revolving Credit Commitments shall be effected pursuant to one or more Joinder Agreements executed and delivered by the Borrower and Administrative Agent, and each of which shall be recorded in the Register and shall be subject to the requirements set forth in Section 5.4(d) and (e); (v) Borrower shall make any payments required pursuant to Section 2.11 in connection with the New Revolving Credit Commitments, as applicable; and (vi) Borrower shall deliver or cause to be delivered any legal opinions or other documents reasonably requested by Administrative Agent in connection with any such transaction.

(b) On any Increased Amount Date on which New Revolving Loan Commitments are effected, subject to the satisfaction of the foregoing terms and conditions, (i) each of the Lenders with Revolving Credit Commitments shall assign to each Lender with a New Revolving Credit Commitment (each, a "New Revolving Loan Lender") and each of the New Revolving Loan Lenders shall purchase from each of the Lenders with Revolving Credit Commitments, at the

principal amount thereof (together with accrued interest), such interests in the Revolving Credit Loans outstanding on such Increased Amount Date as shall be necessary in order that, after giving effect to all such assignments and purchases, such Revolving Credit Loans will be held by existing Lenders with Revolving Credit Loans and New Revolving Loan Lenders ratably in accordance with their Revolving Credit Commitments after giving effect to the addition of such New Revolving Credit Commitments to the Revolving Credit Commitments, (ii) each New Revolving Credit Commitment shall be deemed for all purposes a Revolving Credit Commitment and each Loan made thereunder (a "New Revolving Loan") shall be deemed, for all purposes, a Revolving Credit Loan and (iii) each New Revolving Loan Lender shall become a Lender with respect to the New Revolving Loan Commitment and all matters relating thereto.

(c) [Intentionally Omitted].

(d) The terms and provisions of the New Revolving Loans and New Revolving Credit Commitments shall be identical to the Revolving Credit Loans and the Revolving Credit Commitments.

(e) Each Joinder Agreement may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Credit Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provision of this Section 2.14.

2.15 Protective Advances. (a) Subject to the limitations set forth below, the Administrative Agent is authorized by the Borrower and the Lenders, from time to time in the Administrative Agent's sole discretion (but shall have absolutely no obligation to), to make Loans to the Borrower, on behalf of all Lenders, which the Administrative Agent, in its Permitted Discretion, deems necessary or desirable (i) to preserve or protect the Collateral or any portion thereof or (ii) to enhance the likelihood of, or maximize the amount of, repayment of the Loans and other Obligations (any of such Loans are herein referred to as "Protective Advances"); provided that no Protective Advance shall cause the aggregate amount of the Lenders' Revolving Credit Exposures at such time exceed the Total Revolving Credit Commitment then in effect; provided further that, the aggregate amount of Protective Advances outstanding at any time pursuant to clauses (i) and (ii) above shall not exceed an amount equal to five percent (5%) of the Total Revolving Credit Commitment then in effect. Protective Advances may be made even if the conditions precedent set forth in Section 7 have not been satisfied. The Protective Advances shall be secured by the Liens in favor of the Collateral Agent in and to the Collateral and shall constitute Obligations hereunder. All Protective Advances shall be ABR Borrowings. The Administrative Agent's authorization to make Protective Advances may be revoked at any time by the Required Lenders. Any such revocation must be in writing and shall become effective prospectively upon the Administrative Agent's receipt thereof. At any time that there is sufficient Excess Availability and the conditions precedent set forth in Section 7 have been satisfied, the Administrative Agent may request the Lenders to make a Revolving Loan to repay a Protective Advance. At any other time the Administrative Agent may require the Lenders to fund their risk participations described in Section 2.15(b).

(b) Upon the making of a Protective Advance by the Administrative Agent (whether before or after the occurrence of a Default or Event of Default), each Lender shall be deemed,

without further action by any party hereto, to have unconditionally and irrevocably purchased from the Administrative Agent without recourse or warranty, an undivided interest and participation in such Protective Advance in proportion to its Revolving Credit Commitment Percentage. Each Lender shall transfer (a "Transfer") the amount of such Lender's Revolving Credit Commitment Percentage of the outstanding principal amount of the applicable Protective Advance with respect to such purchased interest and participation promptly when requested to the Administrative Agent, to such account of the Administrative Agent as the Administrative Agent may designate, but in any case not later than 3:00 p.m., New York City time, on the Business Day notified (if notice is provided by the Administrative Agent prior to 12:00 p.m. New York City time, and otherwise on the immediately following Business Day (the "Transfer Date"). Transfers may occur during the existence of a Default or Event of Default and whether or not the applicable conditions precedent set forth in Section 7 have then been satisfied. Such amounts transferred to the Administrative Agent shall be applied against the amount of the Protective Advance and, together with Lender's Revolving Credit Commitment Percentage of such Protective Advance, shall constitute Loans of such Lenders, respectively. If any such amount is not transferred to the Administrative Agent by any Lender on such Transfer Date, the Administrative Agent shall be entitled to recover such amount on demand from such Lender together with interest thereon as specified in Section 2.08. From and after the date, if any, on which any Lender is required to fund, and funds, its participation in any Protective Advance purchased hereunder, the Administrative Agent shall promptly distribute to such Lender, such Lender's Revolving Credit Commitment Percentage of all payments of principal and interest and all proceeds of Collateral received by the Administrative Agent in respect of such Protective Advance.

SECTION 3. Letters of Credit

3.1 Letters of Credit. (a) Subject to and upon the terms and conditions herein set forth, at any time and from time to time after the Closing Date and prior to the L/C Maturity Date, the Letter of Credit Issuer agrees to issue upon the request of, and for the benefit of the Borrower and the Restricted Subsidiaries letters of credit in Dollars (the "Letters of Credit" and each, a "Letter of Credit") in such form as may be approved by the Letter of Credit Issuer in its reasonable discretion; provided that the Borrower shall be a co-applicant, and jointly and severally liable with respect to, each Letter of Credit issued for the account of a Restricted Subsidiary.

Notwithstanding the foregoing, (i) no Letter of Credit shall be issued the Stated Amount of which, when added to the Letters of Credit Outstanding at such time, would exceed the Letter of Credit Commitment then in effect; (ii) no Letter of Credit shall be issued the Stated Amount of which would cause the aggregate amount of the Lender's Revolving Credit Exposures at such time to exceed the lesser of the Total Revolving Credit Commitment and the Borrowing Base then in effect; (iii) each Letter of Credit shall have an expiration date occurring no later than one year after the date of issuance thereof, unless otherwise agreed upon by the Administrative Agent and the Letter of Credit Issuer; provided, that (x) that in no event shall such expiration date occur later than the L/C Maturity Date and (y) each Letter of Credit may, upon the request of the Borrower, include a provision whereby such Letter of Credit shall be renewed automatically for additional consecutive periods of twelve (12) months or less (but not beyond the L/C Maturity Date); (iv) each Letter of Credit shall be denominated in Dollars; (v) no Letter of Credit shall be

issued if it would be illegal under any applicable law for the beneficiary of the Letter of Credit to have a Letter of Credit issued in its favor; (vi) no Letter of Credit shall be issued if such Letter of Credit is not in form reasonably acceptable to the Letter of Credit Issuer, and (vii) no Letter of Credit shall be issued by a Letter of Credit Issuer after it has received a written notice from any Credit Party or any Lender stating that a Default or Event of Default has occurred and is continuing until such time as the Letter of Credit Issuer shall have received a written notice of (x) rescission of such notice from the party or parties originally delivering such notice or (y) the waiver of such Default or Event of Default in accordance with the provisions of Section 14.1.

(b) Upon at least one Business Day's prior written notice (or telephonic notice promptly confirmed in writing) to the Administrative Agent and the Letter of Credit Issuer (which notice the Administrative Agent shall promptly transmit to each of the applicable Lenders), the Borrower shall have the right, on any day, permanently to terminate or reduce the Letter of Credit Commitment in whole or in part, provided that, after giving effect to such termination or reduction, the Letters of Credit Outstanding shall not exceed the Letter of Credit Commitment.

(c) Except as otherwise agreed between the Borrower and the Letter of Credit Issuer, each Letter of Credit (other than each standby Letter of Credit), shall be subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, as from time to time amended, and to the extent not inconsistent therewith, shall also be subject to the New York Uniform Commercial Code as in effect from time to time. Except as otherwise agreed between the Borrower and the Letter of Credit Issuer, each standby Letter of Credit shall be subject to The International Standby Practices (ISP98 – International Chamber of Commerce Publication No. 590), as from time to time amended, and to the extent not inconsistent therewith, shall also be subject to the New York Uniform Commercial Code as in effect from time to time.

(d) The parties hereto agree that the Existing Letters of Credit shall be deemed Letters of Credit for all purposes under this Agreement, without any further action by the Borrower.

3.2 Letter of Credit Requests. (a) Whenever the Borrower desires that a Letter of Credit be issued for its account, it shall give the Administrative Agent and the Letter of Credit Issuer at least five (or such lesser number as may be agreed upon by the Administrative Agent and the Letter of Credit Issuer) Business Days' written notice thereof. Each notice shall be executed by the Borrower and shall be in the form of Exhibit H (each a "Letter of Credit Request"). The Administrative Agent shall promptly transmit copies of each Letter of Credit Request to each Lender.

(b) The making of each Letter of Credit Request shall be deemed to be a representation and warranty by the Borrower that the Letter of Credit may be issued in accordance with, and will not violate the requirements of, Section 3.1(b).

3.3 Letter of Credit Participations. (a) Immediately upon the issuance by the Letter of Credit Issuer of any Letter of Credit (and on the Closing Date in respect of Existing Letters of Credit), the Letter of Credit Issuer shall be deemed to have sold and transferred to each other

Lender (each such other Lender, in its capacity under this Section 3.3, an "L/C Participant"), and each such L/C Participant shall be deemed irrevocably and unconditionally to have purchased and received from the Letter of Credit Issuer, without recourse or warranty, an undivided interest and participation (each an "L/C Participation"), to the extent of such L/C Participant's Revolving Credit Commitment Percentage in such Letter of Credit, each substitute letter of credit, each drawing made thereunder and the obligations of the Borrower under this Agreement with respect thereto, and any security therefor or guaranty pertaining thereto; provided that the Letter of Credit Fees will be paid directly to the Administrative Agent for the ratable account of the L/C Participants as provided in Section 4.1(b) and the L/C Participants shall have no right to receive any portion of any Fronting Fees.

(b) In determining whether to pay under any Letter of Credit, the relevant Letter of Credit Issuer shall have no obligation relative to the L/C Participants other than to confirm that any documents required to be delivered under such Letter of Credit have been delivered and that they appear to comply on their face with the requirements of such Letter of Credit. Any action taken or omitted to be taken by the relevant Letter of Credit Issuer under or in connection with any Letter of Credit issued by it, if taken or omitted in the absence of gross negligence or willful misconduct, shall not create for the Letter of Credit Issuer any resulting liability.

(c) In the event that the Letter of Credit Issuer makes any payment under any Letter of Credit issued by it and the Borrower shall not have repaid such amount in full to the respective Letter of Credit Issuer pursuant to Section 3.4(a), the Letter of Credit Issuer shall promptly notify the Administrative Agent and each applicable L/C Participant of such failure, and each such L/C Participant shall promptly and unconditionally pay to the Administrative Agent for the account of the Letter of Credit Issuer, the amount of such L/C Participant's Revolving Credit Commitment Percentage of such unreimbursed payment in Dollars and in immediately available funds; provided, however, that no L/C Participant shall be obligated to pay to the Administrative Agent for the account of the respective Letter of Credit Issuer its Revolving Credit Commitment Percentage of such unreimbursed amount arising from any wrongful payment made by the Letter of Credit Issuer under a Letter of Credit as a result of acts or omissions constituting willful misconduct or gross negligence on the part of the Letter of Credit Issuer. If the Letter of Credit Issuer so notifies, prior to 11:00 a.m. (New York City time) on any Business Day, any L/C Participant required to fund a payment under a Letter of Credit, such L/C Participant shall make available to the Administrative Agent for the account of the Letter of Credit Issuer such L/C Participant's Revolving Credit Commitment Percentage of the amount of such payment on such Business Day in immediately available funds. If and to the extent such L/C Participant shall not have so made its Revolving Credit Commitment Percentage of the amount of such payment available to the Administrative Agent for the account of the Letter of Credit Issuer, such L/C Participant agrees to pay to the Administrative Agent for the account of the Letter of Credit Issuer, forthwith on demand, such amount, together with interest thereon for each day from such date until the date such amount is paid to the Administrative Agent for the account of the Letter of Credit Issuer at the Federal Funds Effective Rate. The failure of any L/C Participant to make available to the Administrative Agent for the account of the Letter of Credit Issuer its Revolving Credit Commitment Percentage of any payment under any Letter of Credit shall not relieve any other L/C Participant of its obligation hereunder to make available to the Administrative Agent for the account of the Letter of Credit Issuer its Revolving Credit Commitment Percentage of any payment under such Letter of Credit on the date required, as specified above, but no L/C

Participant shall be responsible for the failure of any other L/C Participant to make available to the Administrative Agent such other L/C Participant's Revolving Credit Commitment Percentage of any such payment.

(d) Whenever the Letter of Credit Issuer receives a payment in respect of an unpaid reimbursement obligation as to which the Administrative Agent has received for the account of the Letter of Credit Issuer any payments from the L/C Participants pursuant to paragraph (c) above, the Letter of Credit Issuer shall pay to the Administrative Agent and the Administrative Agent shall promptly pay to each L/C Participant that has paid its Revolving Credit Commitment Percentage of such reimbursement obligation, in Dollars and in immediately available funds, an amount equal to such L/C Participant's share (based upon the proportionate aggregate amount originally funded by such L/C Participant to the aggregate amount funded by all L/C Participants) of the principal amount of such reimbursement obligation and interest thereon accruing after the purchase of the respective L/C Participations.

(e) The obligations of the L/C Participants to make payments to the Administrative Agent for the account of a Letter of Credit Issuer with respect to Letters of Credit shall be irrevocable and not subject to counterclaim, set-off or other defense or any other qualification or exception whatsoever and shall be made in accordance with the terms and conditions of this Agreement under all circumstances, including under any of the following circumstances:

(i) any lack of validity or enforceability of this Agreement or any of the other Credit Documents;

(ii) the existence of any claim, set-off, defense or other right that the Borrower may have at any time against a beneficiary named in a Letter of Credit, any transferee of any Letter of Credit (or any Person for whom any such transferee may be acting), the Administrative Agent, the Letter of Credit Issuer, any Lender or other Person, whether in connection with this Agreement, any Letter of Credit, the transactions contemplated herein or any unrelated transactions (including any underlying transaction between the Borrower and the beneficiary named in any such Letter of Credit);

(iii) any draft, certificate or any other document presented under any 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;

(iv) the surrender or impairment of any security for the performance or observance of any of the terms of any of the Credit Documents; or

(v) the occurrence of any Default or Event of Default;

provided, however, that no L/C Participant shall be obligated to pay to the Administrative Agent for the account of the Letter of Credit Issuer its Revolving Credit Commitment Percentage of any unreimbursed amount arising from any wrongful payment made by the Letter of Credit Issuer under a Letter of Credit as a result of acts or omissions constituting willful misconduct or gross negligence on the part of the Letter of Credit Issuer.

3.4 Agreement to Repay Letter of Credit Drawings. (a) The Borrower hereby agrees to reimburse the relevant Letter of Credit Issuer, by making payment in Dollars to the Administrative Agent in immediately available funds for any payment or disbursement made by the Letter of Credit Issuer under any Letter of Credit (each such amount so paid until reimbursed, an "Unpaid Drawing") no later than the date that is one Business Day after the date on which the Borrower receives notice of such payment or reimbursement (the "Reimbursement Date"), with interest on the amount so paid or disbursed by the Letter of Credit Issuer, to the extent not reimbursed prior to 5:00 p.m. (New York City time) on the Reimbursement Date, from and including the Reimbursement Date to but excluding the date the Letter of Credit Issuer is reimbursed therefor at a rate *per annum* that shall at all times be the Applicable ABR Margin plus the ABR as in effect from time to time, provided that, notwithstanding anything contained in this Agreement to the contrary, (i) unless the Borrower shall have notified the Administrative Agent and the relevant Letter of Credit Issuer prior to 10:00 a.m. (New York City time) on the Reimbursement Date that the Borrower intends to reimburse the relevant Letter of Credit Issuer for the amount of such drawing with funds other than the proceeds of Loans, the Borrower shall be deemed to have given a Notice of Borrowing requesting that, with respect to Letters of Credit, the Lenders with Revolving Credit Commitments make Revolving Credit Loans (which shall be ABR Loans) on the Reimbursement Date in the amount of such drawing and (ii) the Administrative Agent shall promptly notify each relevant L/C Participant of such drawing and the amount of its Revolving Credit Loan to be made in respect thereof, and each L/C Participant shall be irrevocably obligated to make a Revolving Credit Loan to the Borrower in the manner deemed to have been requested in the amount of its Revolving Credit Commitment Percentage of the applicable Unpaid Drawing by 12:00 noon (New York City time) on such Reimbursement Date by making the amount of such Revolving Credit Loan available to the Administrative Agent. Such Revolving Credit Loans shall be made without regard to the Minimum Borrowing Amount. The Administrative Agent shall use the proceeds of such Revolving Credit Loans solely for purpose of reimbursing the Letter of Credit Issuer for the related Unpaid Drawing.

(b) (i) The obligations of the Borrower under this Section 3.4 to reimburse the Letter of Credit Issuer with respect to Unpaid Drawings (including, in each case, interest thereon) shall be absolute and unconditional under any and all circumstances and irrespective of any set-off, counterclaim or defense to payment that the Borrower or any other Person may have or have had against the Letter of Credit Issuer, the Administrative Agent or any Lender (including in its capacity as an L/C Participant), including any defense based upon the failure of any drawing under a Letter of Credit (each a "Drawing") to conform to the terms of the Letter of Credit or any non-application or misapplication by the beneficiary of the proceeds of such Drawing, provided that the Borrower shall not be obligated to reimburse the Letter of Credit Issuer for any wrongful payment made by the Letter of Credit Issuer under the Letter of Credit issued by it as a result of acts or omissions constituting willful misconduct or gross negligence on the part of the Letter of Credit Issuer.

(ii) The Borrower further agrees with the Letter of Credit Issuer that the Letter of Credit Issuer shall not be responsible for, and the Borrower's reimbursement obligations under Section 3.4 shall not be affected by, among other things, (A) the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, (B) any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred, (C)

any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee, or (D) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations of the Borrower in respect of any Letter of Credit or any other amendment or waiver of or any consent to departure from the terms of any Letter of Credit or any document executed or delivered in connection with the issuance or payment thereof

3.5 Increased Costs. If after the date hereof, the adoption of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or actual compliance by the Letter of Credit Issuer or any L/C Participant with any request or directive made or adopted after the date hereof (whether or not having the force of law), by any such authority, central bank or comparable agency shall either (a) impose, modify or make applicable any reserve, deposit, capital adequacy or similar requirement against letters of credit issued by the Letter of Credit Issuer, or any L/C Participant's L/C Participation therein, or (b) impose on the Letter of Credit Issuer or any L/C Participant any other conditions affecting its obligations under this Agreement in respect of Letters of Credit or L/C Participations therein or any Letter of Credit or such L/C Participant's L/C Participation therein, and the result of any of the foregoing is to increase the cost to the Letter of Credit Issuer or such L/C Participant of issuing, maintaining or participating in any Letter of Credit, or to reduce the amount of any sum received or receivable by the Letter of Credit Issuer or such L/C Participant hereunder (other than any such increase or reduction attributable to taxes) in respect of Letters of Credit or L/C Participations therein, then, promptly after receipt of written demand to the Borrower by the Letter of Credit Issuer or such L/C Participant, as the case may be, (a copy of which notice shall be sent by the Letter of Credit Issuer or such L/C Participant to the Administrative Agent (with respect to Letter of Credit issued on account of the Borrower)) the Borrower shall pay to the Letter of Credit Issuer or such L/C Participant such additional amount or amounts as will compensate the Letter of Credit Issuer or such L/C Participant for such increased cost or reduction, it being understood and agreed, however, that the Letter of Credit Issuer or a L/C Participant shall not be entitled to such compensation as a result of such Person's compliance with, or pursuant to any request or directive to comply with, any such law, rule or regulation as in effect on the date hereof. A certificate submitted to the Borrower by the relevant Letter of Credit Issuer or a L/C Participant, as the case may be, (a copy of which certificate shall be sent by the Letter of Credit Issuer or such L/C Participant to the Administrative Agent (with respect to Letters of Credit issued on account of the Borrower)) setting forth in reasonable detail the basis for the determination of such additional amount or amounts necessary to compensate the Letter of Credit Issuer or such L/C Participant as aforesaid shall be conclusive and binding on the Borrower absent clearly demonstrable error.

3.6 New or Successor Letter of Credit Issuer. (a) The Letter of Credit Issuer may resign as a Letter of Credit Issuer upon 60 days' prior written notice to the Administrative Agent, the Lenders and the Borrower. The Borrower may replace the Letter of Credit Issuer for any reason upon written notice to the Administrative Agent and the Letter of Credit Issuer. The Borrower may add Letter of Credit Issuers at any time upon notice to the Administrative Agent. If the Letter of Credit Issuer shall resign or be replaced, or if the Borrower shall decide to add a new Letter of Credit Issuer under this Agreement, then the Borrower may appoint from among the Lenders a successor issuer of Letters of Credit or a new Letter of Credit Issuer, as the case may be, or, with the consent of the Administrative Agent (such consent not to be unreasonably

withheld), another successor or new issuer of Letters of Credit, whereupon such successor issuer shall succeed to the rights, powers and duties of the replaced or resigning Letter of Credit Issuer under this Agreement and the other Credit Documents, or such new issuer of Letters of Credit shall be granted the rights, powers and duties of a Letter of Credit Issuer hereunder, and the term "Letter of Credit Issuer" shall mean such successor or such new issuer of Letters of Credit effective upon such appointment. At the time such resignation or replacement shall become effective, the Borrower shall pay to the resigning or replaced Letter of Credit Issuer all accrued and unpaid fees pursuant to Sections 4.1(c) and 4.1(d). The acceptance of any appointment as a Letter of Credit Issuer hereunder whether as a successor issuer or new issuer of Letters of Credit in accordance with this Agreement, shall be evidenced by an agreement entered into by such new or successor issuer of Letters of Credit, in a form satisfactory to the Borrower and the Administrative Agent and, from and after the effective date of such agreement, such new or successor issuer of Letters of Credit shall become a "Letter of Credit Issuer" hereunder. After the resignation or replacement of a Letter of Credit Issuer hereunder, the resigning or replaced Letter of Credit Issuer shall remain a party hereto and shall continue to have all the rights and obligations of a Letter of Credit Issuer under this Agreement and the other Credit Documents 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. In connection with any resignation or replacement pursuant to this clause (a) (but, in case of any such resignation, only to the extent that a successor issuer of Letters of Credit shall have been appointed), either (i) the Borrower, the resigning or replaced Letter of Credit Issuer and the successor issuer of Letters of Credit shall arrange to have any outstanding Letters of Credit issued by the resigning or replaced Letter of Credit Issuer replaced with Letters of Credit issued by the successor issuer of Letters of Credit or (ii) the Borrower shall cause the successor issuer of Letters of Credit, if such successor issuer is reasonably satisfactory to the replaced or resigning Letter of Credit Issuer, to issue "back-stop" Letters of Credit naming the resigning or replaced Letter of Credit Issuer as beneficiary for each outstanding Letter of Credit issued by the resigning or replaced Letter of Credit Issuer, which new Letters of Credit shall have a face amount equal to the Letters of Credit being back-stopped and the sole requirement for drawing on such new Letters of Credit shall be a drawing on the corresponding back-stopped Letters of Credit. After any resigning or replaced Letter of Credit Issuer's resignation or replacement as Letter of Credit Issuer, the provisions of this Agreement relating to a Letter of Credit Issuer shall inure to its benefit as to any actions taken or omitted to be taken by it (A) while it was a Letter of Credit Issuer under this Agreement or (B) at any time with respect to Letters of Credit issued by such Letter of Credit Issuer.

(b) To the extent that there are, at the time of any resignation or replacement as set forth in clause (a) above, any outstanding Letters of Credit, nothing herein shall be deemed to impact or impair any rights and obligations of any of the parties hereto with respect to such outstanding Letters of Credit (including, without limitation, any obligations related to the payment of Fees or the reimbursement or funding of amounts drawn), except that the Borrower, the resigning or replaced Letter of Credit Issuer and the successor issuer of Letters of Credit shall have the obligations regarding outstanding Letters of Credit described in clause (a) above.

3.7 Role of the Letter of Credit Issuer. (a) The responsibility of the Letter of Credit Issuer to the Borrower in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such

Letter of Credit in connection with such presentment are in conformity with such Letter of Credit. In addition, each Lender and the Borrower agree that, in paying any drawing or demand for payment under any Letter of Credit, the Letter of Credit Issuer of such Letter of Credit shall not have any responsibility to inquire as to the validity or accuracy of any document presented in connection with such drawing or demand for payment or the authority of the Person executing or delivering the same. In determining whether to pay under any Letter of Credit, the relevant Letter of Credit Issuer shall have no obligation relative to the Borrower other than to confirm that any documents required to be delivered under such Letter of Credit have been delivered and that they appear to comply on their face with the requirements of such Letter of Credit. Any action taken or omitted to be taken by the relevant Letter of Credit Issuer under or in connection with any Letter of Credit issued by it, if taken or omitted in the absence of gross negligence or willful misconduct, shall not create for the Letter of Credit Issuer any resulting liability.

(b) Neither the Letter of Credit Issuer nor any of the respective correspondents, participants or assignees of the Letter of Credit Issuer shall be liable to any Lender for: (i) any action taken or omitted in connection herewith in respect of any Letter of Credit at the request or with the approval or deemed approval of the Required Lenders; (ii) any action taken or omitted in respect of any Letter of Credit in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any Letter of Credit or any document delivered in connection with the issuance or payment of such Letter of Credit.

SECTION 4. Fees; Commitments

4.1 Fees. (a) (i) The Borrower agrees to pay to the Administrative Agent in Dollars, for the account of each Lender (in each case *pro rata* according to the respective Revolving Credit Commitments of all such Lenders), a commitment fee for each day from and including the Closing Date to but excluding the Revolving Credit Termination Date. Such commitment fee shall be payable in arrears (x) on the last day of each March, June, September and December (for the three-month period (or portion thereof) ended on such day for which no payment has been received) and (y) on the Revolving Credit Termination Date (for the period ended on such date for which no payment has been received pursuant to clause (x) above), and shall be computed for each day during such period at a rate *per annum* equal to the Commitment Fee Rate in effect on such day on the Available Commitments in effect on such day.

(ii) Notwithstanding the foregoing, the Borrower shall not be obligated to pay any amounts to any Defaulting Lender pursuant to this Section 4.1.

(b) The Borrower agrees to pay to the Administrative Agent in Dollars for the account of the Lenders *pro rata* on the basis of their respective Letter of Credit Exposure, a fee in respect of each Letter of Credit (the "Letter of Credit Fee"), for the period from and including the date of issuance of such Letter of Credit to but excluding the termination date of such Letter of Credit computed at the *per annum* rate for each day equal to the Applicable LIBOR Margin for Revolving Credit Loans minus 0.125% *per annum* on the average daily Stated Amount of such Letter of Credit. Such Letter of Credit Fees shall be due and payable quarterly in arrears on the last day of each March, June, September and December and on the date upon which the Total Revolving Credit Commitment terminates and the Letters of Credit Outstanding shall have been reduced to zero.

(c) The Borrower agrees to pay to the Administrative Agent in Dollars for the account of the Letter of Credit Issuer a fee in respect of each Letter of Credit issued by it (the "Fronting Fee"), for the period from and including the date of issuance of such Letter of Credit to but excluding the termination date of such Letter of Credit, computed at the rate for each day equal to 0.125% *per annum* on the average daily Stated Amount of such Letter of Credit (or at such other rate *per annum* as agreed in writing between the Borrower and the Letter of Credit Issuer). Such Fronting Fees shall be due and payable quarterly in arrears on the last day of each March, June, September and December and on the date upon which the Total Revolving Credit Commitment terminates and the Letters of Credit Outstanding shall have been reduced to zero.

(d) The Borrower agrees to pay directly to the Letter of Credit Issuer in Dollars upon each issuance of, drawing under, and/or amendment of, a Letter of Credit issued by it such amount as the Letter of Credit Issuer and the Borrower shall have agreed upon for issuances of, drawings under or amendments of, letters of credit issued by it.

(e) The Borrower agrees to pay to each of the Co-Collateral Agents, for its own account, fees in the amounts and at the times set forth in the Co-Collateral Agent Fee Letters.

4.2 Voluntary Reduction of Revolving Credit Commitments. Upon at least one Business Day's prior written notice (or telephonic notice promptly confirmed in writing) to the Administrative Agent at the Administrative Agent's Office (which notice the Administrative Agent shall promptly transmit to each of the Lenders), the Borrower (on behalf of itself) shall have the right, without premium or penalty, on any day, permanently to terminate or reduce the Revolving Credit Commitments in whole or in part, provided that (a) any such reduction shall apply proportionately and permanently to reduce the Revolving Credit Commitment of each of the Lenders, (b) any partial reduction pursuant to this Section 4.2 shall be in the amount of at least $5,000,000 and (c) after giving effect to such termination or reduction and to any prepayments of the Loans made on the date thereof in accordance with this Agreement, the aggregate amount of the Lenders' Revolving Credit Exposures shall not exceed the lesser of the Total Revolving Credit Commitment and the Borrowing Base then in effect.

4.3 Mandatory Termination of Commitments. (a) [Intentionally Omitted.]

(b) The Total Revolving Credit Commitment shall terminate at 5:00 p.m. (New York City time) on the Revolving Credit Maturity Date.

(c) The Swingline Commitment shall terminate at 5:00 p.m. (New York City time) on the Swingline Maturity Date.

SECTION 5. Payments

5.1 Voluntary Prepayments. The Borrower shall have the right to prepay Revolving Credit Loans and Swingline Loans, in each case, without premium or penalty, in whole or in part from time to time on the following terms and conditions: (a) the Borrower shall give the Administrative Agent and at the Administrative Agent's Office written notice (or telephonic notice promptly confirmed in writing) of its intent to make such prepayment, the amount of such prepayment and (in the case of LIBOR Loans) the specific Borrowing(s) pursuant to which

made, which notice shall be given by the Borrower no later than (i) in the case of a LIBOR Loans, 12:00 noon (New York City time) three Business Days prior to or (ii) in the case of ABR Loans, 12:00 noon (New York City time) on, the date of such prepayment and shall promptly be transmitted by the Administrative Agent to each of the Lenders or the Swingline Lender, as the case may be; (b) each partial prepayment of any Borrowing of Revolving Credit Loans shall be in a multiple of $100,000 and in an aggregate principal amount of at least $1,000,000 and each partial prepayment of Swingline Loans shall be in a multiple of $10,000 and in an aggregate principal amount of at least $250,000, provided that no partial prepayment of LIBOR Revolving Credit Loans made pursuant to a single Borrowing shall reduce the outstanding LIBOR Revolving Credit Loans made pursuant to such Borrowing to an amount less than the Minimum Borrowing Amount for LIBOR Revolving Credit Loans and (c) any prepayment of LIBOR Revolving Credit Loans pursuant to this Section 5.1 on any day other than the last day of an Interest Period applicable thereto shall be subject to compliance by the Borrower with the applicable provisions of Section 2.11. At the Borrower's election in connection with any prepayment pursuant to this Section 5.1, such prepayment shall not be applied to any Revolving Credit Loan of a Defaulting Lender.

5.2 Mandatory Prepayments. (a) [Intentionally Omitted].

(b) Repayment of Revolving Credit Loans. If on any date the aggregate amount of the Lenders' Revolving Credit Exposures (all the foregoing, collectively, the "Aggregate Revolving Credit Outstandings") exceeds 100% of the Total Revolving Credit Commitment or the Borrowing Base as then in effect, the Borrower shall forthwith repay on such date first, the principal amount of all Protective Advances, second, after all Protective Advances have been paid in full, the principal amount of all Swingline Loans and third, after all Swingline Loans have been paid in full, Revolving Credit Loans in an amount equal to such excess. If, after giving effect to the prepayment of all outstanding Protective Advances, Swingline Loans and Revolving Credit Loans, the Aggregate Revolving Credit Outstandings exceed the Total Revolving Credit Commitment or Borrowing Base then in effect, the Borrower shall pay to the Administrative Agent an amount in cash equal to such excess and the Administrative Agent shall instruct the Collateral Agent to hold such payment for the benefit of the Lenders as security for the obligations of the Borrower hereunder (including obligations in respect of Letters of Credit Outstanding) pursuant to a cash collateral agreement to be entered into in form and substance satisfactory to the Administrative Agent (which shall permit certain Investments in Permitted Investments satisfactory to the Administrative Agent, until the proceeds are applied to the secured obligations).

(c) [Intentionally Omitted].

(d) [Intentionally Omitted].

(e) Application to Revolving Credit Loans. With respect to each prepayment of Revolving Credit Loans required by Section 5.2(b), the Borrower may designate (i) the Types of Loans that are to be prepaid and the specific Borrowing(s) pursuant to which made and (ii) the Revolving Credit Loans to be prepaid, provided that (y) each prepayment of any Loans made pursuant to a Borrowing shall be applied *pro rata* among such Loans; and (z) notwithstanding the provisions of the preceding clause (y), no prepayment made pursuant to Section 5.2(b) of

Revolving Credit Loans shall be applied to the Revolving Credit Loans of any Defaulting Lender. In the absence of a designation by the Borrower as described in the preceding sentence, the Administrative Agent shall, subject to the above, make such designation in its reasonable discretion with a view, but no obligation, to minimize breakage costs owing under Section 2.11.

(f) LIBOR Interest Periods. In lieu of making any payment pursuant to this Section 5.2 in respect of any LIBOR Loan other than on the last day of the Interest Period therefor so long as no Event of Default shall have occurred and be continuing, the Borrower at its option may deposit with the Administrative Agent an amount equal to the amount of the LIBOR Loan to be prepaid and such LIBOR Loan shall be repaid on the last day of the Interest Period therefor in the required amount. Such deposit shall be held by the Administrative Agent in a corporate time deposit account established on terms reasonably satisfactory to the Administrative Agent, earning interest at the then-customary rate for accounts of such type. Such deposit shall constitute cash collateral for the Obligations, provided that the Borrower may at any time direct that such deposit be applied to make the applicable payment required pursuant to this Section 5.2.

5.3 Method and Place of Payment. (a) Except as otherwise specifically provided herein, all payments under this Agreement shall be made by the Borrower, without set-off, counterclaim or deduction of any kind, to the Administrative Agent for the ratable account of the Lenders entitled thereto, the Letter of Credit Issuer or the Swingline Lender entitled thereto, as the case may be, not later than 12:00 Noon (New York City time) on the date when due and shall be made in immediately available funds at the Administrative Agent's Office or at such other office as the Administrative Agent shall specify for such purpose by notice to the Borrower, it being understood that written or facsimile notice by the Borrower to the Administrative Agent to make a payment from the funds in the Borrower's account at the Administrative Agent's Office shall constitute the making of such payment to the extent of such funds held in such account. All repayments or prepayments of Loans (whether of principal, interest or otherwise) hereunder shall be made in Dollars. The Administrative Agent will thereafter cause to be distributed on the same day (if payment was actually received by the Administrative Agent prior to 2:00 p.m. (New York City time) on such day) like funds relating to the payment of principal or interest or Fees ratably to the Lenders entitled thereto.

(b) Any payments under this Agreement that are made later than 2:00 p.m. (New York City time) shall be deemed to have been made on the next succeeding Business Day. Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable during such extension at the applicable rate in effect immediately prior to such extension.

5.4 Net Payments. (a) Any and all payments made by or on behalf of the Borrower or any Guarantor under this Agreement or any other Credit Document shall be made free and clear of, and without deduction or withholding for or on account of, any Indemnified Taxes; provided that if the Borrower or any Guarantor shall be required by law to deduct or withhold any Indemnified Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions or withholdings applicable to additional sums payable under this Section 5.4) the Administrative

Agent, the Collateral Agent, the Letter of Credit Issuer or any Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or withholdings been made, (ii) the Borrower or any Guarantor shall make such deductions or withholdings and (iii) the Borrower or any Guarantor shall pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law. Whenever any Indemnified Taxes are payable by the Borrower, as promptly as possible thereafter, the Borrower shall send to the Administrative Agent for its own account or for the account of such Lender, as the case may be, a certified copy of an original official receipt (or other evidence acceptable to such Lender, acting reasonably) received by the Borrower showing payment thereof.

(b) The Borrower shall pay and shall indemnify and hold harmless the Administrative Agent, the Collateral Agent, the Letter of Credit Issuer and each Lender with regard to any Other Taxes (whether or not such Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority).

(c) The Borrower shall indemnify and hold harmless the Administrative Agent, the Collateral Agent, any Letter of Credit Issuer and each Lender within 15 Business Days after written demand therefor, for the full amount of any Indemnified Taxes imposed on, or paid by, the Administrative Agent, the Collateral Agent, the Letter of Credit Issuer or such Lender as the case may be, on or with respect to any payment by or on account of any obligation of Borrower or any Guarantor under this Agreement or under any other Credit Document (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 5.4) and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified 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 by the Administrative Agent, any Letter of Credit Issuer or the Collateral Agent on its own behalf or on behalf of a Lender shall be conclusive absent manifest error.

(d) Each Non-U.S. Lender making or acquiring a loan to the Borrower shall:

(i) deliver to the Borrower and the Administrative Agent two copies of either (x) in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", United States Internal Revenue Service Form W-8BEN (together with a certificate representing that such Non-U.S. Lender is not a bank for purposes of Section 881(c) of the Code, is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of the Borrower and is not a controlled foreign corporation related to the Borrower (within the meaning of Section 864(d)(4) of the Code)), (y) Internal Revenue Service Form W-8BEN or Form W-8ECI, or (z) Internal Revenue Service Form W-8IMY (together with the forms and certificates described in clauses (x) and (y), as appropriate), in each case properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or reduced rate of, U.S. Federal withholding tax on payments by the Borrower under this Agreement; and

(ii) deliver to the Borrower and the Administrative Agent two further copies of any such form or certification (or any applicable successor form) on or before the date that

any such form or certification expires or becomes obsolete and after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Borrower;

unless in any such case any Change in Law or other event has occurred prior to the date on which any such delivery would otherwise be required that renders any such form inapplicable or would prevent such Lender from duly completing and delivering any such form with respect to it and such Lender so advises the Borrower and the Administrative Agent. Each Person that shall become a Participant pursuant to Section 14.6 or a Lender pursuant to Section 14.6 shall, upon the effectiveness of the related transfer, be required to provide all the forms and statements required pursuant to this Section 5.4(d), provided that in the case of a Participant such Participant shall furnish all such required forms and statements to the Lender from which the related participation shall have been purchased.

(e) Each Lender that is entitled to an exemption from or reduction of non-U.S. withholding tax under the laws of the jurisdiction in which any Borrower or Guarantor is organized, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement or any other Credit Document by such Borrower or Guarantor shall deliver to such Borrower or Guarantor (with a copy to the Administrative Agent), as applicable, at the time or times prescribed by applicable law and reasonably requested by such Borrower or Guarantor, as applicable, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without such withholding or at such reduced rate, provided that such Lender is legally entitled to complete, execute and deliver such documentation, such documentation is necessary in order for such exemption or reduction to apply and in such Lender's reasonable judgment the completion, execution or submission would not materially prejudice the legal position of the Lender. In addition, each Lender shall deliver such other documentation prescribed by applicable law and reasonably requested by the Borrower or the Administrative Agent (including an IRS Form W-8 or W-9) as will enable the Borrower or the Administrative Agent to determine whether such Lender is subject to United States backup withholding or information reporting requirements.

(f) If the Borrower determines in good faith that a reasonable basis exists for contesting any taxes for which indemnification has been demanded hereunder, the relevant Lender, the Administrative Agent or the Collateral Agent, as applicable, shall cooperate with the Borrower in a reasonable challenge of such taxes at the Borrower's expense if so requested by the Borrower. If any Lender, the Administrative Agent or the Collateral Agent, as applicable, receives a refund of a tax for which a payment has been made by the Borrower pursuant to this Agreement, which refund in the good faith judgment of such Lender, the Administrative Agent or the Collateral Agent, as the case may be, is attributable to such payment made by the Borrower, then the Lender, the Administrative Agent or the Collateral Agent, as the case may be, shall reimburse the Borrower for such amount (together with any interest received thereon) as the Lender, Administrative Agent or the Collateral Agent, as the case may be, determines to be the proportion of the refund as will leave it, after such reimbursement, in no better or worse position (taking into account expenses or any taxes imposed on the refund) than it would have been in if the payment had not been required. A Lender, the Administrative Agent or the Collateral Agent shall claim any refund that it determines is available to it, unless it concludes in its reasonable discretion that it would be adversely affected by making such a claim. The Borrower, upon the request of the Lender, the Administrative Agent or the Collateral Agent, as applicable, agrees to

repay the amount paid over to the Borrower to the Lender, the Administrative Agent or the Collateral Agent, as applicable, in the event the Lender, the Administrative Agent or the Collateral Agent, as applicable, is required to repay the refund to the Governmental Authority. Neither the Lender, the Administrative Agent nor the Collateral Agent shall be obliged to disclose any information regarding its tax affairs or computations to the Borrower in connection with this paragraph (f) or any other provision of this Section 5.4.

(g) The agreements in this Section 5.4 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

5.5 Computations of Interest and Fees. (a) Interest on LIBOR Loans and, except as provided in the next succeeding sentence, ABR Loans shall be calculated on the basis of a 360-day year for the actual days elapsed. Interest on ABR Loans in respect of which the rate of interest is calculated on the basis of the Prime Rate and interest on overdue interest shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed.

(b) Fees and Letters of Credit Outstanding shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed.

5.6 Limit on Rate of Interest.

(a) No Payment shall exceed Lawful Rate. Notwithstanding any other term of this Agreement, the Borrower shall not be obliged to pay any interest or other amounts under or in connection with this Agreement in excess of the amount or rate permitted under or consistent with any applicable law, rule or regulation.

(b) Payment at Highest Lawful Rate. If the Borrower is not obliged to make a payment which it would otherwise be required to make, as a result of Section 5.6(a), the Borrower shall make such payment to the maximum extent permitted by or consistent with applicable laws, rules and regulations.

(c) Adjustment if any Payment exceeds Lawful Rate. If any provision of this Agreement or any of the other Credit Documents would obligate the Borrower to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate which would be prohibited by any applicable law, rule or regulation, then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law, such adjustment to be effected, to the extent necessary, by reducing the amount or rate of interest required to be paid by the Borrower to the affected Lender under Section 2.8.

Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if any Lender shall have received from the Borrower an amount in excess of the maximum permitted by any applicable law, rule or regulation, then the Borrower shall be entitled, by notice in writing to the Administrative Agent to obtain reimbursement from that Lender in an amount equal to such excess, and pending such reimbursement, such amount shall be deemed to be an amount payable by that Lender to the Borrower.

SECTION 6. Conditions Precedent to Initial Borrowing

The initial Borrowing under this Agreement is subject to the satisfaction of the following conditions precedent, except as otherwise agreed between the Borrower and the Administrative Agent.

6.1 Credit Documents. The Administrative Agent shall have received:

(a) this Agreement, executed and delivered by a duly authorized officer of the Borrower and each Lender;

(b) the Guarantee, executed and delivered by a duly authorized officer of each Guarantor;

(c) the Security Agreement, executed and delivered by a duly authorized officer of each grantor party thereto; and

(d) the Intercreditor Agreement, executed and delivered by a duly authorized officer of each Credit Party, the Collateral Agent and Lehman Commercial Paper Inc., as collateral agent under the Term Loan Credit Agreement.

6.2 [Reserved].

(b) All documents and instruments, including Uniform Commercial Code or other applicable personal property and fixture security financing statements, required by law or reasonably requested by the Collateral Agent, as applicable, to be filed, registered or recorded to create the Liens intended to be created by the Security Agreement and perfect such Liens to the extent required by, and with the priority required by, the Security Agreement shall have been filed, registered or recorded or delivered to the Collateral Agent for filing, registration or recording (except those to be filed, registered, recorded or delivered pursuant to Section 9.17(c)).

(c) [Intentionally Omitted].

(d) The Borrower shall deliver to the Collateral Agent a completed Perfection Certificate, executed and delivered by an Authorized Officer of the Borrower, together with all attachments contemplated thereby.

6.3 Legal Opinions. The Administrative Agent shall have received the executed legal opinions of (a) Simpson Thacher & Bartlett LLP, special New York counsel to the Borrower, substantially in the form of Exhibit I-1 and (b) local counsel to the Borrower in certain jurisdictions as may be reasonably requested by the Administrative Agent, substantially in the form(s) of Exhibit I-2. The Borrower, the other Credit Parties and the Administrative Agent hereby instruct such counsel to deliver such legal opinions.

6.4 First Amendment to Term Loan Credit Agreement and Intercreditor Agreement. The Borrower shall deliver to the Collateral Agent a fully-executed copy of the First Amendment to Term Loan Credit Agreement and the Intercreditor Agreement.

6.5 Equity Investments; Existing Indebtedness. (a) Equity Investments in an amount equal to not less than the Minimum Equity Investment Amount shall have been made and (b) after giving effect to the Transactions, the Borrower and its Subsidiaries shall have no outstanding Indebtedness other than (A) the loans and other extensions of credit under the Revolving Credit Loans and the Term Loans and (B) other Indebtedness listed on Schedule 10.1.

6.6 Closing Certificates. The Administrative Agent shall have received a certificate of each Credit Party, dated the Closing Date, substantially in the form of Exhibit J, with appropriate insertions, executed by the President or any Vice President and the Secretary or any Assistant Secretary of such Credit Party, and attaching the documents referred to in Section 6.7.

6.7 Organizational Documents; Incumbency. The Administrative Agent shall have received a copy of (a) each Organizational Document of each Credit Party certified, to the extent applicable, as of a recent date by the applicable Governmental Authority, (b) signature and incumbency certificates of the Authorized Officers of each Credit Party executing the Credit Documents to which it is a party; (c) resolutions of the Board of Directors or similar governing body of each Credit Party (A) approving and authorizing the execution, delivery and performance of Credit Documents to which it is a party and (B) in the case of the Borrower, the extensions of credit contemplated hereunder, certified as of the Closing Date by its secretary or an assistant secretary as being in full force and effect without modification or amendment and (d) a good standing certificate from the applicable Governmental Authority of each Credit Party's jurisdiction of incorporation, organization or formation.

6.8 Fees. The Co-Lead Arrangers and the Collateral Agent shall have received the fees to be received on the Closing Date set forth in the Fee Letter and the Collateral Agent Fee Letter, respectively. The Lenders shall have received the fees in the amounts previously agreed in writing by the Agents and such Lenders to be received on the Closing Date and all expenses (including the reasonable fees, disbursements and other charges of counsel) for which invoices have been presented prior to the Closing Date shall have been paid.

6.9 Representations and Warranties. On the Closing Date, the representations and warranties made by the Credit Parties in Section 8.2, 8.3(a), Section 8.5 and Section 8.7, as they relate to the Credit Parties at such time, shall be true and correct in all material respects.

6.10 Related Agreements. Administrative Agent shall have received a fully executed or conformed copy of the Red Man Transaction Agreement which shall be in full force and effect.

6.11 Solvency Certificate. On the Closing Date, Administrative Agent shall have received a certificate from an Authorized Officer of the Borrower, with appropriate attachments and demonstrating that after giving effect to the consummation of the Transactions, the Borrower on a consolidated basis with its Subsidiaries is Solvent.

6.12 Historical Financial Statements. Lenders shall have received the Historical Financial Statements.

6.13 Red Man Transaction. Concurrently with the initial Credit Event made hereunder, the Red Man Transaction shall have been consummated in accordance with the terms

of the Red Man Transaction Agreement, without giving effect to any amendments or waivers thereto that are materially adverse to the Lenders without the reasonable consent of the Agents.

6.14 Insurance. Certificates of insurance evidencing the existence of insurance to be maintained by the Borrower pursuant to Section 9.3 and, if applicable, the designation of the Collateral Agent as an additional insured and loss payee as its interest may appear thereunder, or solely as the additional insured, as the case may be, thereunder (provided that if such endorsement as additional insured cannot be delivered by the Closing Date, the Administrative Agent may consent to such endorsement being delivered at such later date as it deems appropriate in the circumstances).

6.15 Pro Forma Financial Statements. The Administrative Agent shall have received a pro forma consolidated balance sheet of Borrower as of September 30, 2007 and a pro forma statement of income for the twelve month period ending on such balance sheet date, in each case, after giving effect to the Transactions, together with a certificate of an Authorized Officer of Borrower to the effect that such balance sheets accurately present the pro forma financial position of Borrower and its Subsidiaries in a manner consistent with previous disclosures to the Co-Lead Arrangers, unless disclosed in the notes to the pro forma statements.

6.16 Borrowing Base Certificate. The Administrative Agent shall have received a Borrowing Base Certificate effective as of the Business Day preceding the day such initial Loans are to be funded or any such initial Letter of Credit is to be issued.

6.17 Initial Borrowings. The aggregate amount of the initial Loans and Letters of Credit hereunder on the Closing Date shall not exceed $450,000,000.

SECTION 7. Conditions Precedent to All Credit Events

The agreement of each Lender to make any Loan requested to be made by it on any date (excluding Mandatory Borrowings and Protective Advances) and the obligation of the Letter of Credit Issuer to issue Letters of Credit on any date is subject to the satisfaction of the following conditions precedent:

7.1 No Default; Representations and Warranties; Excess Availability. At the time of each Credit Event and also after giving effect thereto (other than any Credit Event on the Closing Date) (a) no Default or Event of Default shall have occurred and be continuing, (b) all representations and warranties made by any Credit Party contained herein or in the other Credit Documents shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date of such Credit Event (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date), (c) Excess Availability of not less than the amount of the proposed Borrowing shall exist and (d) if Excess Availability (after giving effect to the proposed Borrowing) is less than 7% of the then existing Total Revolving Credit Commitment, the Consolidated Fixed Charge Coverage Ratio, calculated on a Pro Forma Basis on the date of such proposed Borrowing and for the most recent Test Period, after giving effect to such proposed Borrowing and all Specified

Transactions after the beginning of the relevant Test Period but prior to or simultaneous with such proposed Borrowing, would not be less than 1.0:1.0.

7.2 Notice of Borrowing; Letter of Credit Request. (a) [Intentionally Omitted].

(b) Prior to the making of each Revolving Credit Loan (other than any Revolving Credit Loan made pursuant to Section 3.4(a)) and each Swingline Loan, the Administrative Agent shall have received a Notice of Borrowing (whether in writing or by telephone) meeting the requirements of Section 2.3.

(c) Prior to the issuance of each Letter of Credit, the Administrative Agent and the Letter of Credit Issuer shall have received a Letter of Credit Request meeting the requirements of Section 3.2(a).

The acceptance of the benefits of each Credit Event shall constitute a representation and warranty by each Credit Party to each of the Lenders that all the applicable conditions specified above exist as of that time.

SECTION 8. Representations, Warranties and Agreements

In order to induce the Lenders to enter into this Agreement, to make the Loans and issue or participate in Letters of Credit as provided for herein, the Borrower (with respect to itself and its Subsidiaries) makes the following representations and warranties to, and agreements with, the Lenders, all of which shall survive the execution and delivery of this Agreement and the making of the Loans and the issuance of the Letters of Credit:

8.1 Corporate Status. The Borrower and each Material Subsidiary (a) is a duly organized and validly existing corporation or other entity in good standing under the laws of the jurisdiction of its organization and has the corporate or other organizational power and authority to own its property and assets and to transact the business in which it is engaged and (b) has duly qualified and is authorized to do business and is in good standing in all jurisdictions where it is required to be so qualified, except where the failure to be so qualified could not reasonably be expected to result in a Material Adverse Effect.

8.2 Corporate Power and Authority. Each Credit Party has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Credit Documents to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Credit Documents to which it is a party. Each Credit Party has duly executed and delivered each Credit Document to which it is a party and each such Credit Document constitutes the legal, valid and binding obligation of such Credit Party enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and subject to general principles of equity. Each Credit Party is in compliance with all laws, orders, writs and injunctions except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

8.3 No Violation. Neither the execution, delivery or performance by any Credit Party of the Credit Documents to which it is a party nor compliance with the terms and provisions

thereof nor the consummation of the Red Man Transaction and the other transactions contemplated hereby or thereby will (a) contravene any applicable provision of any material law, statute, rule, regulation, order, writ, injunction or decree of any court or governmental instrumentality, (b) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of the property or assets of such Credit Party or any of the Restricted Subsidiaries (other than Liens created under the Credit Documents) pursuant to, the terms of any material indenture, loan agreement, lease agreement, mortgage, deed of trust, agreement or other material instrument to which such Credit Party or any of the Restricted Subsidiaries is a party or by which it or any of its property or assets is bound or (c) violate any provision of the certificate of incorporation, by-laws or other constitutional documents of such Credit Party or any of the Restricted Subsidiaries.

8.4 Litigation. There are no actions, suits or proceedings (including Environmental Claims) pending or, to the knowledge of the Borrower, threatened with respect to the Borrower or any of its Subsidiaries that could reasonably be expected to result in a Material Adverse Effect or a Material Adverse Change.

8.5 Margin Regulations. Neither Borrower nor any of its Subsidiaries is engaged principally, as one or more of its important activities, in the business of extending credit for the purpose of purchasing any "margin stock" as defined in Regulation U. Neither the making of any Loan hereunder nor the use of the proceeds thereof will violate the provisions of Regulation T, U or X of the Board.

8.6 Governmental Approvals. The execution, delivery and performance of the Red Man Transaction Agreement or any Credit Document does not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except for (i) such as have been obtained or made and are in full force and effect, (ii) filings and recordings in respect of the Liens created pursuant to the Security Documents and (iii) such licenses, approvals, authorizations or consents the failure to obtain or make could not reasonably be expected to have a Material Adverse Effect.

8.7 Investment Company Act. No Credit Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

8.8 True and Complete Disclosure. (a) None of the factual information and data (taken as a whole) heretofore or contemporaneously furnished by or on behalf of the Borrower, any of the Subsidiaries or any of their respective authorized representatives in writing to the Administrative Agent and/or any Lender on or before the Closing Date (including (i) the Confidential Information Memorandum and (ii) all information contained in the Credit Documents) for purposes of or in connection with this Agreement or any transaction contemplated herein contained any untrue statement or omitted to state any material fact necessary to make such information and data (taken as a whole) not misleading at such time in light of the circumstances under which such information or data was furnished, it being understood and agreed that for purposes of this Section 8.8(a), such factual information and data shall not include projections and pro forma financial information.

(b) The projections and pro forma financial information contained in the information and data referred to in paragraph (a) above were based on good faith estimates and assumptions believed by such Persons to be reasonable at the time made, it being recognized by the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results.

8.9 Financial Condition; Financial Statements. The (a) unaudited historical consolidated financial information of the Borrower as set forth in the Confidential Information Memorandum, and (b) the Historical Financial Statements, in each case present or will, when provided, present fairly in all material respects the combined financial position of the Borrower and its Subsidiaries at the respective dates of said information, statements and results of operations for the respective periods covered thereby. The financial statements referred to in clause (b) of this Section 8.9 have been prepared in accordance with GAAP, consistently applied (except to the extent provided in the notes to said financial statements), and the audit reports accompanying such financial statements are not subject to any qualification as to the scope of the audit or the status of the Borrower as a going concern. There has been no Material Adverse Change since December 31, 2006; provided, that on the Closing Date, the representation in this sentence shall not apply to the Red Man Group.

8.10 Tax Returns and Payments. The Borrower and each of the Subsidiaries has filed all federal income tax returns and all other material tax returns, domestic and foreign, required to be filed by it and has paid all income and other material Taxes payable by it that have become due, other than those (a) not yet delinquent or (b) contested in good faith as to which adequate reserves have been provided in accordance with GAAP and which could not reasonably be expected to result in a Material Adverse Effect. The Borrower and each of the Subsidiaries have paid, or have provided adequate reserves (in the good faith judgment of the management of the Borrower) in accordance with GAAP for the payment of, all material federal, state, provincial and foreign income taxes applicable for all prior fiscal years and for the current fiscal year to the Closing Date.

8.11 Compliance with ERISA. (a) Each Plan is in compliance with ERISA, the Code and any applicable Requirement of Law; no Reportable Event has occurred (or is reasonably likely to occur) with respect to any Plan; no Plan is insolvent or in reorganization (or is reasonably likely to be insolvent or in reorganization), and no written notice of any such insolvency or reorganization has been given to the Borrower, any Subsidiary or any ERISA Affiliate; no Plan (other than a multiemployer plan) has an accumulated or waived funding deficiency (or is reasonably likely to have such a deficiency); none of the Borrower, any Subsidiary or any ERISA Affiliate has incurred (or is reasonably likely expected to incur) any liability to or on account of a Plan pursuant to Section 409, 502(i), 502(l), 515, 4062, 4063, 4064, 4069, 4201 or 4204 of ERISA or Section 4971 or 4975 of the Code or has been notified in writing that it will incur any liability under any of the foregoing Sections with respect to any Plan; no proceedings have been instituted (or are reasonably likely to be instituted) to terminate or to reorganize any Plan or to appoint a trustee to administer any Plan, and no written notice of any such proceedings has been given to the Borrower, any Subsidiary or any ERISA Affiliate; and no lien imposed under the Code or ERISA on the assets of the Borrower or any Subsidiary or any ERISA Affiliate exists (or is reasonably likely to exist) nor has the Borrower, any Subsidiary

or any ERISA Affiliate been notified in writing that such a lien will be imposed on the assets of the Borrower, any Subsidiary or any ERISA Affiliate on account of any Plan, except to the extent that a breach of any of the representations, warranties or agreements in this Section 8.11 would not result, individually or in the aggregate, in an amount of liability that would be reasonably likely to have a Material Adverse Effect. No Plan (other than a multiemployer plan) has an Unfunded Current Liability that would, individually or when taken together with any other liabilities referenced in this Section 8.11, be reasonably likely to have a Material Adverse Effect. With respect to Plans that are multiemployer plans (as defined in Section 3(37) of ERISA), the representations and warranties in this Section 8.11(a), other than any made with respect to (i) liability under Section 4201 or 4204 of ERISA or (ii) liability for termination or reorganization of such Plans under ERISA, are made to the best knowledge of the Borrower.

(b) All Foreign Plans are in compliance with, and have been established, administered and operated in accordance with, the terms of such Foreign Plans and applicable law, except for any failure to so comply, establish, administer or operate the Foreign Plans as would not reasonably be expected to have a Material Adverse Effect. All contributions or other payments which are due with respect to each Foreign Plan have been made in full and there are no funding deficiencies thereunder, except to the extent any such events would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

8.12 Subsidiaries. Schedule 8.12 lists each Subsidiary of the Borrower (and the direct and indirect ownership interest of the Borrower therein), in each case existing on the Closing Date. To the knowledge of the Borrower, after due inquiry, each Material Subsidiary as of the Closing Date has been so designated on Schedule 8.12.

8.13 Intellectual Property. The Borrower and each of the Restricted Subsidiaries have obtained all intellectual property, free from burdensome restrictions, that are necessary for the operation of their respective businesses as currently conducted and as proposed to be conducted, except where the failure to obtain any such rights could not reasonably be expected to have a Material Adverse Effect.

8.14 Environmental Laws. (a) Except as could not reasonably be expected to have a Material Adverse Effect: (i) the Borrower and each of the Subsidiaries and all Real Estate are, and have been, in compliance with, and possess all permits, licenses and registrations required pursuant to, all Environmental Laws; (ii) neither the Borrower, nor any of the Subsidiaries is subject to any Environmental Claim or any other liability under any Environmental Law; (iii) the Borrower and its Subsidiaries are not conducting, or required to conduct, any investigation, removal, remedial or other corrective action pursuant to any Environmental Law at any location, including any Real Estate currently owned or leased by the Borrower or any of its Subsidiaries, and any real property to which the Borrower or any of its Subsidiaries may have sent Hazardous Materials; and (iv) no underground storage tank or related piping, or any impoundment or other disposal area containing Hazardous Materials is located at, on or under any Real Estate currently owned or leased by the Borrower or any of its Subsidiaries.

(b) Neither the Borrower, nor any of the Subsidiaries has treated, stored, transported, released or disposed or arranged for disposal or transport for disposal of Hazardous Materials at,

on, under or from any currently or formerly owned or leased Real Estate or facility in a manner that could reasonably be expected to have a Material Adverse Effect.

8.15 Properties. The Borrower and each of the Subsidiaries have good and marketable title to or leasehold interest in all properties that are necessary for the operation of their respective businesses as currently conducted and as proposed to be conducted, free and clear of all Liens (other than any Liens permitted by this Agreement or the Term Loan Credit Agreement) and except where the failure to have such good title could not reasonably be expected to have a Material Adverse Effect.

8.16 Solvency. On the Closing Date (after giving effect to the Transactions), immediately following the making of each Loan and after giving effect to the application of the proceeds of such Loans, the Borrower on a consolidated basis with its Subsidiaries will be Solvent.

SECTION 9. Affirmative Covenants

The Borrower hereby covenants and agrees that on the Closing Date and thereafter, until the Commitments, the Swingline Commitment and each Letter of Credit have terminated and the Loans and Unpaid Drawings, together with interest, Fees and all other Obligations incurred hereunder, are paid in full:

9.1 Information Covenants. The Borrower will furnish to the Administrative Agent:

(a) Annual Financial Statements. As soon as available and in any event on or before the date on which such financial statements are required to be filed with the SEC (or, if such financial statements are not required to be filed with the SEC, on or before the date that is 105 days after the end of each such fiscal year), the consolidated balance sheet of the Borrower and the Restricted Subsidiaries as at the end of such fiscal year, and the related consolidated statement of operations and consolidated statement of cash flows for such fiscal year, setting forth comparative consolidated figures for the preceding fiscal year, and certified by independent certified public accountants of recognized national standing whose opinion shall not be qualified as to the scope of audit or as to the status of the Borrower or any of the Material Subsidiaries (or group of Subsidiaries that together would constitute a Material Subsidiary) as a going concern, together in any event with a certificate of such accounting firm stating that in the course of its regular audit of the business of the Borrower and the Material Subsidiaries, which audit was conducted in accordance with generally accepted auditing standards, such accounting firm has obtained no knowledge of any Default or Event of Default relating to Section 10.9 that has occurred and is continuing or, if in the opinion of such accounting firm such a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof which shall be certified by a Financial Officer of the Borrower.

(b) Quarterly Financial Statements. As soon as available and in any event on or before the date on which such financial statements are required to be filed with the SEC with respect to each of the first three quarterly accounting periods in each fiscal year of the Borrower (or, if such financial statements are not required to be filed with the SEC,

on or before the date that is sixty (60) days after the end of each such quarterly accounting period), the consolidated balance sheet of (i) the Borrower and the Restricted Subsidiaries and (ii) the Borrower and its Subsidiaries, in each case as at the end of such quarterly period and the related consolidated statement of operations for such quarterly accounting period and for the elapsed portion of the fiscal year ended with the last day of such quarterly period, and the related consolidated statement of cash flows for the elapsed portion of the fiscal year ended with the last day of such quarterly period, and setting forth comparative consolidated figures for the related periods in the prior fiscal year or, in the case of such consolidated balance sheet, for the last day of the prior fiscal year, all of which shall be certified by a Financial Officer of the Borrower, subject to changes resulting from audit and normal year-end audit adjustments.

(c) Monthly Financial Statements. As soon as available and in any event on or before the date that is thirty (30) days after the end of each fiscal month of Borrower, the consolidated balance sheet of (i) the Borrower and the Restricted Subsidiaries and (ii) the Borrower and its Subsidiaries, in each case as at the end of such fiscal month and the related consolidated statement of operations for such fiscal month and for the elapsed portion of the fiscal year ended with the last day of such fiscal month, and the related consolidated statement of cash flows for the elapsed portion of the fiscal year ended with the last day of such fiscal month, and setting forth comparative consolidated figures for the related periods in the prior fiscal year or, in the case of such consolidated balance sheet, for the last day of the prior fiscal year, all of which shall be certified by a Financial Officer of the Borrower, subject to changes resulting from audit and normal year-end audit adjustments.

(d) Budgets. Not more than sixty (60) days after the commencement of each fiscal year of the Borrower, a budget of the Borrower in reasonable detail for such fiscal year as customarily prepared by management of the Borrower for their internal use consistent in scope with the financial statements provided pursuant to Section 9.1(a), setting forth the principal assumptions upon which such budgets are based.

(e) Officer's Certificates. At the time of the delivery of the financial statements provided for in Sections 9.1(a) and (b), a certificate of an Authorized Officer of the Borrower to the effect that no Default or Event of Default exists or, if any Default or Event of Default does exist, specifying the nature and extent thereof, which certificate shall set forth (i) the Consolidated Fixed Charge Coverage Ratio (and accompanying calculations) as at the end of such fiscal year or period, as the case may be, (ii) a specification of any change in the identity of the Restricted Subsidiaries and Unrestricted Subsidiaries as at the end of such fiscal year or period, as the case may be, from the Restricted Subsidiaries and Unrestricted Subsidiaries, respectively, provided to the Lenders on the Closing Date or the most recent fiscal year or period, as the case may be, (iii) the then applicable Status and (iv) the amount of any Pro Forma Adjustment not previously set forth in a Pro Forma Adjustment Certificate or any change in the amount of a Pro Forma Adjustment set forth in any Pro Forma Adjustment Certificate previously provided and, in either case, in reasonable detail, the calculations and basis therefor. At the time of the delivery of the financial statements provided for in Section 9.1(a), (i) a certificate of an Authorized Officer of the Borrower setting forth in reasonable detail the

Applicable Amount as at the end of the fiscal year to which such financial statements relate and (ii) a certificate of an Authorized Officer of the Borrower setting forth the information required pursuant to Section 1(a) of the Perfection Certificate or confirming that there has been no change in such information since the Closing Date or the date of the most recent certificate delivered pursuant to this subsection (e)(ii), as the case may be.

(f) Borrowing Base Certificates. As soon as available but in any event within twenty-five (25) days of the end of each calendar month, a Borrowing Base Certificate (which shall be calculated in a consistent manner with the most recently delivered Borrowing Base Certificate) and supporting information in connection therewith as of the end of such month, provided that the Borrower will be required to furnish a Borrowing Base Certificate and supporting information in connection therewith within four (4) days of the end of each calendar week as of the end of such calendar week if (A) a Cash Dominion Event is continuing or (B) an Event of Default has occurred and is continuing and the Administrative Agent so requests.

(g) Collateral Reports. As soon as available but in any event within twenty-five (25) days of the end of each calendar month, in each case as of the period then ended:

(i) a detailed aging of the Borrower's and Guarantors' Accounts reconciled to the Borrowing Base Certificate delivered as of such date in a form reasonably acceptable to the Administrative Agent;

(ii) a schedule detailing the Borrower's and Guarantors' Inventory, in form reasonably satisfactory to the Administrative Agent, (1) by location (showing Inventory located with a third party under any consignment, bailee arrangement, or warehouse agreement, in each case, to the extent the Cost of Inventory at such location exceeds $50,000 in the aggregate which Inventory shall be valued at Cost and adjusted for Reserves as the Administrative Agent has previously indicated to the Borrower are deemed by the Administrative Agent to be appropriate in their Permitted Discretion, (2) including a report of material variances or other results of Inventory counts performed by the Borrower or any Guarantor since the last Inventory schedule, and (3) reconciled to the Borrowing Base Certificate delivered as of such date;

(iii) a worksheet of calculations prepared by the Borrower to determine Eligible Accounts and Eligible Inventory, such worksheets detailing the Accounts and Inventory excluded from Eligible Accounts and Eligible Inventory and the reason for such exclusion; and

(iv) a schedule and aging of the Borrower's and each Guarantor's accounts payable presented at the vendor level.

(h) Notice of Default or Litigation. Promptly after an Authorized Officer of the Borrower or any of the Subsidiaries obtains knowledge thereof, notice of (i) the occurrence of any event that constitutes a Default or Event of Default, which notice shall

specify the nature thereof, the period of existence thereof and what action the Borrower proposes to take with respect thereto and (ii) any litigation or governmental proceeding pending against the Borrower or any of the Subsidiaries that could reasonably be expected to result in a Material Adverse Effect or a Material Adverse Change.

(i) Environmental Matters. The Borrower will promptly advise the Administrative Agent in writing after obtaining knowledge of any one or more of the following environmental matters, unless such environmental matters could not, individually or when aggregated with all other such matters, be reasonably expected to result in a Material Adverse Effect:

(i) Any pending or threatened Environmental Claim against any Credit Party or any current or former Real Estate;

(ii) Any condition or occurrence on or otherwise related to any current or former Real Estate that (x) could reasonably be expected to result in noncompliance by any Credit Party with any applicable Environmental Law or (y) could reasonably be anticipated to form the basis of an Environmental Claim against any Credit Party or any current or former Real Estate;

(iii) Any condition or occurrence on or otherwise related to any current or former Real Estate that could reasonably be anticipated to cause such Real Estate to be subject to any restrictions on the ownership, occupancy, use or transferability of such Real Estate under any Environmental Law; and

(iv) The conduct or need to conduct of any investigation, or any removal, remedial or other corrective action in response to the actual or alleged presence, release or threatened release of any Hazardous Material on, at, under or from any current or former Real Estate or otherwise related to Environmental Law.

All such notices shall describe in reasonable detail the nature of the claim, investigation, condition, occurrence or removal or remedial action and the response thereto. The term “Real Estate” shall mean land, buildings and improvements owned or leased by any Credit Party, but excluding all operating fixtures and equipment, whether or not incorporated into improvements.

(j) Other Information. Promptly upon filing thereof, copies of any filings (including on Form 10-K, 10-Q or 8-K) or registration statements with, and reports to, the SEC or any analogous Government Authority in any relevant jurisdiction by the Borrower or any of the Subsidiaries (other than amendments to any registration statement (to the extent such registration statement, in the form it becomes effective, is delivered to the Lenders and the Administrative Agent), exhibits to any registration statement and, if applicable, any registration statements on Form S-8) and copies of all financial statements, proxy statements, notices and reports that the Borrower or any of the Subsidiaries shall send to the holders of any publicly issued debt of the Borrower and/or any of the Subsidiaries in their capacity as such holders (in each case to the extent not

theretofore delivered to the Lenders and the Administrative Agent pursuant to this Agreement) and, with reasonable promptness, such other information (financial or otherwise) as the Administrative Agent on its own behalf or on behalf of any Lender (acting through the Administrative Agent) may reasonably request in writing from time to time.

(k) Pro Forma Adjustment Certificate. Not later than any date on which financial statements are delivered with respect to any Test Period in which a Pro Forma Adjustment is made as a result of the consummation of the acquisition of any Acquired Entity or Business by the Borrower or any Restricted Subsidiary for which there shall be a Pro Forma Adjustment, a certificate of an Authorized Officer of the Borrower setting forth the amount of such Pro Forma Adjustment and, in reasonable detail, the calculations and basis therefor.

(l) Information Regarding Collateral. Reasonably promptly but not later than sixty (60) days following the occurrence of any change referred to in subclauses (i) through (iv) below, written notice of any change (i) in the legal name of any Credit Party, (ii) in the jurisdiction of organization or location of any Credit Party for purposes of the Uniform Commercial Code, (iii) in the identity or type of organization of any Credit Party or (iv) in the Federal Taxpayer Identification Number or organizational identification number of any Credit Party. The Borrower shall also promptly provide the Collateral Agent with certified Organizational Documents reflecting any of the changes described in the first sentence of this clause (l).

Notwithstanding the foregoing, the obligations in paragraphs (a) and (b) of this Section 9.1 may be satisfied with respect to financial information of the Borrower and the Restricted Subsidiaries by furnishing (A) the applicable financial statements of any direct or indirect parent of the Borrower or (B) the Borrower's (or any direct or indirect parent thereof's), as applicable, Form 10-K or 10-Q, as applicable, filed with the SEC; provided that, with respect to each of clauses (A) and (B) above, to the extent such information relates to a parent of the Borrower, such information is accompanied by consolidating information that explains in reasonable detail the differences between the information relating to such parent, on the one hand, and the information relating to the Borrower and the Restricted Subsidiaries on a standalone basis, on the other hand.

9.2 Books, Records and Inspections. The Borrower will, and will cause each of the Subsidiaries to, permit officers and designated representatives of the Administrative Agents or the Required Lenders to visit and inspect any of the properties or assets of the Borrower and any such Subsidiary in whomsoever's possession to the extent that it is within such party's control to permit such inspection, and to examine the books and records of the Borrower and any such Subsidiary and discuss the affairs, finances and accounts of the Borrower and of any such Subsidiary with, and be advised as to the same by, its and their officers and independent accountants, all at such reasonable times and intervals and to such reasonable extent as the Administrative Agents or the Required Lenders may desire; provided that, excluding any such visits and inspections during the continuation of an Event of Default, only the Administrative Agent (or any of their respective representatives or independent contractors) on behalf of the Required Lenders may exercise rights of the Administrative Agent and the Lenders under this

Section 9.2 and the Administrative Agent shall not exercise such rights more often than two times during any calendar year absent the existence of an Event of Default and only one such time shall be at the Borrower's expense unless Excess Availability is less than 7% of the then Existing Total Revolving Credit Commitments, in which case the second time shall also be at the Borrower's expense; provided further that when an Event of Default exists, the Administrative Agent (or any of its representatives or independent contractors) or any representative of the Required Lenders may do any of the foregoing at the expense of the Borrower at any time during normal business hours and upon reasonable advance notice. The Administrative Agent and the Required Lenders shall give the Borrower the opportunity to participate in any discussions with the Borrower's independent public accountants.

9.3 Maintenance of Insurance. The Borrower will, and will cause each of the Material Subsidiaries to, at all times maintain in full force and effect, with insurance companies that the Borrower believes (in the good faith judgment of the management of the Borrower) are financially sound and responsible at the time the relevant coverage is placed or renewed, insurance in at least such amounts (after giving effect to any self-insurance which the Borrower believes (in the good faith judgment of management of the Borrower) is reasonable and prudent in light of the size and nature of its business) and against at least such risks (and with such risk retentions) as the Borrower believes (in the good faith judgment of management of the Borrower) is reasonable and prudent in light of the size and nature of its business; and will furnish to the Administrative Agent (for delivery to the Lenders), upon written request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried. Each such policy of insurance shall (i) name Collateral Agent, on behalf of Secured Parties as an additional insured thereunder as its interests may appear and (ii) in the case of each casualty insurance policy, contain a loss payable clause or endorsement reasonably satisfactory in form and substance to Collateral Agent, that names Collateral Agent, on behalf of Lenders as the loss payee thereunder and provides for at least thirty days' prior written notice to Collateral Agent of any modification or cancellation of such policy.

9.4 Payment of Taxes. Each Credit Party will pay and discharge, and will cause each of the Subsidiaries to pay and discharge, all material taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which material penalties attach thereto, and all lawful material claims that, if unpaid, could reasonably be expected to become a material Lien upon any properties of each Credit Party or any of the Restricted Subsidiaries, provided that no Credit Party, nor any of the Subsidiaries shall be required to pay any such tax, assessment, charge, levy or claim that is being contested in good faith and by proper proceedings if it has maintained adequate reserves (in the good faith judgment of the management of the Borrower) with respect thereto in accordance with GAAP and the failure to pay could not reasonably be expected to result in a Material Adverse Effect.

9.5 Consolidated Corporate Franchises. The Borrower will do, and will cause each Material Subsidiary to do, or cause to be done, all things necessary to preserve and keep in full force and effect its existence, corporate rights and authority, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect; provided, however, that the Borrower and its Subsidiaries may consummate any transaction permitted under Section 10.3, 10.4 or 10.5.

9.6 Compliance with Statutes, Regulations, etc. The Borrower will, and will cause each Subsidiary to, comply with all applicable laws, rules, regulations and orders applicable to it or its property, including all governmental approvals or authorizations required to conduct its business, and to maintain all such governmental approvals or authorizations in full force and effect, in each case except where the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

9.7 ERISA. Promptly after the Borrower or any Subsidiary or any ERISA Affiliate knows or has reason to know of the occurrence of any of the following events that, individually or in the aggregate (including in the aggregate such events previously disclosed or exempt from disclosure hereunder, to the extent the liability therefor remains outstanding), would be reasonably likely to have a Material Adverse Effect, the Borrower will deliver to each of the Lenders a certificate of an Authorized Officer or any other senior officer of the Borrower setting forth details as to such occurrence and the action, if any, that the Borrower, such Subsidiary or such ERISA Affiliate is required or proposes to take, together with any notices (required, proposed or otherwise) given to or filed with or by the Borrower, such Subsidiary, such ERISA Affiliate, the PBGC, a Plan participant (other than notices relating to an individual participant's benefits) or the Plan administrator with respect thereto: that a Reportable Event has occurred; that an accumulated funding deficiency has been incurred or an application is to be made to the Secretary of the Treasury for a waiver or modification of the minimum funding standard (including any required installment payments) or an extension of any amortization period under Section 412 of the Code with respect to a Plan; that a Plan having an Unfunded Current Liability has been or is to be terminated, reorganized, partitioned or declared insolvent under Title IV of ERISA (including the giving of written notice thereof); that a Plan has an Unfunded Current Liability that has or will result in a lien under ERISA or the Code; that proceedings will be or have been instituted to terminate a Plan having an Unfunded Current Liability (including the giving of written notice thereof); that a proceeding has been instituted against the Borrower, a Subsidiary or an ERISA Affiliate pursuant to Section 515 of ERISA to collect a delinquent contribution to a Plan; that the PBGC has notified the Borrower, any Subsidiary or any ERISA Affiliate of its intention to appoint a trustee to administer any Plan; that the Borrower, any Subsidiary or any ERISA Affiliate has failed to make a required installment or other payment pursuant to Section 412 of the Code with respect to a Plan; or that the Borrower, any Subsidiary or any ERISA Affiliate has incurred or will incur (or has been notified in writing that it will incur) any liability (including any contingent or secondary liability) to or on account of a Plan pursuant to Section 409, 502(i), 502(l), 515, 4062, 4063, 4064, 4069, 4201 or 4204 of ERISA or Section 4971 or 4975 of the Code.

9.8 Maintenance of Properties. The Borrower will, and will cause each of the Restricted Subsidiaries to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, except to the extent that the failure to do so could reasonably be expected to have a Material Adverse Effect.

9.9 Transactions with Affiliates. The Borrower will conduct, and cause each of the Restricted Subsidiaries to conduct, all transactions with any of its Affiliates (other than the Borrower or the Restricted Subsidiaries) on terms that are substantially as favorable to the Borrower or such Restricted Subsidiary as it would obtain in a comparable arm's-length transaction with a Person that is not an Affiliate, provided that the foregoing restrictions shall not

apply to (a) the payment of customary fees to the Sponsors for management, consulting and financial services rendered to the Borrower and the Subsidiaries and customary investment banking fees paid to the Sponsors for services rendered to the Borrower and the Subsidiaries in connection with divestitures, acquisitions, financings and other transactions, (b) transactions permitted by Section 10.6, (c) Transaction Expenses, (d) the issuance of Stock or Stock Equivalents of the Borrower to the management of the Borrower (or any direct or indirect parent thereof) or any of its Subsidiaries in connection with the Transactions or pursuant to arrangements described in clause (f) of this Section 9.9, (e) loans and other transactions by the Borrower and the Restricted Subsidiaries to the extent permitted under Section 10, (f) employment and severance arrangements between the Borrower and the Restricted Subsidiaries and their respective officers and employees in the ordinary course of business, (g) payments by the Borrower (and any direct or indirect parent thereof) and the Restricted Subsidiaries pursuant to the tax sharing agreements among the Borrower (and any such parent) and the Restricted Subsidiaries on customary terms to the extent attributable to the ownership or operation of the Borrower and the Restricted Subsidiaries, (h) the payment of customary fees and reasonable out of pocket costs to, and indemnities provided on behalf of, directors, managers, consultants, officers and employees of the Borrower and the Restricted Subsidiaries in the ordinary course of business to the extent attributable to the ownership or operation of the Borrower and the Restricted Subsidiaries, (i) transactions pursuant to permitted agreements in existence on the Closing Date and set forth on Schedule 9.9 or any amendment thereto to the extent such an amendment is not adverse, taken as a whole, to the Lenders in any material respect, and (j) customary payments by the Borrower and any Restricted Subsidiaries to the Sponsors made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities (including in connection with acquisitions or divestitures), which payments are approved by the majority of the members of the board of directors or a majority of the disinterested members of the board of directors of the Borrower (or any direct or indirect parent thereof), in good faith.

9.10 End of Fiscal Years; Fiscal Quarters. The Borrower will, for financial reporting purposes, cause (a) each of its, and each of its Subsidiaries', fiscal years to end on December 31 of each year and (b) each of its, and each of its Subsidiaries', fiscal quarters to end on dates consistent with such fiscal year-end and the Borrower's past practice; provided, however, that the Borrower may, upon written notice to the Administrative Agent, change the financial reporting convention specified above to any other financial reporting convention reasonably acceptable to the Administrative Agent, in which case the Borrower and the Administrative Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary in order to reflect such change in financial reporting.

9.11 Additional Guarantors and Grantors. Except as set forth in Section 10.1(B)(j) or 10.1(B)(k) and subject to any applicable limitations set forth in the Security Documents, the Borrower will cause each direct or indirect Subsidiary (other than any Excluded Subsidiary) formed or otherwise purchased or acquired after the date hereof (including pursuant to a Permitted Acquisition) to execute a supplement to each of the Guarantee and the Security Agreement, substantially in the form of Annex B or Annex 1, as applicable, to the respective agreement in order to become a Guarantor under the Guarantee and a grantor under Security Agreement or, to the extent reasonably requested by the Collateral Agent, enter into a new Security Agreement in form and substance reasonably satisfactory to the Collateral Agent.

9.12 [Intentionally Omitted.]

9.13 Use of Proceeds. (a) The Borrower will use the proceeds of all Revolving Loans made on the Closing Date to effect the Red Man Transaction and Debt Repayment and to pay Transaction Expenses; and

(b) The Borrower will use Letters of Credit and the proceeds of all other Revolving Credit Loans and Swingline Loans for general corporate purposes (including Permitted Acquisitions and permitted dividends) and to pay Transaction Expenses.

9.14 Appraisals; Field Examinations. At any time that the Administrative Agent or Collateral Agent reasonably requests, the Borrower will, and will cause each Borrowing Base Guarantor to, permit Administrative Agent, Collateral Agent or professionals (including consultants, accountants, lawyers and appraisers) retained by the Administrative Agent or Collateral Agent, on reasonable prior notice and during normal business hours and with reasonable frequency, to conduct appraisals and commercial finance examinations or updates thereof including, without limitation, of (i) the Borrower's practices in the computation of the Borrowing Base and (ii) the assets included in the Borrowing Base and related financial information such as, but not limited to, sales, gross margins, payables, accruals and reserves, in each case, prepared on a basis reasonably satisfactory to the Administrative Agent and Collateral Agent and at the sole expense of the Borrower; provided, however, if no Default or Event of Default shall have occurred and be continuing, only one (1) such appraisal and one (1) such examination or update per fiscal year shall be conducted at Borrower's expense; provided, further, however, that if Excess Availability is less than 7% of the then existing Total Revolving Credit Commitment, one (1) additional appraisal and one (1) additional examination or update per fiscal year may be conducted without cost to the Borrower.

9.15 Interest Rate Protection. No later than 90 days following the Closing Date and at all times thereafter until the third anniversary of the Closing Date, Borrower shall obtain and cause to be maintained protection against fluctuations in interest rates pursuant to one or more Interest Rate Agreements in order to ensure that no less than 50% of the aggregate principal amount of the total Indebtedness of the Borrower and its Subsidiaries then outstanding is either (i) subject to such Interest Rate Agreements or (ii) Indebtedness that bears interest at a fixed rate.

9.16 Collateral Access Agreements. Borrower and each Guarantor shall use commercially reasonable efforts to obtain a Collateral Access Agreement with respect to Inventory which is located in any location leased by such Credit Party, located in any third-party warehouse or in the possession of a bailee, in each case, to the extent the Cost of Inventory at such location exceeds $50,000 in the aggregate.

9.17 Further Assurances. (a) The Borrower will, and will cause each other Credit Party to, 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), which may be required under any applicable law, or which the Collateral Agent or the Required Lenders may reasonably request, in order to grant, preserve, protect and perfect the validity and priority of the security interests created or intended to be

created by the Security Agreement, all at the expense of the Borrower and the Restricted Subsidiaries.

(b) If any assets are acquired by the Borrower or any other Credit Party after the Closing Date (other than assets constituting Collateral under the Security Agreement that become subject to the Lien of the Security Agreement upon acquisition thereof) that are of the nature secured by the Security Agreement, the Borrower will notify the Collateral Agent, and, if requested by the Collateral Agent, the Borrower will cause such assets to be subjected to a Lien securing the applicable Obligations and will take, and cause the other Credit Parties to take, such actions as shall be necessary or reasonably requested by the Collateral Agent to grant and perfect such Liens consistent with the applicable requirements of the Security Documents, including actions described in clause (a) of this Section 9.17, all at the expense of the Borrower.

(c) The Borrower agrees that it will, or will cause its relevant Subsidiaries to, complete each of the actions described on Schedule 9.17(c) as soon as commercially reasonable and by no later than the date set forth in Schedule 9.17(c) with respect to such action or such later date as the Administrative Agent may reasonably agree.

(d) The Borrower agrees that it will cause Red Man Distributors to comply with the terms of this Agreement and the other Loan Documents and will not permit Red Man Distributors to amend, restate, supplement or otherwise modify its Organizational Documents in a manner that amends the subrogation rights or is materially adverse to the Lenders (other than as required by the applicable Governmental Authority to become certified as a minority business enterprise) without obtaining the prior written consent of the Administrative Agent and Collateral Agent to such amendment, restatement, supplement or other modification.

SECTION 10. Negative Covenants

The Borrower (for itself and each of its Restricted Subsidiaries) hereby covenants and agrees that on the Closing Date (immediately after consummation of the Red Man Transaction) and thereafter, until the Commitments, the Swingline Commitment and each Letter of Credit have terminated and the Loans and Unpaid Drawings, together with interest, Fees and all other Obligations incurred hereunder, are paid in full:

10.1 Limitation on Indebtedness. (A) The Borrower will not, and will not permit any of the Restricted Subsidiaries to, incur, create, assume or permit to exist, directly or indirectly (collectively, "incur" and collectively, an "incurrence"), any Indebtedness; provided, however, that Borrower and the Restricted Subsidiaries will be entitled to incur Indebtedness if the Consolidated Total Debt to Consolidated EBITDA Ratio at the time such additional Indebtedness is incurred would have been no greater than 5.50 to 1.0 determined on a Pro Forma Basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred and the application of proceeds therefrom had occurred at the beginning of the most recent Test Period; provided, that such additional Indebtedness shall not be secured Indebtedness unless (i) the Secured Leverage Ratio at the time such additional Indebtedness is incurred would have been no greater than 5.0 to 1.0, determined on a Pro Forma Basis in the manner set forth above, (ii) such secured Indebtedness has a later final maturity and a longer weighted average life than the Term Loans, (iii) the Liens securing such Indebtedness

shall be subordinate to the Liens securing the Obligations and the "Obligations" (as defined in the Term Loan Credit Agreement) and (iv) the holders of such Indebtedness, the Collateral Agent and the collateral agent under the Term Loan Credit Agreement shall have entered into an intercreditor agreement in a form reasonably satisfactory to Collateral Agent.

(B) The limitation set forth in clause (A) of this Section 10.1 will not prohibit any of the following:

(a) Indebtedness arising under the Credit Documents and the Term Loan Agreement;

(b) Indebtedness of (i) the Borrower or any Subsidiary Guarantor owing to the Borrower or any Restricted Subsidiary, (ii) any Subsidiary who is not a Guarantor owing to any other Subsidiary who is not a Guarantor and (iii) subject to compliance with Section 10.5, any Subsidiary who is not a Guarantor owing to the Borrower or any Subsidiary Guarantor;

(c) Indebtedness in respect of any bankers' acceptance, bank guarantees, letter of credit, warehouse receipt or similar facilities entered into in the ordinary course of business (including in respect of workers compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement-type obligations regarding workers compensation claims);

(d) subject to compliance with Section 10.5, Guarantee Obligations incurred by (i) Restricted Subsidiaries in respect of Indebtedness of the Borrower or other Restricted Subsidiaries that is permitted to be incurred under this Agreement and (ii) the Borrower in respect of Indebtedness of the Restricted Subsidiaries that is permitted to be incurred under this Agreement, provided that, except as provided in clauses (j) and (k) below, there shall be no Guarantee (a) by a Restricted Subsidiary that is not a Guarantor of any Indebtedness of the Borrower and (b) in respect of any Permitted Additional Debt, unless such Guarantee is made by a Guarantor and, in the case of Permitted Additional Debt that is subordinated, is subordinated;

(e) Guarantee Obligations (i) incurred in the ordinary course of business in respect of obligations of (or to) suppliers, customers, franchisees, lessors and licensees or (ii) or otherwise constituting Investments permitted by Section 10.5;

(f) (i) Indebtedness (including Indebtedness arising under Capital Leases) incurred within 270 days of the acquisition, construction or improvement of fixed or capital assets to finance the acquisition, construction or improvement of such fixed or capital assets, (ii) Indebtedness arising under Capital Leases entered into in connection with Permitted Sale Leasebacks and (iii) Indebtedness arising under Capital Leases, other than Capital Leases in effect on the date hereof and Capital Leases entered into pursuant to subclauses (i) and (ii) above, provided, that the aggregate amount of Indebtedness incurred pursuant to this subclause (iii) shall not exceed $20,000,000 at any time outstanding, and (iv) any modification, replacement, refinancing, refunding, renewal or extension of any Indebtedness specified in subclause (i), (ii) or (iii) above, provided that, except to the extent otherwise expressly permitted hereunder, the principal amount thereof (including pursuant to clause (iii)) does not exceed the principal amount thereof outstanding immediately prior to such modification, replacement, refinancing, refunding, renewal or extension, except by an amount equal to the unpaid accrued

interest and premium thereon plus other reasonable amounts paid and fees and expenses incurred in connection with such modification, replacement, refinancing, refunding, renewal or extension;

(g) Indebtedness outstanding on the date hereof (i) listed on Schedule 10.1 and any modification, replacement, refinancing, refunding, renewal or extension thereof, provided that, except to the extent otherwise expressly permitted hereunder, (x) the principal amount thereof does not exceed the principal amount thereof outstanding immediately prior to such modification, replacement, refinancing, refunding, renewal or extension, except by an amount equal to the unpaid accrued interest and premium thereon plus other reasonable amounts paid and fees and expenses incurred in connection with such modification, replacement, refinancing, refunding, renewal or extension plus an amount equal to any existing commitment unutilized and letters of credit undrawn thereunder and (y) the direct and contingent obligors with respect to such Indebtedness are not changed and (ii) owing by the Borrower to any Restricted Subsidiary or by any Restricted Subsidiary to the Borrower or any other Restricted Subsidiary;

(h) Indebtedness in respect of Hedge Agreements;

(i) [Reserved];

(j) (i) Indebtedness of a Person or Indebtedness attaching to assets of a Person that, in either case, becomes a Restricted Subsidiary (or is a Restricted Subsidiary that survives a merger with such Person) or Indebtedness attaching to assets that are acquired by the Borrower or any Restricted Subsidiary, in each case after the Closing Date as the result of a Permitted Acquisition, provided, that (w) such Indebtedness existed at the time such Person became a Restricted Subsidiary or at the time such assets were acquired and, in each case, was not created in anticipation thereof, (x) such Indebtedness is not guaranteed in any respect by the Borrower or any Restricted Subsidiary (other than by any such Person that so becomes a Restricted Subsidiary or is the survivor of a merger with such Person and any of its Subsidiaries) and (y) such Person executes a supplement to each of the Guarantee and the Security Agreement to the extent required under Section 9.11, provided that the requirements of this subclause (y) shall not apply to (I) an aggregate amount at any time outstanding of up to the greater of (A) $300,000,000 or (B) 10% of Consolidated Total Assets at the time of the incurrence of such Indebtedness (less all Indebtedness as to which the proviso to clause (k)(i)(y) below then applies) at such time of such Indebtedness (and modifications, replacements, refinancings, refundings, renewals and extensions thereof pursuant to subclause (ii) below) and (II) any Indebtedness of the type that could have been incurred under Section 10.1(B)(f), and (ii) any modification, replacement, refinancing, refunding, renewal or extension of any Indebtedness specified in subclause (i) above, provided that, except to the extent otherwise expressly permitted hereunder, (X) the principal amount of any such Indebtedness does not exceed the principal amount thereof outstanding immediately prior to such modification, replacement, refinancing, refunding, renewal or extension except by an amount equal to the unpaid accrued interest and premium thereon plus other reasonable amounts paid and fees and expenses incurred in connection with such modification, replacement, refinancing, refunding, renewal or extension plus an amount equal to any existing commitment unutilized and letters of credit undrawn thereunder and (Y) the direct and contingent obligors with respect to such Indebtedness are not changed;

(k) (i) Permitted Additional Debt of the Borrower or any Restricted Subsidiary incurred to finance a Permitted Acquisition, provided that (x) if such Indebtedness is incurred by a Restricted Subsidiary that is not a Guarantor, such Indebtedness is not guaranteed by the Borrower or any Guarantor except as permitted by Section 10.5(g) and (y) such acquired Person executes a supplement to the Guarantee and the Security Agreement (or alternative guarantee and security arrangements in relation to the Obligations reasonably acceptable to the Collateral Agent) to the extent required under Section 9.11, provided that the requirements of this subclause (y) shall not apply to an aggregate amount at any time outstanding of up to the greater of (A) $300,000,000 or (B) 10% of Consolidated Total Assets at the time of the incurrence of such Indebtedness (less all Indebtedness as to which clause (I) of the proviso to clause (j)(i)(y) above then applies) at such time of the aggregate of such Indebtedness (and modifications, replacements, refinancings, refundings, renewals and extensions thereof pursuant to subclause (ii) below), and (ii) any modification, replacement, refinancing, refunding, renewal or extension of any Indebtedness specified in subclause (i) above, provided that, except to the extent otherwise expressly permitted hereunder, (x) the principal amount of any such Indebtedness does not exceed the principal amount thereof outstanding immediately prior to such modification, replacement, refinancing, refunding, renewal or extension except by an amount equal to the unpaid accrued interest and premium thereon plus other reasonable amounts paid and fees and expenses incurred in connection with such modification, replacement, refinancing, refunding, renewal or extension plus an amount equal to any existing commitment unutilized and letters of credit undrawn thereunder and (y) the direct and contingent obligors with respect to such Indebtedness are not changed;

(l) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds and completion guarantees and similar obligations not in connection with money borrowed, in each case provided in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business;

(m) (i) Indebtedness incurred in connection with any Permitted Sale Leaseback (provided that the Net Cash Proceeds thereof are promptly applied to the prepayment of the Term Loans to the extent required by Section 5.2 of the Term Loan Credit Agreement) and (ii) any refinancing, refunding, renewal or extension of any Indebtedness specified in subclause (i) above, provided that, except to the extent otherwise permitted hereunder, (x) the principal amount of any such Indebtedness is not increased above the principal amount thereof outstanding immediately prior to such refinancing, refunding, renewal or extension and (y) the direct and contingent obligors with respect to such Indebtedness are not changed;

(n) (i) additional Indebtedness and (ii) any refinancing, refunding, renewal or extension of any Indebtedness specified in subclause (i) above; provided that the aggregate amount of Indebtedness incurred and remaining outstanding pursuant to this clause (n) shall not at any time exceed the greater of (w) $150,000,000 and (x) 5% of Consolidated Total Assets at the time of the incurrence of such Indebtedness; provided, however, not more than the greater of (y) $50,000,000 and (z) 1.5% of Consolidated Total Assets at the time of the incurrence of such Indebtedness in aggregate principal amount of Indebtedness of the Borrower or any Subsidiary Guarantor incurred under this clause (n) shall be secured;

(o) Indebtedness in respect of Permitted Additional Debt to the extent that the Net Cash Proceeds therefrom are, immediately after the receipt thereof, applied to the prepayment of Term Loans in accordance with Section 5.2 of the Term Loan Credit Agreement;

(p) Indebtedness in respect of overdraft facilities, employee credit card programs and other cash management arrangements in the ordinary course of business;

(q) unsecured Indebtedness in respect of obligations of the Borrower or any Restricted Subsidiary to pay the deferred purchase price of goods or services or progress payments in connection with such goods and services, provided that such obligations are incurred in connection with open accounts extended by suppliers on customary trade terms (which require that all such payments be made within 60 days after the incurrence of the related obligation) in the ordinary course of business and not in connection with the borrowing of money or Hedging Agreements;

(r) Indebtedness arising from agreements of the Borrower or any Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case entered into in connection with Permitted Acquisitions, other Investments and the disposition of any business, assets or Capital Stock permitted hereunder, other than Guarantee Obligations incurred by any Person acquiring all or any portion of such business, assets or Capital Stock for the purpose of financing such acquisition, provided that (i) such Indebtedness is not reflected on the balance sheet of the Borrower or any Restricted Subsidiary (contingent obligations referred to in a footnote to financial statements and not otherwise reflected on the balance sheet will not be deemed to be reflected on such balance sheet for purposes of this clause (i)) and (ii) the maximum assumable liability in respect of all such Indebtedness shall at no time exceed the gross proceeds, including non-cash proceeds (the fair market value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value), actually received by the Borrower and the Restricted Subsidiaries in connection with such disposition;

(s) Indebtedness of the Borrower or any Restricted Subsidiary consisting of (i) obligations to pay insurance premiums or (ii) take or pay obligations contained in supply agreements, in each case arising in the ordinary course of business and not in connection with the borrowing of money or Hedging Agreements;

(t) Indebtedness representing deferred compensation to employees of the Borrower (or any direct or indirect parent thereof) and the Restricted Subsidiaries incurred in the ordinary course of business;

(u) Unsecured, subordinated Indebtedness consisting of promissory notes in an aggregate principal amount of not more than $10,000,000 issued by the Borrower or any Guarantor to current or former officers, managers, consultants, directors and employees (or their respective spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees) to finance the purchase or redemption of Stock or Stock Equivalents of the Borrower (or any direct or indirect parent thereof) permitted by Section 10.6;

(v) Indebtedness consisting of obligations of the Borrower or the Restricted Subsidiaries under deferred compensation or other similar arrangements incurred by such Person in connection with the Transactions and Permitted Acquisitions or any other Investment expressly permitted hereunder;

(w) cash management obligations and other Indebtedness in respect of netting services, automatic clearinghouse arrangements, overdraft protections and similar arrangements in each case in connection with deposit accounts; and

(x) all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (a) through (w) above.

10.2 Limitation on Liens. The Borrower will not, and will not permit any of the Restricted Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any property or assets of any kind (real or personal, tangible or intangible) of the Borrower or any Restricted Subsidiary, whether now owned or hereafter acquired, except:

(a) Liens arising under the Credit Documents;

(b) Permitted Liens;

(c) (i) Liens securing Indebtedness permitted pursuant to Section 10.1(B)(f), provided that (x) such Liens attach at all times only to the assets so financed except for accessions to such property Indebtedness and the proceeds and the products thereof and (y) that individual financings of equipment provided by one lender may be cross collateralized to other financings of equipment provided by such lender, and (ii) Liens on the assets of Restricted Subsidiaries that are not Guarantors securing Indebtedness permitted pursuant to Section 10.1(B)(n) and (p);

(d) Liens existing on the date hereof and listed on Schedule 10.2;

(e) the replacement, extension or renewal of any Lien permitted by clauses (a) through (d) above and clause (f) of this Section 10.2 upon or in the same assets (other than after acquired property that is affixed or incorporated into the property covered by such Lien or financed by Indebtedness permitted under Section 10.1(B) and proceeds and products thereof) theretofore subject to such Lien or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor except to the extent otherwise permitted hereunder) of the Indebtedness secured thereby;

(f) Liens existing on the assets of any Person that becomes a Restricted Subsidiary (or is a Restricted Subsidiary that survives a merger with such Person), or existing on assets acquired, pursuant to a Permitted Acquisition or other Investment to the extent the Liens on such assets secure Indebtedness permitted by Section 10.1(B)(j) or other obligations permitted by this Agreement, provided that such Liens attach at all times only to the same assets that such Liens (other than after acquired property that is affixed or incorporated into the property covered by such Lien or financed by Indebtedness permitted under Section 10.1(B) and proceeds and products thereof) attached to, and secure only the same Indebtedness or obligations (or any modifications, refinancings, extensions, renewals, refundings or replacements of such

Indebtedness permitted by Section 10.1(B)) that such Liens secured, immediately prior to such Permitted Acquisition or other Investment, as applicable;

(g) (i) Liens placed upon the Stock and Stock Equivalents of any Restricted Subsidiary acquired pursuant to a Permitted Acquisition to secure Indebtedness incurred pursuant to Section 10.1(B)(k) in connection with such Permitted Acquisition and (ii) Liens placed upon the assets of such Restricted Subsidiary to secure a guarantee by, or Indebtedness of, such Restricted Subsidiary of any Indebtedness of the Borrower or any other Restricted Subsidiary incurred pursuant to Section 10.1(B)(k);

(h) Liens securing Indebtedness or other obligations of the Borrower or a Subsidiary in favor of the Borrower or any Subsidiary that is a Guarantor and Liens securing Indebtedness or other obligations of any Subsidiary that is not a Guarantor in favor of any Subsidiary that is not a Guarantor;

(i) Liens (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection, (ii) attaching to commodity trading accounts or other commodities brokerage accounts incurred in the ordinary course of business; and (iii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking industry;

(j) Liens (i) on cash advances in favor of the seller of any property to be acquired in an Investment permitted pursuant to Sections 10.5 to be applied against the purchase price for such Investment, and (ii) consisting of an agreement to sell, transfer, lease or otherwise dispose of any property in a transaction permitted under Section 10.4, in each case, solely to the extent such Investment or sale, disposition, transfer or lease, as the case may be, would have been permitted on the date of the creation of such Lien;

(k) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by the Borrower or any of the Restricted Subsidiaries in the ordinary course of business permitted by this Agreement;

(l) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 10.5;

(m) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(n) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Borrower or any Restricted Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower and the Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Borrower or any Restricted Subsidiary in the ordinary course of business;

(o) Liens solely on any cash earnest money deposits made by the Borrower or any of the Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(p) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(q) Liens securing obligations under the Term Loan Agreement; and

(r) additional Liens so long as the aggregate principal amount of the obligations so secured does not exceed the greater of (y) $50,000,000 at any time outstanding and (z) 1.5% of Consolidated Total Assets at the time of the incurrence of such obligations.

10.3 Limitation on Fundamental Changes. Except as expressly permitted by Section 10.4 or 10.5, the Borrower will not, and will not permit any of the Restricted Subsidiaries to, enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, assign, transfer or otherwise dispose of, all or substantially all its business units, assets or other properties, except that:

(a) so long as no Default or Event of Default would result therefrom, any Subsidiary of the Borrower or any other Person may be merged or consolidated with or into the Borrower, provided that (i) the Borrower shall be the continuing or surviving corporation or (ii) if the Person formed by or surviving any such merger or consolidation is not the Borrower (such Person, the "Successor Borrower"), (A) the Successor Borrower shall be an entity organized or existing under the laws of the United States, any state thereof, the District of Columbia or any territory thereof, (B) the Successor Borrower shall expressly assume all the obligations of the Borrower under this Agreement and the other Credit Documents pursuant to a supplement hereto or thereto in form reasonably satisfactory to the Administrative Agent, (C) each Guarantor, unless it is the other party to such merger or consolidation, shall have by a supplement to the Guarantee confirmed that its Guarantee shall apply to the Successor Borrower's obligations under this Agreement, (D) each Subsidiary grantor and each Subsidiary pledgor, unless it is the other party to such merger or consolidation, shall have by a supplement to the Security Agreement confirmed that its obligations thereunder shall apply to the Successor Borrower's obligations under this Agreement, and (E) the Borrower shall have delivered to the Administrative Agent (x) an officer's certificate stating that such merger or consolidation and such supplements to this Agreement preserve the enforceability of the Guarantee and the perfection and priority of the Liens under the Security Documents and (y) if reasonably requested by the Administrative Agent, an opinion of counsel to the effect that such merger or consolidation does not violate this Agreement or any other Credit Document, and provided further that if the foregoing are satisfied, the Successor Borrower will succeed to, and be substituted for, such Borrower under this Agreement;

(b) any Subsidiary of the Borrower or any other Person may be merged, amalgamated or consolidated with or into any one or more Subsidiaries of the Borrower, provided that (i) in the case of any merger, amalgamation or consolidation involving one

or more Restricted Subsidiaries, (A) a Restricted Subsidiary shall be the continuing or surviving corporation or (B) the Borrower shall take all steps necessary to cause the Person formed by or surviving any such merger, amalgamation or consolidation (if other than a Restricted Subsidiary) to become a Restricted Subsidiary, (ii) in the case of any merger, amalgamation or consolidation involving one or more Guarantors, a Guarantor shall be the continuing or surviving corporation or the Person formed by or surviving any such merger, amalgamation or consolidation (if other than a Guarantor) shall execute a supplement to the Guarantee Agreement and the Security Agreement in form and substance reasonably satisfactory to the Collateral Agent in order to become a Guarantor and grantor of Collateral for the benefit of the Secured Parties, (iii) no Default or Event of Default would result from the consummation of such merger, amalgamation or consolidation, (iv) the Borrower shall be in compliance, on a Pro Forma Basis after giving effect to such merger, amalgamation or consolidation, with the covenant set forth in Section 10.9 of the Term Loan Agreement, as such covenant is recomputed as at the last day of the most recently ended Test Period under such Section as if such merger or consolidation had occurred on the first day of such Test Period, and (v) the Borrower shall have delivered to the Administrative Agent an officer's certificate stating that such merger, amalgamation or consolidation and such supplements to any Security Document preserve the enforceability of the Guarantee and the perfection and priority of the Liens under the Security Documents;

(c) any Restricted Subsidiary that is not a Guarantor may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the Borrower, a Guarantor or any other Restricted Subsidiary;

(d) any Guarantor may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the Borrower or any other Guarantor; and

(e) any Restricted Subsidiary may liquidate or dissolve if (i) the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders and (ii) to the extent such Restricted Subsidiary is a Credit Party, any assets or business not otherwise disposed of or transferred in accordance with Section 10.4 or 10.5, or, in the case of any such business, discontinued, shall be transferred to, or otherwise owned or conducted by, another Credit Party after giving effect to such liquidation or dissolution.

10.4 Limitation on Sale of Assets. The Borrower will not, and will not permit any of the Restricted Subsidiaries to, (i) convey, sell, lease, assign, transfer or otherwise dispose of any of its property, business or assets (including receivables and leasehold interests), whether now owned or hereafter acquired (other than any such sale, transfer, assignment or other disposition resulting from any casualty or condemnation, of any assets of the Borrower or the Restricted Subsidiaries) or (ii) sell to any Person (other than the Borrower or a Guarantor) any shares owned by it of any Restricted Subsidiary's Stock and Stock Equivalents, except that:

(a) the Borrower and the Restricted Subsidiaries may sell, transfer or otherwise dispose of (i) used or surplus equipment, vehicles, inventory and other assets in the ordinary course of business and (ii) Permitted Investments;

(b) the Borrower and the Restricted Subsidiaries may sell, transfer or otherwise dispose of other assets (other than accounts receivable) (each a "Disposition") for fair value, provided that:

(i) with respect to any Disposition pursuant to this clause (b) for a purchase price in excess of $10,000,000, the Borrower or a Restricted Subsidiary shall receive not less than 75% of such consideration in the form of cash or Permitted Investments; provided that for the purposes of this clause (i):

(A) any liabilities (as shown on the Borrower's or such Restricted Subsidiary's most recent balance sheet provided hereunder or in the footnotes thereto) of the Borrower or such Restricted Subsidiary, other than liabilities that are by their terms subordinated to the payment in cash of the Obligations, that are assumed by the transferee with respect to the applicable Disposition and for which the Borrower and all of the Restricted Subsidiaries shall have been validly released by all applicable creditors in writing,

(B) any securities received by the Borrower or such Restricted Subsidiary from such transferee that are converted by the Borrower or such Restricted Subsidiary into cash (to the extent of the cash received) within 180 days following the closing of the applicable Disposition, and

(C) any Designated Non-Cash Consideration received by the Borrower or such Restricted Subsidiary in respect of such Disposition having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this Section 10.4(b) and Section 10.4(c) that is at that time outstanding, not in excess of 6% of Consolidated Total Assets at the time of the receipt of such Designated Non-Cash Consideration, with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value,

shall in each case under this clause (i) be deemed to be cash;

(ii) [intentionally omitted];

(iii) with respect to any such sale, transfer or disposition (or series of related sales, transfers or dispositions), the Borrower shall be in compliance, on a Pro Forma Basis after giving effect to such sale, transfer or disposition, with the covenant set forth in Section 10.9 of the Term Loan Agreement), as such covenant is recomputed as at the last day of the most recently ended Test Period under such Section as if such sale, transfer or disposition had occurred on the first day of such Test Period; and

(iv) after giving effect to any such sale, transfer or disposition, no Default or Event of Default shall have occurred and be continuing;

(c) the Borrower and the Restricted Subsidiaries may make sales of assets to the Borrower or to any Restricted Subsidiary, provided that with respect to any such sales to Restricted Subsidiaries that are not Guarantors:

(i) such sale, transfer or disposition shall be for fair value;

(ii) with respect to any Disposition pursuant to this clause (c) for a purchase price in excess of $10,000,000, the Borrower or a Restricted Subsidiary shall receive not less than 75% of such consideration in the form of cash or Permitted Investments; provided that for the purposes of this clause (ii):

(A) any liabilities (as shown on the Borrower's or such Restricted Subsidiary's most recent balance sheet provided hereunder or in the footnotes thereto) of the Borrower or such Restricted Subsidiary, other than liabilities that are by their terms subordinated to the payment in cash of the Obligations, that are assumed by the transferee with respect to the applicable Disposition and for which the Borrower and all of the Restricted Subsidiaries shall have been validly released by all applicable creditors in writing,

(B) any securities received by the Borrower or such Restricted Subsidiary from such transferee that are converted by the Borrower or such Restricted Subsidiary into cash (to the extent of the cash received) within 180 days following the closing of the applicable Disposition,

(C) any Designated Non-Cash Consideration received by the Borrower or such Restricted Subsidiary in respect of such Disposition having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this Section 10.4(c) and Section 10.4(b) that is at that time outstanding, not in excess of 6% of Consolidated Total Assets at the time of the receipt of such Designated Non-Cash Consideration, with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value,

shall in each case under this clause (ii) be deemed to be cash; and

(iii) [intentionally omitted].

(d) the Borrower and any Restricted Subsidiary may effect any transaction permitted by Section 10.3, 10.5 or 10.6;

(e) in addition to selling or transferring accounts receivable pursuant to the other provisions hereof, the Borrower and the Restricted Subsidiaries may sell or discount without recourse accounts receivable arising in the ordinary course of business

in connection with the compromise or collection thereof consistent with such Person's current credit and collection practices;

(f) the Borrower and the Restricted Subsidiaries may lease, sublease, license or sublicense (on a non-exclusive basis with respect to any intellectual property) real, personal or intellectual property in the ordinary course of business;

(g) sales, transfers and other dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are promptly applied to the purchase price of such replacement property;

(h) sales, transfers and other dispositions of property pursuant to Permitted Sale Leaseback transactions;

(i) Dispositions of Non-Core Assets; and

(j) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to customary buy/sell arrangements between, the joint venture parties set forth in joint venture arrangements and similar binding arrangements.

10.5 Limitation on Investments. The Borrower will not, and will not permit any of the Restricted Subsidiaries to, make any advance, loan, extensions of credit or capital contribution to, or purchase any stock, bonds, notes, debentures or other securities of or any assets of, or make any other Investment in, any Person, except:

(a) extensions of trade credit and asset purchases in the ordinary course of business;

(b) Permitted Investments;

(c) loans and advances to officers, directors and employees of the Borrower (or any direct or indirect parent thereof) or any of its Subsidiaries (i) for reasonable and customary business-related travel, entertainment, relocation and analogous ordinary business purposes (including employee payroll advances), (ii) in connection with such Person's purchase of Stock or Stock Equivalents of the Borrower (or any direct or indirect parent thereof) to the extent that the amount of such loans and advances are contributed to the Borrower in cash and (iii) for purposes not described in the foregoing clauses (i) and (ii), in an aggregate principal amount outstanding not to exceed $5,000,000;

(d) Investments existing on, or contemplated as of, the date hereof and listed on Schedule 10.5 and any extensions, renewals or reinvestments thereof, so long as the aggregate amount of all Investments pursuant to this clause (d) is not increased at any time above the amount of such Investments existing on the date hereof;

(e) Investments received in connection with the bankruptcy or reorganization of suppliers or customers and in settlement of delinquent obligations of, and other disputes with, customers arising in the ordinary course of business or upon foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment;

(f) Investments to the extent that payment for such Investments is made solely with Stock or Stock Equivalents of the Borrower;

(g) Investments (i) in any Guarantor or the Borrower, (ii) in Restricted Subsidiaries that are not Guarantors, in an aggregate amount pursuant to this clause (ii) not to exceed (x) the greater of (A) $50,000,000 and (B) 1.5% of Consolidated Total Assets at the time of the incurrence of such Investment plus (y) the Applicable Amount at such time, and (iii) in Restricted Subsidiaries that are not Guarantors so long as such Investment is part of a series of simultaneous Investments by Restricted Subsidiaries in other Restricted Subsidiaries that result in the proceeds of the initial Investment being invested in one or more Guarantors;

(h) Investments constituting Permitted Acquisitions;

(i) (i) Investments (including Investments in Unrestricted Subsidiaries) and (ii) Investments in joint ventures or similar entities that do not constitute Restricted Subsidiaries, in each case, as valued at the fair market value of such Investment at the time each such Investment is made, in an amount that, at the time such Investment is made, would not exceed the sum of (x) the greater of (A) $100,000,000 and (B) 3% of Consolidated Total Assets at the time of the incurrence of such Investment, plus (y) the Applicable Amount at such time plus (z) an amount equal to any repayments, interest, returns, profits, distributions, income and similar amounts actually received in cash in respect of any such Investment (which amount shall not exceed the amount of such Investment valued at the fair market value of such Investment at the time such Investment was made),

(j) Investments constituting non-cash proceeds of sales, transfers and other dispositions of assets to the extent permitted by Section 10.4;

(k) Investments made to repurchase or retire Stock of the Borrower or any direct or indirect parent thereof owned by any employee stock ownership plan or key employee stock ownership plan of the Borrower (or any direct or indirect parent thereof);

(l) Investments permitted under Section 10.6;

(m) loans and advance to any direct or indirect parent of the Borrower in lieu of, and not in excess of the amount of, dividends to the extent permitted to be made to such parent in accordance with Section 10.6;

(n) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from

financially troubled account debtors and other credits to suppliers in the ordinary course of business;

(o) Investments in the ordinary course of business consisting of Article 3 endorsements for collection or deposit and Article 4 customary trade arrangements with customers consistent with past practices;

(p) advances of payroll payments to employees in the ordinary course of business;

(q) [Intentionally Omitted];

(r) Guarantee Obligations of the Borrower or any Restricted Subsidiary of leases (other than Capitalized Leases) or of other obligations that do not constitute Indebtedness, in each case entered into in the ordinary course of business;

(s) Investments made to repurchase or retire equity interests of the Borrower (or any direct or indirect parent thereof) owned by any employee stock ownership plan or key employee stock ownership plan of the Borrower (or any direct or indirect parent thereof);

(t) Investments of a Restricted Subsidiary acquired after the Closing Date or of any Person merged into the Borrower or merged or consolidated with a Restricted Subsidiary in accordance with Section 10.3 after the Closing Date to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger or consolidation and were in existence on the date of such acquisition, merger or consolidation; and

(u) Investments with respect to the purchase of the outstanding Stock and Stock Equivalents of Red Man Pipe and Supply Canada, Ltd. in accordance with the exercise of the CanHCo Call Right (as defined in the Redman Acquisition Agreement) so long as no Default or Event of Default exists or would exist after giving effect thereto.

10.6 Limitation on Dividends. The Borrower will not declare or pay any dividends (other than dividends payable solely in its Stock) or return any capital to its stockholders or make any other distribution, payment or delivery of property or cash to its stockholders as such, or redeem, retire, purchase or otherwise acquire, directly or indirectly, for consideration, any shares of any class of its Stock or Stock Equivalents or the Stock or Stock Equivalents of any direct or indirect parent now or hereafter outstanding, or set aside any funds for any of the foregoing purposes, or permit any of the Restricted Subsidiaries to purchase or otherwise acquire for consideration (other than in connection with an Investment permitted by Section 10.5) any Stock or Stock Equivalents of the Borrower, now or hereafter outstanding (all of the foregoing "dividends"), provided that, (x) to the extent that a dividend, distribution or any other return of capital pursuant to paragraph (c) below is funded with a Borrowing hereunder, Excess Availability is not less than $100,000,000 after giving effect to such dividend, distribution or other return of capital and (y) so long as no Default or Event of Default exists or would exist after giving effect thereto:

(a) the Borrower may redeem in whole or in part any of its Stock or Stock Equivalents for another class of its Stock or Stock Equivalents or with proceeds from substantially concurrent equity contributions or issuances of new Stock or Stock Equivalents, provided that such new Stock or Stock Equivalents contain terms and provisions at least as advantageous to the Lenders in all respects material to their interests as those contained in the Stock or Stock Equivalents redeemed thereby;

(b) the Borrower may (or may make dividends to permit any direct or indirect parent thereof to) repurchase shares of its (or such parent's) Stock or Stock Equivalents held by officers, directors and employees of the Borrower and its Subsidiaries, so long as such repurchase is pursuant to, and in accordance with the terms of, management and/or employee stock plans, stock subscription agreements or shareholder agreements; provided, that the aggregate amount of all cash paid in respect of all such shares so repurchased in any calendar year does not exceed the sum of (i) $10,000,000 plus (ii) all amounts obtained by the Borrower during such calendar year from the sale of such Stock or Stock Equivalents to other officers, directors and employees of the Borrower and its Subsidiaries in connection with any permitted compensation and incentive arrangements plus (iii) all amounts obtained from any key-man life insurance policies received during such calendar year; provided further that the aggregate amount permitted by the foregoing proviso with respect to any calendar year commencing with 2008 shall be increased by 100% of the amount of unused share repurchases for the immediately preceding year (such amount, a "carry-over amount") without giving effect to any carry-over amount that was added in such preceding calendar year and assuming any such carry-over amount is utilized first and so long as the aggregate amount of cash paid in respect of all such shares so repurchased in any calendar year does not exceed $20,000,000; and provided still further the aggregate amount of all cash paid in respect of all such shares so repurchased in any calendar year may exceed the aggregate amount permitted by the foregoing provisos if Excess Availability is not less than $100,000,000 after giving effect to such dividend, distribution or other return of capital;

(c) the Borrower may pay dividends on the Stock or Stock Equivalents, provided that the amount of any such dividends pursuant to this clause (c) shall not exceed an amount equal to (i)(a) $50,000,000 or (b) $100,000,000, if the Consolidated Total Debt to Consolidated EBITDA Ratio for the Test Period last ended is less than 4.00:1.00, determined on a Pro Forma Basis after giving effect to such dividend, *less* any amount expended pursuant to Section 10.7(a)(i)(x) *plus* (ii) the Applicable Amount at such time; and

(d) the Borrower may pay dividends:

(i) so long as the Borrower is a member of a group filing a consolidated, combined, unitary or affiliated tax return with a parent, the proceeds of which will be used to pay (or to make dividends to allow any direct or indirect parent of the Borrower to pay) within 30 days of the receipt thereof, the tax liability to each relevant jurisdiction in respect of such consolidated, combined, unitary or affiliated returns for the relevant jurisdiction of such parent to the extent such tax liability is directly attributable to the taxable income of the

Borrower or its Subsidiaries (that are included in such consolidated, combined, unitary or affiliated tax return), determined as if the Borrower and such Subsidiaries filed a separate consolidated, combined, unitary or affiliated tax return as a stand-alone group;

(ii) the proceeds of which shall be used to allow any direct or indirect parent of Borrower to pay (A) its operating expenses incurred in the ordinary course of business and other corporate overhead costs and expenses (including administrative, legal, accounting and similar expenses provided by third parties), which are reasonable and customary and incurred in the ordinary course of business, in an aggregate amount not to exceed $2,000,000 in any fiscal year of the Borrower plus any reasonable and customary indemnification claims made by directors or officers of the Borrower (or any parent thereof) attributable to the ownership or operations of the Borrower and its Subsidiaries or (B) fees and expenses otherwise (x) due and payable by the Borrower or any of its Subsidiaries and (y) permitted to be paid by the Borrower or such Subsidiary under this Agreement;

(iii) the proceeds of which shall be used to pay franchise taxes and other fees, taxes and expenses required to maintain the corporate existence of any direct or indirect parent of the Borrower, within thirty (30) days of the receipt thereof;

(iv) in amount equal to the Net Cash Proceeds of any Disposition of Non-Core Assets for the purposes of complying with the requirements of the Red Man Transaction Agreement or the Merger Agreement (as defined in the Existing Revolving Credit Agreement), as applicable, relating thereto;

(v) to any direct or indirect parent of the Borrower to finance any Investment permitted to be made pursuant to Section 10.5; provided that (A) such dividend shall be made substantially concurrently with the closing of such Investment and (B) such parent shall, immediately following the closing thereof, cause (1) all property acquired (whether assets, Stock or Stock Equivalents) to be contributed to the Borrower or its Restricted Subsidiaries or (2) the merger (to the extent permitted in Section 10.5) of the Person formed or acquired into the Borrower or its Restricted Subsidiaries in order to consummate such Permitted Acquisition; and

(vi) in an amount not to exceed the amount necessary to effect the Investment described in Section 10.5(u).

10.7 Limitations on Debt Payments and Amendments. (a) The Borrower will not, and will not permit any Restricted Subsidiary to, prepay, repurchase or redeem or otherwise defease any Subordinated Indebtedness; provided, however, that so long as no Default or Event of Default shall have occurred and be continuing at the date of such prepayment, repurchase, redemption or other defeasance or would result after giving effect thereof and Excess Availability is not less than $50,000,000 after giving effect to such prepayment, repurchase,

redemption or other defeasance, the Borrower or any Restricted Subsidiary may prepay, repurchase or redeem Subordinated Indebtedness (i) for an aggregate price not in excess of (x)(A) $50,000,000 or (B) $100,000,000, if the Consolidated Total Debt to Consolidated EBITDA Ratio for the Test Period last ended is less than 4.00:1.00, determined on a Pro Forma Basis after giving effect to such prepayment, repurchase, redemption or other defeasance, *less* any amount expended pursuant to Section 10.6(c)(i) *plus* (y) the Applicable Amount at the time of such prepayment, repurchase or redemption, or (ii) with the proceeds of Subordinated Indebtedness that (A) is permitted by Section 10.1(B) (other than Section 10.1(B)(o)) and (B) has terms material to the interests of the Lenders not materially less advantageous to the Lenders than those of such Subordinated Indebtedness being refinanced.

(b) The Borrower will not waive, amend, modify, terminate or release any Subordinated Indebtedness to the extent that any such waiver, amendment, modification, termination or release would be adverse to the Lenders in any material respect.

10.8 Limitations on Sale Leasebacks. The Borrower will not, and will not permit any of the Restricted Subsidiaries to, enter into or effect any Sale Leasebacks, other than Permitted Sale Leasebacks.

10.9 [Reserved].

10.10 Changes in Business. The Borrower and the Subsidiaries, taken as a whole, will not fundamentally and substantively alter the character of their business, taken as a whole, from the business conducted by the Borrower and the Subsidiaries, taken as a whole, on the Closing Date and other business activities incidental or related to any of the foregoing.

10.11 Burdensome Agreements. The Borrower will not, and will not permit any Restricted Subsidiary to, enter into or permit to exist any contractual obligation (other than this Agreement or any other Credit Document) that limits the ability of (a) any Restricted Subsidiary that is not a Guarantor to make dividends to the Borrower or any Guarantor or (b) the Borrower or any Subsidiary Guarantor to create, incur, assume or suffer to exist Liens on property of such Person for the benefit of the Lenders with respect to the Obligations; provided that the foregoing clauses (a) and (b) shall not apply to contractual obligations which (i) (x) exist on the date hereof and (to the extent not otherwise permitted by this Section 10.11) are listed on Schedule 10.11 and (y) to the extent contractual obligations permitted by clause (x) are set forth in an agreement evidencing Indebtedness, are set forth in any agreement evidencing any permitted renewal, extension or refinancing of such Indebtedness so long as such renewal, extension or refinancing does not expand the scope of such contractual obligation, (ii) are binding on a Restricted Subsidiary at the time such Restricted Subsidiary first becomes a Restricted Subsidiary of the Borrower, so long as such contractual obligations were not entered into solely in contemplation of such Person becoming a Restricted Subsidiary of the Borrower; (iii) represent Indebtedness of a Restricted Subsidiary of the Borrower which is not a Credit Party which is permitted by Section 10.1, (iv) arise in connection with any Disposition permitted by Section 10.4, (v) are customary provisions in joint venture agreements and other similar agreements applicable to joint ventures permitted under Section 10.5 and applicable solely to such joint venture entered into in the ordinary course of business, (vi) are negative pledges and restrictions on Liens in favor of any holder of Indebtedness permitted under Section 10.1 but solely to the extent any

negative pledge relates to the property financed by or the subject of such Indebtedness, (vii) are customary restrictions on leases, subleases, licenses or asset sale agreements otherwise permitted hereby so long as such restrictions relate to the assets subject thereto, (viii) comprise restrictions imposed by any agreement relating to secured Indebtedness permitted pursuant to Section 10.1 to the extent that such restrictions apply only to the property or assets securing such Indebtedness or, in the case of secured Indebtedness incurred pursuant to Section 10.1(B)(j) or Section 10.1(B)(k)) only, to the Restricted Subsidiaries incurring or guaranteeing such Indebtedness, (ix) are customary provisions restricting subletting or assignment of any lease governing a leasehold interest of the Borrower or any Restricted Subsidiary, (x) are customary provisions restricting assignment of any agreement entered into in the ordinary course of business, (xi) are restrictions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business, and (xii) exist under the Term Loan Credit Agreement or any documentation relating to such debt.

SECTION 11. Events of Default

Upon the occurrence of any of the following specified events (each an "Event of Default"):

11.1 Payments. The Borrower shall (a) default in the payment when due of any principal of the Loans or (b) default, and such default shall continue for five or more days, in the payment when due of any interest or stamping fees on the Loans or any Fees or any Unpaid Drawings or of any other amounts owing hereunder or under any other Credit Document; or

11.2 Representations, etc. Any representation, warranty or statement made or deemed made by any Credit Party herein or in any Security Document or any certificate, statement, report or other document delivered or required to be delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made; or

11.3 Covenants. Any Credit Party shall:

(a) default in the due performance or observance by it of any term, covenant or agreement contained in Section 9.1(h) or Section 10;

(b) default in the due performance or observance by it of any term, covenant or agreement contained in Section 9.1(f) and such default shall continue unremedied for a period of at least ten (10) Business Days after the earlier of the date on which an Authorized Officer of the Borrower has knowledge of such default and the date of receipt of written notice by the Borrower from the Administrative Agent or the Required Lenders; or

(c) default in the due performance or observance by it of any term, covenant or agreement (other than those referred to in Section 11.1 or 11.2 or clauses (a) or (b) of this Section 11.3) contained in this Agreement, any Security Document or the Fee Letter and such default shall continue unremedied for a period of at least thirty (30) days after receipt of written notice by the Borrower from the Administrative Agent or the Required Lenders; or

11.4 Default Under Other Agreements. (a) The Borrower or any of the Restricted Subsidiaries shall (i) default in any payment with respect to any Indebtedness (other than the Obligations) in excess of $30,000,000 in the aggregate, for the Borrower and such Restricted Subsidiaries, beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created or (ii) default in the observance or performance of any agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist (other than, with respect to Indebtedness consisting of any Hedge Agreements, termination events or equivalent events pursuant to the terms of such Hedge Agreements), the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, any such Indebtedness to become due prior to its stated maturity; or (b) without limiting the provisions of clause (a) above, any such Indebtedness shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment or as a mandatory prepayment (and, with respect to Indebtedness consisting of any Hedge Agreements, other than due to a termination event or equivalent event pursuant to the terms of such Hedge Agreements), prior to the stated maturity thereof; or

11.5 Bankruptcy, etc. The Borrower or any Specified Subsidiary shall commence a voluntary case, proceeding or action concerning itself under (a) Title 11 of the United States Code entitled "Bankruptcy," or (b) in the case of any Foreign Subsidiary that is a Specified Subsidiary, any domestic or foreign law relating to bankruptcy, judicial management, insolvency reorganization or relief of debtors legislation of its jurisdiction of incorporation, in each case as now or hereafter in effect, or any successor thereto (collectively, the "Bankruptcy Code"); or an involuntary case, proceeding or action is commenced against the Borrower or any Specified Subsidiary and the petition is not controverted within 10 days after commencement of the case, proceeding or action; or an involuntary case, proceeding or action is commenced against the Borrower or any Specified Subsidiary and the petition is not dismissed within 60 days after commencement of the case, proceeding or action; or a custodian (as defined in the Bankruptcy Code), judicial manager, receiver, receiver manager, trustee or similar person is appointed for, or takes charge of, all or substantially all of the property of the Borrower or any Specified Subsidiary; or the Borrower or any Specified Subsidiary commences any other proceeding or action under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Borrower or any Specified Subsidiary; or there is commenced against the Borrower or any Specified Subsidiary any such proceeding or action that remains undismissed for a period of 60 days; or the Borrower or any Specified Subsidiary is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding or action is entered; or the Borrower or any Specified Subsidiary suffers any appointment of any custodian receiver, receiver manager, trustee or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of 60 days; or the Borrower or any Specified Subsidiary makes a general assignment for the benefit of creditors; or any corporate action is taken by the Borrower or any Specified Subsidiary for the purpose of effecting any of the foregoing; or

11.6 ERISA. (a) Any Plan shall fail to satisfy the minimum funding standard required for any plan year or part thereof or a waiver of such standard or extension of any amortization

period is sought or granted under Section 412 of the Code; any Plan is or shall have been terminated or is the subject of termination proceedings under ERISA (including the giving of written notice thereof); an event shall have occurred or a condition shall exist in either case entitling the PBGC to terminate any Plan or to appoint a trustee to administer any Plan (including the giving of written notice thereof); any Plan shall have an accumulated funding deficiency (whether or not waived); the Borrower or any Subsidiary or any ERISA Affiliate has incurred or is likely to incur a liability to or on account of a Plan under Section 409, 502(i), 502(l), 515, 4062, 4063, 4064, 4069, 4201 or 4204 of ERISA or Section 4971 or 4975 of the Code (including the giving of written notice thereof); (b) there could result from any event or events set forth in clause (a) of this Section 11.6 the imposition of a lien, the granting of a security interest, or a liability, or the reasonable likelihood of incurring a lien, security interest or liability; and (c) such lien, security interest or liability will or would be reasonably likely to have a Material Adverse Effect; or

11.7 Guarantee. Any Guarantee provided by any Material Subsidiary or any material provision thereof shall cease to be in full force or effect or any such Guarantor thereunder or any Credit Party shall deny or disaffirm in writing any such Guarantor's obligations under the Guarantee (or any of the foregoing shall occur with respect to a Guarantee provided by a Subsidiary that is not a Material Subsidiary and shall continue unremedied for a period of at least 5 Business Days after receipt of written notice by the Borrower from the Administrative Agent, the Collateral Agent or the Required Lenders); or

11.8 [Reserved].; or

11.9 Security Agreement. The Security Agreement pursuant to which the assets of the Borrower or any Material Subsidiary are pledged as Collateral or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof or as a result of acts or omissions of the Collateral Agent or any Lender) or any grantor thereunder or any Credit Party shall deny or disaffirm in writing any grantor's obligations under the Security Agreement (or any of the foregoing shall occur with respect to Collateral provided by a Subsidiary that is not a Material Subsidiary and shall continue unremedied for a period of at least 5 Business Days after receipt of written notice by the Borrower from the Administrative Agent, the Collateral Agent or the Required Lenders); or

11.10 [Intentionally Omitted].

11.11 Judgments. One or more judgments or decrees shall be entered against the Borrower or any of the Restricted Subsidiaries involving a liability of $30,000,000 or more in the aggregate for all such judgments and decrees for the Borrower and the Restricted Subsidiaries (to the extent not paid or fully covered by insurance provided by a carrier not disputing coverage) and any such judgments or decrees shall not have been satisfied, vacated, discharged or stayed or bonded pending appeal within 60 days from the entry thereof; or

11.12 Change of Control. A Change of Control shall occur; or

11.13 Subordination. The subordination provisions of any document or instrument evidencing any Permitted Additional Debt having a principal amount in excess of $15,000,000

that are subordinated shall be invalidated or otherwise cease to be legal, valid and binding obligations of the holders of such Permitted Additional Debt, enforceable in accordance with their terms;

then, (1) upon the occurrence of any Event of Default described in Section 11.5, automatically, and (2) upon the occurrence of any other Event of Default, at the request of (or with the consent of) Required Lenders, upon notice to the Borrower by Administrative Agent, (A) the Revolving Credit Commitments of each Lender and the obligation of the Letter of Credit Issuer to issue any Letter of Credit shall immediately terminate; (B) each of the following shall immediately become due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by each Credit Party: (I) the unpaid principal amount of and accrued interest on the Loans, (II) an amount equal to the maximum amount that may at any time be drawn under all Letters of Credit then outstanding (regardless of whether any beneficiary under any such Letter of Credit shall have presented, or shall be entitled at such time to present, the drafts or other documents or certificates required to draw under such Letters of Credit), and (III) all other Obligations; provided, the foregoing shall not affect in any way the obligations of Lenders under Section 2.1(d) or Section 3.3(a); (C) Administrative Agent may cause Collateral Agent to enforce any and all Liens and security interests created pursuant to Security Documents; and (D) Administrative Agent shall direct the Borrower to pay (and the Borrower hereby agrees upon receipt of such notice, or upon the occurrence of any Event of Default specified in Section 11.5 to pay) to Administrative Agent such additional amounts of cash as reasonably requested by the Letter of Credit Issuer, to be held as security for the Borrower's reimbursement Obligations in respect of Letters of Credit then outstanding.

SECTION 12. [Reserved].

SECTION 13. The Administrative Agent

13.1 Appointment. (a) Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Credit Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Administrative Agent. The provisions of this Section 13 are solely for the benefit of the Agents, any sub-agent and the Lenders and no Credit Party shall have any rights as a third party beneficiary of any of the provisions hereof. In performing its functions and duties hereunder, each Agent shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Borrower or any of its Subsidiaries. Except as expressly otherwise provided in this Agreement, the Administrative Agent shall have and may use its sole discretion with respect to

(i) the determination of the applicability of ineligibility criteria and other determinations with respect to the calculation of the Borrowing Base, (ii) the making of Protective Advances pursuant to Section 2.15, and (iii) the exercise of remedies pursuant to Section 11.

(b) The Administrative Agent, each Lender, the Swingline Lender and the Letter of Credit Issuer hereby irrevocably designate and appoint the Collateral Agent as its agent under this Agreement and the other Credit Documents, and the Administrative Agent, each Lender, the Swingline Lender and the Letter of Credit Issuer irrevocably authorize the Collateral Agent, in such capacity, (i) to take such action on their behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Collateral Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto and (ii) to enter into any and all of the Security Documents (including, for the avoidance of doubt, the Intercreditor Agreement) together with such other documents as shall be necessary to give effect to (x) the ranking and priority of Indebtedness contemplated by the Intercreditor Agreement and (y) the Collateral contemplated by the other Security Documents, on its behalf. For the avoidance of doubt, each Lender agrees to be bound by the terms of the Intercreditor Agreement to the same extent as if it were a party thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Collateral Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with the Administrative Agent, any Lender, the Swingline Lender or the Letter of Credit Issuer, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Collateral Agent.

(c) The Syndication Agent, in its capacity as such, shall not have any obligations, duties or responsibilities under this Agreement but shall be entitled to all benefits of this Section 13.

(d) Each Co-Documentation Agent, in its capacity as such, shall not have any obligations, duties or responsibilities under this Agreement but shall be entitled to all benefits of this Section 13.

13.2 Delegation of Duties. Administrative Agent may perform any and all of its duties and exercise its rights and powers under this Agreement or under any other Credit Document by or through any one or more sub-agents appointed by Administrative Agent. 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 Affiliates. The exculpatory, indemnification and other provisions of this Section 13.2 and of Section 13.7 shall apply to any the Affiliates of Administrative 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**.** All of the rights, benefits, and privileges (including the exculpatory and indemnification provisions) of this Section 13 and Section 14.5 shall apply to any such sub-agent and to the Affiliates of any such sub-agent, and shall apply to their respective activities as sub-agent as if such sub-agent and Affiliates were named herein. Notwithstanding anything herein to the contrary, with respect to each sub-agent appointed by the Administrative Agent, (i) such sub-agent shall be a third party beneficiary under this Agreement with respect to all such rights, benefits and privileges (including exculpatory rights and rights to indemnification) and shall

have all of the rights and benefits of a third party beneficiary, including an independent right of action to enforce such rights, benefits and privileges (including exculpatory rights and rights to indemnification) directly, without the consent or joinder of any other Person, against any or all of the Credit Parties and the Lenders, (ii) such rights, benefits and privileges (including exculpatory rights and rights to indemnification) shall not be modified or amended without the consent of such sub-agent, and (iii) such sub-agent shall only have obligations to Administrative Agent and not to any Credit Party, Lender or any other Person and no Credit Party, Lender or any other Person shall have any rights, directly or indirectly, as a third party beneficiary or otherwise, against such sub-agent**.**

13.3 General Immunity. (a) No Responsibility for Certain Matters. No Agent shall be responsible to any Lender for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency hereof or any other Credit Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by any Agent to Lenders or by or on behalf of any Credit Party, or for the financial condition or business affairs of any Credit Party or any other Person liable for the payment of any Obligations, nor shall any Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Credit Documents or as to the use of the proceeds of the Loans or as to the existence or possible existence of any Event of Default or Default or to make any disclosures with respect to the foregoing. Anything contained herein to the contrary notwithstanding, Administrative Agent shall not have any liability arising from confirmations of the amount of outstanding Loans or the Letters of Credit Outstanding or the component amounts thereof.

(b) Exculpatory Provisions. No Agent nor any of its officers, partners, directors, employees or agents shall be liable to Lenders for any action taken or omitted by any Agent under or in connection with any of the Credit Documents except to the extent caused by such Agent's gross negligence or willful misconduct. Each Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or any of the other Credit Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until such Agent shall have received instructions in respect thereof from Required Lenders (or such other Lenders as may be required to give such instructions under Section 14.1) and, upon receipt of such instructions from Required Lenders (or such other Lenders, as the case may be), such Agent shall be entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions. Without prejudice to the generality of the foregoing, (i) each Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons and shall be entitled to rely and shall be protected in relying on opinions and judgments of attorneys (who may be attorneys for Borrower and its Subsidiaries), accountants, experts and other professional advisors selected by it; and (ii) no Lender shall have any right of action whatsoever against any Agent as a result of such Agent acting or (where so instructed) refraining from acting hereunder or any of the other Credit Documents in accordance with the instructions of Required Lenders (or such other Lenders as may be required to give such instructions under Section 14.1)

13.4 Reliance by Agents. The Administrative Agent and the Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent or the Collateral Agent. The Administrative Agent may deem and treat the Lender specified in the Register with respect to any amount owing hereunder as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent and the Collateral Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent and the Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Credit Documents in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

13.5 Notice of Default. Neither the Administrative Agent nor the Collateral Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless it has received notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, it shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required 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 or Event of Default as it shall deem advisable in the best interests of the Lenders (except to the extent that this Agreement requires that such action be taken only with the approval of the Required Lenders or each of the Lenders, as applicable).

13.6 Non-Reliance on Administrative Agent, Collateral Agent and Other Lenders. Each Lender expressly acknowledges that neither the Administrative Agent nor the Collateral Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent or the Collateral Agent hereinafter taken, including any review of the affairs of the Borrower, any Guarantor or any other Credit Party, shall be deemed to constitute any representation or warranty by the Administrative Agent or the Collateral Agent to any Lender, the Swingline Lender or the Letter of Credit Issuer. Each Lender, Swingline Lender and Letter of Credit Issuer represents to the Administrative Agent and the Collateral Agent that it has, independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower, any Guarantor and any other Credit Party and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender

also represents that it will, independently and without reliance upon the Administrative Agent, the Collateral Agent 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 analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Credit Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrower, any Guarantor and any other Credit Party. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, neither the Administrative Agent nor the Collateral Agent shall have any duty or responsibility to provide any Lender with any credit or other information concerning the business, assets, operations, properties, financial condition, prospects or creditworthiness of the Borrower, any Guarantor or any other Credit Party that may come into the possession of the Administrative Agent or the Collateral Agent any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliate. Notwithstanding anything herein to the contrary, each Lender acknowledges that the lien and security interest granted to the Collateral Agent pursuant to the Security Agreement or other applicable Security Document, and the exercise of any right or remedy by the Collateral Agent thereunder, are subject to the provisions of the Intercreditor Agreement and that in the event of any conflict between the terms of the Intercreditor Agreement and such Security Document, the terms of the Intercreditor Agreement shall govern and control.

13.7 Indemnification. The Lenders agree to indemnify the Administrative Agent and the Collateral Agent and any sub-agent thereof, each in its capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective portions of the Total Credit Exposure in effect on the date on which indemnification is sought (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with their respective portions of the Total Credit Exposure in effect immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs (including legal fees and costs), expenses or disbursements of any kind whatsoever that may at any time (including at any time following the payment of the Loans) be imposed on, incurred by or asserted against the Administrative Agent or the Collateral Agent or such sub-agent in any way relating to or arising out of, the Commitments, this Agreement, any of the other Credit Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent or the Collateral Agent or such sub-agent under or in connection with any of the foregoing, provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's or the Collateral Agent's or such sub-agent's gross negligence or willful misconduct. The agreements in this Section 13.7 shall survive the payment of the Loans and all other amounts payable hereunder.

13.8 Agents in their Individual Capacity. The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, any Agent or any sub-agent thereof in its individual capacity as a Lender hereunder. With respect to its participation in the Loans and the Letters of Credit, each Agent and any sub-agent thereof shall have the same rights and powers hereunder as any other Lender and may exercise the same

as if it were not performing the duties and functions delegated to it hereunder, and the term "Lender" shall, unless the context clearly otherwise indicates, include each Agent or any sub-agent thereof in its individual capacity. Any Agent or any sub-agent thereof and its respective Affiliates may accept deposits from, lend money to, own securities of, and generally engage in any kind of banking, trust, financial advisory or other business with Borrower or any of its Affiliates as if it were not performing the duties specified herein, and may accept fees and other consideration from the Borrower for services in connection herewith and otherwise without having to account for the same to Lenders.

13.9 Successor Agents. The Administrative Agent may resign as Administrative Agent and the Collateral Agent may resign as Collateral Agent upon 20 days' prior written notice to the Lenders and the Borrower. If the Administrative Agent shall resign as Administrative Agent or the Collateral Agent shall resign as Collateral Agent under this Agreement and the other Credit Documents, then the Required Lenders shall appoint from among the Lenders a successor Administrative Agent or successor Collateral Agent, as applicable, which successor agent in each case, shall be approved by the Borrower (which approval shall not be unreasonably withheld) so long as no Default or Event of Default is continuing, whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent or the Collateral Agent, as the case may be, and the term "Administrative Agent" or "Collateral Agent", as the case may be, shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's or Collateral Agent's rights, powers and duties as Administrative Agent or Collateral Agent, as the case may be, shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or Collateral Agent, as the case may be, or any of the parties to this Agreement or any holders of the Loans. After any retiring Administrative Agent's or Collateral Agent's resignation as Administrative Agent or Collateral Agent, as the case may be, the provisions of this Section 13 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent or Collateral Agent under this Agreement and the other Credit Documents.

13.10 Withholding Tax. To the extent required by any applicable law, the Administrative Agent may withhold from any interest payment to any Lender an amount equivalent to any applicable withholding tax. If the Internal Revenue Service or any authority of the United States or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason), such Lender shall indemnify the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by the Borrower and without limiting the obligation of the Borrower to do so) fully for all amounts paid, directly or indirectly, by the Administrative Agent as tax or otherwise, including penalties and interest, together with all expenses incurred, including legal expenses, allocated staff costs and any out of pocket expenses.

13.11 REPORTS AND FINANCIAL STATEMENTS; DISCLAIMER BY LENDERS. By signing this Agreement, each Lender:

(a) is deemed to have requested that the Agents furnish such Lender and Agents hereby agree to deliver to each Lender, promptly after it becomes available, (i) a copy of all financial statements and Borrowing Base Certificates to be delivered by the Borrower hereunder, (ii) a copy of any notice of Default or Event of Default received by such Agent, (iii) a copy of each Report and (iv) a copy of each budget and certificate to be delivered by the Borrower pursuant to Sections 9.1(d) and (e);

(b) expressly agrees and acknowledges that no Agent (i) makes any representation or warranty as to the accuracy of any Report, or (ii) shall be liable for any information contained in any Report;

(c) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that the Agent or other party performing any audit or examination will inspect only specific information regarding the Borrower and will rely significantly upon the Borrower's books and records, as well as on representations of the Borrower's personnel;

(d) agrees to keep all Reports confidential in accordance with Section 14.16; and

without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold the Agents and any such other Person or Lender preparing a Report harmless from any action the indemnifying Lender may take or conclusion the indemnifying Lender may reach or draw from any Report in connection with any loans or other credit accommodations that the indemnifying Lender has made or may make to the Borrower, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a loan or loans of the Borrower; and (ii) to pay and protect, and indemnify, defend, and hold the Agents and any such other Person or Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including reasonable costs of counsel) incurred by the Agents and any such other Lender preparing a Report as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender. Upon a Lender's reasonable request, the Administrative Agent agrees to deliver to such Lender a copy of the documents delivered by the Borrower to the Administrative Agent pursuant to Section 9.1.

SECTION 14. Miscellaneous

14.1 Amendments and Waivers. Neither this Agreement nor any other Credit Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 14.1. The Required Lenders may, or, with the written consent of the Required Lenders, the Administrative Agent may, from time to time, (a) enter into with the relevant Credit Party or Credit Parties written amendments, supplements or modifications hereto and to the other Credit Documents for the purpose of adding any provisions to this Agreement or the other Credit Documents or changing in any manner the rights of the Lenders or of the Credit Parties hereunder or thereunder or (b) waive, on such terms and

conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Credit Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall directly (i) forgive or reduce any portion of any Loan or Unpaid Drawing or extend the final scheduled maturity date of any Loan or Unpaid Drawing or reduce the stated rate (it being understood that any change to the definitions of Consolidated Total Debt to Consolidated EBITDA Ratio, Secured Leverage Ratio or Consolidated Fixed Charge Coverage Ratio or in the component definitions thereof shall not constitute a reduction in the stated rate and only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrower to pay interest at the "default rate" or amend Section 2.8(c)), or forgive any portion, or extend the date for the payment, of any interest or fee payable hereunder (other than as a result of waiving the applicability of any post-default increase in interest rates), or extend the final expiration date of any Lender's Commitment or extend the final expiration date of any Letter of Credit beyond the L/C Maturity Date, or increase the aggregate amount of the Commitments of any Lender, or amend or modify any provisions of Section 5.3(a) (with respect to the ratable allocation of any payments only), 2.4 (with respect to the ratable disbursement of funds) and 14.8(a), in each case without the written consent of each Lender directly and adversely affected thereby, or (ii) amend, modify or waive any provision of this Section 14.1 or reduce the percentages specified in the definitions of the term "Required Lenders" or "Super-Majority Lenders" or consent to the assignment or transfer by the Borrower of its rights and obligations under any Credit Document to which it is a party (except as permitted pursuant to Section 10.3), in each case without the written consent of each Lender directly and adversely affected thereby, or (iii) amend, modify or waive any provision of Section 13 without the written consent of the then-current Administrative Agent, or (iv) amend, modify or waive any provision of Section 3 with respect to any rights or obligations of the Letter of Credit Issuer, Section 5.4 in a manner that directly and adversely affects the rights of the Letter of Credit Issuer set forth therein or Section 14.6(b) or Section 14.7 to eliminate or reduce the Letter of Credit Issuer's right to consent to assignments of Revolving Credit Commitments or Revolving Credit Loans, without the written consent of the Letter of Credit Issuer, or (v) amend, modify or waive any provisions hereof relating to Swingline Loans without the written consent of the Swingline Lender, or (vi) increase the advance rates or modify the definition of "Borrowing Base" or any component definition thereof if such increase or modification is intended to have the effect of making more credit available, in each case without the prior written consent of the Super-Majority Lenders and, solely in the case of an increase to the $30,000,000 figure in clause (o) of the definition of Eligible Account and/or clause (a) of the definition of Eligible Red Man Business Account, the prior written consent of all Lenders; provided that the foregoing shall not limit the discretion of the Administrative Agent to establish, change or eliminate Reserves or otherwise exercise its Permitted Discretion, or (vii) release or limit the liability of all or substantially all of the Guarantors under the Guarantee (except as expressly permitted by the Guarantee) or release all or substantially all of the Collateral under the Security Agreement (except with respect to transactions in accordance with Section 10.4) without the prior written consent of each Lender, or (viii) amend Section 2.9 so as to permit Interest Period intervals greater than six months without regard to availability to Lenders, without the written consent of each Lender directly and adversely affected thereby; or (ix) amend, modify or waive any provisions hereof relating to the Administrative Agent in a manner that directly and adversely affects it rights and obligations hereunder without the written consent

of the Administrative Agent; or (x) amend, modify or waive any provisions hereof relating to the Collateral Agent in a manner that directly and adversely affects it rights and obligations hereunder without the written consent of the Collateral Agent. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the affected Lenders and shall be binding upon the Borrower, such Lenders, the Administrative Agent and all future holders of the affected Loans. In the case of any waiver, the Borrower, the Lenders and the Administrative Agent shall be restored to their former positions and rights hereunder and under the other Credit Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing, it being understood that no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender (it being understood that any Commitments or Loans held or deemed held by any Defaulting Lender shall be excluded for a vote of the Lenders hereunder requiring any consent of the Lenders).

14.2 Notices. Unless otherwise expressly provided herein, all notices and other communications provided for hereunder or under any other Credit Document shall be in writing (including by facsimile transmission). All such written notices shall be mailed, faxed or delivered to the applicable address, facsimile number or electronic mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(a) if to the Borrower, the Administrative Agent, the Letter of Credit Issuer or the Swingline Lender, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 14.2 or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties; and

(b) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the Borrower, the Administrative Agent, the Letter of Credit Issuer and the Swingline Lender.

All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, three (3) Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail, when delivered; provided that notices and other communications to the Administrative Agent or the Lenders pursuant to Sections 2.3, 2.6, 2.9, 4.2 and 5.1 shall not be effective until received.

14.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent, the Collateral Agent or any Lender, any

right, remedy, power or privilege hereunder or under the other Credit Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

14.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Credit Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans hereunder.

14.5 Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Agents for all their reasonable and documented out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Credit Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable and documented costs, fees and expenses associated with the initial collateral appraisal and field examination and all subsequent appraisals, examinations or updates to the extent set forth in Section 9.14 and the reasonable fees, disbursements and other charges of Latham & Watkins LLP, one local counsel in each relevant local jurisdiction and such additional counsel to the extent consented to by the Borrower, (b) to pay or reimburse each Lender, Letter of Credit Issuer and Agent for all its reasonable and documented costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Credit Documents and any such other documents, including the reasonable fees, disbursements and other charges of one counsel to the Administrative Agent, Collateral Agent and the other Agents (unless there is an actual or perceived conflict of interest in which case each such Person may retain its own counsel), (c) to pay, indemnify, and hold harmless each Lender, Letter of Credit Issuer and Agent from, any and all recording and filing fees and (d) to pay, indemnify, and hold harmless each Lender, Letter of Credit Issuer and Agent and their respective directors, officers, employees, trustees, investment advisors and agents from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, including reasonable and documented fees, disbursements and other charges of one primary counsel and one local counsel in each relevant jurisdiction to such indemnified Persons (unless there is an actual or perceived conflict of interest or the availability of different claims or defenses in which case each such Person may retain its own counsel), related to the Transactions or with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Credit Documents and any such other documents, including, without limitation, any of the foregoing relating to the violation of, noncompliance with or liability under, any Environmental Law or to any actual or alleged presence, release or threatened release of Hazardous Materials or any other Environmental Claims involving or attributable to the operations of the Borrower, any of its Subsidiaries or any of the Real Estate (all the foregoing in this clause (d), collectively, the "indemnified liabilities"), provided that the Borrower shall have no obligation hereunder to the Administrative Agent or any Lender nor any of their Related Parties with respect to indemnified liabilities to the extent attributable to the bad faith, gross negligence or willful misconduct of, or material breach of the Credit Documents by, the party to be indemnified or any of its Related Parties (other than its trustees and advisors). All amounts

payable under this Section 14.5 shall be paid within ten (10) Business Days of receipt by the Borrower of an invoice relating thereto setting forth such expense in reasonable detail. No Person indemnified under this Section 14.5 shall be liable for any special, indirect, consequential or punitive damages relating to this Agreement or any other Credit Document or arising out of its activities in connection herewith or therewith. The agreements in this Section 14.5 shall survive repayment of the Loans and all other amounts payable hereunder

14.6 Successors and Assigns; Participations and Assignments. (a) 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 (including any Affiliate of the Letter of Credit Issuer that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower or without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 14.6. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Letter of Credit Issuer that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section 14.6) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Letter of Credit Issuer and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent of:

(A) the Borrower (which consent shall not be unreasonably withheld or delayed; provided that it being understood that, without limitation, the Borrower shall have the right to withhold its consent to any assignment if, in order for such assignment to comply with applicable law, the Borrower would be required to obtain the consent of, or make any filing or registration with, any Governmental Authority), provided that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund (unless increased costs would result therefrom at any time when no Event of Default under Section 11.1 or Section 11.5 is continuing) or, if an Event of Default under Section 11.1 or Section 11.5 has occurred and is continuing, any other assignee;

(B) the Administrative Agent (which consent shall not be unreasonably withheld or delayed; provided that no consent of the Administrative Agent shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund), or, in the case of assignments in connection with the initial syndication of Commitments and Loans only, the Co-Lead Arrangers, and, except in connection with the initial syndication of Revolving Credit Commitments or Revolving Loans, the Swingline Lender and the applicable Letter of Credit Issuer;

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, or assignments in connection with the initial syndication of Commitments and Loans (in amounts, and to such Persons, as previously agreed between the Borrower and the Co-Lead Arrangers), the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000, and increments of $1,000,000 in excess thereof, unless each of the Borrower and the Administrative Agent otherwise consents (which consents shall not be unreasonably withheld or delayed), provided that no such consent of the Borrower shall be required if an Event of Default under Section 11.1 or Section 11.5 has occurred and is continuing; provided, further, that contemporaneous assignments to a single assignee made by Affiliates of Lenders and related Approved Funds shall be aggregated for purposes of meeting the minimum assignment amount requirements stated above;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500, provided that only one such fee shall be payable in the event of simultaneous assignments to or from two or more Approved Funds; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire in a form approved by the Administrative Agent (the "Administrative Questionnaire").

For the purpose of this Section 14.6(b), the term "Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course and that is administered, advised or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers, advises or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(v) of this Section 14.6, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.10, 2.11, 3.5, 5.4 and 14.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 14.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section 14.6.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower shall maintain at the Administrative Agent's Office a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans and any payment made by the Letter of Credit Issuer under any Letter of Credit owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). Further, the Register shall contain the name and address of the Administrative Agent and the lending office through which each such Person acts under this Agreement. The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent, the Letter of Credit Issuer and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender (with respect to any entry relating to such Lender's Loans) at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section 14.6 and any written consent to such assignment required by paragraph (b) of this Section 14.6, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register.

(c) (i) Any Lender may, without the consent of the Borrower, the Administrative Agent, the Letter of Credit Issuer or the Swingline Lender, sell participations to one or more banks or other entities (each, a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it), provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the

Administrative Agent, the Letter of Credit Issuer and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement or any other Credit Document, provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 14.1 under subsections (i), (vi), and (vii) that affects such Participant. Subject to paragraph (c)(ii) of this Section 14.6, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.10, 2.11 and 5.4 to the same extent as if it were a Lender (subject to the requirements of those Sections) and had acquired its interest by assignment pursuant to paragraph (b) of this Section 14.6. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 14.8(b) as though it were a Lender, provided such Participant agrees to be subject to Section 14.8(a) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.10 or 5.4 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent (which consent shall not be unreasonably withheld).

(d) Any Lender may, without the consent of the Borrower or the Administrative Agent, 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, and this Section 14.6 shall not apply to any such pledge or assignment of a security interest, provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto. In order to facilitate such pledge or assignment, the Borrower hereby agrees that, upon request of any Lender at any time and from time to time after the Borrower has made its initial borrowing hereunder, the Borrower shall provide to such Lender, at the Borrower's own expense, a promissory note, substantially in the form of Exhibit L evidencing the Revolving Credit Loans and Swingline Loans, respectively, owing to such Lender.

(e) Subject to Section 14.16, the Borrower authorizes each Lender to disclose to any Participant, secured creditor of such Lender or assignee (each, a "Transferee") and any prospective Transferee any and all financial information in such Lender's possession concerning the Borrower and its Affiliates that has been delivered to such Lender by or on behalf of the Borrower and its Affiliates pursuant to this Agreement or which has been delivered to such Lender by or on behalf of the Borrower and its Affiliates in connection with such Lender's credit evaluation of the Borrower and its Affiliates prior to becoming a party to this Agreement.

14.7 Replacements of Lenders under Certain Circumstances. (a) The Borrower shall be permitted to replace any Lender that (a) requests reimbursement for amounts owing pursuant

to Section 2.10, 3.5 or 5.4, (b) is affected in the manner described in Section 2.10(a)(iii) and as a result thereof any of the actions described in such Section is required to be taken or (c) becomes a Defaulting Lender, with a replacement bank or other financial institution, provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Event of Default shall have occurred and be continuing at the time of such replacement, (iii) the Borrower shall repay (or the replacement bank or institution shall purchase, at par) all Loans and other amounts (other than any disputed amounts), pursuant to Section 2.10, 2.11, 3.5 or 5.4, as the case may be) owing to such replaced Lender prior to the date of replacement, (iv) the replacement bank or institution, if not already a Lender, and the terms and conditions of such replacement, shall be reasonably satisfactory to the Administrative Agent, the Swingline Lender and the Letter of Credit Issuer, (v) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 14.6 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein) and (vi) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

(b) If any Lender (such Lender, a "Non-Consenting Lender") has failed to consent to a proposed amendment, waiver, discharge or termination, then provided no Event of Default then exists, the Borrower shall have the right (unless such Non-Consenting Lender grants such consent) to replace such Non-Consenting Lender by requiring such Non-Consenting Lender to assign its Loans, and its Commitments hereunder to one or more assignees reasonably acceptable to the Administrative Agent, the Swingline Lender and the Letter of Credit Issuer, provided that: (a) all Obligations of the Borrower owing to such Non-Consenting Lender being replaced shall be paid in full to such Non-Consenting Lender concurrently with such assignment, (b) the replacement Lender shall purchase the foregoing by paying to such Non-Consenting Lender a price equal to the principal amount thereof plus accrued and unpaid interest thereon and (c) the replacement Lender shall grant such consent. In connection with any such assignment, the Borrower, Administrative Agent, such Non-Consenting Lender and the replacement Lender shall otherwise comply with Section 14.6.

14.8 Adjustments; Set-off. (a) If any Lender (a "benefited Lender") shall at any time receive any payment of all or part of its Loans, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 11.5, or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Loans, or interest thereon, such benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Loan, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such benefited Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) After the occurrence and during the continuance of an Event of Default, in addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the

Borrower to the extent permitted by applicable law, subject to the consent of the Administrative Agent (such consent not to be unreasonably withheld) upon any amount becoming due and payable by the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the Borrower. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such set-off and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application.

14.9 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), 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 Borrower and the Administrative Agent.

14.10 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.

14.11 Integration. This Agreement and the other Credit Documents represent the agreement of the Borrower, the Collateral Agent, the Administrative Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Borrower, the Administrative Agent, the Collateral Agent or any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents.

14.12 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.

14.13 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 and the other Credit Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-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 may 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 set forth on Schedule 14.2 at such other address of which the Administrative Agent shall have been notified pursuant to Section 14.2;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right 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 14.13 any special, exemplary, punitive or consequential damages.

14.14 Acknowledgments. The Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Credit Documents;

(b) neither the Administrative Agent nor the Collateral Agent nor any Lender has any fiduciary relationship with or duty to the Borrower arising out of or in connection with this Agreement or any of the other Credit Documents, and the relationship between Administrative Agent, the Collateral Agent and Lenders, on one hand, and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Borrower and the Lenders.

14.15 **WAIVERS OF JURY TRIAL**. THE BORROWER, EACH AGENT AND EACH LENDER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

14.16 Confidentiality. The Administrative Agent, each Co-Lead Arranger and each Lender shall hold all non-public information furnished by or on behalf of the Borrower in connection with such Lender's evaluation of whether to become a Lender hereunder or obtained by such Lender, the Administrative Agent or the Co-Lead Arrangers pursuant to the requirements of this Agreement ("Confidential Information"), confidential in accordance with its customary procedure for handling confidential information of this nature and (in the case of a Lender that is a bank) in accordance with safe and sound banking practices and in any event may (i) make disclosure as required or requested by any governmental agency or representative thereof or pursuant to legal process or to such Lender's, the Administrative Agent's or Co-Lead

Arrangers' attorneys, professional advisors or independent auditors or Affiliates, provided that unless specifically prohibited by applicable law or court order, each Lender, each Co-Lead Arranger and the Administrative Agent shall notify the Borrower of any request by any governmental agency or representative thereof (other than any such request in connection with an examination of the financial condition of such Lender by such governmental agency or other routine examinations of such Lender by such governmental agency) for disclosure of any such non-public information prior to disclosure of such information, and provided, further, that in no event shall any Lender, Co-Lead Arranger or the Administrative Agent be obligated or required to return any materials furnished by the Borrower or any Subsidiary of the Borrower, (ii) make disclosures of such information reasonably required by any bona fide or potential assignee, transferee or participant in connection with the contemplated assignment, transfer or participation by such Lender of any Loans or any participations therein or by any direct or indirect contractual counterparties (or the professional advisors thereto) in Hedge Agreements or any other swap or derivative transaction relating to the Borrower and its obligations (provided, such assignees, transferees, participants, counterparties and advisors are advised of and agree to be bound by provisions that in substance are equivalent to those in this Section 14.16), (iii) make disclosure of such information reasonably required by any lender or other Person providing financing to such Lender (provided such lenders or other Persons are advised of the confidential nature of such information and agree to keep such information confidential on terms consistent with this Section 14.16), and (iv) make disclosure to any rating agency, provided that, prior to any disclosure, such rating agency shall undertake in writing to preserve the confidentiality of any Confidential Information received by it from any of the Agents or any Lender.

14.17 Direct Website Communications.

(a) (i) The Borrower may, at its option, provide to the Administrative Agent any information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to the Credit Documents, including, without limitation, all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (A) relates to a request for a new, or a conversion of an existing, borrowing or other extension of credit (including any election of an interest rate or interest period relating thereto), (B) relates to the payment of any principal or other amount due under the Credit Agreement prior to the scheduled date therefor, (C) provides notice of any default or event of default under the Credit Agreement or (D) is required to be delivered to satisfy any condition precedent to the effectiveness of the Credit Agreement and/or any borrowing or other extension of credit thereunder (all such non-excluded communications being referred to herein collectively as "Communications"), by transmitting the Communications in an electronic/soft medium in a format reasonably acceptable to the Administrative Agent at (212) 461-7760, Attn: Relationship Manager/McJunkin. Nothing in this Section 14.17 shall prejudice the right of the Borrower, the Administrative Agent or any Lender to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document.

(ii) The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Credit Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Credit Documents. Each Lender agrees (A) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and (B) that the foregoing notice may be sent to such e-mail address.

(b) The Borrower further agrees that the Administrative Agent may make the Communications available to the Lenders by posting the Communications on Intralinks or a substantially similar electronic transmission system (the "Platform"), so long as the access to such Platform is limited (i) to the Agents and the Lenders and (ii) remains subject the confidentiality requirements set forth in Section 14.16.

(c) The Platform is provided "as is" and "as available." The Agent Parties do not warrant the accuracy or completeness of the Communications, or the adequacy of the platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by the Agent Parties in connection with the Communications or the platform. In no event shall the Administrative Agent, the Collateral Agent or any of its affiliates or any of their respective officers, directors, employees, agents, advisors or representatives (collectively, "Agent Parties") have any liability to the Borrower, any Lender or any other person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Communications through the internet, except to the extent the liability of any Agent Party resulted from such Agent Party's (or any of its Related Parties (other than trustees and advisors)) gross negligence, bad faith or willful misconduct or material breach of the Credit Documents.

(d) The Borrower and each Lender acknowledge that certain of the Lenders may be "public-side" Lenders (Lenders that do not wish to receive material non-public information with respect to the Borrower, its Subsidiaries or their securities) and, if documents or notices required to be delivered pursuant to the Credit Documents or otherwise are being distributed through the Platform, any document or notice that the Borrower has indicated contains only publicly available information with respect to the Borrower may be posted on that portion of the Platform designated for such public-side Lenders. If the Borrower has not indicated whether a document or notice delivered contains only publicly available information, the Administrative Agent shall post such document or notice solely on that portion of the Platform designated for Lenders who wish to receive material nonpublic information with respect to the Borrower, its Subsidiaries and their securities. Notwithstanding the foregoing, the

Borrower shall be under no obligation under this Section 14.17 (d) to indicate any document or notice as containing only publicly available information.

14.18 USA PATRIOT Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrower and each Guarantor, which information includes the name and address of the Borrower and each Guarantor and other information that will allow such Lender to identify the Borrower and each Guarantor in accordance with the Patriot Act.

SECTION 15. Limitation on Permitted Discretion; Special Provisions regarding Accounts, Inventory, and Application of Collateral Proceeds

15.1 Accounts and Account Collections.

(a) At any time that an Event of Default exists or has occurred and is continuing and after notice of such action has been provided to the Borrower, Collateral Agent shall, at its option, have the exclusive right to settle, adjust or compromise any claim, offset, counterclaim or dispute with Account Debtors of any Credit Party or grant any credits, discounts or allowances.

(b) Collateral Agent shall have the right at any time or times during the continuance of an Event of Default or Cash Dominion Event and after notice of such action has been provided to the Borrower, in Collateral Agent's name or in the name of a nominee of Collateral Agent, and may communicate directly with any Account Debtor, to verify the validity, amount or any other matter relating to any Account or other Collateral, by mail, telephone, e-mail, facsimile transmission or otherwise. To facilitate the exercise of the right described in the immediately preceding sentence, Borrower hereby agrees to provide Collateral Agent upon request, at any time during the continuance of an Event of Default, the name and address of each material Account Debtor of Borrower or any Borrowing Base Guarantor.

(c) Within sixty (60) days after the Closing Date (or such later date as the Administration Agent may reasonably agree in writing), the Borrower will, and will cause each of the Guarantors to establish and maintain, at its sole expense, blocked accounts or lockboxes and related deposit accounts (in each case, "Blocked Accounts") with such banks as are reasonably acceptable to Collateral Agent into which Borrower and the Guarantors shall promptly deposit and direct their respective Account Debtors to directly remit all payments on Accounts and all payments constituting proceeds of Inventory or other Collateral in the identical form in which such payments are made, whether by cash, check or other manner and shall be identified and segregated from all other funds of the Credit Parties. All proceeds of the Loans shall be deposited into a Blocked Account. Borrower and Guarantors shall deliver, or cause to be delivered, to Collateral Agent a Control Agreement duly authorized, executed and delivered by each bank where a Blocked Account for the benefit of Borrower or any Guarantor is maintained. Except as permitted by Section 15.1(d)(iii), Borrower and Guarantors shall not establish any deposit accounts after the Closing Date, unless Borrower or Guarantor

(as applicable) have complied in full with the provisions of this Section 15.1 with respect to such deposit accounts.

(d) At all times after the initial Blocked Accounts are established pursuant to the foregoing paragraph (c), Borrower and each Guarantor shall maintain a cash management system which is acceptable to the Administrative Agent and the Collateral Agent (the "Cash Management System"). The Cash Management System shall contain, among other things, the following:

(i) With respect to the Blocked Accounts of Borrower and such Guarantors as the Collateral Agent shall determine in its sole discretion, the applicable bank maintaining such Blocked Accounts shall agree, pursuant to the applicable Control Agreement, to forward daily all amounts in each Blocked Account to one Blocked Account designated as concentration account in the name of Borrower (the "Concentration Account") at the bank that shall be designated as the Concentration Account bank for Borrower (the "Concentration Account Bank"). The Concentration Account Bank shall agree, pursuant to the applicable Control Agreement from and after the receipt of a notice (an "Activation Notice") from the Collateral Agent (which Activation Notice may be given by Collateral Agent at any time during the existence of a Cash Dominion Event) and so long as such Cash Dominion Event is continuing, to forward daily all amounts in the Concentration Account to the account designated as collection account (the "Collection Account") which shall be under the exclusive dominion and control of the Collateral Agent; provided that at any time when no Cash Dominion Event is continuing, the balance standing to the credit of the Concentration Account shall be distributed as directed by the Borrower in accordance with this Section 15.1;

(ii) With respect to the Blocked Accounts of such Guarantors as the Collateral Agent shall determine in its sole discretion, the applicable bank maintaining such Blocked Accounts shall agree, from and after the receipt of an Activation Notice from the Collateral Agent (which Activation Notice may be given by Collateral Agent at any time during the existence of a Cash Dominion Event) and so long as such Cash Dominion Event is continuing, to forward all amounts in each Blocked Account to the Collection Account and to commence the process of daily sweeps from such Blocked Account into the Collection Account; and

(iii) Any provision of this Section 15.1 to the contrary notwithstanding, Credit Parties may maintain payroll accounts, trust accounts or other accounts that are not a part of the Cash Management Systems or subject to a Control Agreement provided that no Credit Party shall accumulate or maintain cash in such accounts (other than cash not constituting proceeds of Collateral or Loans) as of any date of determination in excess of checks outstanding against such accounts as of that date and amounts necessary to meet minimum balance requirements plus $1,000,000 in the aggregate for all such accounts.

(e) At all times following the establishment of the Cash Management System pursuant to this Section 15.1 and after the occurrence and during the continuation of a Cash Dominion Event, on each Business Day, at or before 1:00 p.m. New York City time, the Collateral Agent shall apply all funds received in the Collection Account on a daily basis to the repayment (by transferring same to the account of or pursuant to direction of Administrative Agent) of (i) first, fees and reimbursable expenses of Agents then due and payable; (ii) second, to interest then due and payable on all Loans, (iii) third, the Swing Line Loans, (iv) fourth, ABR Loans (including Protection Advances), (v) fifth, LIBOR Loans, together with all accrued and unpaid interest thereon, and (vi) last, other amounts which are then due and owing by the Borrower hereunder or under any other Credit Document, in each case without a reduction in the Revolving Commitments; all further funds received in any of the Collection Account shall, unless an Event of Default has occurred and is continuing, be transferred or applied by the Collateral Agent in accordance with the directions of Borrower or the respective other Borrowing Base Guarantor. If an Event of Default has occurred and is continuing, the Collateral Agent shall not transfer or apply any such funds from the Collection Account in accordance with such directions unless the Administrative Agent and the Collateral Agent determine to release such funds to Borrower. Absent any such determination by the Administrative Agent and the Collateral Agent, all such funds in the Collection Account shall be transferred to the Cash Collateral Account to be applied to the Obligations as they come due (whether at stated maturity, by acceleration or otherwise). If consented to by the Administrative Agent, the Collateral Agent and the Required Lenders, such funds in the Cash Collateral Account may be released to Borrower.

(f) Borrower and its directors, employees, agents and other Affiliates and Guarantors shall, acting as trustee for Collateral Agent, receive, as the property of Collateral Agent, any monies, checks, notes, drafts or any other payment relating to and/or proceeds of Accounts, Inventory or other Collateral which come into their possession or under their control and, following the establishment of the Cash Management Systems pursuant to this Section 15.1, within three (3) Business Days after receipt thereof, shall deposit or cause the same to be deposited in the Blocked Accounts, or remit the same or cause the same to be remitted, in kind, to Collateral Agent.

15.2 Limitation on Permitted Discretion..

(a) The Administrative Agent shall have the right to establish, modify or eliminate Reserves against Eligible Accounts and Eligible Inventory from time to time in its Permitted Discretion. In addition, the Administrative Agent reserves the right, at any time and from time to time after the Closing Date, to adjust any of the applicable criteria, to establish new criteria and to adjust advance rates with respect to Eligible Accounts and Eligible Inventory, in its Permitted Discretion, subject to clause (vi) of the proviso to Section 14.1.

(b) Notwithstanding the foregoing or any provision in this Agreement to the contrary, circumstances, conditions, events or contingencies arising prior to the Closing Date and disclosed to the Co-Lead Arrangers, Administrative Agent or Collateral Agent prior to the Closing Date shall not be the basis for any establishment or modification of

Reserves, eligibility criteria or advance rates unless (i) in the case of Reserves and eligibility criteria, such Reserves or eligibility criteria were established on the Closing Date or (ii) such circumstances, conditions, events or contingencies shall have changed in a material respect since the Closing Date.

(c) Any exercise of Permitted Discretion shall be based on a good faith reasonable determination of the Administrative Agent that (i) the circumstances, conditions, events or contingencies giving rise thereto will or reasonably could be expected to adversely affect a material portion of the value of the Eligible Accounts or Eligible Inventory, the enforceability or priority of the Collateral Agent's Liens thereon or the amount the Secured Parties would likely receive in the liquidation of any material portion of Eligible Accounts or Eligible Inventory and (ii) the proposed action to be taken by the Administrative Agent to mitigate the effects described in clause (i) (including the amount of any Reserve) bears a reasonable relationship to the circumstance, condition, event or other contingency that is the basis therefor.

(d) Upon delivery of notice to Borrower by the Administrative Agent of its intent to establish or increase a Reserve, the Administrative Agent shall be available to discuss the proposed Reserve or increase, and the Borrower may take such action as may be required so that the circumstance, condition, event or other contingency that is the basis for such Reserve or increase no longer exists, in a manner and to the extent reasonably satisfactory to the Administrative Agent in the exercise of its Permitted Discretion. In no event shall such notice and opportunity limit the right of the Administrative Agent to establish or change such Reserve, unless the Administrative Agent shall have determined in its Permitted Discretion that the circumstance, condition, event or other contingency that is the basis for such new Reserve or such change no longer exists or has otherwise been adequately addressed by the Borrower.

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

MCJUNKIN CORPORATION

By: /s/ J.F. UNDERHILL
Name: J.F. Underhill
Title: Chief Financial Officer

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

GOLDMAN SACHS CREDIT PARTNERS L.P.,
as Co-Lead Arranger and Joint Bookrunner

By: /s/ WALTER A. JACKSON
Name: Walter A. Jackson
Title: Authorized Signatory

By: _____
Name:
Title:

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

THE CIT GROUP/BUSINESS CREDIT, INC., as
Administrative Agent and Co-Collateral Agent

By: /s/ CYNTRA A. TRANI
Name: Cyntra A. Trani
Title: Senior Vice President

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

BANK OF AMERICA, N.A., as Co-Collateral Agent

By: /s/ J.L. BARTHOLOMEW
Name: J.L. Bartholomew
Title: Senior Vice President

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

LEHMAN BROTHERS INC., as Co-Lead Arranger
and Joint Bookrunner

By: /s/ LAURIE PERPER
Name: Laurie Perper
Title: Senior Vice President

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

BANK OF AMERICA, N.A., as Syndication Agent

By: /s/ JOY L. BARTHOLOMEW
Name: Joy L. Bartholomew
Title: Senior Vice President

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

Allied Irish Banks, p.l.c.,
as a Lender

By: /s/ ALBERT D. PEREZ
Name: Albert D. Perez
Title: Vice President

By: /s/ EANNA P. MULKERE
Name: Eanna P. Mulkere
Title: Assistant Vice President

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

BANK OF AMERICA, N.A., as a Lender

By: /s/ JOY L. BARTHOLOMEW
Name: Joy L. Bartholomew
Title: Senior Vice President

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

Bank of Oklahoma, N.A.
as a Lender

By: /s/ DAN HUGHES
Name: Dan Hughes
Title: Senior Vice President

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

Branch Banking & Trust Company,
as a Lender

By: /s/ STEPHANIE J. COOK
Name: Stephanie J. Cook
Title: Senior Vice President

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

Burdale Financial Limited,
as a Lender

By: /s/ DAVID GRENDE
Name: David Grende
Title: Managing Director

By: /s/ JASON D. SCHICK
Name: Jason Schick
Title: Vice President

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

CATERPILLAR FINANCIAL SERVICES CORPORATION,
as a Lender

By: /s/ CHRISTOPHER C. PATTERSON
Name: Christopher C. Patterson
Title: Global Operations Manager — Capital Markets

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

THE CIT GROUP/BUSINESS CREDIT, INC., as a Lender

By: /s/ CYNTRA A. TRANI
Name: Cyntra A. Trani
Title: Senior Vice President

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

Citizens Bank, as a Lender

By: /s/ TIMOTHY D. HANCHETT
Name: Timothy D. Hanchett
Title: Senior Vice President

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

City National Bank of West Virginia,
as a Lender

By: /s/ JACK CAVENDER
Name: Jack Cavender
Title: Executive Vice President

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

Fifth Third Bank an Ohio Banking Corporation,
as a Lender

By: /s/ WILLIAM R. HARROD
Name: William R. Harrod
Title: Vice President

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

General Electric Capital Corporation,
as a Lender

By: /s/ MARTIN J. MAHONEY
Name: Martin Mahoney
Title: Duly Authorized Signatory

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

The Huntington National Bank,
as a Lender

By: /s/ L. BLAIR DEVAN
Name: L. Blair DeVan
Title: Vice President

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

Israel Discount Bank of New York,
as a Lender

By: /s/ RAHUM N. WILLIAMS
Name: Rahum N. Williams
Title: Vice President

By: /s/ JEFFREY S. ACKERMAN
Name: Jeffrey S. Ackerman
Title: Senior Vice President

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

JPMorgan Chase Bank, N.A.,
as a Lender

By: /s/ KIM NGUYEN
Name: Kim Nguyen
Title: Vice President

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

Mizuho Corporate Bank,
as a Lender

By: /s/ JAMES R. FAYEN
Name: James R. Fayen
Title: Deputy General Manager

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

National City Business Credit, Inc.,
as a Lender

By: /s/ THOMAS J. EVANS
Name: Thomas J. Evans
Title: Vice President

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

North Fork Business Capital Corporation,
as a Lender

By: /s/ MICHAEL S. BURNS
Name: Michael S. Burns
Title: Senior Vice President

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

PNC Bank, National Association,
as a Lender

By: /s/ SAM V. TRABERMAN
Name: Sam V. Traberman
Title: Vice President

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

RZB Finance LLC,
as a Lender

By: /s/ SHIRLEY M. RITCH
Name: Shirley M. Ritch
Title: Assistant Vice President

By: /s/ NICOLAS M. MORIATIS
Name: Nicolas M. Moriatis
Title: Group Vice President
Controller

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

United Bank, Inc,
as a Lender

By: /s/ JAMES A. WARD
Name: James A. Ward
Title: Vice President

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

UPS Capital Corporation,
as a Lender

By: /s/ JOHN P. HOLLOWAY
Name: John P. Holloway
Title: Director of Portfolio Management

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

Wachovia Bank National Association,
as a Lender

By: /s/ STEVEN J. HAAS
Name: Steven J. Haas
Title: Director

[SIGNATURE PAGE TO MCJUNKIN REVOLVING CREDIT AGREEMENT]

SCHEDULE 1.1(A) — EXISTING LETTERS OF CREDIT

Beneficiary	Expiration Date	Amount	Purpose	Issuing Bank
Brickstreet	11/1/08	$ 200,000	Worker's Comp	JPMorgan Chase
St. Paul Travelers	12/31/07	$ 1,775,000	Insurance	United Bank
State of West Virginia	1/31/08	$ 1,000,000	Worker's Comp	JPMorgan Chase
Sentry Insurance	11/1/08	$ 75,000	Insurance	JPMorgan Chase
Lumberman's Mutual	7/1/08	$ 45,000	Insurance	JPMorgan Chase

SCHEDULE 1.1(B) — BORROWING BASE GUARANTORS

McJunkin Appalachian Oilfield Supply Company
McJunkin Development Corporation
McJunkin Nigeria Limited
McJunkin-Puerto Rico Corporation
McJunkin-West Africa Corporation
Milton Oil & Gas Company
Ruffner Realty Company
Greenbrier Petroleum Corporation
Midway-Tristate Corporation
West Oklahoma PVF Company
Red Man Pipe & Supply Co.
Wesco Acquisition Partners, Inc.

SCHEDULE 1.1(C) — COMMITMENTS AND ADDRESSES OF LENDERS[1]

Allied Irish Bank, p.l.c.
Bank of America, N.A.
Bank of Oklahoma, N.A.
Branch Banking & Trust Company
Burdale Financial Limited
Caterpillar Financial Services Corporation
The CIT Group/Business Credit, Inc.
Citizens Bank
City National Bank of West Virginia
Fifth Third Bank an Ohio Banking Corporation
General Electric Capital Corporation
The Huntington National Bank
Israel Discount Bank of New York
JPMorgan Chase Bank, N.A.
Mizuho Corporate Bank, Ltd.
National City Business Credit, Inc.
North Fork Business Capital Corporation
PNC Bank, National Association
RZB Finance LLC
United Bank, Inc.
UPS Capital Corporation
Wachovia Bank, National Association

[1] Addresses and commitments on file with Administrative Agent.

SCHEDULE 1.1(D) — EXCLUDED SUBSIDIARIES

McJunkin Receivables Corporation
Red Man Pipe & Supply International, Ltd.

SCHEDULE 1.1(E) — COST SAVINGS

12/31/07 — $1,120,357

SCHEDULE 1.1(F) — NON-CORE ASSETS

623,521 shares of common stock of PrimeEnergy Corporation, which comprise approximately 19% of outstanding stock

19/60 ownership interest in Vision Exploration & Production Co., LLC

Hansford Street property and building (1400, 1401 and 1403 Hansford Street, Charleston, WV 25301)

Beekman apartment (575 Park Avenue, Apt. 401, New York, NY 10021)

Piedmont Farm (State Route 3, Union, WV)

Vacant lot at Hillcrest Drive (835 Hillcrest Drive, Charleston, WV, 25311)

SCHEDULE 8.12 SUBSIDIARIES

Name	Owner	Type	Material Subsidiary (Y/N)
McJunkin Appalachian Oilfield Supply Company	McJunkin Corporation	corporation	Y
McJunkin Nigeria Limited	McJunkin Corporation	corporation	N
McJunkin Development Corporation	McJunkin Corporation	corporation	N
McJunkin-Puerto Rico Corporation	McJunkin Corporation	corporation	N
McJunkin Receivables Corporation	McJunkin Corporation	corporation	N
McJunkin-West Africa Corporation	McJunkin Corporation	corporation	N
Milton Oil & Gas Company	McJunkin Corporation	corporation	N
Greenbrier Petroleum Corporation	Milton Oil & Gas Company	corporation	N
Ruffner Realty Company	McJunkin Corporation	corporation	N
Midway-Tristate Corporation	McJunkin Appalachian Oilfield Supply Company	corporation	Y
West Oklahoma PVF Company	McJunkin Corporation	corporation	Y
McJunkin de Angola, Lda	McJunkin-West Africa Corporation (49%)/McJunkin Development Corporation (51%)	limited liability company	N
Red Man Pipe & Supply Co.	West Oklahoma PVF Company	corporation	Y
Wesco Acquisition Partners, Inc.	Red Man Pipe & Supply Co.	corporation	N
Red Man Pipe and Supply Canada, Ltd.	Red Man Pipe & Supply Co.	corporation	Y
Midfield Supply ULC	Red Man Pipe and Supply Canada, Ltd.	corporation	Y
Midfield Supply USA, Ltd.	Midfield Supply ULC	corporation	N

Name	Owner	Type	Material Subsidiary (Y/N)
Mega Production Testing Inc.	Midfield Supply ULC	corporation	N
Northern Boreal Supply Ltd.	Midfield Supply ULC	corporation	N
Red Man Pipe & Supply International, Ltd.	Red Man Pipe & Supply Co.	corporation	N
Hagan Oilfield Supply Ltd.	Midfield Supply ULC	corporation	N
1048025 Alberta Ltd.	Midfield Supply ULC	corporation	N
1236564 Alberta Ltd.	Midfield Supply ULC	corporation	N

SCHEDULE 9.9 — CLOSING DATE AFFILIATE TRANSACTIONS

NONE.

SCHEDULE 9.17(C) — POST CLOSING ACTIONS

The Borrower agrees that it will, or will cause its relevant Subsidiaries to, complete each of the actions set forth below as soon as commercially reasonable and by no later than the date set forth opposite such action or such later date as the Administrative Agent may reasonably agree. All documentation shall be in form and substance reasonably acceptable to the Administrative Agent.

	Action	Date
1.	Deed of Trust for property located in Davis County, Utah	10 Business Days
2.	Opinion from Utah counsel relating to item (1)	10 Business Days
3.	Indemnity Agreement relating to item (1)	10 Business Days
4.	Title insurance relating to item (1)	10 Business Days
5.	Mortgage for property located in Tulsa County, Oklahoma	10 Business Days
6.	Fixture filing for property located in Tulsa County, Oklahoma	10 Business Days
7.	Opinion from Oklahoma counsel relating to item (5)	10 Business Days
8.	Title insurance relating to item (5)	10 Business Days
9.	Corrective/quit claim vesting deed for Red Man Pipe & Supply Co relating to OK property	10 Business Days
10.	Deed of Trust Amendment for property located in Harris County, Texas	10 Business Days
11.	Title Insurance relating to item (10)	10 Business Days
12.	Mortgage Amendment for property located in West Baton Rouge Parish, Louisiana	10 Business Days
13.	Title insurance relating to item (12)	10 Business Days
14.	Deed of Trust Amendment for property located in Kanawha County, West Virginia	10 Business Days
15.	Title insurance relating to item (13)	10 Business Days
16.	Deed of Trust Amendment for property located in Putnam County, West Virginia	10 Business Days
17.	Title insurance relating to item (16)	10 Business Days
18.	Delivery of original stock certificates, and and executed stock powers in blank, for Red Man Pipe & Supply Co., Wesco Acquisition Partners, Inc., Red Man Pipe & Supply Canada, Ltd. and	3 Business Days

West Oklahoma PVF Company	
19. Releases of mortgages set forth on Schedule 10.2, other than those mortgages relating to the Oklahoma and Utah properties which shall be released within 10 Business Days of the closing	20 Business Days
20. Termination of fixture filings relating the terminated Bank of America revolving loan and security agreement naming Red Man Pipe & Supply Co. and its Subsidiaries as debtor, other than that fixture filing relating to the Utah property, which shall be released within 10 Business Days of the closing	20 Business Days
21. Loss payable endorsements contemplated by Section 6.14	10 Business Days
22. Delivery of documents effecting name change of McJunkin Corporation	5 Business Days
23. Certified copies of name change certificate for recording in all necessary county recorder offices	5 Business Days
24. Ministerial revisions to insurance certificates as agreed	5 Business Days
25. Payment of final, approved title company invoice	10 Business Days
26. Execute and deliver title company closing instructions	10 Business Days

SCHEDULE 10.1 — CLOSING DATE INDEBTEDNESS

Letters of Credit

Beneficiary	Expiration Date	Amount	Purpose	Issuing Bank
Brickstreet	11/1/08	$ 200,000	Worker's Comp	JPMorgan Chase
St. Paul Travelers	12/31/07	$1,775,000	Insurance	United Bank
State of West Virginia	1/31/08	$1,000,000	Worker's Comp	JPMorgan Chase
Sentry Insurance	11/1/08	$ 75,000	Insurance	JPMorgan Chase
Lumberman's Mutual	7/1/08	$ 45,000	Insurance	JPMorgan Chase

Capital Leases

Warehouse	State	County	Lessor	Lease Expiration Date
Little Rock	AR	Pulaski	Hansford Associates, LP	12/31/2016
Bakersfield	CA	Kern	Hansford Associates, LP	3/31/2012
Augusta	GA	Richmond	Hansford Associates, LP	12/31/2009
Granite City	IL	Madison	Hansford Associates, LP	9/30/2009
Calvert City	KY	Marshall	Hansford Associates, LP	10/31/2011
Cleveland	OH	Summit	Hansford Associates, LP	10/31/2010
North Charleston	SC	Charleston	Hansford Associates, LP	12/31/2009
LaMarque	TX	Galveston	Hansford Associates, LP	12/31/2012
Rock Springs	WY	Sweetwater	Hansford Associates, LP	3/31/2012

Miscellaneous

Debtor	Debt Description	Commitment/ Original Principal	Lender/Obligee	Date
Midfield Supply ULC	Loan and Security Agreement	CAD $150,000,000	Bank of America N.A.	11/2/06
Midfield Supply ULC	Revolving Term Loan Facility	CAD $15,000,000	Alberta Treasury Branch	5/17/07
Midfield Supply ULC	Note Payable	CAD $2,500,000	Dougins Halwa, Daryl Loney, Don Dashney	3/31/07
Midfield Supply ULC	Note Payable	CAD $750,000	Selling shareholders of Hagan Oilfield	4/3/07
Midfield Supply ULC	Note Payable	CAD $16,389,500	Midfield Holdings, Inc.	11/2/06
Midfield Supply ULC	Note Payable	CAD $8,156,115	Midfield Holdings, Inc.	4/27/07

SCHEDULE 10.2 — CLOSING DATE LIENS

Miscellaneous

Debtor	Debt Description	Commitment	Lender/Obligee	Date
Midfield Supply ULC	Loan and Security Agreement	CAD $150,000,000	Bank of America, N.A.	11/2/06
Midfield Supply ULC	Revolving Term Loan Facility	CAD $15,000,000	Alberta Treasury Branch	5/17/07
Red Man Pipe & Supply Co. and its Subsidiaries	Mortgages relating to the terminated Bank of America revolving loan and security agreement, to the extent such mortgage releases are not filed on the Closing Date	N/A	Bank of America, N.A.	N/A
Midfield Supply USA, Ltd.	All indebtedness and proceeds relating thereto of Canadian Advanced Inc. owing to the Debtor	N/A	Canadian Western Bank	N/A
Midfield Supply USA, Ltd.	All indebtedness and proceeds relating thereto of Stanley Smith Professional Corporation owing to the Debtor	N/A	HSBC Bank Canada	N/A

SCHEDULE 10.5 — CLOSING DATE INVESTMENTS

1. Investments held by McJunkin Corporation

Investment	Percentage Of Interest
Greenbrier Development Drilling Partners 1976 P.O. Box 513 Charleston, West Virginia 25322	47 Units, 8.07%
W.T. Massey 200 N.W. 66th, Suite 935 Oklahoma City, Oklahoma 73116 & H.A. Moore 4013 N.W. Expressway Suite 605 Oklahoma City, Oklahoma 73116	Own various overriding royalty interests in oil and gas wells in Oklahoma Own various overriding royalty interests in oil and gas wells in Oklahoma.
PrimeEnergy Corporation One Landmark Square Stamford, Connecticut 06901	Purchased 49.8% interest in K.R.M. Petroleum Company in 1984. Name changed on 5/17/90 from K.R.M. Petroleum to PrimeEnergy (percentage owned approximately 19.33% as of 11/13/06

2. Investments held by Milton Oil & Gas Company, a wholly owned subsidiary of McJunkin Corporation:

Investment	Percentage Of Interest
Butcher & Singer C/O Butcher & Singer, Inc. 211 South Broad Street Philadelphia, Pennsylvania 15105 Buttes 1976-1 (931)	Overriding royalty interest
Cabot Oil & Gas Corporation (formerly Appalachian Exploration & Development) C/O Cabot Petroleum Corporation Joint Interest Section 921 Main Street, Suite 900 Houston, Texas 77002 B & H Partnership (935)	60% working interest

Investment	Percentage of Interest
Milton Option (938) P & H Partnership (942)	60% working interest 60% working interest
Dunne Equities C/O Dunne Equities 8100 E. 22nd Street North Building 1100 Wichita, Kansas 67226 Currently (16) Productive Wells/Programs	 Various %
Quad D Operating P.O. Box 5567 Huntington, West Virginia 25703 Closterman M-1 And M-2 (952) Closterman M-3 And M-4 (953) Closterman M-5 (954) Closterman M-6 (955) D.P. Morris Lease Well (956)	 25% working interest 18.75% working interest 18.75% working interest 18.75% working interest 25% working interest
Devon Energy Production Co LP 20 North Broadway Oklahoma City, Oklahoma 73102 Clifton #1 (946) Hawkins #1 (948) Prichard #1 (949), #2, #3 Whisenhunt (950) Clifton #2 (947) Clifton #3 (951)	 0.90868% working interest 1.82364% working interest 0.32835% over-riding royalty interest 0.161948% over-riding royalty interest 1.0138% working interest 1.0447% working interest

3. Investments held by Ruffner Realty Company, a wholly owned subsidiary of McJunkin Corporation:

Investment	Percentage of Interest
Auburn Lakes — Cost Basis 185 Acres + 370 Units Condominium 2901 Cedar Road Cleveland, Ohio	2.08%
First Interstate Elyria Shopping Center Elyria, Ohio	1.04%
First Interstate Hawthorne — Cost Basis	1.85%

Investment	Percentage Of Interest
Equity Investors Shopping Center 29425 Chagrin Boulevard Cleveland, Ohio	
First Interstate Mentor Centers Equity Investors Shopping Center 29425 Chagrin Boulevard Cleveland, Ohio	1.39%
Merc-Ex Investors Ltd. Partnership. - Cost Basis Equity Investors, Inc. Apartment Complex Beachwood, Ohio	7.75%
One Congress Square - Cost Basis Sovereign Realty Office Building - Historic Structure Chicago, Illinois	1.5%

4. Investments held by Midfield Supply ULC, a non-wholly owned subsidiary of McJunkin Corporation:

Investment	Percentage Of Interest
Altus Energy Services, Inc. 1,000,000 shares of common stock	Not Available
Altus Energy Services, Inc. Warrants with respect to 1,000,000 shares of common stock	Not available
Energize Oil & Gas	6.6% equity interest
Brooks, Clay & Feathers Ltd.	6.6% equity interest

SCHEDULE 10.11 — CLOSING DATE RESTRICTIONS

NONE.

Exhibit 10.1.1

JOINDER AGREEMENT

JOINDER AGREEMENT, dated as of June 10, 2008 (this "Agreement"), by and among The Huntington National Bank (a "New Loan Lender"), McJunkin Red Man Corporation (f/k/a McJunkin Corporation), a West Virginia corporation (the "Borrower"), and The CIT Group/Business Credit, Inc. ("CIT"), as Administrative Agent.

RECITALS:

WHEREAS, reference is hereby made to the Revolving Loan Credit Agreement, dated as of October 31, 2007 (as amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the "Credit Agreement"), among the Borrower, the Lenders party thereto, CIT, as Administrative Agent, and CIT and Bank of America, N.A., collectively, as Collateral Agent (capitalized terms used but not defined herein having the meaning provided in the Credit Agreement); and

WHEREAS, subject to the terms and conditions of the Credit Agreement, the Borrower may establish New Revolving Credit Commitments by, among other things, entering into one or more Joinder Agreements with New Revolving Loan Lenders, as applicable;

NOW, THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION 1. The New Loan Lender party hereto hereby agrees to commit to provide its respective New Revolving Credit Commitment, as set forth on Schedule A annexed hereto, on the terms and subject to the conditions set forth below:

SECTION 2. The New Loan Lender (a) confirms that it has received a copy of the Credit Agreement and the other Credit Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (b) agrees that it will, independently and without reliance upon the Administrative Agent or any other New Loan Lender or any other Lender or Agent 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 Agreement; (c) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Credit Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (d) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a New Revolving Loan Lender.

SECTION 3. The New Loan Lender hereby agrees to make its respective Commitment on the following terms and conditions:

a. Credit Agreement Governs. Except as set forth in this Agreement, the New Revolving Loans shall otherwise be subject to the provisions of the Credit Agreement and the other Credit Documents.

b. Borrower Certifications. By its execution of this Agreement, the undersigned officer, to the best of his or her knowledge, and Borrower hereby certifies that (i) the representations and warranties contained in the Credit Agreement and the other Credit Documents are true and correct in all material respects on and as of the date hereof to the same extent as though made on and as of the date hereof, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects on and as of such earlier date; and (ii) Borrower has performed in all material respects all agreements and satisfied all conditions which the Credit Agreement provides shall be performed or satisfied by it on or before the date hereof.

c. Borrower Covenants. By its execution of this Agreement, Borrower hereby covenants that: (i) it shall make any payments required pursuant to Section 2.11 of the Credit Agreement in connection with the New Revolving Credit Commitments; and (ii) it shall deliver or cause to be delivered the following legal opinions and documents: executed legal opinions of Simpson Thacher & Bartlett, special counsel to the Borrower, and Bowles Rice McDavid Graff & Love LLP, special counsel to the Borrower, together with all other documents reasonably requested by the Administrative Agent in connection with this Agreement.

d. Notice. For purposes of the Credit Agreement, the initial notice address of the New Loan Lender shall be as set forth below its signature below.

e. Tax Forms. For the New Loan Lender, delivered herewith to the Administrative Agent are such forms, certificates or other evidence with respect to United States federal income tax withholding matters as the New Loan Lender may be required to deliver to the Administrative Agent pursuant to Section 5.4(d) and/or Section 5.4(e) of the Credit Agreement.

f. Recordation of the New Loans. Upon execution and delivery hereof, the Administrative Agent will record the New Revolving Loans, made by the New Loan Lender in the Register.

g. Amendment, Modification and Waiver. This Agreement may not be amended, modified or waived except by an instrument or instruments in writing signed and delivered on behalf of each of the parties hereto.

h. Entire Agreement. This Agreement, the Credit Agreement and the other Credit Documents constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.

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

j. Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms

and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as would be enforceable.

k. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

[Remainder of page intentionally left blank].

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Joinder Agreement as of the date first above written.

MCJUNKIN RED MAN CORPORATION
(f/k/a Mcjunkin Corporation)

By: /s/ CRAIG KETCHUM
Name: Craig Ketchum
Title: Chief Executive Officer and President

THE HUNTINGTON NATIONAL BANK

By: /s/ L. BLAIR DEVAN
Name: L. Blair DeVan
Title: Vice President

Notice Address:
Attention:
Telephone:
Facsimile:

MCJUNKIN RED MAN CORPORATION
Joinder Agreement

Consented to by:

THE CIT GROUP/BUSINESS CREDIT, INC., as
Administrative Agent

By: /s/ HOWARD TREBACH
Name: Howard Trebach
Title: Vice President

SCHEDULE A
TO JOINDER AGREEMENT

Name of New Loan Lender	Type of Commitment	Amount
The Huntington National Bank	Revolving Credit Commitment	$5,000,000.00

Exhibit 10.1.2

JOINDER AGREEMENT

JOINDER AGREEMENT, dated as of June 10, 2008 (this "Agreement"), by and among JP Morgan Chase Bank, N.A. (a "New Loan Lender"), McJunkin Red Man Corporation (f/k/a McJunkin Corporation), a West Virginia corporation (the "Borrower"), and The CIT Group/Business Credit, Inc. ("CIT"), as Administrative Agent.

RECITALS:

WHEREAS, reference is hereby made to the Revolving Loan Credit Agreement, dated as of October 31, 2007 (as amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the "Credit Agreement"), among the Borrower, the Lenders party thereto, CIT, as Administrative Agent, and CIT and Bank of America, N.A., collectively, as Collateral Agent (capitalized terms used but not defined herein having the meaning provided in the Credit Agreement); and

WHEREAS, subject to the terms and conditions of the Credit Agreement, the Borrower may establish New Revolving Credit Commitments by, among other things, entering into one or more Joinder Agreements with New Revolving Loan Lenders, as applicable;

NOW, THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION 1. The New Loan Lender party hereto hereby agrees to commit to provide its respective New Revolving Credit Commitment, as set forth on Schedule A annexed hereto, on the terms and subject to the conditions set forth below:

SECTION 2. The New Loan Lender (a) confirms that it has received a copy of the Credit Agreement and the other Credit Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (b) agrees that it will, independently and without reliance upon the Administrative Agent or any other New Loan Lender or any other Lender or Agent 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 Agreement; (c) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Credit Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (d) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a New Revolving Loan Lender.

SECTION 3. The New Loan Lender hereby agrees to make its respective Commitment on the following terms and conditions:

a. Credit Agreement Governs. Except as set forth in this Agreement, the New Revolving Loans shall otherwise be subject to the provisions of the Credit Agreement and the other Credit Documents.

b. Borrower Certifications. By its execution of this Agreement, the undersigned officer, to the best of his or her knowledge, and Borrower hereby certifies that (i) the representations and warranties contained in the Credit Agreement and the other Credit Documents are true and correct in all material respects on and as of the date hereof to the same extent as though made on and as of the date hereof, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects on and as of such earlier date; and (ii) Borrower has performed in all material respects all agreements and satisfied all conditions which the Credit Agreement provides shall be performed or satisfied by it on or before the date hereof.

c. Borrower Covenants. By its execution of this Agreement, Borrower hereby covenants that: (i) it shall make any payments required pursuant to Section 2.11 of the Credit Agreement in connection with the New Revolving Credit Commitments; and (ii) it shall deliver or cause to be delivered the following legal opinions and documents: executed legal opinions of Simpson Thacher & Bartlett, special counsel to the Borrower, and Bowles Rice McDavid Graff & Love LLP, special counsel to the Borrower, together with all other documents reasonably requested by the Administrative Agent in connection with this Agreement.

d. Notice. For purposes of the Credit Agreement, the initial notice address of the New Loan Lender shall be as set forth below its signature below.

e. Tax Forms. For the New Loan Lender, delivered herewith to the Administrative Agent are such forms, certificates or other evidence with respect to United States federal income tax withholding matters as the New Loan Lender may be required to deliver to the Administrative Agent pursuant to Section 5.4(d) and/or Section 5.4(e) of the Credit Agreement.

f. Recordation of the New Loans. Upon execution and delivery hereof, the Administrative Agent will record the New Revolving Loans, made by the New Loan Lender in the Register.

g. Amendment, Modification and Waiver. This Agreement may not be amended, modified or waived except by an instrument or instruments in writing signed and delivered on behalf of each of the parties hereto.

h. Entire Agreement. This Agreement, the Credit Agreement and the other Credit Documents constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.

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

j. Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms

and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as would be enforceable.

k. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

[Remainder of page intentionally left blank].

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Joinder Agreement as of the date first above written.

MCJUNKIN RED MAN CORPORATION
(f/k/a Mcjunkin Corporation)

By: /s/ CRAIG KETCHUM
Name: Craig Ketchum
Title: Chief Executive Officer and President

JP MORGAN CHASE BANK, N.A.

By: /s/ KIM NGUYEN
Name: Kim Nguyen
Title: Vice President

Notice Address: 270 Park Ave - 44th Floor, New York, NY 10017
Attention: Kim Nguyen
Telephone: (212) 270-0398
Facsimile: (646) 534-2274

MCJUNKIN RED MAN CORPORATION
Joinder Agreement

Consented to by:

THE CIT GROUP/BUSINESS CREDIT, INC.,
as Administrative Agent

By: /s/ HOWARD TREBACH
Name: Howard Trebach
Title: Vice President

SCHEDULE A
TO JOINDER AGREEMENT

Name of New Loan Lender	Type of Commitment	Amount
JP Morgan Chase Bank, N.A.	Revolving Credit Commitment	$10,000,000.00

JOINDER AGREEMENT

JOINDER AGREEMENT, dated as of June 10, 2008 (this "Agreement"), by and among TD Bank, N.A. (a "New Loan Lender"), McJunkin Red Man Corporation (f/k/a McJunkin Corporation), a West Virginia corporation (the "Borrower"), and The CIT Group/Business Credit, Inc. ("CIT"), as Administrative Agent.

RECITALS:

WHEREAS, reference is hereby made to the Revolving Loan Credit Agreement, dated as of October 31, 2007 (as amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the "Credit Agreement"), among the Borrower, the Lenders party thereto, CIT, as Administrative Agent, and CIT and Bank of America, N.A., collectively, as Collateral Agent (capitalized terms used but not defined herein having the meaning provided in the Credit Agreement); and

WHEREAS, subject to the terms and conditions of the Credit Agreement, the Borrower may establish New Revolving Credit Commitments by, among other things, entering into one or more Joinder Agreements with New Revolving Loan Lenders, as applicable;

NOW, THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION 1. The New Loan Lender party hereto hereby agrees to commit to provide its respective New Revolving Credit Commitment, as set forth on Schedule A annexed hereto, on the terms and subject to the conditions set forth below:

SECTION 2. The New Loan Lender (a) confirms that it has received a copy of the Credit Agreement and the other Credit Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (b) agrees that it will, independently and without reliance upon the Administrative Agent or any other New Loan Lender or any other Lender or Agent 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 Agreement; (c) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Credit Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (d) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a New Revolving Loan Lender.

SECTION 3. The New Loan Lender hereby agrees to make its respective Commitment on the following terms and conditions:

a. New Loan Lender. The New Loan Lender acknowledges and agrees that upon its execution of this Agreement and the making of New Revolving Loans, that the New Loan Lender shall become a "Lender" under, and for all purposes of, the Credit Agreement and

the other Credit Documents, and shall be subject to and bound by the terms thereof, and shall perform all the obligations of and shall have all rights of a Lender thereunder.

b. Credit Agreement Governs. Except as set forth in this Agreement, the New Revolving Loans shall otherwise be subject to the provisions of the Credit Agreement and the other Credit Documents.

c. Borrower Certifications. By its execution of this Agreement, the undersigned officer, to the best of his or her knowledge, and Borrower hereby certifies that (i) the representations and warranties contained in the Credit Agreement and the other Credit Documents are true and correct in all material respects on and as of the date hereof to the same extent as though made on and as of the date hereof, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects on and as of such earlier date; and (ii) Borrower has performed in all material respects all agreements and satisfied all conditions which the Credit Agreement provides shall be performed or satisfied by it on or before the date hereof.

d. Borrower Covenants. By its execution of this Agreement, Borrower hereby covenants that: (i) it shall make any payments required pursuant to Section 2.11 of the Credit Agreement in connection with the New Revolving Credit Commitments; and (ii) it shall deliver or cause to be delivered the following legal opinions and documents: executed legal opinions of Simpson Thacher & Bartlett, special counsel to the Borrower, and Bowles Rice McDavid Graff & Love LLP, special counsel to the Borrower, together with all other documents reasonably requested by the Administrative Agent in connection with this Agreement.

e. Notice. For purposes of the Credit Agreement, the initial notice address of the New Loan Lender shall be as set forth below its signature below.

f. Tax Forms. For the New Loan Lender, delivered herewith to the Administrative Agent are such forms, certificates or other evidence with respect to United States federal income tax withholding matters as the New Loan Lender may be required to deliver to the Administrative Agent pursuant to Section 5.4(d) and/or Section 5.4(e) of the Credit Agreement.

g. Recordation of the New Loans. Upon execution and delivery hereof, the Administrative Agent will record the New Revolving Loans, made by the New Loan Lender in the Register.

h. Amendment, Modification and Waiver. This Agreement may not be amended, modified or waived except by an instrument or instruments in writing signed and delivered on behalf of each of the parties hereto.

i. Entire Agreement. This Agreement, the Credit Agreement and the other Credit Documents constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.

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

k. Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as would be enforceable.

l. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

[Remainder of page intentionally left blank].

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Joinder Agreement as of the date first above written.

MCJUNKIN RED MAN CORPORATION
(f/k/a Mcjunkin Corporation)

By: /s/ CRAIG KETCHUM
Name: Craig Ketchum
Title: Chief Executive Officer and President

TD BANK, N.A.

By: /s/ NICK LOTZ
Name: Nick Lotz
Title: Vice President

Notice Address: 2005 Market St., 2nd Floor,
Philadelphia, PA 19103
Attention: Chris Helmecci
Telephone: 412.759.1701
Facsimile: 215.282.4032

Consented to by:

THE CIT GROUP/BUSINESS CREDIT, INC.,
as Administrative Agent

By: /s/ HOWARD TREBACH
Name: Howard Trebach
Title: Vice President

MCJUNKIN RED MAN CORPORATION
Joinder Agreement

SCHEDULE A
TO JOINDER AGREEMENT

Name of New Loan Lender	Type of Commitment	Amount
TD Bank, N.A.	Revolving Credit Commitment	$28,000,000.00

Exhibit 10.1.4

JOINDER AGREEMENT

JOINDER AGREEMENT, dated as of June 10, 2008 (this "Agreement"), by and among United Bank, Inc. (a "New Loan Lender"), McJunkin Red Man Corporation (f/k/a McJunkin Corporation), a West Virginia corporation (the "Borrower"), and The CIT Group/Business Credit, Inc. ("CIT"), as Administrative Agent.

RECITALS:

WHEREAS, reference is hereby made to the Revolving Loan Credit Agreement, dated as of October 31, 2007 (as amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the "Credit Agreement"), among the Borrower, the Lenders party thereto, CIT, as Administrative Agent, and CIT and Bank of America, N.A., collectively, as Collateral Agent (capitalized terms used but not defined herein having the meaning provided in the Credit Agreement); and

WHEREAS, subject to the terms and conditions of the Credit Agreement, the Borrower may establish New Revolving Credit Commitments by, among other things, entering into one or more Joinder Agreements with New Revolving Loan Lenders, as applicable;

NOW, THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION 1. The New Loan Lender party hereto hereby agrees to commit to provide its respective New Revolving Credit Commitment, as set forth on Schedule A annexed hereto, on the terms and subject to the conditions set forth below:

SECTION 2. The New Loan Lender (a) confirms that it has received a copy of the Credit Agreement and the other Credit Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (b) agrees that it will, independently and without reliance upon the Administrative Agent or any other New Loan Lender or any other Lender or Agent 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 Agreement; (c) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Credit Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (d) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a New Revolving Loan Lender.

SECTION 3. The New Loan Lender hereby agrees to make its respective Commitment on the following terms and conditions:

a. Credit Agreement Governs. Except as set forth in this Agreement, the New Revolving Loans shall otherwise be subject to the provisions of the Credit Agreement and the other Credit Documents.

b. Borrower Certifications. By its execution of this Agreement, the undersigned officer, to the best of his or her knowledge, and Borrower hereby certifies that (i) the representations and warranties contained in the Credit Agreement and the other Credit Documents are true and correct in all material respects on and as of the date hereof to the same extent as though made on and as of the date hereof, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects on and as of such earlier date; and (ii) Borrower has performed in all material respects all agreements and satisfied all conditions which the Credit Agreement provides shall be performed or satisfied by it on or before the date hereof.

c. Borrower Covenants. By its execution of this Agreement, Borrower hereby covenants that: (i) it shall make any payments required pursuant to Section 2.11 of the Credit Agreement in connection with the New Revolving Credit Commitments; and (ii) it shall deliver or cause to be delivered the following legal opinions and documents: executed legal opinions of Simpson Thacher & Bartlett, special counsel to the Borrower, and Bowles Rice McDavid Graff & Love LLP, special counsel to the Borrower, together with all other documents reasonably requested by the Administrative Agent in connection with this Agreement.

d. Notice. For purposes of the Credit Agreement, the initial notice address of the New Loan Lender shall be as set forth below its signature below.

e. Tax Forms. For the New Loan Lender, delivered herewith to the Administrative Agent are such forms, certificates or other evidence with respect to United States federal income tax withholding matters as the New Loan Lender may be required to deliver to the Administrative Agent pursuant to Section 5.4(d) and/or Section 5.4(e) of the Credit Agreement.

f. Recordation of the New Loans. Upon execution and delivery hereof, the Administrative Agent will record the New Revolving Loans, made by the New Loan Lender in the Register.

g. Amendment, Modification and Waiver. This Agreement may not be amended, modified or waived except by an instrument or instruments in writing signed and delivered on behalf of each of the parties hereto.

h. Entire Agreement. This Agreement, the Credit Agreement and the other Credit Documents constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.

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

j. Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms

and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as would be enforceable.

k. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

[Remainder of page intentionally left blank].

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Joinder Agreement as of the date first above written.

MCJUNKIN RED MAN CORPORATION
(f/k/a Mcjunkin Corporation)

By: /s/ CRAIG KETCHUM
Name: Craig Ketchum
Title: Chief Executive Officer and President

UNITED BANK, INC.

By: /s/ JAMES A. WARD
Name: James A. Ward
Title: Vice President

Notice Address: 500 Virginia St. East, Charleston, WV 25301
Attention: Tony Ward
Telephone: 304.348.8372
Facsimile: 304.348.8353

Consented to by:

THE CIT GROUP/BUSINESS CREDIT, INC.,
as Administrative Agent

By: /s/ HOWARD TREBACH
Name: Howard Trebach
Title: Vice President

SCHEDULE A
TO JOINDER AGREEMENT

Name of New Loan Lender	Type of Commitment	Amount
United Bank, Inc.	Revolving Credit Commitment	$7,000,000.00

Exhibit 10.2

REVOLVING LOAN SECURITY AGREEMENT

THIS REVOLVING LOAN SECURITY AGREEMENT (this "Agreement") dated as of October 31, 2007, among McJunkin Corporation, a West Virginia corporation (the "Borrower"), each of the Subsidiaries of the Borrower listed on the signature pages hereto (each such entity being a "Subsidiary Grantor" and, collectively, the "Subsidiary Grantors"; the Subsidiary Grantors and the Borrower are referred to collectively as the "Grantors") and The CIT Group/Business Credit, Inc. and Bank of America, N.A., each as Co-Collateral Agent (in such capacity, collectively, the "Collateral Agent") under the Credit Agreement (as defined below) for the benefit of the Secured Parties (as defined below).

W I T N E S S E T H:

WHEREAS, the Borrower is party to the Revolving Loan Credit Agreement, dated as of October 31, 2007 (as the same may be amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the "Credit Agreement"), among the Borrower, the lending institutions from time to time party thereto (the "Lenders"), the letter of credit issuers from time to time party thereto (the "Letter of Credit Issuers"), The CIT Group/Business Credit, Inc. ("CIT"), as Administrative Agent, CIT and Bank of America, N.A., collectively, as Collateral Agent, and the other Persons from time to time party thereto, pursuant to which the Lenders have severally agreed to make Loans to the Borrower, and the Letter of Credit Issuers have severally agreed to issue Letters of Credit for the account of the Borrower, upon the terms and subject to the conditions set forth therein (collectively, the "Extensions of Credit");

WHEREAS, pursuant to the Guarantee, dated as of the date hereof, (as amended, restated, supplemented or otherwise modified from time to time, the "Guarantee") each Subsidiary Grantor party thereto has agreed to unconditionally and irrevocably guarantee, as primary obligor and not merely as surety, to the Collateral Agent for the benefit of the Secured Parties, the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations;

WHEREAS, each Subsidiary Grantor is a Subsidiary Guarantor;

WHEREAS, the proceeds of the Extensions of Credit will be used in part to enable the Borrower to make valuable transfers to the Subsidiary Grantors in connection with the operation of their respective businesses;

WHEREAS, each Grantor acknowledges that it will derive substantial direct and indirect benefit from the making of the Extensions of Credit; and

WHEREAS, it is a condition precedent to the obligation of the Lenders and the Letter of Credit Issuers to make their respective Extensions of Credit to the Borrower under the Credit Agreement that the Grantors shall have executed and delivered this Agreement to the Collateral Agent for the ratable benefit of the Secured Parties;

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent, the Collateral Agent, the Syndication Agent, the Lenders, and the Letter of Credit Issuers to enter into the Credit Agreement and to induce the Lenders and the Letter of Credit Issuers to make their respective Extensions of Credit to the Borrower under the Credit Agreement, the Grantors hereby agree with the Collateral Agent for the benefit of the Secured Parties, as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, all capitalized terms used herein (including the preamble and recitals hereto) and not otherwise defined herein shall have the meanings given to them in the Credit Agreement or, if not defined therein, in the UCC.

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

"Agreement" shall have the meaning assigned to such term in the preamble hereto.

"Borrower" shall have the meaning assigned to such term in the preamble hereto.

"Collateral" shall have the meaning provided in Section 2 hereof.

"Collateral Account" shall mean any collateral account established by the Collateral Agent as provided in Section 5.1 or Section 5.3.

"Collateral Agent" shall have the meaning assigned to such term in the preamble hereto.

"Control" shall mean (i) in the case of each Deposit Account, "control," as such term is defined in Section 9-104 of the UCC, and (ii) in the case of any Security Entitlement, "control," as such term is defined in Section 8-106 of the UCC.

"Control Agreements" shall mean, collectively, Deposit Account Control Agreements and the Securities Account Control Agreements.

"Copyright License" shall mean any written agreement, now or hereafter in effect, naming any Grantor as licensor or licensee, granting any right to any third party under any copyright now or hereafter owned by any Grantor (including all Copyrights) or that any Grantor otherwise has the right to license, or granting any right to any Grantor under any copyright now or hereafter owned by any third party, and all rights of any Grantor under any such agreement, including those listed on Schedule I (as such schedule may be amended or supplemented from time to time).

"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, any other country or any 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, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office.

"Copyrights" shall mean all copyrights now owned or hereafter acquired by any Grantor, including those listed on Schedule II (as such schedule may be amended or supplemented from time to time).

"Credit Agreement" shall have the meaning assigned to such term in the recitals hereto.

"Deposit Account Control Agreement" shall mean an agreement that is reasonably satisfactory to the Collateral Agent establishing Control in favor of the Collateral Agent with respect to any Deposit Account.

"Deposit Accounts" shall mean, collectively, with respect to each Pledgor, (i) all "deposit accounts" as such term is defined in Article 9 of the UCC and in any event shall include all accounts and sub-accounts relating to any of the foregoing accounts and (ii) all cash, funds, checks, notes and instruments from time to time on deposit in any of the accounts or sub-accounts described in clause (i) of this definition.

"Equipment" shall mean all "equipment," as such term is defined in Article 9 of the UCC, now or hereafter owned by any Grantor or to which any Grantor has rights and, in any event, shall include all machinery, equipment, computers, furnishings, appliances, fixtures, tools and vehicles (in each case, regardless of whether characterized as equipment under the UCC) now or hereafter owned by any Grantor or to which any Grantor has rights and any and all Proceeds, accessions, additions, substitutions and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto; but excluding equipment to the extent it is subject to a Lien permitted by the Credit Agreement and the terms of the Indebtedness securing such Lien prohibit assignment of, or granting of a security interest in, such Grantor's rights and interests therein (other than to the extent that any such prohibition would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law), provided, that immediately upon the repayment of all Indebtedness secured by such Lien, such Grantor shall be deemed to have granted a Security Interest in all the rights and interests with respect to such equipment.

"Extensions of Credit" shall have the meaning assigned to such term in the recitals hereto.

"General Intangibles" shall mean all "general intangibles" as such term is defined in Article 9 of the UCC, including "payment intangibles" also as such term is defined in Article 9 of the UCC, and, in any event, including with respect to any Grantor, all contracts, agreements, instruments and indentures in any form, and portions thereof, to which such Grantor is a party or under which such Grantor has any right, title or interest or to which such Grantor or any property of such Grantor is subject, as the same may from time to time be amended, supplemented or otherwise modified, including (a) all rights of such Grantor to receive moneys due and to become

due to it thereunder or in connection therewith, (b) all rights of such Grantor to receive proceeds of any insurance, indemnity, warranty or guarantee with respect thereto, (c) all claims of such Grantor for damages arising out of any breach of or default thereunder and (d) all rights of such 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, in each case to the extent the grant by such Grantor of a Security Interest pursuant to this Agreement in its right, title and interest in any such contract, agreement, instrument or indenture (i) is not prohibited by such contract, agreement, instrument or indenture without the consent of any other party thereto, (ii) would not give any other party to any such contract, agreement, instrument or indenture the right to terminate its obligations thereunder or (iii) is permitted with consent if all necessary consents to such grant of a Security Interest have been obtained from the other parties thereto (other than to the extent that any such prohibition referred to in clauses (i), (ii) and (iii) would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law) (it being understood that the foregoing shall not be deemed to obligate such Grantor to obtain such consents), provided that the foregoing limitation shall not affect, limit, restrict or impair the grant by such Grantor of a Security Interest pursuant to this Agreement in any Account or any money or other amounts due or to become due under any such contract, agreement, instrument or indenture.

"Grantor" shall have the meaning assigned to such term in the recitals hereto.

"Guarantee" shall have the meaning assigned to such term in the recitals hereto.

"Intellectual Property" shall mean all of the following now owned or hereafter acquired by any Grantor: rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws, including the Trade Secrets, the Copyrights, the Patents, the Trademarks and the Licenses and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom, in each case to the extent the grant by such Grantor of a Security Interest pursuant to this Agreement in any such rights, priorities and privileges relating to intellectual property (i) is not prohibited by any contract, agreement or other instrument governing such rights, priorities and privileges without the consent of any other party thereto, (ii) would not give any other party to any such contract, agreement or other instrument the right to terminate its obligations thereunder or (iii) is permitted with consent if all necessary consents to such grant of a Security Interest have been obtained from the relevant parties (other than to the extent that any such prohibition referred to in clauses (i), (ii) and (iii) would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law) (it being understood that the foregoing shall not be deemed to obligate such Grantor to obtain such consents).

"Investment Property" shall mean all Securities (whether certificated or uncertificated), Security Entitlements, Securities Accounts, Commodity Contracts and Commodity Accounts of any Grantor (other than as pledged pursuant to the Pledge Agreements), whether now or hereafter acquired by any Grantor, in each case to the extent the grant by a Grantor of a Security Interest therein pursuant to this Agreement in its right, title and interest in

any such Investment Property (i) is not prohibited by any contract, agreement, instrument or indenture governing such Investment Property without the consent of any other party thereto, (ii) would not give any other party to any such contract, agreement, instrument or indenture the right to terminate its obligations thereunder or (iii) is permitted with consent if all necessary consents to such grant of a Security Interest have been obtained from the other parties thereto (other than to the extent that any such prohibition referred to in clauses (i), (ii) and (iii) would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law) (it being understood that the foregoing shall not be deemed to obligate such Grantor to obtain such consents).

"License" shall mean any Patent License, Trademark License, Copyright License or other license or sublicense to which any Grantor is a party.

"Obligations" shall mean the collective reference to (i) the due and punctual payment of (x) the principal of and premium, if any, and interest at the applicable rate provided in the Credit Agreement (including interest at the contract rate applicable upon default accrued or accruing after the commencement of any proceeding, under the Bankruptcy Code or any applicable provision of comparable state or foreign law, whether or not such interest is an allowed claim in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (y) each payment required to be made by any Borrower under the Credit Agreement or any other Credit Documents in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral, and (z) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any proceeding under the Bankruptcy Code or any applicable provision of comparable state or foreign law, whether or not such interest is an allowed claim in such proceeding), of any Borrower or any other Credit Party to any of the Secured Parties under the Credit Agreement and any other Credit Documents, (ii) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Borrower under or pursuant to the Credit Agreement and the other Credit Documents, and (iii) the due and punctual payment and performance of all the covenants, agreements, obligations and liabilities of each other Credit Party under or pursuant to this Agreement or the other Credit Documents.

"Patent License" shall mean any written agreement, now or hereafter in effect, naming any Grantor as licensor or licensee, granting to any third party any right to make, use or sell any invention on which a patent, now or hereafter owned by any Grantor (including all Patents) or that any Grantor otherwise has the right to license, is in existence, or granting to any Grantor any right to make, use or sell any invention on which a patent, now or hereafter owned by any third party, is in existence, and all rights of any Grantor under any such agreement, including those listed on Schedule III (as such schedule may be amended or supplemented from time to time).

"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 or group of countries, 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, reexaminations or extensions thereof, all rights corresponding thereto throughout the world and all inventions and improvements disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

"Patents" shall mean all patents now owned or hereafter acquired by any Grantor, including those listed on Schedule IV (as such schedule may be amended or supplemented from time to time).

"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 any 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 possession 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 Collateral Agent, (b) any claim of any 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 any Grantor, or licensed under a Patent License, (ii) past, present or future infringement or dilution of any Trademark now or hereafter owned by any Grantor or licensed under a Trademark License or injury to the goodwill associated with or symbolized by any Trademark now or hereafter owned by any Grantor, (iii) past, present or future breach of any License and (iv) past, present or future infringement of any Copyright now or hereafter owned by any Grantor or licensed under a Copyright License and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Secured Parties" shall mean, collectively, (i) the Lenders, (ii) the Administrative Agent, (iii) the Collateral Agent, (iv) the Letter of Credit Issuers, (v) the Swingline Lender, (vi) the Syndication Agent, (vii) the beneficiaries of each indemnification obligation undertaken by any Credit Party under the Credit Agreement or any document executed pursuant thereto and (viii) any successors, indorsees, transferees and assigns of each of the foregoing.

"Securities Account Control Agreement" shall mean an agreement that is reasonably satisfactory to the Collateral Agent establishing Control in favor of the Collateral Agent with respect to any Securities Account.

"Security Interest" shall have the meaning provided in Section 2 hereof.

"Specified Revolving Credit Collateral" means all Letter of Credit Rights, Chattel Paper, Instruments, Investment Property and General Intangibles pertaining to the property described in the clauses (i) and (ii) Section 2(a) of this Agreement.

"Subsidiary Grantor" shall have the meaning assigned to such term in the preamble hereto.

"Trade Secrets" shall mean all information used or useful arising from the business including all goodwill, trade secrets, trade secret rights, know-how, customer lists, processes of production, ideas, confidential business information, techniques, processes, formulas and all other proprietary information.

"Trademark License" shall mean any written agreement, now or hereafter in effect, naming any Grantor as licensor or licensee, granting to any third party any right to use any trademark now or hereafter owned by any Grantor (including any Trademark) or that any Grantor otherwise has the right to license, or granting to any Grantor any right to use any trademark now or hereafter owned by any third party, and all rights of any Grantor under any such agreement, including those listed on Schedule V (as such schedule may be amended or supplemented from time to time).

"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, Internet domain 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.

"Trademarks" shall mean all trademarks now owned or hereafter acquired by any Grantor, including those listed on Schedule VI (as such schedule may be amended or supplemented from time to time); provided that any "intent to use" Trademark applications for which a "Statement of Use" or "Amendment to Allege Use" has not been filed (but only until such statement is filed) are excluded from this definition.

"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 Collateral Agent's and the Secured Parties' 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.

(c) The words "hereof", "herein", "hereto" 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, and Section, subsection, clause and Schedule references are to this Security Agreement unless otherwise specified. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.”

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

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

2. Grant of Security Interest.

(a) Each Grantor hereby bargains, sells, conveys, assigns, sets over, mortgages, pledges, hypothecates and transfers to the Collateral Agent, for the ratable benefit of the Secured Parties, and grants to the Collateral Agent, for the ratable benefit of the Secured Parties a lien on and continuing security interest in (the “Security Interest”), all of its right, title and interest in, to and under all of the following property (other than any property constituting Non-Core Assets) now owned or at any time hereafter acquired by such Grantor or in which such 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 Obligations:

i. all Accounts,

ii. all Inventory or documents of title, customs receipts, insurance certificates, shipping documents and other written materials related to the purchase or import of any Inventory,

iii. all Specified Revolving Credit Collateral,

iv. all Deposit Accounts (other than the Net Available Cash Account (as defined in the Intercreditor Agreement), to the extent that it constitutes a Deposit Account) and Securities Accounts (other than the Net Available Cash Account (as defined in the Intercreditor Agreement), to the extent it constitutes a Securities Account), including all cash, marketable securities, securities entitlements, financial assets and other funds held in or on deposit in any of the foregoing,

v. all Records, “supporting obligations” (as defined in Article 9 of the UCC) and related Letters of Credit, commercial tort claims or other claims and causes of action, in each case, to the extent not primarily related to Term Loan Collateral (as defined in the Intercreditor Agreement); and

vi. to the extent not otherwise included, all substitutions, replacements, accessions, products and proceeds (including, without limitation, insurance proceeds, investment property, licenses, royalties, income, payments, claims, damages and proceeds of suit) of any or all of the foregoing.

(b) Each Grantor hereby irrevocably authorizes the Collateral Agent and its Affiliates, counsel and other representatives, at any time and from time to time, to file or record financing statements, amendments to financing statements and, with notice to the Borrower, other filing or recording documents or instruments with respect to the Collateral in such form and in such offices as the Collateral Agent reasonably determines appropriate to perfect the Security Interests of the Collateral Agent under this Agreement, and such financing statements and amendments may describe the Collateral covered thereby as "all assets" or "all personal property" or words of similar effect, whether now owned or hereafter acquired. Each Grantor hereby also authorizes the Collateral Agent and its Affiliates, counsel and other representatives, at any time and from time to time, to file continuation statements with respect to previously filed financing statements. 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 Collateral Agent.

Each Grantor hereby agrees to provide to the Collateral Agent, promptly upon request, any information reasonably necessary to effectuate the filings or recordings authorized by this Section 2(b).

This Agreement secures the payment of all the Obligations. Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts that constitute part of the Obligations and would be owed to the Collateral Agent or the Secured Parties under the Credit Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving any Grantor.

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

3. Representations and Warranties.

Each Grantor hereby represents and warrants to the Collateral Agent and each other Secured Party that:

3.1 Title; No Other Liens. Except for (a) the Security Interest granted to the Collateral Agent for the ratable benefit of the Secured Parties pursuant to this Agreement, (b) the Liens permitted by the Credit Agreement and (c) any Liens securing Indebtedness which is no longer outstanding or any Liens with respect to commitments to lend which have been terminated, such Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. No security agreement, financing statement or other public notice with respect to all or any part of the Collateral that evidences a Lien securing any material Indebtedness is on file or of record in any public office, except such as (i) have been filed in favor of the Collateral Agent for the ratable benefit of the Secured Parties pursuant to this Agreement or (ii) are permitted by the Credit Agreement.

3.2 Perfected First Priority Liens. (a) This Agreement is effective to create in favor of the Collateral Agent, for its benefit and for the benefit of the Secured Parties, legal, valid

and enforceable Security Interests in the Collateral, subject to the effects of bankruptcy, insolvency or similar laws affecting creditors' rights generally and general equitable principles.

(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 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 Collateral Agent, for the ratable benefit of the Secured Parties, as collateral security for the Obligations, upon (A) the filing of all financing statements, in each case, naming each Grantor as "debtor" and the Collateral Agent as "secured party" and describing the Collateral in the filing offices specified in Schedule 3.2(b) or (B) delivery to Collateral Agent (or its bailee) of all Instruments, Chattel Paper, Certificated Securities and Negotiable Documents, in each case, properly endorsed for transfer or in blank, and (ii) are prior to all other Liens on the Collateral other than Liens permitted pursuant to Section 10.2 of the Credit Agreement.

(c) Notwithstanding anything to the contrary herein, no Grantor shall be required to perfect the Security Interests granted by this Agreement (including Security Interests in cash, cash accounts and Investment Property) by any means other than (i) filings pursuant to the UCC of the relevant state(s) or (ii) delivery to the Collateral Agent (or its bailee) to be held in its possession of all Collateral consisting of Instruments or Negotiable Documents.

(d) It is understood and agreed that the Security Interests in cash and Investment Property created hereunder shall not prevent the Grantors from using such assets in the ordinary course of their respective businesses, subject to the provisions of the Control Agreements with respect to such cash and Investment Property.

4. Covenants.

Each Grantor hereby covenants and agrees with the Collateral Agent and the Secured Parties that, from and after the date of this Agreement until the Obligations under the Credit Documents are paid in full and the Commitments are terminated and no Letter of Credit remains outstanding:

4.1 Maintenance of Perfected Security Interest; Further Documentation. (a) Such Grantor shall maintain the Security Interest created by this Agreement as a perfected Security Interest having at least the priority described in Section 3.1 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) Such Grantor will furnish to the Collateral Agent, the Lenders and the Letter of Credit Issuers from time to time statements and schedules further identifying and describing the assets and property of such Grantor and such other reports in connection therewith as the Collateral Agent may reasonably request.

(c) Subject to clause (d) below and Section 3.2(c), each Grantor agrees that at any time and from time to time, at the expense of such 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), which may be required under any applicable law, or which the Collateral Agent or the Required 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 Collateral 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 UCC in effect in any jurisdiction with respect to the Security Interests created hereby, all at the expense of such Grantor.

(d) Notwithstanding anything in this Section 4.1 to the contrary, (i) with respect to any assets acquired by such Grantor after the date hereof that are required by the Credit Agreement to be subject to the Lien created hereby or (ii) with respect to any Person that, subsequent to the date hereof, becomes a U.S. Subsidiary that is required by the Credit Agreement to become a party hereto, the relevant Grantor after the acquisition or creation thereof shall promptly take all actions required by the Credit Agreement or this Section 4.1.

4.2 Changes in Locations, Name, etc. Each Grantor will furnish to the Collateral Agent prompt written notice of any change (i) in its legal name, (ii) in its jurisdiction of organization or location for purposes of the UCC, (iii) in its identity or type of organization or corporate structure or (iv) in its Federal Taxpayer Identification Number or organizational identification number. Each Grantor agrees promptly to provide the Collateral Agent with certified organizational documents reflecting any of the changes described in the first sentence of this paragraph. Each Grantor also agrees promptly to notify the Collateral Agent if any material portion of the Collateral is damaged or destroyed.

4.3 Notices. Each Grantor will advise the Collateral Agent the Lenders and the Letter of Credit Issuers promptly, in reasonable detail, of any Lien of which it has knowledge (other than the Security Interests created hereby or Liens permitted under the Credit Agreement) on any of the Collateral which would adversely affect, in any material respect, the ability of the Collateral Agent to exercise any of its remedies hereunder.

5. Remedial Provisions.

5.1 Certain Matters Relating to Accounts. (a) At any time after the occurrence and during the continuance of an Event of Default or, as contemplated by the Credit Agreement, a Cash Dominion Event and after giving reasonable notice to the Borrower and any other relevant Grantor, the Administrative Agent shall have the right, but not the obligation, to instruct the Collateral Agent to (and upon such instruction, the Collateral Agent shall) make test verifications of the Accounts in any manner and through any medium that such Agent reasonably considers advisable, and each Grantor shall furnish all such assistance and information as such Agent may require in connection with such test verifications. Such Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party.

(b) The Collateral Agent hereby authorizes each Grantor to collect such Grantor’s Accounts and the Collateral Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If required in writing by

the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Accounts, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly endorsed by such Grantor to the Collateral Agent if required, in a Collateral Account maintained under the sole dominion and control of and on terms and conditions reasonably satisfactory to the Collateral Agent, subject to withdrawal by the Collateral Agent for the account of the Secured Parties only as provided in Section 5.5, and (ii) until so turned over, shall be held by such Grantor in trust for the Collateral Agent and the Secured Parties, segregated from other funds of such 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.

(c) At the Collateral Agent's request at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall deliver to the Collateral 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.

(d) Upon the occurrence and during the continuance of an Event of Default, a 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 Collateral Agent shall have instructed the Grantors not to grant or make any such extension, credit, discount, compromise or settlement under any circumstances during the continuance of such Event of Default.

(e) At the direction of the Collateral Agent, upon the occurrence and during the continuance of an Event of Default, each Grantor shall grant to the Collateral Agent to the extent assignable, an irrevocable, non-exclusive, fully paid-up, royalty-free, worldwide license to use, assign, license or sublicense any of the Intellectual Property now owned or hereafter acquired by such Grantor. 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 thereof.

5.2 Communications with Credit Parties; Grantors Remain Liable. (a) The Collateral 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 or, as contemplated by the Credit Agreement, a Cash Dominion Event, after giving reasonable notice to the relevant Grantor of its intent to do so, communicate with obligors under the Accounts to verify with them to the Collateral Agent's satisfaction the existence, amount and terms of any Accounts. The Collateral Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party.

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

(c) Anything herein to the contrary notwithstanding, each 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 Collateral Agent nor any Secured Party 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 Collateral Agent or any Secured Party of any payment relating thereto, nor shall the Collateral Agent or any Secured Party be obligated in any manner to perform any of the obligations of any 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 Collateral Agent. In addition to the rights of the Collateral Agent and the Secured Parties specified in Section 5.1 with respect to payments of Accounts, if an Event of Default shall occur and be continuing and the Collateral Agent so requires by notice in writing to the relevant Grantor (it being understood that the exercise of remedies by the Secured Parties in connection with an Event of Default under Section 11.5 of the Credit Agreement shall be deemed to constitute a request by the Collateral Agent for the purposes of this sentence and in such circumstances, no such written notice shall be required), all Proceeds received by any Grantor consisting of cash, checks and other near-cash items shall be held by such Grantor in trust for the Collateral Agent and the Secured Parties, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Collateral Agent in the exact form received by such Grantor (duly endorsed by such Grantor to the Collateral Agent, if required). All Proceeds received by the Collateral Agent hereunder shall be held by the Collateral Agent in a Collateral Account maintained under its dominion and control and on terms and conditions reasonably satisfactory to the Collateral Agent. All Proceeds while held by the Collateral Agent in a Collateral Account (or by such Grantor in trust for the Collateral Agent and the Secured Parties) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 5.4.

5.4 Application of Proceeds. The Collateral 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 as follows:

(a) first, to the payment of all reasonable and documented costs and expenses incurred by the Collateral Agent or any other Secured Party in connection with such collection or sale or otherwise in connection with this Agreement, the other Credit Documents or any of the Obligations, including all court costs and the reasonable fees and expenses of its agents and legal counsel, the repayment of all advances made by the Collateral Agent hereunder or under any other Credit Document on behalf of any Grantor and any other reasonable and documented costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Credit Document;

(b) second, to the Secured Parties, an amount equal to all Obligations owing to them on the date of any distribution, and, if such moneys shall be insufficient to pay such amounts in full, then ratably (without priority of any one over any other) to such Secured Parties in proportion to the unpaid amounts thereof; and

(c) third, any surplus then remaining shall be paid to the Grantors or their successors or assigns or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Upon any sale of the Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral 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 Collateral 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 Collateral 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 law and also may with notice to the relevant 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 Collateral Agent or any Lender or Letter of Credit Issuer 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 Collateral 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 Collateral 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 any Grantor, and each 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 rule of law or statute now existing or hereafter enacted. The Collateral Agent and any Secured Party 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 Collateral Agent or such Secured Party may, subject to (x) the satisfaction in full in cash of all payments due pursuant to Section 5.4(a) hereof and (y) the satisfaction of the Obligations in accordance with the priorities set forth in Section 5.4 hereof, pay the purchase price by crediting the amount thereof against the Obligations. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to such 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 Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral 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, each Grantor hereby waives any claim against the Collateral 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 Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree. Each Grantor further agrees, at the Collateral Agent's request, to assemble the Collateral and make it available to the Collateral Agent, at places which the Collateral Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Collateral 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. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the fees and disbursements of any attorneys employed by the Collateral Agent or any Secured Party to collect such deficiency.

5.7 Amendments, etc. with Respect to the Obligations; Waiver of Rights. Each Grantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Grantor and without notice to or further assent by any Grantor, (a) any demand for payment of any of the Obligations made by the Collateral Agent or any other Secured Party may be rescinded by such party and any of the Obligations continued, (b) the 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 Collateral Agent or any other Secured Party, (c) the Credit Agreement, the other Credit Documents, the Letters of Credit and any other documents executed and delivered in connection therewith and any other documents executed and delivered in connection therewith and any documents entered into with the applicable Administrative Agent or the Collateral Agent or any of its respective affiliates in connection with treasury, depositary or cash management services or in connection with any automated clearinghouse transfer of funds may be amended, modified, supplemented or terminated, in whole or in part, as the applicable Administrative Agent (or the Required Lenders, as the case may be, or, in the case of documents entered into with the applicable Administrative Agent or any of its respective affiliates in connection with treasury, depositary or cash management services or in connection with any automated clearinghouse transfer of funds, the party thereto) may deem advisable from time to time, and (d) any collateral security, guarantee or right of offset at any time held by the Collateral Agent or any other Secured Party for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Collateral Agent nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Agreement or any property subject thereto. When making any demand hereunder against any Grantor, the Collateral Agent or any other Secured Party may, but shall be under no obligation to, make a similar demand on any Borrower or any Grantor or any other person, and any failure by the Collateral Agent or any other Secured Party to make any such demand or to collect any payments from any Borrower or any Grantor or any other person or any release of any Borrower or any Grantor or any other person shall not relieve any Grantor in respect of which a demand or collection is not made or any 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 Collateral Agent or any other Secured Party against any Grantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

5.8 Access Rights on Mortgaged Properties. The Grantors hereby agree with the Collateral Agent that, at any time during the continuance of an Event of Default and after notice of such action to the Borrower, the Revolving Credit Collateral Agent (as defined in the Intercreditor Agreement) shall have access, during the Access Period (as defined in the Intercreditor Agreement), and each such Grantor that owns any of the Mortgaged Premises has granted a non-exclusive easement in gross over its property to permit the uses by Revolving Credit Collateral Agent (as defined in the Intercreditor Agreement) contemplated by Section 3.3 of the Intercreditor Agreement. The Collateral Agent hereby consents to such easement.

5.9 Conflict with Credit Agreement. In the event of any conflict between the terms of this Section 5 and the Credit Agreement, the Credit Agreement shall control.

5.10 Access Rights on Mortgaged Properties. The Grantors hereby agree that, at any time during the continuance of an Event of Default and after notice of such action to the Borrower, the Collateral Agent shall have access, during the Access Period (as defined in the Intercreditor Agreement), and each such Grantor that owns any of the Mortgaged Premises a non-exclusive easement in gross over its property to permit the uses by Collateral Agent (as defined in the Intercreditor Agreement) contemplated by Section 3.3 of the Intercreditor Agreement.

6. The Collateral Agent.

6.1 Collateral Agent's Appointment as Attorneys-in-Fact, etc. (a) Each Grantor hereby appoints, which appointment is irrevocable and coupled with an interest, effective upon and during the occurrence of an Event of Default, the Collateral 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 such Grantor and in the name of such 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 which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Collateral Agent the power and right, on behalf of such Grantor, either in the Collateral Agent's name or in the name of such Grantor or otherwise, without assent by such Grantor, to do any or all of the following, in each case after and during the occurrence of an Event of Default and after written notice by the Collateral 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 Collateral 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) [intentionally omitted];

(iii) pay or discharge taxes and Liens 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) obtain and adjust insurance required to be maintained by such Grantor or paid to the Collateral Agent pursuant to Section 9.3 of the Credit Agreement;

(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 Collateral Agent or as the Collateral 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, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, 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 such Grantor with respect to any Collateral (with such Grantor's consent (not to be unreasonably withheld or delayed) to the extent such action or its resolution could materially affect such 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 Collateral Agent may deem appropriate (with such Grantor's consent (not to be unreasonably withheld or delayed) to the extent such action or its resolution could materially affect such Grantor or any of its affiliates in any manner other than with respect to its continuing rights in such Collateral);

(xii) [intentionally omitted]; 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 Collateral Agent were the absolute owner thereof for all purposes, and do, at the Collateral Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things that the Collateral Agent deems necessary to protect, preserve or realize upon the

Collateral and the Collateral Agent's and the Secured Parties' Security Interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 6.1(a) to the contrary notwithstanding, the Collateral 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 any Grantor fails to perform or comply with any of its agreements contained herein, the Collateral 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 Collateral 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 on any category of past due ABR Loans under the Credit Agreement, from the date of payment by the Collateral Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Collateral Agent on demand.

(d) Each 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 Collateral Agent. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property. Neither the Collateral Agent, any Secured Party nor any of their respective officers, directors, employees or agents 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 any 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 Collateral Agent and the Secured Parties hereunder are solely to protect the Collateral Agent's and the Secured Parties' interests in the Collateral and shall not impose any duty upon the Collateral Agent or any Secured Party to exercise any such powers. The Collateral Agent and the Secured Parties 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 officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

6.3 Authority of Collateral Agent. Each Grantor acknowledges that the rights and responsibilities of the Collateral Agent under this Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral 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 Collateral Agent and the Secured Parties, 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 Collateral Agent and the Grantors, the Collateral Agent shall be conclusively presumed to be acting as agent for the applicable Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

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

6.5 Continuing Security Interest; Assignments Under the Credit Agreement; Release. (a) This Agreement shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon each Grantor and the successors and assigns thereof and shall inure to the benefit of the Collateral Agent and the other Secured Parties and their respective successors, indorsees, transferees and assigns until all Obligations under the Credit Documents (other than any contingent indemnity obligations not then due) and the obligations of each Grantor under this Agreement shall have been satisfied by payment in full, the Commitments shall be terminated and no Letters of Credit shall be outstanding, notwithstanding that from time to time during the term of the Credit Agreement the Credit Parties may be free from any Obligations.

(b) A Subsidiary Grantor shall automatically be released from its obligations hereunder and the Security Interest in the Collateral of such Subsidiary Grantor shall be automatically released upon the consummation of any transaction permitted under the Credit Agreement as a result of which such Subsidiary Grantor ceases to be a Subsidiary Guarantor.

(c) Upon any sale or other transfer by any Grantor of any Collateral that is permitted under the Credit Agreement or upon the effectiveness of any written consent to the release of the Security Interest granted hereby in any Collateral pursuant to Section 14.1 of the Credit Agreement, the Security Interest in such Collateral shall be automatically released and such Collateral sold free and clear of the Lien and Security Interests created hereby.

(d) In connection with any termination or release pursuant to paragraph (a), (b) or (c), the Collateral Agent shall execute and deliver to any Grantor, at such Grantor's expense, all documents that such Grantor shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 6.5 shall be without recourse to or warranty by the Collateral Agent.

6.6 Reinstatement. Each Grantor further agrees that, if any payment made by any Credit Party or other Person and applied to the 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 Secured Party to such Credit Party, its estate, trustee, receiver or any other party, including any Grantor, under any bankruptcy law, state or federal law, common law or equitable cause,

then, to the extent of such payment or repayment, any Lien 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 Lien granted hereby or other Collateral securing such liability hereunder shall have been released or terminated by virtue of such cancellation or surrender), such Lien 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 Lien or other Collateral securing the obligations of any Grantor in respect of the amount of such payment.

7. Collateral Agent As Agent.

(a) The CIT Group/Business Credit, Inc. and Bank of America, N.A. have been appointed, collectively, to act as the Collateral Agent under the Credit Agreement, by the Lenders and Letter of Credit Issuers under the Credit Agreement and, by their acceptance of the benefits hereof, the other Secured Parties. The Collateral Agent shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including the release or substitution of Collateral), solely in accordance with this Agreement and the Credit Agreement, provided that the Collateral Agent shall exercise, or refrain from exercising, any remedies provided for in Section 5 in accordance with the instructions of Required Lenders. In furtherance of the foregoing provisions of this Section 7(a), each Secured Party, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Collateral hereunder, it being understood and agreed by such Secured Party that all rights and remedies hereunder may be exercised solely by the Collateral Agent for the ratable benefit of the applicable Lenders and Letter of Credit Issuers and Secured Parties in accordance with the terms of this Section 7(a).

(b) The Collateral Agent shall at all times be the same Person that is the Collateral Agent under the Credit Agreement. Written notice of resignation by the Collateral Agent pursuant to Section 13.9 of the Credit Agreement shall also constitute notice of resignation as Collateral Agent under this Agreement; removal of the Collateral Agent shall also constitute removal under this Agreement; and appointment of a Collateral Agent pursuant to Section 13.9 of the Credit Agreement shall also constitute appointment of a successor Collateral Agent under this Agreement. Upon the acceptance of any appointment as Collateral Agent under Section 13.9 of the Credit Agreement by a successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Collateral Agent under this Agreement, and the retiring or removed Collateral Agent under this Agreement shall promptly (i) transfer to such successor Collateral Agent all sums, securities and other items of Collateral held hereunder, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Collateral Agent under this Agreement, and (ii) execute and deliver to such successor Collateral Agent or otherwise authorize the filing of such amendments to financing statements and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Collateral Agent of the Security Interests created hereunder, whereupon such retiring or removed Collateral Agent shall be discharged from its duties and obligations under this Agreement. After any retiring or removed Collateral Agent's resignation or removal hereunder as Collateral Agent, the provisions of this Agreement

shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was Collateral Agent hereunder.

8. Miscellaneous.

8.1 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 affected Grantor and the Collateral Agent in accordance with Section 14.1 of the Credit Agreement.

8.2 Notices. All notices, requests and demands pursuant hereto shall be made in accordance with Section 14.2 of the Credit Agreement. All communications and notices hereunder to any Subsidiary Grantor shall be given to it in care of the Borrower at the Borrower's address set forth in Section 14.2 of the Credit Agreement.

8.3 No Waiver by Course of Conduct; Cumulative Remedies. Neither the Collateral Agent nor any Secured Party shall by any act (except by a written instrument pursuant to Section 8.1), 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. No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or any other Secured Party, 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 Collateral Agent or any other Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Collateral Agent or such other Secured Party 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 law.

8.4 Enforcement Expenses; Indemnification. (a) Each Grantor agrees to pay any and all expenses (including all reasonable fees and disbursements of counsel) that may be paid or incurred by any Secured Party in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, such Grantor under this Agreement.

(b) Each Grantor agrees to pay, and to save the Collateral Agent and the Secured Parties harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) Each Grantor agrees to pay, and to save the Collateral Agent and the Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this

Agreement to the extent a Borrower would be required to do so pursuant to Section 12.5 of the Credit Agreement.

(d) The agreements in this Section 8.4 shall survive repayment of the Obligations and all other amounts payable under the Credit Agreement and the other Credit Documents.

8.5 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 no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent except pursuant to a transaction permitted by the Credit Agreement.

8.6 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), 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 Collateral Agent and the Borrower.

8.7 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.

8.8 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.

8.9 Integration. This Agreement together with the other Credit Documents represents the agreement of each of the Grantors with respect to the subject matter hereof and there are no promises, undertakings, representations or warranties by the Collateral Agent or any other Secured Party relative to the subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents.

8.10 **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 LAWS OF THE STATE OF NEW YORK.**

8.11 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 and the other Credit Documents to which it is a party, or for

recognition and enforcement of any judgment in respect thereof, to the non-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 may 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 8.2 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 Secured Party) to effect service of process in any other manner permitted by law or shall limit the right of any party hereto (or any Secured Party) 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 8.11 any special, exemplary, punitive or consequential damages.

8.12 Acknowledgments. Each party hereto hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Credit Documents to which it is a party;

(b) neither the Collateral Agent nor any other Secured Party has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Credit Documents, and the relationship between the Grantors, on the one hand, and the Collateral Agent and the other Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders, Letter of Credit Issuers and any other Secured Party or among the Grantors and the Lenders and Letter of Credit Issuers and any other Secured Party.

8.13 Additional Grantors. Each Subsidiary of the Borrower that is required to become a party to this Agreement pursuant to Section 9.11 of the Credit Agreement shall become a Grantor, with the same force and effect as if originally named as a Grantor herein, for all purposes of this Agreement upon execution and delivery by such Subsidiary of a written supplement substantially in the form of Annex B hereto. The execution and delivery of any instrument adding an additional Grantor as a party to this 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 Agreement.

8.14 **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.**

9. Intercreditor Agreement

9.1 Intercreditor Agreement. Notwithstanding anything herein to the contrary, the lien and security interest granted to the Collateral Agent pursuant to this Agreement and the exercise of any right or remedy by the Collateral Agent hereunder are subject to the provisions of that certain Amended and Restated Intercreditor Agreement, dated as of October ___, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "Intercreditor Agreement"), among the Borrower, CIT and Bank of America, N.A., collectively, as Collateral Agent, and certain other persons which may be or become parties thereto, or become bound thereto from time to time. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement, the terms of the Intercreditor Agreement shall govern and control.

[Signature Pages Follow]

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

MCJUNKIN CORPORATION,
as a Grantor

By: /s/ J.F. UNDERHILL
Name: James F. Underhill
Title: Chief Financial Officer

RED MAN PIPE & SUPPLY CO.,
as a Grantor

By: /s/ DEE PAIGE
Name: Dee Paige
Title: Chief Financial Officer

MIDWAY-TRISTATE CORPORATION,
as a Grantor

By: /s/ H.B. WEHRLE III
Name: H.B. Wehrle III
Title: President

MCJUNKIN APPALACHIAN OILFIELD SUPPLY COMPANY,
as a Grantor

By: /s/ DAVID A. FOX, III
Name: David A. Fox, III
Title: Executive Vice President

MCJUNKIN NIGERIA LIMITED,
as a Grantor

By: /s/ H.B. WEHRLE III
Name: H.B. Wehrle III
Title: Vice President

MCJUNKIN DEVELOPMENT CORPORATION,
as a Grantor

By: /s/ H.B. WEHRLE III
Name: H.B. Wehrle III
Title: Vice President

MCJUNKIN-PUERTO RICO CORPORATION,
as a Grantor

By: /s/ H.B. WEHRLE III
Name: H.B. Wehrle III
Title: President

MCJUNKIN-WEST AFRICA CORPORATION,
as a Grantor

By: /s/ H.B. WEHRLE III
Name: H.B. Wehrle III
Title: President

MILTON OIL & GAS COMPANY,
as a Grantor

By: /s/ H.B. WEHRLE III
Name: H.B. Wehrle III
Title: President

GREENBRIER PETROLEUM CORPORATION,
as a Grantor

By: /s/ H.B. WEHRLE III
Name: H.B. Wehrle III
Title: President

RUFFNER REALTY COMPANY,
as a Grantor

By: /s/ H.B. WEHRLE III
Name: H.B. Wehrle III
Title: President

WEST OKLAHOMA PVF COMPANY,
as a Grantor

By: /s/ H.B. WEHRLE III
Name: H.B. Wehrle III
Title: President

WESCO ACQUISITION PARTNERS, INC.,
as a Grantor

By: /s/ CRAIG KETCHUM
Name: Craig Ketchum
Title: Chairman of the Board

The CIT Group/Business Credit, Inc.,
as Co-Collateral Agent

By: /s/ CYNTRA A. TRANI
Name: Cyntra A. Trani
Title: Senior Vice President

Bank of America, N.A.,
as Co-Collateral Agent

By: /s/ J.L. BARTHOLOMEW
Name: Jon L. Bartholomew
Title: Senior Vice President

Exhibit 10.3

EXECUTION VERSION

$575,000,000

TERM LOAN CREDIT AGREEMENT

Dated as of January 31, 2007

among

MCJUNKIN CORPORATION,
as the Borrower

The Several Lenders
from Time to Time Parties Hereto

GOLDMAN SACHS CREDIT PARTNERS L.P. and
LEHMAN BROTHERS INC.,
as Co-Lead Arrangers and Joint Bookrunners

LEHMAN COMMERCIAL PAPER INC.,
as Administrative Agent and Collateral Agent

and

GOLDMAN SACHS CREDIT PARTNERS L.P.,
as Syndication Agent

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

SCHEDULES

EXHIBITS

TERM LOAN CREDIT AGREEMENT dated as of January 31, 2007, among MCJUNKIN CORPORATION, a West Virginia corporation (the "Borrower"), the lending institutions from time to time parties hereto (each a "Lender" and, collectively, the "Lenders"), Goldman Sachs Credit Partners L.P. and Lehman Brothers Inc., as Co-Lead Arrangers and Joint Bookrunners, Lehman Commercial Paper Inc., as Administrative Agent and Collateral Agent, and Goldman Sachs Credit Partners L.P., as Syndication Agent (such term and each other capitalized term used but not defined in this introductory statement having the meaning provided in Section 1).

WHEREAS, pursuant to the Agreement and Plan of Merger (as amended from time to time in accordance therewith, the "Merger Agreement"), dated as of December 4, 2006, among Borrower, McJ Holding Corporation, a Delaware corporation, and Hg Acquisition Corp., a West Virginia corporation ("Merger Sub"), Merger Sub will merge (the "Merger") with and into the Borrower with the Borrower as the surviving corporation;

WHEREAS, to fund, in part, the Merger, (a) the Sponsors and certain other investors (including the Management Investors) will contribute an amount in cash to Merger Sub and/or a direct or indirect parent thereof (the "Equity Contribution") in exchange for Stock and Stock Equivalents (which cash, if received by a parent company, will be contributed to Merger Sub in exchange for common and/or preferred Stock), which shall be no less than an amount (the "Minimum Equity Contribution Amount") equal to 15% of the aggregate pro forma capitalization of the Borrower on the Closing Date and (b) certain equity investments in McJunkin Corporation held by existing shareholders of McJunkin Corporation (or any direct or indirect parent thereof) will be rolled over as equity of Borrower (the "Rollover Equity" and together with the Equity Contribution, the "Equity Investments"), which together with the amount of the Equity Contribution, shall be no less than an amount (the "Minimum Equity Investment Amount") equal to 30% of the aggregate pro forma capitalization of the Borrower on the Closing Date;

WHEREAS, in connection with the foregoing, the Borrower has requested that the Lenders extend credit in the form of (a) Term Loans, in an aggregate principal amount of $575,000,000 and (b) revolving credit loans (the "Revolving Credit Loans") made available to the Borrower pursuant to the Revolving Loan Credit Agreement (as defined below) at any time and from time to time prior to the Revolving Credit Maturity Date as defined in the Revolving Loan Credit Agreement, in an aggregate principal amount at any time outstanding not in excess of the aggregate of $300,000,000 plus the amount of New Revolving Credit Commitments (as defined below).

WHEREAS, the repayment of the Revolving Credit Loans will be secured by perfected security interests in and liens upon substantially all of the accounts and inventory and certain personal property relating to such accounts and inventory of the Borrower and each Guarantor, and the repayment of the Term Loans will be secured by perfected security interests in and liens upon substantially all of the personal property and certain real property of the Borrower and each Guarantor. The respective rights and priorities of the Lenders and the lenders under the Revolving Loan Credit Agreement to such collateral will be as set forth in the Intercreditor Agreement;

WHEREAS, the proceeds of up to $75,000,000 of Revolving Credit Loans will be used by the Borrower, together with (a) the net proceeds of the Term Loans and (b) the net proceeds of the Equity Investments, on the Closing Date solely to repay existing indebtedness of the Borrower, to effect the Merger and to pay Transaction Expenses; and

WHEREAS, the Lenders are willing to make available to the Borrower such term loans, upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, the parties hereto hereby agree as follows:

SECTION 1. Definitions

1.1 Defined Terms. (a) As used herein, the following terms shall have the meanings specified in this Section 1.1 unless the context otherwise requires (it being understood that defined terms in this Agreement shall include in the singular number the plural and in the plural the singular):

"ABR" shall mean, for any day, a rate *per annum* (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greater of (a) the Prime Rate in effect on such day or (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1%. Any change in the ABR due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"ABR Loan" shall mean each Loan bearing interest at the rate provided in Section 2.8(a).

"Acquired EBITDA" shall mean, with respect to any Acquired Entity or Business, any Converted Restricted Subsidiary (any of the foregoing, a "Pro Forma Entity") for any period, the amount for such period of Consolidated EBITDA of such Pro Forma Entity (determined using such definitions as if references to the Borrower and its Subsidiaries therein were to such Pro Forma Entity and its Subsidiaries), all as determined on a consolidated basis for such Pro Forma Entity in accordance with GAAP.

"Acquired Entity or Business" shall have the meaning provided in the definition of the term "Consolidated EBITDA".

"Adjusted Total Term Loan Commitment" shall mean at any time the Total Term Loan Commitment less the Term Loan Commitments of all Defaulting Lenders.

"Administrative Agent" shall mean Lehman Commercial Paper Inc., as the administrative agent for the Lenders under this Agreement and the other Credit Documents, or any successor administrative agent pursuant to Section 13.

"Administrative Agent's Office" shall mean in respect of all Credit Events for the account of the Borrower, the office of the Administrative Agent located at 745 Seventh Avenue, New York City, New York, or such other office as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

"Administrative Questionnaire" shall have the meaning provided in Section 14.6(b).

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with such Person. A Person shall be deemed to control a corporation if such Person possesses, directly or indirectly, the power (a) to vote 20% or more of the securities having ordinary voting power for the election of directors of such corporation or (b)to direct or cause the direction of the management and policies of such corporation, whether through the ownership of voting securities, by contract or otherwise.

"Agent Parties" shall have the meaning provided in Section 14.17(c).

"Agents" shall mean each Co-Lead Arranger, the Administrative Agent, the Collateral Agent and the Syndication Agent.

"Agreement" shall mean this Term Loan Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Applicable ABR Margin" shall mean at any date, with respect to each ABR Loan that is a Term Loan, the applicable percentage *per annum* set forth below based upon the Status in effect on such date:

Status	Applicable ABR Margin for Term Loans
Level I Status	1.25%
Level II Status	1.00%

Notwithstanding the foregoing, the term "Applicable ABR Margin" shall mean, with respect to all ABR Loans, 1.25% *per annum*, during the period from and including the Closing Date to but excluding the Trigger Date.

"Applicable Amount" shall mean, at any time (the "Reference Time"), an amount equal to (a) the sum, without duplication, of:

(i) an amount (which shall not be less than zero) equal to 50% of Consolidated Net Income commencing on the Closing Date and ending on the last day of the most recent fiscal quarter for which Section 9.1 Financials have been delivered (taken as one accounting period); and

(ii) the amount of any capital contributions (other than the Equity Investments and any Cure Amount) made in cash to, or any proceeds of an equity issuance received by, the Borrower from and including the Business Day immediately following the Closing Date through and including the Reference Time, including proceeds from the issuance of Stock or Stock Equivalents of any direct or indirect parent of the Borrower,

minus (b) the sum, without duplication, of:

(iii) the aggregate amount of Investments made pursuant to Section 10.5(g)(ii)(y) or 10.5(i)(ii)(y) since the Closing Date and prior to the Reference Time;

(iv) the aggregate amount of dividends pursuant to Section 10.6(c)(ii) since the Closing Date and prior to the Reference Time; and

(v) the aggregate amount of prepayments, repurchases and redemptions of Subordinated Indebtedness pursuant to Section 10.7(a)(i)(y) since the Closing Date and prior to the Reference Time.

"Applicable LIBOR Margin" shall mean at any date, with respect to each LIBOR Loan that is a Term Loan, the applicable percentage *per annum* set forth below based upon the Status in effect on such date:

Status	Applicable LIBOR Margin for Term Loans
Level I Status	2.25%
Level II Status	2.00%

Notwithstanding the foregoing, the term "Applicable LIBOR Margin" shall mean, with respect to all LIBOR Loans, 2.25% *per annum*, during the period from and including the Closing Date to but excluding the Trigger Date.

"Approved Fund" shall have the meaning provided in Section 14.6.

"Asset Sale Prepayment Event" shall mean any Disposition of any business units, assets or other property of the Borrower or any of the Restricted Subsidiaries not in the ordinary course of business (including any Disposition of any Stock or Stock Equivalents of any Subsidiary of the Borrower owned by the Borrower or a Restricted Subsidiary, including any sale of any Stock or Stock Equivalents of any Restricted Subsidiary). Notwithstanding the foregoing, the term "Asset Sale Prepayment Event" shall not include any (a) transaction permitted by Section 10.4, other than transactions permitted by Section 10.4(b) or (b) Disposition of Revolving Credit Collateral (as defined in the Intercreditor Agreement); provided, that this clause (b) shall only apply prior to a Discharge of Revolving Credit Obligations (as defined in the Intercreditor Agreement).

"Assignment and Acceptance" shall mean an assignment and acceptance substantially in the form of Exhibit K.

"Authorized Officer" shall mean the President, the Chief Financial Officer, the Treasurer or any other senior officer of the Borrower designated as such in writing to the Administrative Agent by the Borrower.

"Bankruptcy Code" shall have the meaning provided in Section 11.5.

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Borrower" shall have the meaning provided in the preamble to this Agreement.

"Borrowing" shall mean and include the incurrence of one Type of Term Loan on the Closing Date (or resulting from conversions on a given date after the Closing Date) having, in the case of LIBOR Loans, the same Interest Period (provided that ABR Loans incurred pursuant to Section 2.10(b) shall be considered part of any related Borrowing of LIBOR Loans).

"Business Day" shall mean (a) for all purposes other than as covered by clause (b) below, any day excluding Saturday, Sunday and any day that shall be in New York City a legal holiday or a day on which banking institutions are authorized by law or other governmental actions to close and (b) with respect to all notices and determinations in connection with, and payments of principal and interest on, LIBOR Loans, any day which is a Business Day described in clause (a) and which is also a day for trading by and between banks in Dollar deposits in the interbank eurodollar market.

"Capital Expenditures" shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including in all events all amounts expended or capitalized under Capital Leases, but excluding any amount representing capitalized interest) by the Borrower and the Restricted Subsidiaries during such period that, in conformity with GAAP, are or are required to be included as additions during such period to property, plant or equipment reflected in the consolidated balance sheet of the Borrower and its Subsidiaries, provided that the term "Capital Expenditures" shall not include (a) expenditures made in connection with the replacement, substitution, restoration or repair of assets (i) to the extent financed from insurance proceeds paid on account of the loss of or damage to the assets being replaced, restored or repaired or (ii) with awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced, (b) the purchase price of equipment that is purchased simultaneously with the trade-in of existing equipment pursuant to Section 10.4 to the extent that the gross amount of such purchase price is reduced by the credit granted by the seller of such equipment for the equipment being traded in at such time, (c) the purchase of plant, property or equipment made within fifteen months of the sale of any asset to the extent purchased with the proceeds of such sale, (d) expenditures that constitute any part of Consolidated Lease Expense, (e) expenditures that are accounted for as capital expenditures by the Borrower or any Restricted Subsidiary and that actually are paid for by a Person other than the Borrower or any Restricted Subsidiary and for which neither the Borrower nor any Restricted Subsidiary has provided or is required to provide or incur, directly or indirectly, any consideration or obligation to such Person or any other Person (whether before, during or after such period), (f) the book value of any asset owned by the Borrower or any Restricted Subsidiary prior to or during such period to the extent that such book value is included as a capital expenditure during such period as a result of such Person reusing or beginning to reuse such asset during such period without a corresponding expenditure actually having been made in such period, provided that (x) any expenditure necessary in order to permit such asset to be reused shall be included as a Capital Expenditure during the period in which such expenditure actually is made and (y) such book value shall have been included in Capital Expenditures when such asset was originally acquired, (g) expenditures that constitute Permitted Acquisitions or (h) Transaction Expenses.

"Capital Lease" shall mean, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP, is, or is required to be, accounted for as a capital lease on the balance sheet of that Person.

"Capitalized Lease Obligations" shall mean, as applied to any Person, all obligations under Capital Leases of such Person or any of its Subsidiaries, in each case taken at the amount thereof accounted for as liabilities in accordance with GAAP.

"Casualty Event" shall mean, with respect to any Collateral, any loss of or damage to, or any condemnation or other taking by a Governmental Authority of, such property for which such Collateral for which the Borrower or any of its Restricted Subsidiaries receives insurance proceeds, or proceeds of a condemnation award or other compensation.

"Change in Law" shall mean (a) the adoption of any law, treaty, order, policy, rule or regulation after the date of this Agreement, (b) any change in any law, treaty, order, policy, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by the Lender with any guideline, request or directive issued or made after the date hereof by any central bank or other governmental or quasi governmental authority (whether or not having the force of law).

"Change of Control" shall mean and be deemed to have occurred if (a) the Sponsors shall at any time not own, in the aggregate, directly or indirectly, beneficially and of record, at least 35% of the voting power of the outstanding Voting Stock of Borrower (other than as the result of one or more widely distributed offerings of the common Stock of the Borrower or any direct or indirect parent thereof, in each case whether by the Borrower, such parent, or the Sponsors); or (b) any person, entity or "group" (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended) shall at any time have acquired direct or indirect beneficial ownership of a percentage of the voting power of the outstanding Voting Stock of Borrower that exceeds the percentage of the voting power of such Voting Stock then beneficially owned, in the aggregate, by the Sponsors, unless, in the case of either clause (a) or (b) above, the Sponsors have, at such time, the right or the ability by voting power, contract or otherwise to elect or designate for election at least a majority of the board of directors of Borrower; or (c) Continuing Directors shall not constitute at least a majority of the board of directors of the Borrower.

"Class", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Term Loans or New Term Loans and, when used in reference to any Commitment, refers to whether such Commitment is a Term Loan Commitment or a New Term Loan Commitment.

"Closing Date" shall mean the date of the initial Borrowing hereunder.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to the Code are to the Code, as in effect at the date of this Agreement, and any subsequent provisions of the Code, amendatory thereof, supplemental thereto or substituted therefor.

"Co-Lead Arrangers" shall mean Goldman Sachs Credit Partners L.P. and Lehman Brothers Inc.

"Collateral" shall have the meaning provided in the Security Agreement or any other Security Document, as applicable.

"Collateral Agent" shall mean Lehman Commercial Paper Inc., a New York corporation, as collateral agent for the Lenders and the other Secured Parties.

"Commitments" shall mean, with respect to each Lender (to the extent applicable), such Lender's Term Loan Commitment and New Term Loan Commitment.

"Communications" shall have the meaning provided in Section 14.17(a).

"Confidential Information" shall have the meaning provided in Section 14.16.

"Confidential Information Memorandum" shall mean the Confidential Information Memorandum of the Borrower dated January 2007, delivered to the Lenders in connection with this Agreement.

"Consolidated EBITDA" shall mean, for any period, Consolidated Net Income for such period, plus:

(a) without duplication and to the extent already deducted (and not added back) in arriving at such Consolidated Net Income, the sum of the following amounts for such period:

(i) total interest expense and to the extent not reflected in such total interest expense, any losses on hedging obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, net of interest income and gains on such hedging obligations, and costs of surety bonds in connection with financing activities,

(ii) provision for taxes based on income, profits or capital of the Borrower and the Restricted Subsidiaries, including state, franchise and similar taxes and foreign withholding taxes paid or accrued during such period,

(iii) depreciation and amortization,

(iv) Non-Cash Charges (including, for the purposes of Section 6.18 only, LIFO expenses),

(v) extraordinary losses and unusual or non-recurring charges, severance, relocation costs and curtailments or modifications to pension and post-retirement employee benefit plans,

(vi) restructuring charges or reserves (including restructuring costs related to acquisitions after the date hereof and to closure and/or consolidation of facilities),

(vii) any deductions attributable to minority interests,

(viii) the amount, if any, of management, monitoring, consulting and advisory fees and related expenses paid to the Sponsors,

(ix) any costs or expenses incurred by the Borrower or a Restricted Subsidiary pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of the Borrower or net cash proceeds of an issuance of Stock or Stock Equivalents of the Borrower; and

(x) (A) for any period that includes a fiscal quarter occurring prior to fifth fiscal quarter occurring after the Closing Date, the cost savings described on Schedule 1.1(e) and (B) for any period that includes a fiscal quarter occurring thereafter, the amount of net cost savings projected by the Borrower in good faith to be realized as a result of specified actions taken by the Borrower and its Restricted Subsidiaries in connection with the Transactions (calculated on a Pro Forma Basis as though such cost savings had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions, provided that (A) such cost savings are reasonably identifiable and factually supportable, (B) such actions are taken on or prior to the third anniversary of the Closing Date, (C) no cost savings shall be added pursuant to this clause (x) to the extent duplicative of any expenses or charges relating to such cost savings that are included in clause (vi) above with respect to such period and (D) the aggregate amount of cost savings added pursuant to this clause (x)(B) shall not exceed $5,000,000 for any period consisting of four consecutive quarters, less

(b) without duplication and to the extent included in arriving at such Consolidated Net Income, the sum of the following amounts for such period:

(i) extraordinary gains and unusual or non-recurring gains,

(ii) non-cash gains (excluding any non-cash gain to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced Consolidated Net Income in any prior period),

(iii) gains on asset sales (other than asset sales in the ordinary course of business),

(iv) any net after-tax income from the early extinguishment of Indebtedness or hedging obligations or other derivative instruments, and

(v) all gains from investments recorded using the equity method,

in each case, as determined on a consolidated basis for the Borrower and the Restricted Subsidiaries in accordance with GAAP; provided that, to the extent included in Consolidated Net Income,

(A) there shall be excluded in determining Consolidated EBITDA currency translation gains and losses related to currency remeasurements of

Indebtedness or intercompany balances (including the net loss or gain resulting from Hedge Agreements for currency exchange risk),

(B) there shall be excluded in determining Consolidated EBITDA for any period any adjustments resulting from the application of Statement of Financial Accounting Standards No. 133, and

(C) there shall be included in determining Consolidated EBITDA for any period, without duplication, (A) the Acquired EBITDA of any Person, property, business or asset acquired by the Borrower or any Restricted Subsidiary during such period (but not the Acquired EBITDA of any related Person, property, business or assets to the extent not so acquired) to the extent not subsequently sold, transferred, abandoned or otherwise disposed by the Borrower or such Restricted Subsidiary (each such Person, property, business or asset acquired and not subsequently so disposed of, an "Acquired Entity or Business") and the Acquired EBITDA of any Unrestricted Subsidiary that is converted into a Restricted Subsidiary during such period (each, a "Converted Restricted Subsidiary"), based on the actual Acquired EBITDA of such Acquired Entity or Business or Converted Restricted Subsidiary for such period (including the portion thereof occurring prior to such acquisition or conversion) and (B) an adjustment in respect of each Acquired Entity or Business equal to the amount of the Pro Forma Adjustment with respect to such Acquired Entity or Business for such period (including the portion thereof occurring prior to such acquisition) as specified in a Pro Forma Adjustment Certificate and delivered to the Lenders and the Administrative Agents and (C) there shall be excluded in determining Consolidated EBITDA for any period the Disposed EBITDA of any Person, property, business or asset (other than an Unrestricted Subsidiary) sold, transferred, abandoned or otherwise disposed of, closed or classified as discontinued operations by the Borrower or any Restricted Subsidiary during such period (each such Person, property, business or asset so sold or disposed of, a "Sold Entity or Business"), and the Acquired EBITDA of any Restricted Subsidiary that is converted into an Unrestricted Subsidiary during such period (each, a "Converted Unrestricted Subsidiary") based on the actual Disposed EBITDA of such Sold Entity or Business or Converted Restricted Subsidiary for such period (including the portion thereof occurring prior to such sale, transfer or disposition or conversion).

"Consolidated EBITDA to Consolidated Interest Expense Ratio" shall mean, as of any date of determination, the ratio of (a) Consolidated EBITDA for the relevant Test Period to (b) Consolidated Interest Expense for such Test Period.

"Consolidated Interest Expense" shall mean, for any period, the sum of (i) the cash interest expense (including that attributable to Capital Leases in accordance with GAAP), net of cash interest income, of the Borrower and the Restricted Subsidiaries on a consolidated basis in accordance with GAAP with respect to all outstanding Indebtedness of the Borrower and the Restricted Subsidiaries, including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Hedge Agreements (other than currency swap agreements, currency future or option contracts and other similar agreements) and (ii) any cash payments made during such period in respect of obligations referred to in clause (b) below relating to Funded Debt that were amortized or accrued in a

previous period (other than any such obligations resulting from the discounting of Indebtedness in connection with the application of purchase accounting in connection with the Transaction or any Permitted Acquisition), but excluding, however, (a) amortization of deferred financing costs and any other amounts of non-cash interest, (b) the accretion or accrual of discounted liabilities during such period, and (c) all non-recurring cash interest expense consisting of liquidated damages for failure to timely comply with registration rights obligations and financing fees, all as calculated on a consolidated basis in accordance with GAAP and excluding, for the avoidance of doubt, any interest in respect of items excluded from Indebtedness in the proviso to the definition thereof, provided that (a) except as provided in clause (b) below, there shall be excluded from Consolidated Interest Expense for any period the cash interest expense (or cash interest income) of all Unrestricted Subsidiaries for such period to the extent otherwise included in Consolidated Interest Expense, (b) there shall be included in determining Consolidated Interest Expense for any period the cash interest expense (or income) of any Acquired Entity or Business acquired during such period and of any Converted Restricted Subsidiary converted during such period, in each case based on the cash interest expense (or income) of such Acquired Entity or Business or Converted Restricted Subsidiary for such period (including the portion thereof occurring prior to such acquisition or conversion) assuming any Indebtedness incurred or repaid in connection with any such acquisition or conversion had been incurred or prepaid on the first day of such period, and (c) there shall be excluded from determining Consolidated Interest Expense for any period the cash interest expense (or income) of any Sold Entity or Business disposed of during such period, based on the cash interest expense (or income) relating to any Indebtedness relieved, retired or repaid in connection with any such disposition of such Sold Entity or Business for such period (including the portion thereof occurring prior to such disposal) assuming such debt relieved, retired or repaid in connection with such disposition had been relieved, retired or repaid on the first day of such period. Notwithstanding anything to the contrary contained herein, for purposes of determining Consolidated Interest Expense for any period ending prior to the first anniversary of the Closing Date, Consolidated Interest Expense shall be an amount equal to actual Consolidated Interest Expense from the Closing Date through the date of determination multiplied by a fraction the numerator of which is 365 and the denominator of which is the number of days from the Closing Date through the date of determination.

"Consolidated Lease Expense" shall mean, for any period, all rental expenses of the Borrower and the Restricted Subsidiaries during such period under operating leases for real or personal property (including in connection with Permitted Sale Leasebacks), excluding real estate taxes, insurance costs and common area maintenance charges and net of sublease income, other than (a) obligations under vehicle leases entered into in the ordinary course of business, (b) all such rental expenses associated with assets acquired pursuant to a Permitted Acquisition to the extent that such rental expenses relate to operating leases in effect at the time of (and immediately prior to) such acquisition and (c) Capital Lease Obligations, all as determined on a consolidated basis in accordance with GAAP, provided that there shall be excluded from Consolidated Lease Expense for any period the rental expenses of all Unrestricted Subsidiaries for such period to the extent otherwise included in Consolidated Lease Expense.

"Consolidated Net Income" shall mean, for any period, the net income (loss) of the Borrower and the Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, excluding, without duplication, (a) extraordinary items for such period,

(b) the cumulative effect of a change in accounting principles during such period to the extent included in Consolidated Net Income, (c) in the case of any period that includes a period ending prior to or during the fiscal year ending December 31, 2007, Transaction Expenses, (d) any fees and expenses incurred during such period, or any amortization thereof for such period, in connection with any acquisition, investment, recapitalization, asset disposition, issuance or repayment of debt, issuance of equity securities, refinancing transaction or amendment or other modification of any debt instrument (in each case, including any such transaction consummated prior to the Closing Date and any such transaction undertaken but not completed) and any charges or non-recurring merger costs incurred during such period as a result of any such transaction, (e) any income (loss) for such period attributable to the early extinguishment of Indebtedness and (f) accruals and reserves that are established that are so required to be established or adjusted as a result of the Transactions in accordance with GAAP or changes as a result of adoption of or modification of accounting policies, in each case, within twelve months after the Closing Date. There shall be excluded from Consolidated Net Income for any period the purchase accounting effects of adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to the Borrower and the Restricted Subsidiaries), as a result of the Transactions, any acquisition whether consummated before or after the Closing Date, any Permitted Acquisition or other Investment, or the amortization or write-off of any amounts thereof.

"Consolidated Total Assets" shall mean, as of any date of determination, the amount that would, in conformity with GAAP, be set forth opposite the caption "total assets" (or any like caption) on a consolidated balance sheet of the Borrower and the Restricted Subsidiaries at such date.

"Consolidated Total Debt" shall mean, as of any date of determination, (a) the aggregate principal amount of Indebtedness of the Borrower and the Restricted Subsidiaries outstanding on such date, determined on a consolidated basis in accordance with GAAP (but excluding the effects of any discounting of Indebtedness resulting from the application of purchase accounting in connection with the Transaction or any Permitted Acquisition), consisting of Indebtedness for borrowed money, Capital Lease Obligations and debt obligations evidenced by promissory notes or similar instruments, minus (b) the aggregate amount of cash and cash equivalents held in accounts on the consolidated balance sheet of the Borrower and the Restricted Subsidiaries as at such date to the extent the use thereof for application to payment of Indebtedness is not prohibited by law or any contract to which the Borrower or any of the Restricted Subsidiaries is a party.

"Consolidated Total Debt to Consolidated EBITDA Ratio" shall mean, as of any date of determination, the ratio of (a) Consolidated Total Debt as of the last day of the relevant Test Period to (b) Consolidated EBITDA for such Test Period.

"Consolidated Working Capital" shall mean, at any date, the excess of (a) the sum of all amounts (other than cash and Permitted Investments) that would, in conformity with GAAP, be set forth opposite the caption "total current assets" (or any like caption) on a consolidated balance sheet of the Company and the Restricted Subsidiaries at such date excluding the current portion of current and deferred income taxes plus any LIFO reserve over (b) the sum of all

amounts that would, in conformity with GAAP, be set forth opposite the caption "total current liabilities" (or any like caption) on a consolidated balance sheet of the Company and the Restricted Subsidiaries on such date, including deferred revenue but excluding, without duplication, (i) the current portion of any Funded Debt, (ii) all Indebtedness consisting of Loans and Letter of Credit Exposure to the extent otherwise included therein, (iii) the current portion of interest and (iv) the current portion of current and deferred income taxes.

"Continuing Director" shall mean, at any date, an individual (a) who is a member of the board of directors of the Borrower on the date hereof, (b) who, as at such date, has been a member of such board of directors for at least the twelve preceding months, (c) who has been nominated to be a member of such board of directors, directly or indirectly, by a Sponsor or Persons nominated by a Sponsor or (d) who has been nominated to be a member of such board of directors by a majority of the other Continuing Directors then in office.

"Contract Consideration" shall have the meaning provided in the definition of Excess Cash Flow.

"Contractual Obligation" means, as applied to any Person, any provision of any security issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

"Converted Restricted Subsidiary" shall have the meaning provided in the definition of the term "Consolidated EBITDA".

"Converted Unrestricted Subsidiary" shall have the meaning provided in the definition of the term "Consolidated EBITDA".

"Cost" shall mean, with respect to Inventory, the weighted average cost thereof, as determined in the same manner and consistent with the most recent Inventory Appraisal which has been received and approved by Collateral Agent in its reasonable discretion.

"Credit Documents" shall mean this Agreement, the Security Documents, and any promissory notes issued by the Borrower hereunder.

"Credit Event" shall mean and include the making (but not the conversion or continuation) of a Loan.

"Credit Party" shall mean each of the Borrower, the Guarantors and each other Subsidiary of the Borrower that is a party to a Credit Document.

"Cure Amount" shall have the meaning provided in Section 12.

"Cure Right" shall have the meaning provided in Section 12.

"Currency Agreement" means any foreign exchange contract, currency swap agreement, futures contract, option contract, synthetic cap or other similar agreement or arrangement, each

of which is for the purpose of hedging the foreign currency risk associated with Borrower's and its Subsidiaries' operations and not for speculative purposes.

"Debt Incurrence Prepayment Event" shall mean any issuance or incurrence by the Borrower or any of the Restricted Subsidiaries of any Indebtedness (including any issuance by the Borrower of Permitted Additional Debt to the extent the Net Cash Proceeds are not used for a Permitted Acquisition but excluding any other Indebtedness permitted to be issued or incurred under Section 10.1 other than Section 10.1(o)).

"Default" shall mean any event, act or condition that with notice or lapse of time, or both, would constitute an Event of Default.

"Defaulting Lender" shall mean any Lender with respect to which a Lender Default is in effect.

"Deferred Net Cash Proceeds" shall have the meaning provided such term in the definition of "Net Cash Proceeds."

"Designated Non-Cash Consideration" shall mean the fair market value of non-cash consideration received by the Borrower or a Restricted Subsidiary in connection with a Disposition pursuant to Section 10.4(b) and Section 10.4(c) that is designated as Designated Non-Cash Consideration pursuant to a certificate of an Authorized Officer of the Borrower, setting forth the basis of such valuation (which amount will be reduced by the fair market value of the portion of the non-cash consideration converted to cash within 180 days following the consummation of the applicable Disposition).

"Disposed EBITDA" shall mean, with respect to any Sold Entity or Business or any Converted Unrestricted Subsidiary for any period, the amount for such period of Consolidated EBITDA of such Sold Entity or Business or Converted Unrestricted Subsidiary (determined as if references to the Borrower and the Restricted Subsidiaries in the definition of Consolidated EBITDA were references to such Sold Entity or Business or Converted Unrestricted Subsidiary and its Subsidiaries), all as determined on a consolidated basis for such Sold Entity or Business.

"Disposition" shall have the meaning provided in Section 10.4(b).

"Dividends" or "dividends" shall have the meaning provided in Section 10.6.

"Dollar Equivalent" shall mean, on any date of determination, (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 in Dollars of such amount, determined by the Administrative Agent pursuant using the applicable Exchange Rate.

"Dollars" and "$" shall mean dollars in lawful currency of the United States of America.

"Domestic Subsidiary" shall mean each Subsidiary of the Borrower that is organized under the laws of the United States, any state or territory thereof, or the District of Columbia.

"Environmental Claims" shall mean any and all actions, suits, orders, decrees, demands, demand letters, claims, liens, notices of noncompliance, violation or potential responsibility or investigation (other than internal reports prepared by the Borrower or any of the Subsidiaries (a) in the ordinary course of such Person's business or (b) as required in connection with a financing transaction or an acquisition or disposition of real estate) or proceedings relating in any way to any Environmental Law or any permit issued, or any approval given, under any such Environmental Law (hereinafter, "Claims"), including, without limitation, (i) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law and (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief relating to the presence, release or threatened release of Hazardous Materials or arising from alleged injury or threat of injury to health or safety (to the extent relating to human exposure to Hazardous Materials), or the environment including, without limitation, ambient air, surface water, groundwater, land surface and subsurface strata and natural resources such as wetlands.

"Environmental Law" shall mean any applicable Federal, state, foreign or local statute, law, rule, regulation, ordinance, code and rule of common law now or hereafter in effect and in each case as amended, and any binding judicial or administrative interpretation thereof, including any binding judicial or administrative order, consent decree or judgment, relating to the protection of environment, including, without limitation, ambient air, surface water, groundwater, land surface and subsurface strata and natural resources such as wetlands, or human health or safety (to the extent relating to human exposure to Hazardous Materials), or Hazardous Materials.

"Equity Contribution" shall have the meaning provided in the preamble to this Agreement.

"Equity Investments" shall mean the Equity Contribution and the Rollover Equity.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time. Section references to ERISA are to ERISA as in effect at the date of this Agreement and any subsequent provisions of ERISA amendatory thereof, supplemental thereto or substituted therefor.

"ERISA Affiliate" shall mean each person (as defined in Section 3(9) of ERISA) that together with the Borrower or a Subsidiary would be deemed to be a "single employer" within the meaning of Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"Event of Default" shall have the meaning provided in Section 11.

"Excess Cash Flow" shall mean, for any period, an amount equal to the excess of

(a) the sum, without duplication, of

(i) Consolidated Net Income for such period,

(ii) an amount equal to the amount of all non-cash charges to the extent deducted in arriving at such Consolidated Net Income,

(iii) decreases in Consolidated Working Capital and long-term account receivables for such period, and

(iv) an amount equal to the aggregate net non-cash loss on Dispositions by the Borrower and the Restricted Subsidiaries during such period (other than Dispositions in the ordinary course of business) to the extent deducted in arriving at such Consolidated Net Income, over

(b) the sum, without duplication, of

(i) an amount equal to the amount of all non-cash credits included in arriving at such Consolidated Net Income and cash charges included in clauses (a) through (f) of the definition of Consolidated Net Income (other than cash charges in respect of Transaction Expenses paid on or about the Closing Date to the extent financed with the proceeds of Indebtedness incurred on the Closing Date or the Equity Investments),

(ii) without duplication of amounts deducted pursuant to clause (xi) below in prior years, the amount of capital expenditures made in cash during such period, except to the extent that such capital expenditures were financed with the proceeds of Indebtedness of the Borrower or the Restricted Subsidiaries,

(iii) the aggregate amount of all principal payments of Indebtedness of the Borrower and the Restricted Subsidiaries (including (A) the principal component of payments in respect of Capitalized Leases and (B) the amount of any mandatory prepayment of Term Loans pursuant to Section 5.2(a) to the extent required due to a Disposition that resulted in an increase to Consolidated Net Income and not in excess of the amount of such increase but excluding (x) all other prepayments of Term Loans and (y) all prepayments of Revolving Credit Loans and Swing Line Loans) made during such period (other than in respect of any revolving credit facility to the extent there is not an equivalent permanent reduction in commitments thereunder), except to the extent financed with the proceeds of other Indebtedness of the Borrower or the Restricted Subsidiaries,

(iv) an amount equal to the aggregate net non-cash gain on Dispositions by the Borrower and the Restricted Subsidiaries during such period (other than Dispositions in the ordinary course of business) to the extent included in arriving at such Consolidated Net Income,

(v) increases in Consolidated Working Capital for such period and long-term account receivables for such period,

(vi) cash payments by the Borrower and the Restricted Subsidiaries during such period in respect of long-term liabilities of the Borrower and the Restricted Subsidiaries other than Indebtedness,

(vii) without duplication of amounts deducted pursuant to clause (xi) below in prior fiscal years, the aggregate amount of cash consideration paid by the Borrower and the Restricted Subsidiaries in connection with Investments (including acquisitions) made during such period pursuant to Section 10.5 to the extent that such Investments were financed with internally generated cash flow of the Borrower and the Restricted Subsidiaries,

(viii) the amount of dividends paid during such period to the extent such dividends were financed with internally generated cash flow of the Borrower and the Restricted Subsidiaries,

(ix) the aggregate amount of expenditures actually made by the Borrower and the Restricted Subsidiaries in cash during such period (including expenditures for the payment of financing fees) to the extent that such expenditures are not expensed during such period,

(x) the aggregate amount of any premium, make-whole or penalty payments actually paid in cash by the Borrower and the Restricted Subsidiaries during such period that are required to be made in connection with any prepayment of Indebtedness,

(xi) without duplication of amounts deducted from Excess Cash Flow in prior periods, the aggregate consideration required to be paid in cash by the Borrower or any of the Restricted Subsidiaries pursuant to binding contracts (the "Contract Consideration") entered into prior to or during such period relating to Permitted Acquisitions, Investments in the nature of joint ventures or capital expenditures to be consummated or made during the period of four consecutive fiscal quarters of the Borrower following the end of such period, provided that to the extent the aggregate amount of internally generated cash actually utilized to finance such Permitted Acquisitions, Investment in the nature of joint ventures or capital expenditures during such period of four consecutive fiscal quarters is less than the Contract Consideration, the amount of such shortfall shall be added to the calculation of Excess Cash Flow at the end of such period of four consecutive fiscal quarters, and

(xii) the amount of cash taxes paid in such period to the extent they exceed the amount of tax expense deducted in determining Consolidated Net Income for such period.

"Exchange Rate" shall mean on any day with respect to any Foreign Currency, the rate at which such Foreign Currency may be exchanged into Dollars, as set forth at approximately 11:00 a.m. (London time) on such day on the Reuters World Currency Page for such Foreign Currency; in the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower, or, in the absence of such agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such Foreign Currency are then being conducted, at or about 10:00 a.m. (New York City time) on such date for the purchase of Dollars for delivery two Business Days later.

"Excluded Subsidiary" means (a) each Subsidiary listed on Schedule 1.1(d) hereto, (b) any Subsidiary that is not a wholly-owned Subsidiary, (c) any Subsidiary that is prohibited by any applicable Requirement of Law from guaranteeing the Obligations, (d) any Domestic Subsidiary that is a Subsidiary of a Foreign Subsidiary, (e) any Subsidiary acquired pursuant to a Permitted Acquisition financed with secured Indebtedness incurred pursuant to Section 10.1(j) or Section 10.1(k) and each Restricted Subsidiary thereof that guarantees such Indebtedness to the extent and so long as the financing documentation relating to such Permitted Acquisition to which such Restricted Subsidiary is a party prohibits such Restricted Subsidiary from guaranteeing, or granting a Lien on any of its assets to secure, the Obligations; provided that after such time that such prohibitions on guarantees or granting of Liens lapses or terminates, such Restricted Subsidiary shall no longer be an Excluded Subsidiary, (f) any other Subsidiary with respect to which, in the reasonable judgment of the Administrative Agent (confirmed in writing by notice to the Borrower), the cost or other consequences (including any adverse tax consequences) of providing a Guarantee shall be excessive in view of the benefits to be obtained by the Lenders therefrom, and (g) each Unrestricted Subsidiary.

"Excluded Taxes" shall mean, with respect to the Administrative Agent, the Collateral Agent, or any Lender (a) (i) net income taxes and franchise taxes (imposed in lieu of net income taxes) and capital taxes imposed on the Administrative Agent, or any Lender and (ii) any taxes imposed on the Administrative Agent, or any Lender as a result of any current or former connection between the Administrative Agent, or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or having been a party to or having enforced this Agreement or any other Credit Document) and (b) (i) any withholding tax that is imposed by a jurisdiction in which the Borrower is located or organized on amounts payable to such Lender under the law in effect at the time such Lender becomes a party to this Agreement (or, in the case of a Participant, on the date such Participant became a Participant hereunder); provided that this clause (b)(i) shall not apply to the extent that (x) the indemnity payments or additional amounts any Lender (or Participant) would be entitled to receive (without regard to this clause (b)(i)) do not exceed the

indemnity payment or additional amounts that the person making the assignment, participation or transfer to such Lender (or Participant) would have been entitled to receive in the absence of such assignment, participation or transfer or (y) any Tax is imposed on a Lender in connection with an interest or participation in any Loan or other obligation that such Lender was required to acquire pursuant to Section 14.8(a) or that such Lender acquired pursuant to Section 14.7 (it being understood and agreed, for the avoidance of doubt, that any withholding tax imposed on a Lender as a result of a Change in Law occurring after the time such Lender became a party to this Agreement (or designates a new lending office) shall not be an Excluded Tax) or (ii) any Tax to the extent attributable to such Lender's failure to comply with Section 5.4(d) or Section 5.4(e).

"Federal Funds Effective Rate" shall mean, for any day, the weighted average of the *per annum* rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the Federal Funds Effective Rate for such day shall be the average rate charged to the Administrative Agent on such day on such transactions as determined by the Administrative Agent.

"Fee Letter" shall mean that certain confidential fee letter dated as of December 1, 2006 by and among Goldman Sachs Credit Partners L.P., Lehman Brothers Inc., Lehman Commercial Paper Inc., Lehman Brothers Commercial Bank and the Borrower.

"Fees" shall mean all amounts payable pursuant to, or referred to in, Section 4.1.

"Financial Officer" shall mean the Chief Financial Officer, principal accounting officer, Treasurer, or Controller or any other senior financial officer of the Borrower designated in writing to the Administrative Agent by any of the foregoing and reasonably acceptable to the Administrative Agent.

"Foreign Asset Sale" shall have the meaning provided in Section 5.2(g).

"Foreign Currencies" shall mean any currency other than Dollars.

"Foreign Plan" shall mean any employee benefit plan, program, policy, arrangement or agreement maintained or contributed to by the Borrower or any of its Subsidiaries with respect to employees employed outside the United States.

"Foreign Subsidiary" shall mean each Subsidiary of the Borrower that is not a Domestic Subsidiary.

"Funded Debt" shall mean all indebtedness of the Borrower and the Restricted Subsidiaries for borrowed money that matures more than one year from the date of its creation or matures within one year from such date that is renewable or extendable, at the option of the Borrower or any Restricted Subsidiary, to a date more than one year from such date or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date, including all amounts of Funded Debt

required to be paid or prepaid within one year from the date of its creation and, in the case of the Borrower, Indebtedness in respect of the Loans.

"GAAP" shall mean generally accepted accounting principles in the United States of America, as in effect from time to time; provided, however, that if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

"Governmental Authority" shall mean any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

"Guarantee" shall mean (a) the Guarantee, made by each Guarantor in favor of the Administrative Agent for the benefit of the Secured Parties, substantially in the form of Exhibit C, and (b) any other guarantee of the Obligations made by a Restricted Subsidiary in form and substance reasonably acceptable to the Administrative Agent, in each case as the same may be amended, supplemented or otherwise modified from time to time.

"Guarantee Obligations" shall mean, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any Indebtedness of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent, (a) to purchase any such Indebtedness or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such Indebtedness or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such Indebtedness of the ability of the primary obligor to make payment of such Indebtedness or (d) otherwise to assure or hold harmless the owner of such Indebtedness against loss in respect thereof; provided, however, that the term "Guarantee Obligations" shall not include endorsements of instruments for deposit or collection in the ordinary course of business or customary and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness). The amount of any Guarantee Obligation shall be deemed to be an amount equal to the stated or determinable amount of the Indebtedness in respect of which such Guarantee Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

"Guarantors" shall mean the Subsidiary Guarantors.

"Hazardous Materials" shall mean (a) any petroleum or petroleum products, radioactive materials, friable asbestos, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing regulated levels of polychlorinated biphenyls, and radon gas; (b) any chemicals, materials or substances defined as or included in the definition of "hazardous substances", "hazardous waste", "hazardous materials", "extremely hazardous waste", "restricted hazardous waste", "toxic substances", "toxic pollutants", "contaminants", or "pollutants", or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance, which is prohibited, limited or regulated by any Environmental Law.

"Hedge Agreement" means an Interest Rate Agreement or a Currency Agreement entered into in order to satisfy the requirements of this Agreement or otherwise in the ordinary course of Borrower's or any of its Subsidiaries' businesses.

"Historical Financial Statements" shall mean as of the Closing Date, the audited financial statements of the Borrower and its Subsidiaries, for the 2005 and 2006 fiscal years, consisting of balance sheets and the related consolidated statements of income, stockholders' equity and cash flows for such fiscal years.

"Increased Amount Date" shall have the meaning provided in Section 2.14.

"Indebtedness" of any Person shall mean (a) all indebtedness of such Person for borrowed money, (b) the deferred purchase price of assets or services that in accordance with GAAP would be included as liabilities in the balance sheet of such Person, (c) the face amount of all letters of credit issued for the account of such Person and, without duplication, all drafts drawn thereunder, (d) all Indebtedness of a second Person secured by any Lien on any property owned by such first Person, whether or not such Indebtedness has been assumed, (e) all Capitalized Lease Obligations of such Person, (f) all obligations of such Person under interest rate swap, cap or collar agreements, interest rate future or option contracts, currency swap agreements, currency future or option contracts, commodity price protection agreements or other commodity price hedging agreements and other similar agreements and (g) without duplication, all Guarantee Obligations of such Person, provided that Indebtedness shall not include (i) trade payables and accrued expenses, in each case payable directly or through a bank clearing arrangement and arising in the ordinary course of business, (ii) deferred or prepaid revenue, (iii) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller and (iv) all intercompany Indebtedness having a term not exceeding 364 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business.

"Indemnified Taxes" shall mean all Taxes (other than Excluded Taxes) and Other Taxes.

"Intercreditor Agreement" means an intercreditor agreement substantially in the form of Exhibit O, as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"Interest Period" shall mean, with respect to any Term Loan, the interest period applicable thereto, as determined pursuant to Section 2.9.

"Interest Rate Agreement" means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedging agreement or other similar agreement or arrangement, each of which is for the purpose of hedging the interest rate exposure associated with Borrower's and its Subsidiaries' operations and not for speculative purposes.

"Investment" shall mean, for any Person: (a) the acquisition (whether for cash, property, services or securities or otherwise) of Stock, Stock Equivalents, bonds, notes, debentures, partnership or other ownership interests or other securities of any other Person (including any "short sale" or any sale of any securities at a time when such securities are not owned by the Person entering into such sale); (b) the making of any deposit with, or advance, loan or other extension of credit to, any other Person (including the purchase of property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such property to such Person), but excluding any such advance, loan or extension of credit having a term not exceeding 364 days arising in the ordinary course of business; or (c) the entering into of any guarantee of, or other contingent obligation with respect to, Indebtedness.

"Investors" shall mean the Sponsors, the Management Investors and each other investor providing a portion of the Equity Investments on the Closing Date.

"Joinder Agreement" shall mean an agreement substantially in the form of Exhibit M.

"Lender" shall have the meaning provided in the preamble to this Agreement.

"Lender Default" shall mean, (a) a Lender having notified the Administrative Agent and/or the Borrower that it does not intend to comply with the obligations under Section 2.1 or (b) a Lender being deemed insolvent or becoming the subject of a bankruptcy or insolvency proceeding.

"Level I Status" shall mean, on any date, the Consolidated Total Debt to Consolidated EBITDA Ratio is greater than or equal to 3.50 to 1.00 as of such date.

"Level II Status" shall mean, on any date, the circumstance that the Consolidated Total Debt to Consolidated EBITDA Ratio is less than 3.50 to 1.00 as of such date.

"LIBOR Loan" shall mean any Loan bearing interest at a rate determined by reference to the LIBOR Rate.

"LIBOR Rate" shall mean, in the case of any LIBOR Loan, with respect to each day during each Interest Period pertaining to such LIBOR Loan, (a) the rate of interest determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Page 3750 of the Telerate screen as of 11:00 a.m. (London time) two Business Days prior to the beginning of such Interest Period multiplied by (b) the Statutory Reserve Rate. In the event that any such rate does not appear on the applicable Page of the Telerate Service (or otherwise on such service), the "LIBOR Rate" for the purposes of this paragraph shall be determined by reference to such other publicly available service for displaying LIBOR rates as may be agreed upon by the Administrative Agent and the Borrower or, in the absence of such agreement, the "LIBOR Rate" for the purposes of this paragraph shall instead be the rate *per annum* notified to the Administrative Agent by the

Reference Lender as the rate at which the Reference Lender is offered Dollar deposits at or about 11:00 a.m. (London time) two Business Days prior to the beginning of such Interest Period in the interbank LIBOR market where the LIBOR and foreign currency and exchange operations in respect of its LIBOR Loans are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to the amount of its LIBOR Loan, as the case may be, to be outstanding during such Interest Period.

"Lien" shall mean any mortgage, pledge, security interest, hypothecation, assignment, lien (statutory or other) or similar encumbrance (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement or any lease in the nature thereof).

"Loan" shall mean any Term Loan, or New Term Loan made by any Lender.

"Management Investors" shall mean the directors, management officers and employees of the Borrower and its Subsidiaries who are investors in the Borrower (or any direct or indirect parent thereof) on the Closing Date.

"Material Adverse Change" shall mean any event or circumstance which has resulted or is reasonably likely to result in a material adverse change in the business, assets, operations, properties or financial condition of the Borrower and its Subsidiaries, taken as a whole or that would materially adversely affect the ability of the Borrower and the other Credit Parties, taken as a whole, to perform their respective payment obligations under this Agreement or any of the other Credit Documents.

"Material Adverse Effect" shall mean a circumstance or condition affecting the business, assets, operations, properties or financial condition of the Borrower and the Subsidiaries, taken as a whole, that would materially adversely affect (a) the business, assets, operations, properties, or financial condition of the Borrower and its Subsidiaries, taken as a whole, (b) the ability of the Borrower and the other Credit Parties, taken as a whole, to perform their respective payment obligations under this Agreement or any of the other Credit Documents or (c) the rights and remedies of the Administrative Agent , Collateral Agent and the Lenders under this Agreement or any of the other Credit Documents.

"Material Subsidiary" shall mean, at any date of determination, each Restricted Subsidiary of the Borrower (a) whose total assets at the last day of the Test Period ending on the last day of the most recent fiscal period for which Section 9.1 Financials have been delivered were equal to or greater than 5% of the consolidated total assets of the Borrower and the Restricted Subsidiaries at such date or (b) whose gross revenues for such Test Period were equal to or greater than 5% of the consolidated gross revenues of the Borrower and the Restricted Subsidiaries for such period, in each case determined in accordance with GAAP.

"Merger" shall have the meaning provided in the preamble to this Agreement.

"Merger Agreement" shall have the meaning provided in the preamble to this Agreement.

"Merger Sub" shall have the meaning provided in the preamble to this Agreement.

"Minimum Borrowing Amount" shall mean $1,000,000 with respect to the Term Loans.

"Minimum Equity Contribution Amount" shall have the meaning provided in the recitals hereto.

"Minimum Equity Investment Amount" shall have the meaning provided in the recitals hereto.

"Moody's" shall mean Moody's Investors Service, Inc. or any successor by merger or consolidation to its business.

"Mortgage" shall mean a Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement or other security document entered into by the owner of a Mortgaged Property and the Collateral Agent for the benefit of the Secured Parties in respect of that Mortgaged Property, substantially in the form of Exhibit D, as the same may be amended, supplemented or otherwise modified from time to time.

"Mortgaged Property" shall mean, initially, each parcel of real estate and the improvements thereto owned by a Credit Party and identified on Schedule 1.1(b), and includes each other parcel of real property and improvements thereto with respect to which a Mortgage is granted pursuant to Section 9.17.

"Net Cash Proceeds" shall mean, with respect to any Prepayment Event, (a) the gross cash proceeds (including payments from time to time in respect of installment obligations, if applicable) received by or on behalf of the Borrower or any of the Restricted Subsidiaries in respect of such Prepayment Event or issuance, as the case may be, less (b) the sum of:

(i) the amount, if any, of all taxes paid or estimated to be payable by the Borrower or any of the Restricted Subsidiaries in connection with such Prepayment Event,

(ii) the amount of any reasonable reserve established in accordance with GAAP against any liabilities (other than any taxes deducted pursuant to clause (i) above) (x) associated with the assets that are the subject of such Prepayment Event and (y) retained by the Borrower or any of the Restricted Subsidiaries, provided that the amount of any subsequent reduction of such reserve (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Cash Proceeds of such a Prepayment Event occurring on the date of such reduction,

(iii) the amount of any Indebtedness secured by a Lien on the assets that are the subject of such Prepayment Event to the extent that the instrument creating or evidencing such Indebtedness requires that such Indebtedness be repaid upon consummation of such Prepayment Event,

(iv) in the case of any Asset Sale Prepayment Event, Casualty Event or Permitted Sale Leaseback, the amount of any proceeds of such Prepayment Event that the Borrower or any Subsidiary has reinvested (or intends to reinvest within the Reinvestment Period or has entered into a binding commitment prior to the last day of the

Reinvestment Period to reinvest) in the business of the Borrower or any of the Restricted Subsidiaries (subject to Section 10.12), provided that any portion of such proceeds that has not been so reinvested within such Reinvestment Period (with respect to such Prepayment Event, the "Deferred Net Cash Proceeds") shall, unless the Borrower or a Subsidiary has entered into a binding commitment prior to the last day of such Reinvestment Period to reinvest such proceeds, (x) be deemed to be Net Cash Proceeds of an Asset Sale Prepayment Event, Casualty Event or Permitted Sale Leaseback occurring on the last day of such Reinvestment Period or 180 days after the date such Borrower or such Subsidiary has entered into such binding commitment, as applicable, and (y) be applied to the repayment of Term Loans in accordance with Section 5.2(a)(i); and

(v) reasonable and customary fees.

"New Loan Commitments" shall have the meaning provided in Section 2.14.

"New Revolving Credit Commitments" shall have the meaning provided in the Revolving Loan Credit Agreement.

"New Term Loan Commitments" shall have the meaning provided in Section 2.14.

"New Term Loan Lender" shall have the meaning provided in Section 2.14.

"New Term Loans" shall have the meaning provided in Section 2.14.

"New Term Loan Maturity Date" shall mean the date on which a New Term Loan matures.

"New Term Loan Repayment Amount" shall have the meaning provided in Section 2.5(c).

"Non-Cash Charges" shall mean (a) losses on asset sales (other than asset sales in the ordinary course of business), disposals or abandonments, (b) any impairment charge or asset write-off related to intangible assets (including good-will), long-lived assets, and investments in debt and equity securities pursuant to GAAP, (c) all losses from investments recorded using the equity method, (d) stock-based awards compensation expense, and (e) other non-cash charges (provided that if any non-cash charges referred to in this clause (e) represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period).

"Non-Consenting Lender" shall have the meaning provided in Section 14.7(b).

"Non-Core Assets" shall mean the assets described on Schedule 1.1(e).

"Non-Defaulting Lender" shall mean and include each Lender other than a Defaulting Lender.

"Non-U.S. Lender" shall mean any Lender that is not, for United States federal income tax purposes, (a) a citizen or resident of the United States, (b) a corporation or partnership or entity treated as a corporation or partnership created or organized in or under the laws of the United States, or any political subdivision thereof, (c) an estate whose income is subject to U.S. federal income taxation regardless of its source or (d) a trust if a court within the United States is able to exercise primary supervision over the administration of such trust and one or more United States persons have the authority to control all substantial decisions of such trust or a trust that has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

"Non-U.S. Participant" shall mean any Participant that if it were a Lender would qualify as a Non-U.S. Lender.

"Notice of Borrowing" shall mean each notice of a Borrowing of Term Loans pursuant to Section 2.3(a).

"Notice of Conversion or Continuation" shall have the meaning provided in Section 2.6.

"Obligations" shall have the meaning assigned to such term in the Security Documents.

"Organizational Documents" means (a) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, and its by-laws, as amended, (b) with respect to any limited partnership, its certificate of limited partnership (if any), as amended, and its partnership agreement, as amended, (c) with respect to any general partnership, its partnership agreement, as amended, and (d) with respect to any limited liability company, its articles of organization (if any), as amended, and its operating agreement, as amended.

"Other Taxes" shall mean any and all present or future stamp, documentary or any other excise, property or similar taxes (including interest, fines, penalties, additions to tax and related expenses with regard thereto) arising directly from any payment made or required to be made under this Agreement or from the execution or delivery of, registration or enforcement of, consummation or administration of, or otherwise with respect to, this Agreement or any other Credit Document.

"Participant" shall have the meaning provided in Section 14.6(c).

"Patriot Act" shall have the meaning provided in Section 14.18.

"PBGC" shall mean the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

"Perfection Certificate" shall mean a certificate of the Borrower in the form of Exhibit E or any other form approved by the Administrative Agent.

"Permitted Acquisition" shall mean the acquisition, by merger or otherwise, by the Borrower or any of the Restricted Subsidiaries of assets or Stock or Stock Equivalents, so long as (a) such acquisition and all transactions related thereto shall be consummated in accordance with applicable law; (b) such acquisition shall result in the issuer of such Stock or Stock Equivalents

becoming a Restricted Subsidiary and a Subsidiary Guarantor, to the extent required by Section 9.11; (c) such acquisition shall result in the Administrative Agent, for the benefit of the Secured Parties, being granted a security interest in any Stock, Stock Equivalent or any assets so acquired, to the extent required by Sections 9.11, 9.12 and/or 9.17; (d) after giving effect to such acquisition, no Default or Event of Default shall have occurred and be continuing; and (e) the Borrower shall be in compliance, on a Pro Forma Basis after giving effect to such acquisition (including any Indebtedness assumed or permitted to exist or incurred pursuant to Sections 10.1(j) and 10.1(k), respectively, and any related Pro Forma Adjustment), with the covenants set forth in Section 10.9 as such covenant is recomputed as at the last day of the most recently ended Test Period under such Section as if such acquisition had occurred on the first day of such Test Period.

"Permitted Additional Debt" shall mean senior unsecured or subordinated Indebtedness, issued by the Borrower or a Subsidiary Guarantor, (a) the terms of which (i) do not provide for any scheduled repayment, mandatory redemption or sinking fund obligation prior to the date that is 90 days following the final maturity of the Term Loans (as in effect on the Closing Date) (other than customary offers to purchase upon a change of control, asset sale or event of loss and customary acceleration rights after an event of default) and (ii) to the extent subordinated provide for customary subordination to the Obligations under the Credit Documents, (b) the covenants, events of default, guarantees and other terms of which (other than interest rate and redemption premiums), taken as a whole, are not more restrictive to the Borrower and the Subsidiaries than those in this Agreement; provided that a certificate of an Authorized Officer of the Borrower is delivered to the Administrative Agents at least five Business Days (or such shorter period as the Administrative Agents may reasonably agree) prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirement shall be conclusive evidence that such terms and conditions satisfy the foregoing requirement unless the Administrative Agents notify the Borrower within such period that it disagrees with such determination (including a reasonable description of the basis upon which it disagrees), and (c) of which no Subsidiary of the Borrower (other than a Guarantor) is an obligor.

"Permitted Investments" shall mean:

(a) securities issued or unconditionally guaranteed by the United States government or any agency or instrumentality thereof, in each case having maturities of not more than 12 months from the date of acquisition thereof;

(b) securities issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof or any political subdivision of any such state or any public instrumentality thereof having maturities of not more than 12 months from the date of acquisition thereof and, at the time of acquisition, having an investment grade rating generally obtainable from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, then from another nationally recognized rating service);

(c) commercial paper issued by any Lender or any bank holding company owning any Lender;

(d) commercial paper maturing no more than 12 months after the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 or P-1 from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized rating service);

(e) domestic and LIBOR certificates of deposit or bankers' acceptances maturing no more than two years after the date of acquisition thereof issued by any Lender or any other bank having combined capital and surplus of not less than $250,000,000 in the case of domestic banks;

(f) repurchase agreements with a term of not more than 30 days for underlying securities of the type described in clauses (a), (b) and (e) above entered into with any bank meeting the qualifications specified in clause (e) above or securities dealers of recognized national standing;

(g) marketable short-term money market and similar funds (x) either having assets in excess of $250,000,000 or (y) having a rating of at least A-1 or P-1 from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized rating service);

(h) shares of investment companies that are registered under the Investment Company Act of 1940 and substantially all the investments of which are one or more of the types of securities described in clauses (a) through (g) above; and

(i) in the case of Investments by any Restricted Foreign Subsidiary or Investments made in a country outside the United States of America, Permitted Investments shall also include ((i) direct obligations of the sovereign nation (or any agency thereof) in which such Restricted Foreign Subsidiary is organized and is conducting business or where such Investment is made, or in obligations fully and unconditionally guaranteed by such sovereign nation (or any agency thereof), in each case maturing within a two years after such date and having, at the time of the acquisition thereof, a rating equivalent to at least A-1 from S&P and at least P-1 from Moody's, (ii) investments of the type and maturity described in clauses (a) through (h) above of foreign obligors, which Investments or obligors (or the parents of such obligors) have ratings described in such clauses or equivalent ratings from comparable foreign rating agencies, (iii) shares of money market mutual or similar funds which invest exclusively in assets otherwise satisfying the requirements of this definition (including this proviso) and (iv) other short-term investments utilized by Foreign Restricted Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments in clauses (a) through (i).

"Permitted Liens" shall mean:

(a) Liens for taxes, assessments or governmental charges or claims not yet due or which are being contested in good faith and by appropriate proceedings for which appropriate reserves have been established in accordance with GAAP;

(b) Liens in respect of property or assets of the Borrower or any of the Subsidiaries imposed by law, such as carriers', warehousemen's and mechanics' Liens and other similar Liens arising in the ordinary course of business, in each case so long as such Liens arise in the ordinary course of business and do not individually or in the aggregate have a Material Adverse Effect;

(c) Liens arising from judgments or decrees in circumstances not constituting an Event of Default under Section 11.11;

(d) Liens incurred or deposits made in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations incurred in the ordinary course of business or otherwise constituting Investments permitted by Section 10.5;

(e) ground leases in respect of real property on which facilities owned or leased by the Borrower or any of its Subsidiaries are located;

(f) easements, rights-of-way, restrictions, minor defects or irregularities in title and other similar charges or encumbrances not interfering in any material respect with the business of the Borrower and its Subsidiaries, taken as a whole;

(g) any interest or title of a lessor or secured by a lessor's interest under any lease permitted by this Agreement;

(h) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(i) Liens on goods the purchase price of which is financed by a documentary letter of credit issued for the account of the Borrower or any of its Subsidiaries, provided that such Lien secures only the obligations of the Borrower or such Subsidiaries in respect of such letter of credit to the extent permitted under Section 10.1;

(j) leases or subleases granted to others not interfering in any material respect with the business of the Borrower and its Subsidiaries, taken as a whole;

(k) Liens arising from precautionary Uniform Commercial Code financing statement or similar filings made in respect of operating leases entered into by the Borrower or any of its Subsidiaries; and

(l) Liens created in the ordinary course of business in favor of banks and other financial institutions over credit balances of any bank accounts of the Borrower and the Restricted Subsidiaries held at such banks or financial institutions, as the case may be,

to facilitate the operation of cash pooling and/or interest set-off arrangements in respect of such bank accounts in the ordinary course of business.

"Permitted Sale Leaseback" shall mean any Sale Leaseback consummated by the Borrower or any of the Restricted Subsidiaries after the Closing Date, provided that any such Sale Leaseback not between the Borrower and any Guarantor or any Guarantor and another Guarantor is consummated for fair value as determined at the time of consummation in good faith by the Borrower or such Restricted Subsidiary and, in the case of any Sale Leaseback (or series of related Sales Leasebacks) the aggregate proceeds of which exceed $25,000,000 the board of directors of the Borrower or such Restricted Subsidiary (which such determination may take into account any retained interest or other Investment of the Borrower or such Restricted Subsidiary in connection with, and any other material economic terms of, such Sale Leaseback).

"Person" shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust or other enterprise or any Governmental Authority.

"Plan" shall mean any multiemployer or single-employer plan, as defined in Section 4001 of ERISA and subject to Title IV of ERISA, that is or was within any of the preceding six plan years maintained or contributed to by (or to which there is or was an obligation to contribute or to make payments to) the Borrower, a Subsidiary or an ERISA Affiliate.

"Platform" shall have the meaning provided in Section 14.17(b).

"Pledge Agreement" shall mean (a) the Pledge Agreement, entered into by the relevant pledgors party thereto and the Collateral Agent for the benefit of the Lenders and other Secured Parties, substantially in the form of Exhibit F, on the Closing Date and (b) any other pledge agreement delivered pursuant to Section 9.12, in each case, as the same may be amended, supplemented or otherwise modified from time to time.

"Post-Acquisition Period" means, with respect to any Permitted Acquisition, the period beginning on the date such Permitted Acquisition is consummated and ending on the last day of the fourth full consecutive fiscal quarter immediately following the date on which such Permitted Acquisition is consummated.

"Prepayment Event" shall mean any Asset Sale Prepayment Event, Casualty Event, Debt Incurrence Prepayment Event or any Permitted Sale Leaseback

"Prime Rate" means the rate of interest quoted in the *Wall Street Journal*, Money Rates Section as the Prime Rate (currently defined as the base rate on corporate loans posted by at least 75% of the nation's thirty (30) largest banks), as in effect from time to time. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. The Administrative Agent or any other Lender may make commercial loans or other loans at rates of interest at, above or below the Prime Rate.

"Pro Forma Adjustment" shall mean, for any Test Period that includes all or any part of a fiscal quarter included in any Post-Acquisition Period, with respect to the Acquired EBITDA of the applicable Acquired Entity or Business or the Consolidated EBITDA of the Borrower, the pro forma increase or decrease in such Acquired EBITDA or such Consolidated EBITDA, as the

case may be, projected by the Borrower in good faith as a result of (a) actions taken during such Post-Acquisition Period for the purposes of realizing reasonably identifiable and factually supportable cost savings or (b) any additional costs incurred during such Post-Acquisition Period, in each case in connection with the combination of the operations of such Acquired Entity or Business with the operations of the Borrower and the Restricted Subsidiaries; provided that, so long as such actions are taken during such Post-Acquisition Period or such costs are incurred during such Post-Acquisition Period, as applicable, it may be assumed, for purposes of projecting such pro forma increase or decrease to such Acquired EBITDA or such Consolidated EBITDA, as the case may be, that such cost savings will be realizable during the entirety of such Test Period, or such additional costs, as applicable, will be incurred during the entirety of such Test Period; provided further that any such pro forma increase or decrease to such Acquired EBITDA or such Consolidated EBITDA, as the case may be, shall be without duplication for cost savings or additional costs already included in such Acquired EBITDA or such Consolidated EBITDA, as the case may be, for such Test Period.

"Pro Forma Adjustment Certificate" shall mean any certificate of an Authorized Officer of the Borrower delivered pursuant to Section 9.1(h) or Section 9.1(d).

"Pro Forma Basis", "Pro Forma Compliance" and "Pro Forma Effect" shall mean, with respect to compliance with any test or covenant hereunder, that (A) to the extent applicable, the Pro Forma Adjustment shall have been made and (B) all Specified Transactions and the following transactions in connection therewith shall be deemed to have occurred as of the first day of the applicable period of measurement in such test or covenant: (a) income statement items (whether positive or negative) attributable to the property or Person subject to such Specified Transaction, (i) in the case of a sale, transfer or other disposition of all or substantially all Stock and Stock Equivalents in any Subsidiary of the Borrower or any division, product line, or facility used for operations of the Borrower or any of its Subsidiaries, shall be excluded, and (ii) in the case of a Permitted Acquisition or Investment described in the definition of "Specified Transaction", shall be included, (b) any retirement of Indebtedness, and (c) any Indebtedness incurred or assumed by the Borrower or any of the Restricted Subsidiaries in connection therewith and if such Indebtedness has a floating or formula rate, shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate which is or would be in effect with respect to such Indebtedness as at the relevant date of determination; provided that, without limiting the application of the Pro Forma Adjustment pursuant to (A) above, the foregoing pro forma adjustments may be applied to any such test or covenant solely to the extent that such adjustments are consistent with the definition of Consolidated EBITDA and give effect to events (including operating expense reductions) that are (i) (x) directly attributable to such transaction, (y) expected to have a continuing impact on the Borrower and the Restricted Subsidiaries and (z) factually supportable or (ii) otherwise consistent with the definition of Pro Forma Adjustment.

"Real Estate" shall have the meaning provided in Section 9.1(i).

"Reference Lender" shall mean JPMorgan Chase Bank, N.A.

"Register" shall have the meaning provided in Section 14.6(b)(iv).

"Regulation D" shall mean Regulation D of the Board as from time to time in effect and any successor to all or a portion thereof establishing reserve requirements.

"Regulation T" shall mean Regulation T of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Regulation U" shall mean Regulation U of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Regulation X" shall mean Regulation X of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Reinvestment Period" shall mean 15 months following the date of an Asset Sale Prepayment Event or Casualty Event.

"Related Parties" shall mean, with respect to any specified Person, such Person's Affiliates and the directors, officers, employees, agents, trustees, advisors of such Person and any Person that possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise.

"Repayment Amount" shall mean the Term Loan Repayment Amount or the New Term Loan Repayment Amount with respect to any Series, as applicable.

"Repayment Date" shall mean a Term Loan Repayment Date or a New Term Loan Repayment Date, as applicable.

"Report" shall mean reports prepared in good faith by an Agent or another Person showing the results of appraisals, field examinations or audits pertaining to the Borrower's assets from information furnished by or on behalf of the Borrower, after an Agent has exercised its rights of inspection pursuant to this Agreement, which Reports may be distributed to the Lenders by the applicable Agent.

"Reportable Event" shall mean an event described in Section 4043 of ERISA and the regulations thereunder.

"Required Lenders" shall mean, at any date, Non Defaulting Lenders having or holding a majority of the outstanding principal amount of the Term Loans in the aggregate at such date.

"Requirement of Law" shall mean, as to any Person, the Certificate of Incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or assets or to which such Person or any of its property or assets is subject.

"Restricted Foreign Subsidiary" shall mean a Foreign Subsidiary that is a Restricted Subsidiary.

"Restricted Subsidiary" shall mean any Subsidiary of the Borrower other than an Unrestricted Subsidiary.

"Revolving Loan Credit Agreement" shall mean that certain revolving loan credit agreement dated as of the Closing Date, by and among the Borrower, The CIT Group/Business Credit, Inc. as administrative agent and collateral agent, Goldman Sachs Credit Partners L.P. and Lehman Brothers Inc., as the co-lead arrangers and joint bookrunners, and Goldman Sachs Credit Partners L.P., as the syndication agent.

"Rollover Equity" shall have the meaning provided in the recitals hereto.

"Sale Leaseback" shall mean any transaction or series of related transactions pursuant to which the Borrower or any of the Restricted Subsidiaries (a) sells, transfers or otherwise disposes of any property, real or personal, whether now owned or hereafter acquired, and (b) as part of such transaction, thereafter rents or leases such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold, transferred or disposed.

"S&P" shall mean Standard & Poor's Ratings Services or any successor by merger or consolidation to its business.

"SEC" shall mean the Securities and Exchange Commission or any successor thereto.

"Section 9.1 Financials" shall mean the financial statements delivered, or required to be delivered, pursuant to Section 9.1(a) or (b) together with the accompanying officer's certificate delivered, or required to be delivered, pursuant to Section 9.1(e).

"Secured Parties" shall have the meaning assigned to such term in the applicable Security Documents.

"Security Agreement" shall mean the Security Agreement entered into by the Borrower, the other grantors party thereto and the Collateral Agent for the benefit of the Lenders, substantially in the form of Exhibit G, as the same may be amended, supplemented or otherwise modified from time to time.

"Security Documents" shall mean, collectively, (a) the Guarantee, (b) the Security Agreement, (c) the Intercreditor Agreement, (d) each Mortgage , (e) the Pledge Agreement and (f) each other security agreement or other instrument or document executed and delivered pursuant to Section 9.11, 9.12 or 9.17 or pursuant to any of the Security Documents to secure any of the Obligations.

"Series" shall have the meaning as provided in Section 2.14

"Sold Entity or Business" shall have the meaning provided in the definition of the term "Consolidated EBITDA".

"Solvent" shall mean, with respect to the Borrower, that as of the Closing Date, both (a) (i) the sum of the Borrower's debt (including contingent liabilities) does not exceed the present

fair saleable value of the Borrower's present assets; (ii) the Borrower's capital is not unreasonably small in relation to its business as contemplated on the Closing Date; and (iii) the Borrower has not incurred and does not intend to incur, or believe that it will incur, debts including current obligations beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (b) such Person is "solvent" within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

"Specified Subsidiary" shall mean, at any date of determination (a) any Material Subsidiary or (b) any Unrestricted Subsidiary (i) whose total assets at the last day of the Test Period ending on the last day of the most recent fiscal period for which Section 9.1 Financials have been delivered were equal to or greater than 15% of the consolidated total assets of the Borrower and the Subsidiaries at such date, (ii) whose gross revenues for such Test Period were equal to or greater than 15% of the consolidated gross revenues of the Borrower and the Subsidiaries for such period, in each case determined in accordance with GAAP and (c) each other Subsidiary that, when such Subsidiary's total assets or gross revenues are aggregated with the total assets or gross revenues, as applicable, of each other Subsidiary that is the subject of an Event of Default described in Section 11.5 would constitute a Specified Subsidiary under clause (a) or (b) above.

"Specified Transaction" shall mean, with respect to any period, any Investment, sale, transfer or other disposition of assets, incurrence or repayment of Indebtedness, Dividend, Subsidiary designation, New Term Loan Commitment or other event that by the terms of this Agreement requires "Pro Forma Compliance" with a test or covenant hereunder or requires such test or covenant to be calculated on a "Pro Forma Basis."

"Sponsor" shall mean GS Capital Partners V Fund, L.P. and its respective Affiliates.

"Status" shall mean, as to the Borrower as of any date, the existence of Level I Status or Level II Status, as the case may be on such date. Changes in Status resulting from changes in the Consolidated Total Debt to Consolidated EBITDA Ratio shall become effective (the date of such effectiveness, the "Effective Date") as of the first day following the last day of the most recent fiscal year or period for which (a) Section 9.1 Financials are delivered to the Lenders under Section 9.1 and (b) an officer's certificate is delivered by the Borrower to the Lenders setting forth, with respect to such Section 9.1 Financials, the then-applicable Status, and shall remain in effect until the next change to be effected pursuant to this definition, provided that (i) if the Borrower shall have made any payments in respect of interest or commitment fees during the period (the "Interim Period") from and including the Effective Date to but excluding the day any change in Status is determined as provided above, then the amount of the next such payment due on or after such day shall be increased or decreased by an amount equal to any underpayment or overpayment so made by the Borrower during such Interim Period and (ii) each determination of the Consolidated Total Debt to Consolidated EBITDA Ratio pursuant to this definition shall be

made with respect to the Test Period ending at the end of the fiscal period covered by the relevant financial statements.

"Statutory Reserve Rate" shall mean for any day as applied to any LIBOR Loan, a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages that are in effect on that day (including any marginal, special, emergency or supplemental reserves), expressed as a decimal, as prescribed by the Board and to which the Administrative Agent is subject, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. LIBOR Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Stock" shall mean shares of capital stock or shares in the capital, as the case may be (whether denominated as common stock or preferred stock or ordinary shares or preferred shares, as the case may be), beneficial, partnership or membership interests, participations or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity, whether voting or non-voting.

"Stock Equivalents" shall mean all securities convertible into or exchangeable for Stock and all warrants, options or other rights to purchase or subscribe for any Stock, whether or not presently convertible, exchangeable or exercisable.

"Subordinated Indebtedness" shall mean Indebtedness of the Borrower or any Guarantor that is by its terms subordinated in right of payment to the obligations of the Borrower and such Guarantor, as applicable, under this Agreement.

"Subsidiary" of any Person shall mean and include (a) any corporation more than 50% of whose Stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time Stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries and (b) any partnership, association, joint venture or other entity in which such Person directly or indirectly through Subsidiaries has more than a 50% equity interest at the time. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower.

"Subsidiary Guarantors" shall mean (a) each Domestic Subsidiary (other than an Excluded Subsidiary) existing on the Closing Date and (b) each Domestic Subsidiary that becomes a party to the Guarantee after the Closing Date pursuant to Section 9.11 or otherwise.

"Successor Borrower" shall have the meaning provided in Section 10.3(a).

"Syndication Agent" shall mean Goldman Sachs Credit Partners L.P., together with its affiliates, as the syndication agent for the Lenders under this Agreement and the other Credit Documents.

"Taxes" shall mean any and all present or future taxes, duties, levies, imposts, assessments, deductions, withholdings or other similar charges imposed by any Governmental Authority whether computed on a separate, consolidated, unitary, combined or other basis and any and all liabilities (including interest, fines, penalties or additions to tax) with respect to the foregoing.

"Term Loan Commitment" shall mean (a) in the case of each Lender that is a Lender on the date hereof, the amount set forth opposite such Lender's name on Schedule 1.1(c) as such Lender's "Term Loan Commitment" and (b) in the case of any Lender that becomes a Lender after the date hereof, the amount specified as such Lender's "Commitment" in the Assignment and Acceptance pursuant to which such Lender assumed a portion of the Total Term Loan Commitment, in each case as the same may be changed from time to time pursuant to the terms hereof. The aggregate amount of the Term Loan Commitments as of the Closing Date is $575,000,000.

"Term Loans" shall have the meaning provided in Section 2.1. To the extent any New Term Loans are made hereunder, "Term Loans" shall, to the extent appropriate, include such New Term Loans.

"Term Loan Maturity Date" shall mean the date that is seven (7) years after the Closing Date, or, if such date is not a Business Day, the next preceding Business Day

"Term Loan Repayment Amount" shall have the meaning provided in Section 2.5(b).

"Term Loan Repayment Date" shall have the meaning provided in Section 2.5(b).

"Test Period" shall mean, for any determination under this Agreement, the four consecutive fiscal quarters of the Borrower then last ended.

"Total Commitment" shall mean the Total Term Loan Commitment.

"Total Credit Exposure" shall mean, at any date, the sum of (a) the Total Term Loan Commitment at such date and (b) the outstanding principal amount of all Term Loans at such date.

"Total Term Loan Commitment" shall mean the sum of the Term Loan Commitments and New Term Loan Commitments, if applicable, of all the Lenders.

"Transaction Expenses" shall mean any fees or expenses incurred or paid by the Borrower or any of its Subsidiaries in connection with the Transactions, this Agreement and the other Credit Documents and the transactions contemplated hereby and thereby.

"Transactions" shall mean, collectively, the transactions contemplated by this Agreement, the Revolving Loan Credit Agreement, the Merger and the Equity Investments.

"Transferee" shall have the meaning provided in Section 14.6(e).

"Trigger Date" shall mean the date on which Section 9.1 Financials are delivered to the Lenders under Section 9.1 for the fiscal quarter ending on June 30, 2007.

"Type" shall mean as to any Term Loan, its nature as an ABR Loan or a LIBOR Loan.

"Unfunded Current Liability" of any Plan shall mean the amount, if any, by which the present value of the accrued benefits under the Plan as of the close of its most recent plan year, determined in accordance with Statement of Financial Accounting Standards No. 87 as in effect on the date hereof, based upon the actuarial assumptions that would be used by the Plan's actuary in a termination of the Plan, exceeds the fair market value of the assets allocable thereto.

"Unrestricted Subsidiary" shall mean (a) any Subsidiary of the Borrower that is formed or acquired after the Closing Date, provided that at such time (or promptly thereafter) the Borrower designates such Subsidiary an Unrestricted Subsidiary in a written notice to the Administrative Agent, (b) any Restricted Subsidiary subsequently re-designated as an Unrestricted Subsidiary by the Borrower in a written notice to the Administrative Agent, provided that in the case of (a) and (b), (x) such designation or re-designation shall be deemed to be an Investment on the date of such re-designation in an Unrestricted Subsidiary in an amount equal to the sum of (i) the Borrower's direct or indirect equity ownership percentage of the net worth of such designated or re-designated Restricted Subsidiary immediately prior to such designated or re-designation (such net worth to be calculated without regard to any guarantee provided by such designated or re-designated Restricted Subsidiary) and (ii) the aggregate principal amount of any Indebtedness owed by such designated or re-designated Restricted Subsidiary to the Borrower or any other Restricted Subsidiary immediately prior to such designated or re-designation, all calculated, except as set forth in the parenthetical to clause (i), on a consolidated basis in accordance with GAAP and (y) no Default or Event of Default would result from such designation or re-designation and (c) each Subsidiary of an Unrestricted Subsidiary; provided, however, that at the time of any written designation or re-designation by the Borrower to the Administrative Agent that any Unrestricted Subsidiary shall no longer constitute an Unrestricted Subsidiary, such Unrestricted Subsidiary shall cease to be an Unrestricted Subsidiary to the extent no Default or Event of Default would result from such designation or re-designation. On or promptly after the date of its formation, acquisition, designation or re-designation, as applicable, each Unrestricted Subsidiary (other than an Unrestricted Subsidiary that is a Foreign Subsidiary) shall have entered into a tax sharing agreement containing terms that, in the reasonable judgment of the Administrative Agent, provide for an appropriate allocation of tax liabilities and benefits. An Unrestricted Subsidiary which has been re-designated as a Restricted Subsidiary may not be subsequently re-designated as an Unrestricted Subsidiary.

"Voting Stock" shall mean, with respect to any Person, such Person's Stock or Stock Equivalents having the right to vote for the election of directors of such Person under ordinary circumstances.

1.2 Other Interpretive Provisions. With reference to this Agreement and each other Credit Document, unless otherwise specified herein or in such other Credit Document:

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words “herein”, “hereto”, “hereof” and “hereunder” and words of similar import when used in any Credit Document shall refer to such Credit Document as a whole and not to any particular provision thereof.

(c) Article, Section, Exhibit and Schedule references are to the Credit Document in which such reference appears.

(d) The term “including” is by way of example and not limitation.

(e) The term “documents” includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(f) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”; and the word “through” means “to and including”.

(g) Section headings herein and in the other Credit Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Credit Document.

1.3 Accounting Terms; Exchange Rates. (a) All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP.

(b) Notwithstanding anything to the contrary herein, for purposes of determining compliance with any test or covenant contained in this Agreement with respect to any period during which any Specified Transaction occurs, the Consolidated Total Debt to Consolidated EBITDA and the Consolidated EBITDA to Consolidated Interest Expense Ratio shall be calculated with respect to such period and such Specified Transaction on a Pro Forma Basis.

For purposes of determining compliance under Sections 10.4, 10.5 (other than with respect to determining the amount of any Indebtedness), 10.6 and 10.9 with respect to any amount in a Foreign Currency, such amount shall be deemed to equal the Dollar Equivalent thereof based on the average Exchange Rate for a Foreign Currency for the most recent twelve-month period immediately prior to the date of determination determined in a manner consistent with that used in calculating Consolidated EBITDA for the related period. For purposes of determining compliance with Sections 10.1, 10.2 and 10.5, with respect to any amount of Indebtedness in a Foreign Currency, compliance will be determined at the time of incurrence or advancing thereof using the Dollar Equivalent thereof at the Exchange Rate in effect at the time of such incurrence or advancement.

1.4 Rounding. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement (or required to be satisfied in order for a specific action to be

permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.5 References to Agreements, Laws, Etc. Unless otherwise expressly provided herein, (a) references to Organizational Documents, agreements (including the Credit Documents) and other Contractual Obligations shall be deemed to include all subsequent amendments, restatements, amendment and restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, amendment and restatements, extensions, supplements and other modifications are permitted by any Credit Document; and (b) references to any Applicable Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such applicable law.

SECTION 2. Amount and Terms of Credit

2.1 Commitments. Subject to and upon the terms and conditions herein set forth, each Lender having a Term Loan Commitment severally agrees to make a loan or loans (each a "Term Loan") on the Closing Date to the Borrower in Dollars, which Term Loans shall not exceed for any such Lender the Term Loan Commitment of such Lender and in the aggregate shall not exceed $575,000,000.

Such Term Loans (i) shall be made on the Closing Date in accordance with the preceding paragraph, (ii) may at the option of the Borrower be incurred and maintained as, and/or converted into, ABR Loans or LIBOR Loans, provided that all such Term Loans made by each of the Lenders pursuant to the same Borrowing shall, unless otherwise specifically provided herein, consist entirely of Term Loans of the same Type, (iii) may be repaid or prepaid in accordance with the provisions hereof, but once repaid or prepaid, may not be reborrowed, (iv) shall not exceed for any such Lender its Term Loan Commitment and (v) shall not exceed in the aggregate the total of all Term Loan Commitments. On the Term Loan Maturity Date, all then unpaid Term Loans shall be repaid in full.

2.2 Minimum Amount of Each Borrowing; Maximum Number of Borrowings. The aggregate principal amount of each Borrowing of Term Loans shall be in a multiple of $1,000,000 and, shall not be less than the Minimum Borrowing Amount with respect thereto. More than one Borrowing may be incurred on any date, provided that at no time shall there be outstanding more than six (6) Borrowings of LIBOR Loans under this Agreement.

2.3 Notice of Borrowing. (a) The Borrower shall give the Administrative Agent at the Administrative Agent's Office (i) prior to 12:00 Noon (New York City time) at least three Business Days' prior written notice (or telephonic notice promptly confirmed in writing no later than 1:00 p.m. (New York City time)) of the Borrowing of Term Loans if all or any of such Term Loans are to be initially LIBOR Loans, and (ii) prior written notice (or telephonic notice promptly confirmed in writing no later than 1:00 p.m. (New York City time)) prior to 10:00 a.m. (New York City time) on the date of the Borrowing of Term Loans if all such Term Loans are to be ABR Loans. Such Notice of Borrowing shall specify (i) the aggregate principal amount of the Term Loans to be made, (ii) the date of the Borrowing (which shall be

the Closing Date) and (iii) whether the Term Loans shall consist of ABR Loans and/or LIBOR Loans and, if the Term Loans are to include LIBOR Loans, the Interest Period to be initially applicable thereto. The Administrative Agent shall promptly give each Lender written notice (or telephonic notice promptly confirmed in writing) of the proposed Borrowing of Term Loans, of such Lender's proportionate share thereof and of the other matters covered by the related Notice of Borrowing.

(b) [Intentionally Omitted].

(c) [Intentionally Omitted].

(d) [Intentionally Omitted]

(e) [Intentionally Omitted].

(f) Without in any way limiting the obligation of the Borrower to confirm in writing any notice it may give hereunder by telephone, the Administrative Agent may act prior to receipt of written confirmation without liability upon the basis of such telephonic notice believed by the Administrative Agent in good faith to be from an Authorized Officer of the Borrower. In each such case, the Borrower hereby waives the right to dispute the Administrative Agent's record of the terms of any such telephonic notice.

2.4 Disbursement of Funds. (a) No later than 12:00 Noon (New York City time) on the date specified in each Notice of Borrowing each Lender will make available its *pro rata* portion, if any, of each Borrowing requested to be made on such date in the manner provided below.

(b) Each Lender shall make available all amounts it is to fund to the Borrower under any Borrowing for its applicable Commitments, and in immediately available funds to the Administrative Agent at the Administrative Agent's Office and the Administrative Agent will make available to the Borrower, by depositing to an account designated by the Borrower to the Administrative Agent the aggregate of the amounts so made available in Dollars. Unless the Administrative Agent shall have been notified by any Lender prior to the date of any such Borrowing that such Lender does not intend to make available to the Administrative Agent its portion of the Borrowing or Borrowings to be made on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date of Borrowing, and the Administrative Agent, in reliance upon such assumption, may (in its sole discretion and without any obligation to do so) make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender and the Administrative Agent has made available same to the Borrower, the Administrative Agent shall be entitled to recover such corresponding amount from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor the Administrative Agent shall promptly notify the Borrower and the Borrower shall immediately pay such corresponding amount to the Administrative Agent. The Administrative Agent shall also be entitled to recover from such Lender or the Borrower interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the

Administrative Agent to the Borrower to the date such corresponding amount is recovered by the Administrative Agent, at a rate *per annum* equal to (i) if paid by such Lender, the Federal Funds Effective Rate or (ii) if paid by the Borrower, the then-applicable rate of interest or fees, calculated in accordance with Section 2.8, for the respective Loans.

(c) Nothing in this Section 2.4 shall be deemed to relieve any Lender from its obligation to fulfill its commitments hereunder or to prejudice any rights that the Borrower may have against any Lender as a result of any default by such Lender hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to fulfill its commitments hereunder).

2.5 Repayment of Loans; Evidence of Debt. (a) The Borrower shall repay to the Administrative Agent in Dollars, for the benefit of the applicable Lenders, on the Term Loan Maturity Date, the then-unpaid Term Loans made to the Borrower.

(b) The Borrower shall repay to the Administrative Agent, in Dollars, for the benefit of the Lenders of Term Loans, on each date set forth below (each, a "Term Loan Repayment Date"), the principal amount of the Term Loans equal to (x) the outstanding principal amount of Term Loans immediately after closing on the Closing Date multiplied by (y) the percentage set forth below opposite such Repayment Date (each, a "Term Loan Repayment Amount"):

Repayment Date	Term Loan Repayment Amount
March 31, 2007	0.25%
June 30, 2007	0.25%
September 30, 2007	0.25%
December 31, 2007	0.25%
March 31, 2008	0.25%
June 30, 2008	0.25%
September 30, 2008	0.25%
December 31, 2008	0.25%
March 31, 2009	0.25%
June 30, 2009	0.25%
September 30, 2009	0.25%
December 31, 2009	0.25%
March 31, 2010	0.25%
June 30, 2010	0.25%
September 30, 2010	0.25%
December 31, 2010	0.25%
March 31, 2011	0.25%
June 30, 2011	0.25%
September 30, 2011	0.25%
December 31, 2011	0.25%
March 31, 2012	0.25%
June 30, 2012	0.25%
September 30, 2012	0.25%

Repayment Date	Term Loan Repayment Amount
December 31, 2012	0.25%
March 31, 2013	0.25%
June 30, 2013	0.25%
September 30, 2013	0.25%
December 31, 2013	0.25%
Term Loan Maturity Date	93.00%

(c) In the event that any New Term Loans are made, such New Term Loans shall, subject to Section 2.14(d), be repaid by the borrower thereof in the amounts (each, a "New Term Loan Repayment Amount") and on the dates (each a "New Repayment Date") set forth in the applicable Joinder Agreement.

(d) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to the appropriate lending office of such Lender resulting from each Loan made by such lending office of such Lender from time to time, including the amounts of principal and interest payable and paid to such lending office of such Lender from time to time under this Agreement.

(e) The Administrative Agent shall maintain the Register pursuant to Section 14.6(b), and a sub account for each Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount of each Term Loan made hereunder, the Type of each Loan made and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(f) The entries made in the Register and accounts and subaccounts maintained pursuant to paragraphs (d) and (e) of this Section 2.5 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain such account, such Register or such subaccount, as applicable, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made to the Borrower by such Lender in accordance with the terms of this Agreement.

2.6 Conversions and Continuations. (a) The Borrower shall have the option on any Business Day to convert all or a portion equal to at least the Minimum Borrowing Amount of the outstanding principal amount of Term Loans made to the Borrower (as applicable) of one Type into a Borrowing or Borrowings of another Type and the Borrower shall have the option on any Business Day to continue the outstanding principal amount of any LIBOR Loans as LIBOR Loans for an additional Interest Period on the last Business Day of the existing Interest Period, provided that (i) no partial conversion of LIBOR Loans shall reduce the outstanding principal amount of LIBOR Loans made pursuant to a single Borrowing to less than the Minimum Borrowing Amount, (ii) ABR Loans may not be converted into LIBOR Loans if a Default or Event of Default is in existence on the date of the conversion and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such conversion, (iii) LIBOR Loans may not be continued as LIBOR

Loans for an additional Interest Period if an Event of Default is in existence on the date of the proposed continuation and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuation and (iv) Borrowings resulting from conversions pursuant to this Section 2.6 shall be limited in number as provided in Section 2.2. Each such conversion or continuation shall be effected by the Borrower by giving the Administrative Agent at the Administrative Agent's Office prior to 1:00 p.m. (New York City time) at least three Business Days' prior written notice or written notice prior to 10:00 a.m. (New York City time) on the same Business Day in the case of a conversion into ABR Loans (or, in each case, telephonic notice promptly confirmed in writing no later than 1:00 p.m. (New York City time)) (each, a "Notice of Conversion or Continuation") specifying the Term Loans to be so converted or continued, the Type of Term Loans to be converted or continued into and, if such Term Loans are to be converted into or continued as LIBOR Loans, the Interest Period to be initially applicable thereto. The Administrative Agent shall give each Lender notice as promptly as practicable of any such proposed conversion or continuation affecting any of its Term Loans.

(b) If any Default or Event of Default is in existence at the time of any proposed continuation of any LIBOR Loans and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuation, such LIBOR Loans shall be automatically converted on the last day of the current Interest Period into ABR Loans. If upon the expiration of any Interest Period in respect of LIBOR Loans, the Borrower has failed to elect a new Interest Period to be applicable thereto as provided in paragraph (a) above, the Borrower shall be deemed to have elected to continue such Borrowing of LIBOR Loans into a Borrowing of ABR Loans, effective as of the expiration date of such current Interest Period.

2.7 *Pro Rata* Borrowings. Each Borrowing of Term Loans under this Agreement shall be granted by the Lenders *pro rata* on the basis of their then-applicable Term Loan Commitments. Each Borrowing of New Term Loans under this Agreement shall be granted by the Lenders *pro rata* on the basis of their then applicable New Term Loan Commitments. It is understood that (a) no Lender shall be responsible for any default by any other Lender in its obligation to make Loans hereunder and that each Lender shall be obligated to make the Loans provided to be made by it hereunder, regardless of the failure of any other Lender to fulfill its commitments hereunder and (b) other than as expressly provided herein with respect to a Defaulting Lender, failure by a Lender to perform any of its obligations under any of the Credit Documents shall not release any Person from performance of its obligation under any Credit Document.

2.8 Interest. (a) The unpaid principal amount of each ABR Loan shall bear interest from the date of the Borrowing thereof until maturity (whether by acceleration or otherwise) at a rate *per annum* that shall at all times be the Applicable ABR Margin plus the ABR in effect from time to time.

(b) The unpaid principal amount of each LIBOR Loan shall bear interest from the date of the Borrowing thereof until maturity thereof (whether by acceleration or otherwise) at a rate *per annum* that shall at all times be the Applicable LIBOR Margin in effect from time to time plus the relevant LIBOR Rate.

(c) If all or a portion of (i) the principal amount of any Loan or (ii) any interest payable thereon shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest (including post-petition interest in any proceeding under the Bankruptcy Code or other applicable bankruptcy laws) at a rate *per annum* that is (x) in the case of overdue principal, the rate that would otherwise be applicable thereto plus 2% or (y) in the case of any overdue interest, to the extent permitted by applicable law, the rate described in Section 2.8(a) plus 2% from and including the date of such non-payment to but excluding the date on which such amount is paid in full (after as well as before judgment). Payment or acceptance of the increased rates of interest provided for in this Section 2.8 is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Administrative Agent or any Lender.

(d) Interest on each Loan shall accrue from and including the date of any Borrowing to but excluding the date of any repayment thereof and shall be payable (i) in respect of each ABR Loan, quarterly in arrears on the last day of each March, June, September and December, (ii) in respect of each LIBOR Loan, on the last day of each Interest Period applicable thereto and, in the case of an Interest Period in excess of three months, on each date occurring at three-month intervals after the first day of such Interest Period, (iii) in respect of each Loan (except, other than in the case of prepayments, any ABR Loan), on any prepayment date (on the amount prepaid), at maturity (whether by acceleration or otherwise) and, after such maturity, on demand.

(e) All computations of interest hereunder shall be made in accordance with Section 5.5.

(f) The Administrative Agent, upon determining the interest rate for any Borrowing of LIBOR Loans, shall promptly notify the Borrower and the relevant Lenders thereof. Each such determination shall, absent clearly demonstrable error, be final and conclusive and binding on all parties hereto.

2.9 Interest Periods. At the time the Borrower gives a Notice of Borrowing or Notice of Conversion or Continuation in respect of the making of, or conversion into or continuation as, a Borrowing of LIBOR Loans (in the case of the initial Interest Period applicable thereto) or prior to 10:00 a.m. (New York City time) on the third Business Day prior to the expiration of an Interest Period applicable to a Borrowing of LIBOR Loans, the Borrower shall have the right to elect by giving the Administrative Agent written notice (or telephonic notice promptly confirmed in writing no later than 1:00 p.m. (New York City time)) the Interest Period applicable to such Borrowing, which Interest Period shall, at the option of the Borrower be a one, two, three, six or if available to all the Lenders as determined by the Lenders in good faith based on prevailing market conditions, a nine or twelve month period.

Notwithstanding anything to the contrary contained above:

(a) the initial Interest Period for any Borrowing of LIBOR Loans shall commence on the date of such Borrowing (including the date of any conversion from a Borrowing of

ABR Loans) and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the next preceding Interest Period expires;

(b) if any Interest Period relating to a Borrowing of LIBOR Loans begins on the last Business Day of a calendar month or begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of the calendar month at the end of such Interest Period;

(c) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day, provided that if any Interest Period would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day; and

(d) the Borrower shall not be entitled to elect any Interest Period in respect of any LIBOR Loan if such Interest Period would extend beyond the applicable maturity date of such Loan.

2.10 Increased Costs, Illegality, etc. (a) In the event that (x) in the case of clause (i) below, the Administrative Agent or (y) in the case of clauses (ii) and (iii) below, any Lender shall have reasonably determined (which determination shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto):

(i) on any date for determining the LIBOR Rate for any Interest Period that (x) deposits in the principal amounts of the Loans comprising such LIBOR Borrowing are not generally available in the relevant market or (y) by reason of any changes arising on or after the Closing Date affecting the interbank LIBOR market, adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of LIBOR Rate; or

(ii) at any time, that such Lender shall incur increased costs or reductions in the amounts received or receivable hereunder with respect to any LIBOR Loans (other than any such increase or reduction attributable to Taxes) because of (x) any change since the date hereof in any applicable law, governmental rule, regulation, guideline or order (or in the interpretation or administration thereof and including the introduction of any new law or governmental rule, regulation, guideline or order), such as, for example, without limitation, a change in official reserve requirements, and/or (y) other circumstances affecting the interbank LIBOR market or the position of such Lender in such market; or

(iii) at any time, that the making or continuance of any LIBOR Loan has become unlawful by compliance by such Lender in good faith with any law, governmental rule, regulation, guideline or order (or would conflict with any such governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful), or has become impracticable as a result of a contingency occurring after the date hereof that materially and adversely affects the interbank LIBOR market;

then, and in any such event, such Lender (or the Administrative Agent, in the case of clause (i) above) shall within a reasonable time thereafter give notice (if by telephone, confirmed in writing) to the Borrower and to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the other Lenders). Thereafter (x) in the case of clause (i) above, LIBOR Loans shall no longer be available until such time as the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice by the Administrative Agent no longer exist (which notice the Administrative Agent agrees to give at such time when such circumstances no longer exist), and any Notice of Borrowing or Notice of Conversion given by the Borrower with respect to LIBOR Loans that have not yet been incurred shall be deemed rescinded by the Borrower (y) in the case of clause (ii) above, the Borrower shall pay to such Lender, promptly after receipt of written demand therefor such additional amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Lender in its reasonable discretion shall determine) as shall be required to compensate such Lender for such increased costs or reductions in amounts receivable hereunder (it being agreed that a written notice as to the additional amounts owed to such Lender, showing in reasonable detail the basis for the calculation thereof, submitted to the Borrower by such Lender shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto) and (z) in the case of clause (iii) above, the Borrower shall take one of the actions specified in Section 2.10(b) as promptly as possible and, in any event, within the time period required by law.

(b) At any time that any LIBOR Loan is affected by the circumstances described in Section 2.10(a)(ii) or (iii), the Borrower may (and in the case of a LIBOR Loan affected pursuant to Section 2.10(a)(iii) shall) either (x) if the affected LIBOR Loan is then being made pursuant to a Borrowing, cancel said Borrowing by giving the Administrative Agent telephonic notice thereof on the same date that the Borrower was notified by a Lender pursuant to Section 2.10(a)(ii) or (iii) (confirmed promptly in writing no later than 10:00 a.m. (New York City time) on the next day) or (y) if the affected LIBOR Loan is then outstanding, upon at least three Business Days' notice to the Administrative Agent, require the affected Lender to convert each such LIBOR Loan into an ABR Loan, provided that if more than one Lender is affected at any time, then all affected Lenders must be treated in the same manner pursuant to this Section 2.10(b).

(c) If, after the date hereof, the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, the National Association of Insurance Commissioners, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by a Lender or its parent with any request or directive made or adopted after the date hereof regarding capital adequacy (whether or not having the force of law) of any such authority, association, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Lender's or its parent's or its Affiliate's capital or assets as a consequence of such Lender's commitments or obligations hereunder to a level below that which such Lender or its parent or its Affiliate could have achieved but for such adoption, effectiveness, change or compliance (taking into consideration such Lender's or its parent's policies with respect to capital adequacy), then from time to time, promptly after demand by such Lender (with a copy to the Administrative Agent), the Borrower shall pay to such Lender such additional amount or amounts as will compensate

such Lender or its parent for such reduction, it being understood and agreed, however, that a Lender shall not be entitled to such compensation as a result of such Lender's compliance with, or pursuant to any request or directive to comply with, any such law, rule or regulation as in effect on the date hereof. Each Lender, upon determining in good faith that any additional amounts will be payable pursuant to this Section 2.10(c), will give prompt written notice thereof to the Borrower which notice shall set forth in reasonable detail the basis of the calculation of such additional amounts, although the failure to give any such notice shall not, subject to Section 2.13, release or diminish the Borrower's obligations to pay additional amounts pursuant to this Section 2.10(c) upon receipt of such notice.

(d) It is understood that to the extent duplicative of Section 5.4, this Section 2.10 shall not apply to Taxes.

2.11 Compensation. If (a) any payment of principal of any LIBOR Loan is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such LIBOR Loan as a result of a payment or conversion pursuant to Section 2.5, 2.6, 2.10, 5.1, 5.2 or 14.7, as a result of acceleration of the maturity of the Loans pursuant to Section 11 or for any other reason, (b) any Borrowing of LIBOR Loans is not made as a result of a withdrawn Notice of Borrowing, (c) any ABR Loan is not converted into a LIBOR Loan as a result of a withdrawn Notice of Conversion or Continuation, (d) any LIBOR Loan is not continued as an LIBOR Loan, as the case may be, as a result of a withdrawn Notice of Conversion or Continuation or (e) any prepayment of principal of any LIBOR Loan is not made as a result of a withdrawn notice of prepayment pursuant to Section 5.1 or 5.2, the Borrower shall, after receipt of a written request by such Lender (which request shall set forth in reasonable detail the basis for requesting such amount), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that such Lender may reasonably incur as a result of such payment, failure to convert, failure to continue or failure to prepay, including any loss, cost or expense (excluding loss of anticipated profits) actually incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such LIBOR Loan.

2.12 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.10(a)(ii), 2.10(a)(iii), 2.10(b), or 5.4 with respect to such Lender, it will, if requested by the Borrower use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event, provided that such designation is made on such terms that such Lender and its lending office suffer no economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of any such Section. Nothing in this Section 2.12 shall affect or postpone any of the obligations of the Borrower or the right of any Lender provided in Section 2.10, 3.5 or 5.4.

2.13 Notice of Certain Costs. Notwithstanding anything in this Agreement to the contrary, to the extent any notice required by Section 2.10, 2.11, or 5.4 is given by any Lender more than 180 days after such Lender has knowledge (or should have had knowledge) of the occurrence of the event giving rise to the additional cost, reduction in amounts, loss, tax or other additional amounts described in such Sections, such Lender shall not be entitled to compensation under Section 2.10, 2.11, or 5.4, as the case may be, for any such amounts incurred or accruing

prior to the 181st day prior to the giving of such notice to the Borrower; provided that if the event giving rise to such additional cost, reduction in amounts, loss, tax or other additional amounts has a retroactive effect, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof**.**

2.14 Incremental Facilities. (a) Borrower may by written notice to Administrative Agent elect to request the establishment of one or more increases in Term Loan Commitments (the "New Term Loan Commitments"), by an aggregate amount not in excess of the difference between $100,000,000 and the sum of all New Term Loan Commitments and New Revolving Credit Commitments obtained prior to such date and not less than $10,000,000 individually (or such lesser amount which shall be approved by Administrative Agent or such lesser amount that shall constitute the difference between $100,000,000 and the sum of all New Revolving Credit Commitments and New Term Loan Commitments obtained prior to such date). Each such notice shall specify the date (each, an "Increased Amount Date") on which the Borrower proposes that the New Term Loan Commitments shall be effective, which shall be a date not less than ten Business Days after the date on which such notice is delivered to Administrative Agent; provided that any Lender offered or approached to provide all or a portion of the New Term Loan Commitments may elect or decline, in its sole discretion, to provide a New Term Loan Commitments. Such New Term Loan Commitments shall become effective, as of such Increased Amount Date; provided that (i) no Default or Event of Default shall exist on such Increased Amount Date before or after giving effect to such New Term Loan Commitments, as applicable; (ii) both before and after giving effect to the making of any Series of New Term Loans, each of the conditions set forth in Section 7 shall be satisfied; (iii) Borrower and its Subsidiaries shall be in Pro Forma Compliance with each of the covenants set forth in Section 10.9 as of the last day of the most recently ended fiscal quarter after giving effect to such New Term Loan Commitments and any Specified Transaction to be consummated in connection therewith; (iv) the New Term Loan Commitments shall be effected pursuant to one or more Joinder Agreements executed and delivered by the Borrower and Administrative Agent, and each of which shall be recorded in the Register and shall be subject to the requirements set forth in Section 5.4(d) and (e); (v) Borrower shall make any payments required pursuant to Section 2.11 in connection with the New Term Loan Commitments, as applicable; and (vi) Borrower shall deliver or cause to be delivered any legal opinions or other documents reasonably requested by Administrative Agent in connection with any such transaction. Any New Term Loans made on an Increased Amount Date shall be designated, a separate series (a "Series") of New Term Loans for all purposes of this Agreement.

(b) [Intentionally Omitted]

(c) On any Increased Amount Date on which any New Term Loan Commitments of any Series are effective, subject to the satisfaction of the foregoing terms and conditions, (i) each Lender with a New Term Loan Commitment (each, a "New Term Loan Lender") of any Series shall make a Loan to the Borrower (a "New Term Loan") in an amount equal to its New Term Loan Commitment of such Series, and (ii) each New Term Loan Lender of any Series shall become a Lender hereunder with respect to the New Term Loan Commitment of such Series and the New Term Loans of such Series made pursuant thereto.

(d) The terms and provisions of the New Term Loans and New Term Loan Commitments of any Series shall be, except as otherwise set forth herein or in the applicable Joinder Agreement, identical to the existing Term Loans; provided that (i) the applicable New Term Loan Maturity Date of each Series shall be no earlier than the final maturity of the Term Loans outstanding on the Increased Amount Date with respect to such New Term Loans and the mandatory prepayment and other payment rights (other than scheduled amortization) of the New Term Loans and the existing Term Loans shall be identical, (ii) the weighted average life to maturity of all New Term Loans of any Series shall be no shorter than the weighted average life to maturity of the Term Loans outstanding on the Increased Amount Date, (iii) the rate of interest and the amortization schedule applicable to the New Term Loans of each Series shall be determined by the Borrower and the applicable new Lenders and shall be set forth in each applicable Joinder Agreement; provided that such Borrower shall be the Borrower or a Subsidiary Guarantor and (iv) all other terms applicable to the New Term Loans of each Series that differ from the existing Term Loans shall be reasonably acceptable to the Administrative Agent (as evidenced by its execution of the applicable Joinder Agreement).

(e) Each Joinder Agreement may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Credit Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provision of this Section 2.14.

SECTION 3. [Intentionally Omitted]

SECTION 4. Fees; Commitments

4.1 Fees. (a) The Borrower agrees to pay to the Collateral Agent, for its own account, fees in the amounts and at the times set forth in the Fee Letter.

4.2 [Intentionally Omitted].

4.3 Mandatory Termination of Commitments. (a) (i) The Term Loan Commitments shall terminate at 5:00 p.m. (New York City time) on the Closing Date.

(b) The New Term Loan Commitments for any Series shall terminate at 5:00 p.m. (New York City time) on the Increased Amount Date for such Series.

SECTION 5. Payments

5.1 Voluntary Prepayments. The Borrower shall have the right to prepay Term Loans, in each case, without premium or penalty, in whole or in part from time to time on the following terms and conditions: (a) the Borrower shall give the Administrative Agent and at the Administrative Agent's Office written notice (or telephonic notice promptly confirmed in writing no later than 1:00 p.m. (New York City time)) of its intent to make such prepayment, the amount of such prepayment and (in the case of LIBOR Loans) the specific Borrowing(s) pursuant to which made, which notice shall be given by the Borrower no later than (i) in the case of a LIBOR Loans, 12:00 noon (New York City time) three Business Days prior to or (ii) in the case of ABR Loans, 12:00 noon (New York City time) on, the date of such prepayment and shall promptly be transmitted by the Administrative Agent to each of the Lenders; (b) each partial

prepayment of any Borrowing of Term Loans shall be in a multiple of $100,000 and in an aggregate principal amount of at least $1,000,000, provided that no partial prepayment of LIBOR Loans made pursuant to a single Borrowing shall reduce the outstanding LIBOR Loans made pursuant to such Borrowing to an amount less than the Minimum Borrowing Amount for LIBOR Loans and (c) any prepayment of LIBOR Loans pursuant to this Section 5.1 on any day other than the last day of an Interest Period applicable thereto shall be subject to compliance by the Borrower with the applicable provisions of Section 2.11. Each prepayment in respect of any Term Loans pursuant to this Section 5.1 shall be (a) applied to Term Loans in such manner as the Borrower may determine and (b) applied to reduce Repayment Amounts, and/or any New Term Loan Repayment Amounts, as the case may be, in such order as the Borrower may determine. At the Borrower's election in connection with any prepayment pursuant to this Section 5.1, such prepayment shall not be applied to any Term Loan of a Defaulting Lender.

5.2 Mandatory Prepayments. (a) Term Loan Prepayments. (i) On each occasion that a Prepayment Event occurs, the Borrower shall, within one Business Day after the occurrence of a Debt Incurrence Prepayment Event and within five Business Days after the occurrence of any other Prepayment Event (or, in the case of Deferred Net Cash Proceeds, within five Business Days after the Reinvestment Period relating to such Prepayment Event or 180 days thereafter, as applicable), prepay, in accordance with paragraph (c) below, the principal amount of Term Loans in an amount equal to 100% of the Net Cash Proceeds from such Prepayment Event. If the Stock or Stock Equivalents of any Credit Party is sold or any Credit Party is sold as a going concern on any date, the sale proceeds shall be allocated as follows: (x) that portion of the sale proceeds equal to the aggregate value of "Accounts" and "Cost" of "Inventory" (in each case, as defined in the Revolving Loan Credit Agreement") shall be allocated to the Revolving Credit Collateral (as defined in the Intercreditor Agreement) of the Credit Parties so sold and shall be deemed to be proceeds thereof and (y) the balance of sale proceeds shall be allocated to the Collateral of the Credit Parties so sold and shall be deemed to be proceeds thereof and applied pursuant to the foregoing sentence.

(ii) Not later than the date that is ninety days after the last day of any fiscal year (commencing with and including the fiscal year ending December 31, 2007), the Borrower shall prepay, in accordance with paragraph (c) below, the principal of Term Loans in an amount equal to (x) 50% of Excess Cash Flow for such fiscal year, provided that (A) the percentage in this Section 5.2(a)(ii) shall be reduced to 25% if the Borrower's ratio of Consolidated Total Debt on the date of prepayment (prior to giving effect thereto) to Consolidated EBITDA for the most recent Test Period ended prior to such prepayment date is no greater than 4.00 to 1.00 but greater than 3.00 to 1.00 and (B) no payment of any Term Loans shall be required under this Section 5.2(a)(ii) if the Borrower's ratio of Consolidated Total Debt on the date of prepayment (prior to giving effect thereto) to Consolidated EBITDA for the most recent Test Period ended prior to such prepayment date is no greater than 3.00 to 1.00), minus (y) the principal amount of Term Loans voluntarily prepaid pursuant to Section 5.1 during such fiscal year.

(b) [Intentionally Omitted]

(c) Application to Repayment Amounts. Each prepayment of Term Loans required by Section 5.2(a)(i) or (ii) shall be applied to the next four Repayment Amounts in chronological order and further applied on a pro rata basis to the remaining Repayment

Amounts. With respect to each such prepayment, the Borrower will, not later than the date specified in Section 5.2(a) for making such prepayment, give the Administrative Agent telephonic notice (promptly confirmed in writing no later than 1:00 p.m. (New York City time)) requesting that the Administrative Agent provide notice of such prepayment Term Loan Lender.

(d) Application to Term Loans. With respect to prepayment of Term Loans required by Section 5.2(a), the Borrower may designate the Types of Loans that are to be prepaid and the specific Borrowing(s) pursuant to which made. In the absence of a designation by the Borrower as described in the preceding sentence, the Administrative Agent shall, subject to the above, make such designation in its reasonable discretion with a view, but no obligation, to minimize breakage costs owing under Section 2.11.

(e) LIBOR Interest Periods. In lieu of making any payment pursuant to this Section 5.2 in respect of any LIBOR Loan other than on the last day of the Interest Period therefor so long as no Event of Default shall have occurred and be continuing, the Borrower at its option may deposit with the Administrative Agent an amount equal to the amount of the LIBOR Loan to be prepaid and such LIBOR Loan shall be repaid on the last day of the Interest Period therefor in the required amount. Such deposit shall be held by the Administrative Agent in a corporate time deposit account established on terms reasonably satisfactory to the Administrative Agent, earning interest at the then-customary rate for accounts of such type. Such deposit shall constitute cash collateral for the Obligations, provided that the Borrower may at any time direct that such deposit be applied to make the applicable payment required pursuant to this Section 5.2.

(f) Minimum Amount. No prepayment shall be required pursuant to Section 5.2(a)(i) unless and until the amount at any time of Net Cash Proceeds from Prepayment Events required to be applied at or prior to such time pursuant to such Section and not yet applied at or prior to such time to prepay Term Loans pursuant to such Section exceeds (i) $5,000,000 for a single Prepayment Event or (ii) $10,000,000 in the aggregate for all such Prepayment Events.

(g) Foreign Asset Sales. Notwithstanding any other provisions of this Section 5.2, (i) to the extent that any of or all the Net Cash Proceeds of a Casualty Event or any asset sale by a Restricted Foreign Subsidiary giving rise to an Asset Sale Prepayment Event (a "Foreign Asset Sale") or Excess Cash Flow are prohibited or delayed by applicable local law from being repatriated to the United States, the portion of such Net Cash Proceeds or Excess Cash Flow so affected will not be required to be applied to repay Term Loans at the times provided in this Section 5.2 but may be retained by the applicable Restricted Foreign Subsidiary so long, but only so long, as the applicable local law will not permit repatriation to the United States (the Borrower hereby agreeing to cause the applicable Restricted Foreign Subsidiary to promptly take all actions required by the applicable local law to permit such repatriation), and once such repatriation of any of such affected Net Cash Proceeds or Excess Cash Flow is permitted under the applicable local law, such repatriation will be immediately effected and such repatriated Net Cash Proceeds or Excess Cash Flow will be promptly (and in any event not later than two Business Days after such repatriation) applied (net of additional taxes payable or reserved against as a result thereof) to the repayment of the Term Loans pursuant to this Section 5.2 and (ii) to the extent that the Borrower has determined in good faith that repatriation of any of or all

the Net Cash Proceeds of any Foreign Asset Sale or Excess Cash Flow would have an adverse tax or accounting consequence with respect to such Net Cash Proceeds or Excess Cash Flow, the Net Cash Proceeds or Excess Cash Flow so affected may be retained by the applicable Restricted Foreign Subsidiary, provided that, in the case of this clause (ii), on or before the date on which any Net Cash Proceeds or Excess Cash Flow so retained would otherwise have been required to be applied to reinvestments or prepayments pursuant to Section 5.2(a), (x) the Borrower applies an amount equal to such Net Cash Proceeds or Excess Cash Flow to such reinvestments or prepayments as if such Net Cash Proceeds or Excess Cash Flow had been received by the Borrower rather than such Restricted Foreign Subsidiary, less the amount of additional taxes that would have been payable or reserved against if such Net Cash Proceeds or Excess Cash Flow had been repatriated (or, if less, the Net Cash Proceeds or Excess Cash Flow that would be calculated if received by such Foreign Subsidiary) or (y) such Net Cash Proceeds or Excess Cash Flow are applied to the repayment of Indebtedness of a Restricted Foreign Subsidiary.

5.3 Method and Place of Payment. (a) Except as otherwise specifically provided herein, all payments under this Agreement shall be made by the Borrower, without set-off, counterclaim or deduction of any kind, to the Administrative Agent for the ratable account of the Lenders entitled thereto, not later than 12:00 Noon (New York City time) on the date when due and shall be made in immediately available funds at the Administrative Agent's Office or at such other office as the Administrative Agent shall specify for such purpose by notice to the Borrower, it being understood that written or facsimile notice by the Borrower to the Administrative Agent to make a payment from the funds in the Borrower's account at the Administrative Agent's Office shall constitute the making of such payment to the extent of such funds held in such account. All repayments or prepayments of Loans (whether of principal, interest or otherwise) hereunder shall be made in Dollars. The Administrative Agent will thereafter cause to be distributed on the same day (if payment was actually received by the Administrative Agent prior to 2:00 p.m. (New York City time) on such day) like funds relating to the payment of principal or interest or Fees ratably to the Lenders entitled thereto.

(b) Any payments under this Agreement that are made later than 2:00 p.m. (New York City time) shall be deemed to have been made on the next succeeding Business Day. Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable during such extension at the applicable rate in effect immediately prior to such extension.

5.4 Net Payments. (a) Any and all payments made by or on behalf of the Borrower or any Guarantor under this Agreement or any other Credit Document shall be made free and clear of, and without deduction or withholding for or on account of, any Indemnified Taxes; provided that if the Borrower or any Guarantor shall be required by law to deduct or withhold any Indemnified Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions or withholdings applicable to additional sums payable under this Section 5.4) the Administrative Agent, the Collateral Agent, or any Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or withholdings been made, (ii) the Borrower or any Guarantor shall make such deductions or withholdings and (iii)

the Borrower or any Guarantor shall pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law. Whenever any Indemnified Taxes are payable by the Borrower, as promptly as possible thereafter, the Borrower shall send to the Administrative Agent for its own account or for the account of such Lender, as the case may be, a certified copy of an original official receipt (or other evidence acceptable to such Lender, acting reasonably) received by the Borrower showing payment thereof.

(b) The Borrower shall pay and shall indemnify and hold harmless the Administrative Agent, the Collateral Agent, and each Lender with regard to any Other Taxes (whether or not such Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority).

(c) The Borrower shall indemnify and hold harmless the Administrative Agent, the Collateral Agent, and each Lender within 15 Business Days after written demand therefor, for the full amount of any Indemnified Taxes imposed on, or paid by, the Administrative Agent, the Collateral Agent, or such Lender as the case may be, on or with respect to any payment by or on account of any obligation of Borrower or any Guarantor under this Agreement or under any other Credit Document (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 5.4) and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified 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 by the Administrative Agent or the Collateral Agent on its own behalf or on behalf of a Lender shall be conclusive absent manifest error.

(d) Each Non-U.S. Lender making or acquiring a Loan to the Borrower shall:

(i) deliver to the Borrower and the Administrative Agent two copies of either (x) in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", United States Internal Revenue Service Form W-8BEN (together with a certificate representing that such Non-U.S. Lender is not a bank for purposes of Section 881(c) of the Code, is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of the Borrower and is not a controlled foreign corporation related to the Borrower (within the meaning of Section 864(d)(4) of the Code)), (y) Internal Revenue Service Form W-8BEN or Form W-8ECI, or (z) Internal Revenue Service Form W-8IMY (together with the forms and certificates described in clauses (x) and (y), as appropriate), in each case properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or reduced rate of, U.S. Federal withholding tax on payments by the Borrower under this Agreement; and

(ii) deliver to the Borrower and the Administrative Agent two further copies of any such form or certification (or any applicable successor form) on or before the date that any such form or certification expires or becomes obsolete and after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Borrower;

unless in any such case any Change in Law or other event has occurred prior to the date on which any such delivery would otherwise be required that renders any such form inapplicable or

would prevent such Lender from duly completing and delivering any such form with respect to it and such Lender so advises the Borrower and the Administrative Agent. Each Person that shall become a Participant pursuant to Section 14.6 or a Lender pursuant to Section 14.6 shall, upon the effectiveness of the related transfer, be required to provide all the forms and statements required pursuant to this Section 5.4(d), provided that in the case of a Participant such Participant shall furnish all such required forms and statements to the Lender from which the related participation shall have been purchased.

(e) Each Lender that is entitled to an exemption from or reduction of non-U.S. withholding tax under the laws of the jurisdiction in which any Borrower or Guarantor is organized, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement or any other Credit Document by such Borrower or Guarantor shall deliver to such Borrower or Guarantor (with a copy to the Administrative Agent), as applicable, at the time or times prescribed by applicable law and reasonably requested by such Borrower or Guarantor, as applicable, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without such withholding or at such reduced rate, provided that such Lender is legally entitled to complete, execute and deliver such documentation, such documentation is necessary in order for such exemption or reduction to apply and in such Lender's reasonable judgment the completion, execution or submission would not materially prejudice the legal position of the Lender. In addition, each Lender shall deliver such other documentation prescribed by applicable law and reasonably requested by the Borrower or the Administrative Agent (including an IRS Form W-8 or W-9) as will enable the Borrower or the Administrative Agent to determine whether such Lender is subject to United States backup withholding or information reporting requirements.

(f) If the Borrower determines in good faith that a reasonable basis exists for contesting any taxes for which indemnification has been demanded hereunder, the relevant Lender, the Administrative Agent or the Collateral Agent, as applicable, shall cooperate with the Borrower in a reasonable challenge of such taxes at the Borrower's expense if so requested by the Borrower. If any Lender, the Administrative Agent or the Collateral Agent, as applicable, receives a refund of a tax for which a payment has been made by the Borrower pursuant to this Agreement, which refund in the good faith judgment of such Lender, the Administrative Agent or the Collateral Agent, as the case may be, is attributable to such payment made by the Borrower, then the Lender, the Administrative Agent or the Collateral Agent, as the case may be, shall reimburse the Borrower for such amount (together with any interest received thereon) as the Lender, Administrative Agent or the Collateral Agent, as the case may be, determines to be the proportion of the refund as will leave it, after such reimbursement, in no better or worse position (taking into account expenses or any taxes imposed on the refund) than it would have been in if the payment had not been required. A Lender, the Administrative Agent or the Collateral Agent shall claim any refund that it determines is available to it, unless it concludes in its reasonable discretion that it would be adversely affected by making such a claim. The Borrower, upon the request of the Lender, the Administrative Agent or the Collateral Agent, as applicable, agrees to repay the amount paid over to the Borrower to the Lender, the Administrative Agent or the Collateral Agent, as applicable, in the event the Lender, the Administrative Agent or the Collateral Agent, as applicable, is required to repay the refund to the Governmental Authority. Neither the Lender, the Administrative Agent nor the Collateral Agent shall be obliged to disclose any information

regarding its tax affairs or computations to the Borrower in connection with this paragraph (f) or any other provision of this Section 5.4.

(g) The agreements in this Section 5.4 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

5.5 Computations of Interest and Fees. (a) Interest on LIBOR Loans and, except as provided in the next succeeding sentence, ABR Loans shall be calculated on the basis of a 360-day year for the actual days elapsed. Interest on ABR Loans in respect of which the rate of interest is calculated on the basis of the Prime Rate and interest on overdue interest shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed.

(b) Fees shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed.

5.6 Limit on Rate of Interest.

(a) No Payment shall exceed Lawful Rate. Notwithstanding any other term of this Agreement, the Borrower shall not be obliged to pay any interest or other amounts under or in connection with this Agreement in excess of the amount or rate permitted under or consistent with any applicable law, rule or regulation.

(b) Payment at Highest Lawful Rate. If the Borrower is not obliged to make a payment which it would otherwise be required to make, as a result of Section 5.6(a), the Borrower shall make such payment to the maximum extent permitted by or consistent with applicable laws, rules and regulations.

(c) Adjustment if any Payment exceeds Lawful Rate. If any provision of this Agreement or any of the other Credit Documents would obligate the Borrower to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate which would be prohibited by any applicable law, rule or regulation, then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law, such adjustment to be effected, to the extent necessary, by reducing the amount or rate of interest required to be paid by the Borrower to the affected Lender under Section 2.8.

Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if any Lender shall have received from the Borrower an amount in excess of the maximum permitted by any applicable law, rule or regulation, then the Borrower shall be entitled, by notice in writing to the Administrative Agent to obtain reimbursement from that Lender in an amount equal to such excess, and pending such reimbursement, such amount shall be deemed to be an amount payable by that Lender to the Borrower.

SECTION 6. Conditions Precedent to Initial Borrowing

The initial Borrowing under this Agreement is subject to the satisfaction of the following conditions precedent, except as otherwise agreed between the Borrower and the Administrative Agent.

6.1 Credit Documents. The Administrative Agent shall have received:

(a) this Agreement, executed and delivered by a duly authorized officer of the Borrower and each Lender;

(b) the Guarantee, executed and delivered by a duly authorized officer of each Guarantor;

(c) the Pledge Agreement, executed and delivered by a duly authorized officer of each pledgor party thereto;

(d) the Security Agreement, executed and delivered by a duly authorized officer of each grantor party thereto;

(e) a Mortgage in respect of each Mortgaged Property to be Mortgaged on the Closing Date; and

(f) the Intercreditor Agreement, executed and delivered by a duly authorized officer of each Credit Party, the Collateral Agent and The CIT Group/Business Credit Inc., as collateral agent under the Revolving Loan Credit Agreement.

6.2 Collateral. (a) All outstanding equity interests in whatever form of the Borrower and each Restricted Subsidiary (except those to be provided pursuant to Section 9.17(c)) directly owned by or on behalf of any Credit Party and required to be pledged pursuant to the Pledge Agreement shall have been pledged pursuant thereto (except that the Borrower and its Restricted Subsidiaries shall not be required to pledge more than 65% of the outstanding voting equity interests of any Foreign Subsidiary) and the Collateral Agent shall have received all certificates representing securities pledged under the Pledge Agreement to the extent certificated, accompanied by instruments of transfer and undated stock powers endorsed in blank (except those to be delivered pursuant to Section 9.17(c)).

(b) All documents and instruments, including Uniform Commercial Code or other applicable personal property and fixture security financing statements, required by law or reasonably requested by the Collateral Agent, as applicable, to be filed, registered or recorded to create the Liens intended to be created by the Security Agreement and perfect such Liens to the extent required by, and with the priority required by, the Security Agreement shall have been filed, registered or recorded or delivered to the Collateral Agent for filing, registration or recording (except those to be filed, registered, recorded or delivered pursuant to Section 9.17(c)).

(c) The Collateral Agent shall have received, in respect of each Mortgaged Property owned by the Borrower or a Subsidiary Guarantor (except those to be provided

pursuant to Section 9.17(c)): a policy or policies of title insurance issued by a nationally recognized title insurance company insuring the Lien of each Mortgage as a valid Lien on the Mortgaged Property described therein, free of any other Liens except as expressly permitted by Section 10.2 or the Collateral Agent, together with such endorsements, coinsurance and reinsurance as the Collateral Agent may reasonably request.

(d) The Borrower shall deliver to the Collateral Agent a completed Perfection Certificate, executed and delivered by an Authorized Officer of the Borrower, together with all attachments contemplated thereby.

6.3 Legal Opinions. The Administrative Agent shall have received the executed legal opinions of (a) Simpson Thacher & Bartlett LLP, special New York counsel to the Borrower, substantially in the form of Exhibit I-1 and (b) local counsel to the Borrower in certain jurisdictions as may be reasonably requested by the Administrative Agent, substantially in the form(s) of Exhibit I-2. The Borrower, the other Credit Parties and the Administrative Agent hereby instruct such counsel to deliver such legal opinions.

6.4 [Intentionally Omitted]

6.5 Equity Investments; Existing Indebtedness. (a) Equity Contribution in an amount equal to not less than the Minimum Equity Contribution Amount shall have been made, and Equity Investments in an amount equal to not less than the Minimum Equity Investment Amount shall have been made and (b) after giving effect to the Transactions, the Borrower and its Subsidiaries shall have no outstanding Indebtedness other than (A) the loans and other extensions of credit under the Revolving Credit Loans and the Term Loans and (B) other Indebtedness listed on Schedule 10.1.

6.6 Closing Certificates. The Administrative Agent shall have received a certificate of each Credit Party, dated the Closing Date, substantially in the form of Exhibit J, with appropriate insertions, executed by the President or any Vice President and the Secretary or any Assistant Secretary of such Credit Party, and attaching the documents referred to in Section 6.7.

6.7 Organizational Documents; Incumbency. The Administrative Agent shall have received a copy of (a) each Organizational Document of each Credit Party certified, to the extent applicable, as of a recent date by the applicable Governmental Authority, (b) signature and incumbency certificates of the Authorized Officers of each Credit Party executing the Credit Documents to which it is a party; (c) resolutions of the Board of Directors or similar governing body of each Credit Party (A) approving and authorizing the execution, delivery and performance of Credit Documents to which it is a party and (B) in the case of the Borrower, the extensions of credit contemplated hereunder, certified as of the Closing Date by its secretary or an assistant secretary as being in full force and effect without modification or amendment and (d) a good standing certificate from the applicable Governmental Authority of each Credit Party's jurisdiction of incorporation, organization or formation.

6.8 Fees. The Co-Lead Arrangers and the Collateral Agent shall have received the fees to be received on the Closing Date set forth in the Fee Letter. The Lenders shall have received the fees in the amounts previously agreed in writing by the Agents and such Lenders to be

received on the Closing Date and all expenses (including the reasonable fees, disbursements and other charges of counsel) for which invoices have been presented prior to the Closing Date shall have been paid.

6.9 Representations and Warranties. On the Closing Date, the representations and warranties made by the Credit Parties in Section 8.2, Section 8.5 and Section 8.7, as they relate to the Credit Parties at such time, shall be true and correct in all material respects.

6.10 Related Agreements. Administrative Agent shall have received a fully executed or conformed copy of the Merger Agreement which shall be in full force and effect.

6.11 Solvency Certificate. On the Closing Date, Administrative Agent shall have received a certificate from an Authorized Officer of the Borrower, with appropriate attachments and demonstrating that after giving effect to the consummation of the Transactions, the Borrower on a consolidated basis with its Subsidiaries is Solvent.

6.12 Historical Financial Statements. Lenders shall have received the Historical Financial Statements.

6.13 Merger. Concurrently with the initial Credit Event made hereunder, the Merger shall have been consummated in accordance with the terms of the Merger Agreement, without giving effect to any amendments or waivers thereto that are materially adverse to the Lenders without the reasonable consent of the Agents.

6.14 Insurance. Certificates of insurance evidencing the existence of insurance to be maintained by the Borrower pursuant to Section 9.3 and, if applicable, the designation of the Collateral Agent as an additional insured and loss payee as its interest may appear thereunder, or solely as the additional insured, as the case may be, thereunder (provided that if such endorsement as additional insured cannot be delivered by the Closing Date, the Administrative Agent may consent to such endorsement being delivered at such later date as it deems appropriate in the circumstances).

6.15 Pro Forma Financial Statements. The Administrative Agent shall have received a pro forma consolidated balance sheet of Borrower as of December 31, 2006 and a pro forma statement of income for the twelve month period ending on such balance sheet date, in each case, after giving effect to the Transactions, together with a certificate of an Authorized Officer of Borrower to the effect that such balance sheets accurately present the pro forma financial position of Borrower and its Subsidiaries (but, in any event, excluding the effects of purchase accounting).

6.16 [Intentionally Omitted]

6.17 [Intentionally Omitted]

6.18 Leverage. The Borrower shall have delivered evidence to the reasonable satisfaction of the Administrative Agent demonstrating that the ratio of (a) Consolidated Total Debt of the Borrower and its Subsidiaries as of the Closing Date after giving effect to the initial Loans and to the other Transactions, to (b) Consolidated EBITDA of the Borrower for the twelve

(12) month period ending December 31, 2006, determined on a pro forma basis after giving effect to the after giving effect to the initial Loans and to the other Transactions, shall be not greater than 4.40:1.00.

6.19 [Intentionally Omitted]

6.20 Legal and Organizational Structure. McJunkin Appalachian Oil Field Supply Company, a Delaware corporation, shall be a wholly-owned Subsidiary of the Borrower and a Guarantor.

SECTION 7. Conditions Precedent to All Credit Events

The agreement of each Lender to make any Loan requested to be made by it on any date is subject to the satisfaction of the following conditions precedent:

7.1 No Default; Representations and Warranties. At the time of each Credit Event and also after giving effect thereto (other than any Credit Event on the Closing Date) (a) no Default or Event of Default shall have occurred and be continuing, and (b) all representations and warranties made by any Credit Party contained herein or in the other Credit Documents shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date of such Credit Event (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date).

7.2 Notice of Borrowing Prior to the making of each Term Loan, the Administrative Agent shall have received a Notice of Borrowing (whether in writing or by telephone) meeting the requirements of Section 2.3.

The acceptance of the benefits of each Credit Event shall constitute a representation and warranty by each Credit Party to each of the Lenders that all the applicable conditions specified above exist as of that time.

SECTION 8. Representations, Warranties and Agreements

In order to induce the Lenders to enter into this Agreement, to make the Loans as provided for herein, the Borrower (with respect to itself and its Subsidiaries) makes the following representations and warranties to, and agreements with, the Lenders, all of which shall survive the execution and delivery of this Agreement and the making of the Loans and the issuance of the Letters of Credit:

8.1 Corporate Status. The Borrower and each Material Subsidiary (a) is a duly organized and validly existing corporation or other entity in good standing under the laws of the jurisdiction of its organization and has the corporate or other organizational power and authority to own its property and assets and to transact the business in which it is engaged and (b) has duly qualified and is authorized to do business and is in good standing in all jurisdictions where it is required to be so qualified, except where the failure to be so qualified could not reasonably be expected to result in a Material Adverse Effect.

8.2 Corporate Power and Authority. Each Credit Party has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Credit Documents to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Credit Documents to which it is a party. Each Credit Party has duly executed and delivered each Credit Document to which it is a party and each such Credit Document constitutes the legal, valid and binding obligation of such Credit Party enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and subject to general principles of equity. Each Credit Party is in compliance with all laws, orders, writs and injunctions except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

8.3 No Violation. Neither the execution, delivery or performance by any Credit Party of the Credit Documents to which it is a party nor compliance with the terms and provisions thereof nor the consummation of the Merger and the other transactions contemplated hereby or thereby will (a) contravene any applicable provision of any material law, statute, rule, regulation, order, writ, injunction or decree of any court or governmental instrumentality, (b) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of the property or assets of such Credit Party or any of the Restricted Subsidiaries (other than Liens created under the Credit Documents) pursuant to, the terms of any material indenture, loan agreement, lease agreement, mortgage, deed of trust, agreement or other material instrument to which such Credit Party or any of the Restricted Subsidiaries is a party or by which it or any of its property or assets is bound or (c) violate any provision of the certificate of incorporation, by-laws or other constitutional documents of such Credit Party or any of the Restricted Subsidiaries.

8.4 Litigation. There are no actions, suits or proceedings (including Environmental Claims) pending or, to the knowledge of the Borrower, threatened with respect to the Borrower or any of its Subsidiaries that could reasonably be expected to result in a Material Adverse Effect or a Material Adverse Change.

8.5 Margin Regulations. Neither Borrower nor any of its Subsidiaries is engaged principally, as one or more of its important activities, in the business of extending credit for the purpose of purchasing any "margin stock" as defined in Regulation U. Neither the making of any Loan hereunder nor the use of the proceeds thereof will violate the provisions of Regulation T, U or X of the Board.

8.6 Governmental Approvals. The execution, delivery and performance of the Merger Agreement or any Credit Document does not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except for (i) such as have been obtained or made and are in full force and effect, (ii) filings and recordings in respect of the Liens created pursuant to the Security Documents and (iii) such licenses, approvals, authorizations or consents the failure to obtain or make could not reasonably be expected to have a Material Adverse Effect.

8.7 Investment Company Act. No Credit Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

8.8 True and Complete Disclosure. (a) None of the factual information and data (taken as a whole) heretofore or contemporaneously furnished by or on behalf of the Borrower, any of the Subsidiaries or any of their respective authorized representatives in writing to the Administrative Agent and/or any Lender on or before the Closing Date (including (i) the Confidential Information Memorandum and (ii) all information contained in the Credit Documents) for purposes of or in connection with this Agreement or any transaction contemplated herein contained any untrue statement or omitted to state any material fact necessary to make such information and data (taken as a whole) not misleading at such time in light of the circumstances under which such information or data was furnished, it being understood and agreed that for purposes of this Section 8.8(a), such factual information and data shall not include projections and pro forma financial information.

(b) The projections and pro forma financial information contained in the information and data referred to in paragraph (a) above were based on good faith estimates and assumptions believed by such Persons to be reasonable at the time made, it being recognized by the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results.

8.9 Financial Condition; Financial Statements. The (a) unaudited historical consolidated financial information of the Borrower as set forth in the Confidential Information Memorandum, and (b) the Historical Financial Statements, in each case present or will, when provided, present fairly in all material respects the combined financial position of the Borrower and its Subsidiaries at the respective dates of said information, statements and results of operations for the respective periods covered thereby. The financial statements referred to in clause (b) of this Section 8.9 have been prepared in accordance with GAAP, consistently applied (except to the extent provided in the notes to said financial statements), and the audit reports accompanying such financial statements are not subject to any qualification as to the scope of the audit or the status of the Borrower as a going concern. There has been no Material Adverse Change since December 31, 2006.

8.10 Tax Returns and Payments. The Borrower and each of the Subsidiaries has filed all federal income tax returns and all other material tax returns, domestic and foreign, required to be filed by it and has paid all income and other material Taxes payable by it that have become due, other than those (a) not yet delinquent or (b) contested in good faith as to which adequate reserves have been provided in accordance with GAAP and which could not reasonably be expected to result in a Material Adverse Effect. The Borrower and each of the Subsidiaries have paid, or have provided adequate reserves (in the good faith judgment of the management of the Borrower) in accordance with GAAP for the payment of, all material federal, state, provincial and foreign income taxes applicable for all prior fiscal years and for the current fiscal year to the Closing Date.

8.11 Compliance with ERISA. (a) Each Plan is in compliance with ERISA, the Code and any applicable Requirement of Law; no Reportable Event has occurred (or is reasonably likely to occur) with respect to any Plan; no Plan is insolvent or in reorganization (or is reasonably likely to be insolvent or in reorganization), and no written notice of any such insolvency or reorganization has been given to the Borrower, any Subsidiary or any ERISA Affiliate; no Plan (other than a multiemployer plan) has an accumulated or waived funding deficiency (or is reasonably likely to have such a deficiency); none of the Borrower, any Subsidiary or any ERISA Affiliate has incurred (or is reasonably likely expected to incur) any liability to or on account of a Plan pursuant to Section 409, 502(i), 502(l), 515, 4062, 4063, 4064, 4069, 4201 or 4204 of ERISA or Section 4971 or 4975 of the Code or has been notified in writing that it will incur any liability under any of the foregoing Sections with respect to any Plan; no proceedings have been instituted (or are reasonably likely to be instituted) to terminate or to reorganize any Plan or to appoint a trustee to administer any Plan, and no written notice of any such proceedings has been given to the Borrower, any Subsidiary or any ERISA Affiliate; and no lien imposed under the Code or ERISA on the assets of the Borrower or any Subsidiary or any ERISA Affiliate exists (or is reasonably likely to exist) nor has the Borrower, any Subsidiary or any ERISA Affiliate been notified in writing that such a lien will be imposed on the assets of the Borrower, any Subsidiary or any ERISA Affiliate on account of any Plan, except to the extent that a breach of any of the representations, warranties or agreements in this Section 8.11 would not result, individually or in the aggregate, in an amount of liability that would be reasonably likely to have a Material Adverse Effect. No Plan (other than a multiemployer plan) has an Unfunded Current Liability that would, individually or when taken together with any other liabilities referenced in this Section 8.11, be reasonably likely to have a Material Adverse Effect. With respect to Plans that are multiemployer plans (as defined in Section 3(37) of ERISA), the representations and warranties in this Section 8.11(a), other than any made with respect to (i) liability under Section 4201 or 4204 of ERISA or (ii) liability for termination or reorganization of such Plans under ERISA, are made to the best knowledge of the Borrower.

(b) All Foreign Plans are in compliance with, and have been established, administered and operated in accordance with, the terms of such Foreign Plans and applicable law, except for any failure to so comply, establish, administer or operate the Foreign Plans as would not reasonably be expected to have a Material Adverse Effect. All contributions or other payments which are due with respect to each Foreign Plan have been made in full and there are no funding deficiencies thereunder, except to the extent any such events would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

8.12 Subsidiaries. Schedule 8.12 lists each Subsidiary of the Borrower (and the direct and indirect ownership interest of the Borrower therein), in each case existing on the Closing Date. To the knowledge of the Borrower, after due inquiry, each Material Subsidiary as of the Closing Date has been so designated on Schedule 8.12.

8.13 Intellectual Property. The Borrower and each of the Restricted Subsidiaries have obtained all intellectual property, free from burdensome restrictions, that are necessary for the operation of their respective businesses as currently conducted and as proposed to be conducted, except where the failure to obtain any such rights could not reasonably be expected to have a Material Adverse Effect.

8.14 Environmental Laws. (a) Except as could not reasonably be expected to have a Material Adverse Effect: (i) the Borrower and each of the Subsidiaries and all Real Estate are, and have been, in compliance with, and possess all permits, licenses and registrations required pursuant to, all Environmental Laws; (ii) neither the Borrower, nor any of the Subsidiaries is subject to any Environmental Claim or any other liability under any Environmental Law; (iii) the Borrower and its Subsidiaries are not conducting, or required to conduct, any investigation, removal, remedial or other corrective action pursuant to any Environmental Law at any location, including any Real Estate currently owned or leased by the Borrower or any of its Subsidiaries, and any real property to which the Borrower or any of its Subsidiaries may have sent Hazardous Materials; and (iv) no underground storage tank or related piping, or any impoundment or other disposal area containing Hazardous Materials is located at, on or under any Real Estate currently owned or leased by the Borrower or any of its Subsidiaries.

(b) Neither the Borrower, nor any of the Subsidiaries has treated, stored, transported, released or disposed or arranged for disposal or transport for disposal of Hazardous Materials at, on, under or from any currently or formerly owned or leased Real Estate or facility in a manner that could reasonably be expected to have a Material Adverse Effect.

8.15 Properties. (a) The Borrower and each of the Subsidiaries have good and marketable title to or leasehold interest in all properties that are necessary for the operation of their respective businesses as currently conducted and as proposed to be conducted, free and clear of all Liens (other than any Liens permitted by this Agreement or the Revolving Loan Credit Agreement) and except where the failure to have such good title could not reasonably be expected to have a Material Adverse Effect and (b) no Mortgage encumbers improved Real Estate that is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards within the meaning of the National Flood Insurance Act of 1968 unless flood insurance available under such Act has been obtained in accordance with Section 9.3.

8.16 Solvency. On the Closing Date (after giving effect to the Transactions), immediately following the making of each Loan and after giving effect to the application of the proceeds of such Loans, the Borrower on a consolidated basis with its Subsidiaries will be Solvent.

SECTION 9. Affirmative Covenants

The Borrower hereby covenants and agrees that on the Closing Date and thereafter, until the Commitments have terminated and the Loans, together with interest, Fees and all other Obligations incurred hereunder, are paid in full:

9.1 Information Covenants. The Borrower will furnish to the Administrative Agent:

(a) Annual Financial Statements. As soon as available and in any event on or before the date on which such financial statements are required to be filed with the SEC (or, if such financial statements are not required to be filed with the SEC, on or before the date that is 105 days after the end of each such fiscal year), (i) the consolidated balance

sheet of the Borrower and the Restricted Subsidiaries as at the end of such fiscal year, and the related consolidated statement of operations and consolidated statement of cash flows for such fiscal year, setting forth comparative consolidated figures for the preceding fiscal year, and certified by independent certified public accountants of recognized national standing whose opinion shall not be qualified as to the scope of audit or as to the status of the Borrower or any of the Material Subsidiaries (or group of Subsidiaries that together would constitute a Material Subsidiary) as a going concern, together in any event with a certificate of such accounting firm stating that in the course of its regular audit of the business of the Borrower and the Material Subsidiaries, which audit was conducted in accordance with generally accepted auditing standards, such accounting firm has obtained no knowledge of any Default or Event of Default relating to Sections 10.9, 10.10 or 10.11 that has occurred and is continuing or, if in the opinion of such accounting firm such a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and (ii) with respect to the fiscal year ending December 31, 2007 only, the unaudited balance sheet of McJunkin Appalachian Oil Field Supply Company as at the end of such fiscal year, and the related income statement for such fiscal year, each of which shall be certified by a Financial Officer of the Borrower.

(b) Quarterly Financial Statements. As soon as available and in any event on or before the date on which such financial statements are required to be filed with the SEC with respect to each of the first three quarterly accounting periods in each fiscal year of the Borrower (or, if such financial statements are not required to be filed with the SEC, on or before the date that is forty-five (45) days after the end of each such quarterly accounting period), (i) the consolidated balance sheet of (A) the Borrower and the Restricted Subsidiaries and (B) the Borrower and its Subsidiaries, in each case as at the end of such quarterly period and the related consolidated statement of operations for such quarterly accounting period and for the elapsed portion of the fiscal year ended with the last day of such quarterly period, and the related consolidated statement of cash flows for the elapsed portion of the fiscal year ended with the last day of such quarterly period, and setting forth comparative consolidated figures for the related periods in the prior fiscal year or, in the case of such consolidated balance sheet, for the last day of the prior fiscal year, all of which shall be certified by a Financial Officer of the Borrower, subject to changes resulting from audit and normal year-end audit adjustments and (ii) with respect to the 2007 fiscal year only, the balance sheet of McJunkin Appalachian Oil Field Supply Company as at the end of such quarterly period and the related income statement for such quarterly accounting period and for the elapsed portion of the fiscal year ended with the last day of such quarterly period, all of which shall be certified by a Financial Officer of the Borrower, subject to changes resulting from audit and normal year-end audit adjustments.

(c) Monthly Financial Statements. As soon as available and in any event on or before the date that is thirty (30) days after the end of each fiscal month of Borrower, the consolidated balance sheet of (i) the Borrower and the Restricted Subsidiaries and (ii) the Borrower and its Subsidiaries, in each case as at the end of such fiscal month and the related consolidated statement of operations for such fiscal month and for the elapsed portion of the fiscal year ended with

the last day of such fiscal month, and the related consolidated statement of cash flows for the elapsed portion of the fiscal year ended with the last day of such fiscal month, and setting forth comparative consolidated figures for the related periods in the prior fiscal year or, in the case of such consolidated balance sheet, for the last day of the prior fiscal year, all of which shall be certified by a Financial Officer of the Borrower, subject to changes resulting from audit and normal year-end audit adjustments.

(d) Budgets. Not more than sixty (60) days after the commencement of each fiscal year of the Borrower, a budget of the Borrower in reasonable detail for such fiscal year as customarily prepared by management of the Borrower for their internal use consistent in scope with the financial statements provided pursuant to Section 9.1(a), setting forth the principal assumptions upon which such budgets are based.

(e) Officer's Certificates. At the time of the delivery of the financial statements provided for in Sections 9.1(a) and (b), a certificate of an Authorized Officer of the Borrower to the effect that no Default or Event of Default exists or, if any Default or Event of Default does exist, specifying the nature and extent thereof, which certificate shall set forth (i) the calculations required to establish whether the Borrower and the Subsidiaries were in compliance with the provisions of Sections 10.9 and 10.10 as at the end of such fiscal year or period, as the case may be, (ii) a specification of any change in the identity of the Restricted Subsidiaries and Unrestricted Subsidiaries as at the end of such fiscal year or period, as the case may be, from the Restricted Subsidiaries and Unrestricted Subsidiaries, respectively, provided to the Lenders on the Closing Date or the most recent fiscal year or period, as the case may be, (iii) the amount of any Pro Forma Adjustment not previously set forth in a Pro Forma Adjustment Certificate or any change in the amount of a Pro Forma Adjustment set forth in any Pro Forma Adjustment Certificate previously provided and, in either case, in reasonable detail, the calculations and basis therefor. At the time of the delivery of the financial statements provided for in Section 9.1(a), (i) a certificate of an Authorized Officer of the Borrower setting forth in reasonable detail the Applicable Amount as at the end of the fiscal year to which such financial statements relate and (ii) a certificate of an Authorized Officer of the Borrower setting forth the information required pursuant to Section 1(a) of the Perfection Certificate or confirming that there has been no change in such information since the Closing Date or the date of the most recent certificate delivered pursuant to this subsection (e)(ii), as the case may be.

(f) [Intentionally Omitted]

(g) [Intentionally Omitted]

(h) Notice of Default or Litigation. Promptly after an Authorized Officer of the Borrower or any of the Subsidiaries obtains knowledge thereof, notice of (i) the occurrence of any event that constitutes a Default or Event of Default, which notice shall specify the nature thereof, the period of existence thereof and what action the Borrower proposes to take with respect thereto and (ii) any litigation or governmental proceeding pending against the Borrower or any of the Subsidiaries that could reasonably be expected to result in a Material Adverse Effect or a Material Adverse Change.

(i) Environmental Matters. The Borrower will promptly advise the Administrative Agent in writing after obtaining knowledge of any one or more of the following environmental matters, unless such environmental matters could not, individually or when aggregated with all other such matters, be reasonably expected to result in a Material Adverse Effect:

(i) Any pending or threatened Environmental Claim against any Credit Party or any current or former Real Estate;

(ii) Any condition or occurrence on or otherwise related to any current or former Real Estate that (x) could reasonably be expected to result in noncompliance by any Credit Party with any applicable Environmental Law or (y) could reasonably be anticipated to form the basis of an Environmental Claim against any Credit Party or any current or former Real Estate;

(iii) Any condition or occurrence on or otherwise related to any current or former Real Estate that could reasonably be anticipated to cause such Real Estate to be subject to any restrictions on the ownership, occupancy, use or transferability of such Real Estate under any Environmental Law; and

(iv) The conduct or need to conduct of any investigation, or any removal, remedial or other corrective action in response to the actual or alleged presence, release or threatened release of any Hazardous Material on, at, under or from any current or former Real Estate or otherwise related to Environmental Law.

All such notices shall describe in reasonable detail the nature of the claim, investigation, condition, occurrence or removal or remedial action and the response thereto. The term “Real Estate” shall mean land, buildings and improvements owned or leased by any Credit Party, but excluding all operating fixtures and equipment, whether or not incorporated into improvements.

(j) Other Information. Promptly upon filing thereof, copies of any filings (including on Form 10-K, 10-Q or 8-K) or registration statements with, and reports to, the SEC or any analogous Governmental Authority in any relevant jurisdiction by the Borrower or any of the Subsidiaries (other than amendments to any registration statement (to the extent such registration statement, in the form it becomes effective, is delivered to the Lenders and the Administrative Agent), exhibits to any registration statement and, if applicable, any registration statements on Form S-8) and copies of all financial statements, proxy statements, notices and reports that the Borrower or any of the Subsidiaries shall send to the holders of any publicly issued debt of the Borrower and/or any of the Subsidiaries in their capacity as such holders (in each case to the extent not theretofore delivered to the Lenders and the Administrative Agent pursuant to this Agreement) and, with reasonable promptness, such other information (financial or otherwise) as the Administrative Agent on its own behalf or on behalf of any Lender (acting through the Administrative Agent) may reasonably request in writing from time to time.

(k) Pro Forma Adjustment Certificate. Not later than any date on which financial statements are delivered with respect to any Test Period in which a Pro Forma Adjustment is made as a result of the consummation of the acquisition of any Acquired Entity or Business by the Borrower or any Restricted Subsidiary for which there shall be a Pro Forma Adjustment, a certificate of an Authorized Officer of the Borrower setting forth the amount of such Pro Forma Adjustment and, in reasonable detail, the calculations and basis therefor.

(l) Information Regarding Collateral. Not later than sixty (60) days following the occurrence of any change referred to in subclauses (i) through (iv) below, written notice of any change (i) in the legal name of any Credit Party, (ii) in the jurisdiction of organization or location of any Credit Party for purposes of the Uniform Commercial Code, (iii) in the identity or type of organization of any Credit Party or (iv) in the Federal Taxpayer Identification Number or organizational identification number of any Credit Party. The Borrower shall also promptly provide the Collateral Agent with certified Organizational Documents reflecting any of the changes described in the first sentence of this clause (1).

Notwithstanding the foregoing, the obligations in paragraphs (a) and (b) of this Section 9.1 may be satisfied with respect to financial information of the Borrower and the Restricted Subsidiaries by furnishing (A) the applicable financial statements of any direct or indirect parent of the Borrower or (B) the Borrower's (or any direct or indirect parent thereof's), as applicable, Form 10-K or 10-Q, as applicable, filed with the SEC; provided that, with respect to each of clauses (A) and (B) above, to the extent such information relates to a parent of the Borrower, such information is accompanied by consolidating information that explains in reasonable detail the differences between the information relating to such parent, on the one hand, and the information relating to the Borrower and the Restricted Subsidiaries on a standalone basis, on the other hand.

9.2 Books, Records and Inspections. The Borrower will, and will cause each of the Subsidiaries to, permit officers and designated representatives of the Administrative Agents or the Required Lenders to visit and inspect any of the properties or assets of the Borrower and any such Subsidiary in whomsoever's possession to the extent that it is within such party's control to permit such inspection, and to examine the books and records of the Borrower and any such Subsidiary and discuss the affairs, finances and accounts of the Borrower and of any such Subsidiary with, and be advised as to the same by, its and their officers and independent accountants, all at such reasonable times and intervals and to such reasonable extent as the Administrative Agents or the Required Lenders may desire; provided that, excluding any such visits and inspections during the continuation of an Event of Default, only the Administrative Agent (or any of their respective representatives or independent contractors) on behalf of the Required Lenders may exercise rights of the Administrative Agent and the Lenders under this Section 9.2 and the Administrative Agent shall not exercise such rights more often than two times during any calendar year absent the existence of an Event of Default and only one such time shall be at the Borrower's expense; provided further that when an Event of Default exists, the Administrative Agent (or any of its representatives or independent contractors) or any representative of the Required Lenders may do any of the foregoing at the expense of the Borrower at any time during normal business hours and upon reasonable advance notice. The

Administrative Agent and the Required Lenders shall give the Borrower the opportunity to participate in any discussions with the Borrower's independent public accountants.

9.3 Maintenance of Insurance. The Borrower will, and will cause each of the Material Subsidiaries to, at all times maintain in full force and effect, with insurance companies that the Borrower believes (in the good faith judgment of the management of the Borrower) are financially sound and responsible at the time the relevant coverage is placed or renewed, insurance in at least such amounts (after giving effect to any self-insurance which the Borrower believes (in the good faith judgment of management of the Borrower) is reasonable and prudent in light of the size and nature of its business) and against at least such risks (and with such risk retentions) as the Borrower believes (in the good faith judgment of management of the Borrower) is reasonable and prudent in light of the size and nature of its business; and will furnish to the Administrative Agent (for deliver to the Lenders), upon written request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried. Each such policy of insurance shall (i) name Collateral Agent, on behalf of Secured Parties as an additional insured thereunder as its interests may appear and (ii) in the case of each casualty insurance policy, contain a loss payable clause or endorsement reasonably satisfactory in form and substance to Collateral Agent, that names Collateral Agent, on behalf of Lenders as the loss payee thereunder and provides for at least thirty days' prior written notice to Collateral Agent of any modification or cancellation of such policy.

9.4 Payment of Taxes. Each Credit Party will pay and discharge, and will cause each of the Subsidiaries to pay and discharge, all material taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which material penalties attach thereto, and all lawful material claims that, if unpaid, could reasonably be expected to become a material Lien upon any properties of each Credit Party or any of the Restricted Subsidiaries, provided that no Credit Party, nor any of the Subsidiaries shall be required to pay any such tax, assessment, charge, levy or claim that is being contested in good faith and by proper proceedings if it has maintained adequate reserves (in the good faith judgment of the management of the Borrower) with respect thereto in accordance with GAAP and the failure to pay could not reasonably be expected to result in a Material Adverse Effect.

9.5 Consolidated Corporate Franchises. The Borrower will do, and will cause each Material Subsidiary to do, or cause to be done, all things necessary to preserve and keep in full force and effect its existence, corporate rights and authority, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect; provided, however, that the Borrower and its Subsidiaries may consummate any transaction permitted under Section 10.3, 10.4 or 10.5.

9.6 Compliance with Statutes, Regulations, etc. The Borrower will, and will cause each Subsidiary to, comply with all applicable laws, rules, regulations and orders applicable to it or its property, including all governmental approvals or authorizations required to conduct its business, and to maintain all such governmental approvals or authorizations in full force and effect, in each case except where the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

9.7 ERISA. Promptly after the Borrower or any Subsidiary or any ERISA Affiliate knows or has reason to know of the occurrence of any of the following events that, individually or in the aggregate (including in the aggregate such events previously disclosed or exempt from disclosure hereunder, to the extent the liability therefor remains outstanding), would be reasonably likely to have a Material Adverse Effect, the Borrower will deliver to each of the Lenders a certificate of an Authorized Officer or any other senior officer of the Borrower setting forth details as to such occurrence and the action, if any, that the Borrower, such Subsidiary or such ERISA Affiliate is required or proposes to take, together with any notices (required, proposed or otherwise) given to or filed with or by the Borrower, such Subsidiary, such ERISA Affiliate, the PBGC, a Plan participant (other than notices relating to an individual participant's benefits) or the Plan administrator with respect thereto: that a Reportable Event has occurred; that an accumulated funding deficiency has been incurred or an application is to be made to the Secretary of the Treasury for a waiver or modification of the minimum funding standard (including any required installment payments) or an extension of any amortization period under Section 412 of the Code with respect to a Plan; that a Plan having an Unfunded Current Liability has been or is to be terminated, reorganized, partitioned or declared insolvent under Title IV of ERISA (including the giving of written notice thereof); that a Plan has an Unfunded Current Liability that has or will result in a lien under ERISA or the Code; that proceedings will be or have been instituted to terminate a Plan having an Unfunded Current Liability (including the giving of written notice thereof); that a proceeding has been instituted against the Borrower, a Subsidiary or an ERISA Affiliate pursuant to Section 515 of ERISA to collect a delinquent contribution to a Plan; that the PBGC has notified the Borrower, any Subsidiary or any ERISA Affiliate of its intention to appoint a trustee to administer any Plan; that the Borrower, any Subsidiary or any ERISA Affiliate has failed to make a required installment or other payment pursuant to Section 412 of the Code with respect to a Plan; or that the Borrower, any Subsidiary or any ERISA Affiliate has incurred or will incur (or has been notified in writing that it will incur) any liability (including any contingent or secondary liability) to or on account of a Plan pursuant to Section 409, 502(i), 502(l), 515, 4062, 4063, 4064, 4069, 4201 or 4204 of ERISA or Section 4971 or 4975 of the Code.

9.8 Maintenance of Properties. The Borrower will, and will cause each of the Restricted Subsidiaries to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, except to the extent that the failure to do so could reasonably be expected to have a Material Adverse Effect.

9.9 Transactions with Affiliates. The Borrower will conduct, and cause each of the Restricted Subsidiaries to conduct, all transactions with any of its Affiliates (other than the Borrower or the Restricted Subsidiaries) on terms that are substantially as favorable to the Borrower or such Restricted Subsidiary as it would obtain in a comparable arm's-length transaction with a Person that is not an Affiliate, provided that the foregoing restrictions shall not apply to (a) the payment of customary fees to the Sponsors for management, consulting and financial services rendered to the Borrower and the Subsidiaries and customary investment banking fees paid to the Sponsors for services rendered to the Borrower and the Subsidiaries in connection with divestitures, acquisitions, financings and other transactions, (b) transactions permitted by Section 10.6, (c) Transaction Expenses, (d) the issuance of Stock or Stock Equivalents of the Borrower to the management of the Borrower (or any direct or indirect parent thereof) or any of its Subsidiaries in connection with the Transactions or pursuant to

arrangements described in clause (f) of this Section 9.9, (e) loans and other transactions by the Borrower and the Restricted Subsidiaries to the extent permitted under Section 10, (f) employment and severance arrangements between the Borrower and the Restricted Subsidiaries and their respective officers and employees in the ordinary course of business, (g) payments by the Borrower (and any direct or indirect parent thereof) and the Restricted Subsidiaries pursuant to the tax sharing agreements among the Borrower (and any such parent) and the Restricted Subsidiaries on customary terms to the extent attributable to the ownership or operation of the Borrower and the Restricted Subsidiaries, (h) the payment of customary fees and reasonable out of pocket costs to, and indemnities provided on behalf of, directors, managers, consultants, officers and employees of the Borrower and the Restricted Subsidiaries in the ordinary course of business to the extent attributable to the ownership or operation of the Borrower and the Restricted Subsidiaries, (i) transactions pursuant to permitted agreements in existence on the Closing Date and set forth on Schedule 9.9 or any amendment thereto to the extent such an amendment is not adverse, taken as a whole, to the Lenders in any material respect, and (j) customary payments by the Borrower and any Restricted Subsidiaries to the Sponsors made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities (including in connection with acquisitions or divestitures), which payments are approved by the majority of the members of the board of directors or a majority of the disinterested members of the board of directors of the Borrower (or any direct or indirect parent thereof), in good faith.

9.10 End of Fiscal Years; Fiscal Quarters. The Borrower will, for financial reporting purposes, cause (a) each of its, and each of its Subsidiaries', fiscal years to end on December 31 of each year and (b) each of its, and each of its Subsidiaries', fiscal quarters to end on dates consistent with such fiscal year-end and the Borrower's past practice; provided, however, that the Borrower may, upon written notice to the Administrative Agent, change the financial reporting convention specified above to any other financial reporting convention reasonably acceptable to the Administrative Agent, in which case the Borrower and the Administrative Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary in order to reflect such change in financial reporting.

9.11 Additional Guarantors and Grantors. Except as set forth in Section 10.1(j) or 10.1(k) and subject to any applicable limitations set forth in the Security Documents, the Borrower will cause each direct or indirect Subsidiary (other than any Excluded Subsidiary) formed or otherwise purchased or acquired after the date hereof (including pursuant to a Permitted Acquisition) to execute a supplement to each of the Guarantee and the Security Agreement, substantially in the form of Annex B or Annex 1, as applicable, to the respective agreement in order to become a Guarantor under the Guarantee and a grantor under Security Agreement or, to the extent reasonably requested by the Collateral Agent, enter into a new Security Agreement in form and substance reasonably satisfactory to the Collateral Agent.

9.12 Pledges of Additional Stock and Evidence of Indebtedness(a) . (a) Except as set forth in Section 10.1(j) or (k) and subject to any applicable limitations set forth in the Security Documents or with respect to which, in the reasonable judgment of the Administrative Agent and the Collateral Agent (confirmed in writing by notice to the Borrower), the cost or other consequences (including any adverse tax consequences) of doing so shall be excessive in view of the benefits to be obtained by the Lenders therefrom, the Borrower will pledge, and, if

applicable, will cause each Subsidiary Guarantor to pledge, to the Collateral Agent for the benefit of the Secured Parties, (i) all the Stock of each Domestic Subsidiary (other than any Excluded Subsidiary) held by the Borrower or any Subsidiary Guarantor and the Stock of any Foreign Subsidiary (other than any Excluded Subsidiary) held directly by the Borrower or any Subsidiary Guarantor (provided that in no event shall more than 65% of the issued and outstanding Stock of any such Foreign Subsidiary be so pledged), in each case, formed or otherwise purchased or acquired after the date hereof, in each case pursuant to the Pledge Agreement (or a supplement thereto) in form and substance reasonably satisfactory to Administrative Agent and the Collateral Agent, (ii) all evidences of Indebtedness in excess of $5,000,000 received by the Borrower or any of the Subsidiary Guarantors in connection with any disposition of assets pursuant to Section 10.4(b), in each case pursuant to the Pledge Agreement (or a supplement thereto) in form and substance reasonably satisfactory to Administrative Agent and the Collateral Agent and (iii) any promissory notes executed after the date hereof evidencing Indebtedness of the Borrower, each Subsidiary that is owing to the Borrower or any Subsidiary Guarantor, in each case pursuant the Pledge Agreement (or a supplement thereto) in form and substance reasonably satisfactory to the Administrative Agent and the Collateral Agent.

(b) The Borrower agrees that all Indebtedness in excess of $5,000,000 of the Borrower and each Subsidiary that is owing to any Credit Party pledged pursuant to the Pledge Agreement shall be evidenced by one or more promissory notes.

9.13 Use of Proceeds(a) . The Borrower will use the proceeds of all Term Loans made on the Closing Date to effect the Merger, to repay indebtedness and to pay Transaction Expenses.

9.14 [Intentionally Omitted].

9.15 Interest Rate Protection. No later than 90 days following the Closing Date and at all times thereafter until the third anniversary of the Closing Date, Borrower shall obtain and cause to be maintained protection against fluctuations in interest rates pursuant to one or more Interest Rate Agreements in order to ensure that no less than 50% of the aggregate principal amount of the total Indebtedness of the Borrower and its Subsidiaries then outstanding is either (i) subject to such Interest Rate Agreements or (ii) Indebtedness that bears interest at a fixed rate.

9.16 [Intentionally Omitted].

9.17 Further Assurances(a) . (a) The Borrower will, and will cause each other Credit Party to, 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), which may be required under any applicable law, or which the Collateral Agent or the Required Lenders may reasonably request, in order to grant, preserve, protect and perfect the validity and priority of the security interests created or intended to be created by the Security Documents, all at the expense of the Borrower and the Restricted Subsidiaries.

(b) If any assets having a book value or fair market value in excess of $1,000,000 are acquired by the Borrower or any other Credit Party after the Closing Date (other than assets constituting Collateral under the Security Agreement that become subject to the Lien of the Security Agreement upon acquisition thereof) that are of the nature secured by the Security Agreement or any Mortgage, as the case may be, the Borrower will notify the Collateral Agent, and, if requested by the Collateral Agent, the Borrower will cause such assets to be subjected to a Lien securing the applicable Obligations and will take, and cause the other Credit Parties to take, such actions as shall be necessary or reasonably requested by the Collateral Agent to grant and perfect such Liens consistent with the applicable requirements of the Security Documents, including actions described in clause (a) of this Section 9.17, all at the expense of the Borrower.

(c) The Borrower agrees that it will, or will cause its relevant Subsidiaries to, complete each of the actions described on Schedule 9.17(c) as soon as commercially reasonable and by no later than the date set forth in Schedule 9.17(c) with respect to such action or such later date as the Administrative Agent may reasonably agree.

SECTION 10. Negative Covenants

The Borrower (for itself and each of its Restricted Subsidiaries) hereby covenants and agrees that on the Closing Date (immediately after consummation of the Merger) and thereafter, until the Commitments have terminated and the Loans, together with interest, Fees and all other Obligations incurred hereunder, are paid in full:

10.1 Limitation on Indebtedness. The Borrower will not, and will not permit any of the Restricted Subsidiaries to, create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness arising under the Credit Documents and the Revolving Loan Credit Agreement;

(b) Indebtedness of (i) the Borrower or any Subsidiary Guarantor owing to the Borrower or any Restricted Subsidiary, (ii) any Subsidiary who is not a Guarantor owing to any other Subsidiary who is not a Guarantor and (iii) subject to compliance with Section 10.5, any Subsidiary who is not a Guarantor owing to the Borrower or any Subsidiary Guarantor;

(c) Indebtedness in respect of any bankers' acceptance, bank guarantees, letter of credit, warehouse receipt or similar facilities entered into in the ordinary course of business (including in respect of workers compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement-type obligations regarding workers compensation claims);

(d) subject to compliance with Section 10.5, Guarantee Obligations incurred by (i) Restricted Subsidiaries in respect of Indebtedness of the Borrower or other Restricted Subsidiaries that is permitted to be incurred under this Agreement and (ii) the Borrower in respect of Indebtedness of the Restricted Subsidiaries that is permitted to be incurred under this Agreement, provided that, except as provided in clauses (j) and (k) below, there shall be

no Guarantee (a) by a Restricted Subsidiary that is not a Guarantor of any Indebtedness of the Borrower and (b) in respect of any Permitted Additional Debt, unless such Guarantee is made by a Guarantor and, in the case of Permitted Additional Debt that is subordinated, is subordinated;

(e) Guarantee Obligations (i) incurred in the ordinary course of business in respect of obligations of (or to) suppliers, customers, franchisees, lessors and licensees or (ii) or otherwise constituting Investments permitted by Section 10.5;

(f) (i) Indebtedness (including Indebtedness arising under Capital Leases) incurred within 270 days of the acquisition, construction or improvement of fixed or capital assets to finance the acquisition, construction or improvement of such fixed or capital assets, (ii) Indebtedness arising under Capital Leases entered into in connection with Permitted Sale Leasebacks and (iii) Indebtedness arising under Capital Leases, other than Capital Leases in effect on the date hereof and Capital Leases entered into pursuant to subclauses (i) and (ii) above, provided, that the aggregate amount of Indebtedness incurred pursuant to this subclause (iii) shall not exceed $20,000,000 at any time outstanding, and (iv) any modification, replacement, refinancing, refunding, renewal or extension of any Indebtedness specified in subclause (i), (ii) or (iii) above, provided that, except to the extent otherwise expressly permitted hereunder, the principal amount thereof (including pursuant to clause (iii)) does not exceed the principal amount thereof outstanding immediately prior to such modification, replacement, refinancing, refunding, renewal or extension, except by an amount equal to the unpaid accrued interest and premium thereon plus other reasonable amounts paid and fees and expenses incurred in connection with such modification, replacement, refinancing, refunding, renewal or extension;

(g) Indebtedness outstanding on the date hereof (i) listed on Schedule 10.1 and any modification, replacement, refinancing, refunding, renewal or extension thereof, provided that, except to the extent otherwise expressly permitted hereunder, (x) the principal amount thereof does not exceed the principal amount thereof outstanding immediately prior to such modification, replacement, refinancing, refunding, renewal or extension, except by an amount equal to the unpaid accrued interest and premium thereon plus other reasonable amounts paid and fees and expenses incurred in connection with such modification, replacement, refinancing, refunding, renewal or extension plus an amount equal to any existing commitment unutilized and letters of credit undrawn thereunder and (y) the direct and contingent obligors with respect to such Indebtedness are not changed and (ii) owing by the Borrower to any Restricted Subsidiary or by any Restricted Subsidiary to the Borrower or any other Restricted Subsidiary;

(h) Indebtedness in respect of Hedge Agreements;

(i) [Reserved];

(j) (i) Indebtedness of a Person or Indebtedness attaching to assets of a Person that, in either case, becomes a Restricted Subsidiary (or is a Restricted Subsidiary that survives a merger with such Person) or Indebtedness attaching to assets that are acquired by the Borrower or any Restricted Subsidiary, in each case after the Closing Date as the result of a

Permitted Acquisition, provided, that (w) such Indebtedness existed at the time such Person became a Restricted Subsidiary or at the time such assets were acquired and, in each case, was not created in anticipation thereof, (x) such Indebtedness is not guaranteed in any respect by the Borrower or any Restricted Subsidiary (other than by any such Person that so becomes a Restricted Subsidiary or is the survivor of a merger with such Person and any of its Subsidiaries) and (y)(A) the Stock and Stock Equivalents of such Person is pledged to the Collateral Agent to the extent required under Section 9.12 and (B) such Person executes a supplement to each of the Guarantee, the Security Agreement and the Pledge Agreement to the extent required under Section 9.11 or 9.12, as applicable, provided that the requirements of this subclause (y) and the preceding proviso shall not apply to (I) an aggregate amount at any time outstanding of up to $150,000,000 (less all Indebtedness as to which the proviso to clause (k)(i)(y) below then applies) at such time of the aggregate of such Indebtedness (and modifications, replacements, refinancings, refundings, renewals and extensions thereof pursuant to subclause (ii) below) and (II) any Indebtedness of the type that could have been incurred under Section 10.1(f), and (ii) any modification, replacement, refinancing, refunding, renewal or extension of any Indebtedness specified in subclause (i) above, provided that, except to the extent otherwise expressly permitted hereunder, (X) the principal amount of any such Indebtedness does not exceed the principal amount thereof outstanding immediately prior to such modification, replacement, refinancing, refunding, renewal or extension except by an amount equal to the unpaid accrued interest and premium thereon plus other reasonable amounts paid and fees and expenses incurred in connection with such modification, replacement, refinancing, refunding, renewal or extension plus an amount equal to any existing commitment unutilized and letters of credit undrawn thereunder and (Y) the direct and contingent obligors with respect to such Indebtedness are not changed;

(k) (i) Permitted Additional Debt of the Borrower or any Restricted Subsidiary incurred to finance a Permitted Acquisition, provided that (x) if such Indebtedness is incurred by a Restricted Subsidiary that is not a Guarantor, such Indebtedness is not guaranteed by the Borrower or any Guarantor except as permitted by Section 10.5(g) and (y)(A) the Borrower or another Credit Party pledges the Stock and Stock Equivalents of such acquired Person to the Collateral Agent to the extent required under Section 9.12 and (B) such acquired Person executes a supplement to the Guarantee and the Security Agreement (or alternative guarantee and security arrangements in relation to the Obligations reasonably acceptable to the Collateral Agent) to the extent required under Section 9.11 or 9.12, as applicable, provided that the requirements of this subclause (y) shall not apply to an aggregate amount at any time outstanding of up to $150,000,000 (less all Indebtedness as to which clause (I) of the second proviso to clause (j)(i)(y) above then applies) at such time of the aggregate of such Indebtedness (and modifications, replacements, refinancings, refundings, renewals and extensions thereof pursuant to subclause (ii) below) and (ii) any modification, replacement, refinancing, refunding, renewal or extension of any Indebtedness specified in subclause (i) above, provided that, except to the extent otherwise expressly permitted hereunder, (x) the principal amount of any such Indebtedness does not exceed the principal amount thereof outstanding immediately prior to such modification, replacement, refinancing, refunding, renewal or extension except by an amount equal to the unpaid accrued interest and premium thereon plus other reasonable amounts paid and fees and expenses incurred in connection with such modification, replacement, refinancing, refunding, renewal or extension plus an amount

equal to any existing commitment unutilized and letters of credit undrawn thereunder and (y) the direct and contingent obligors with respect to such Indebtedness are not changed;

(l) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds and completion guarantees and similar obligations not in connection with money borrowed, in each case provided in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business;

(m) (i) Indebtedness incurred in connection with any Permitted Sale Leaseback (provided that the Net Cash Proceeds thereof are promptly applied to the prepayment of the Term Loans to the extent required by Section 5.2) and (ii) any refinancing, refunding, renewal or extension of any Indebtedness specified in subclause (i) above, provided that, except to the extent otherwise permitted hereunder, (x) the principal amount of any such Indebtedness is not increased above the principal amount thereof outstanding immediately prior to such refinancing, refunding, renewal or extension and (y) the direct and contingent obligors with respect to such Indebtedness are not changed;

(n) (i) additional Indebtedness and (ii) any refinancing, refunding, renewal or extension of any Indebtedness specified in subclause (i) above; provided that the aggregate amount of Indebtedness incurred and remaining outstanding pursuant to this clause (n) shall not at any time exceed $75,000,000; provided, however, not more than $25,000,000 in aggregate principal amount of Indebtedness of the Borrower or any Subsidiary Guarantor incurred under this clause (n) shall be secured;

(o) Indebtedness in respect of Permitted Additional Debt to the extent that the Net Cash Proceeds therefrom are, immediately after the receipt thereof, applied to the prepayment of Term Loans in accordance with Section 5.2;

(p) Indebtedness in respect of overdraft facilities, employee credit card programs and other cash management arrangements in the ordinary course of business;

(q) unsecured Indebtedness in respect of obligations of the Borrower or any Restricted Subsidiary to pay the deferred purchase price of goods or services or progress payments in connection with such goods and services, provided that such obligations are incurred in connection with open accounts extended by suppliers on customary trade terms (which require that all such payments be made within 60 days after the incurrence of the related obligation) in the ordinary course of business and not in connection with the borrowing of money or Hedge Agreements;

(r) Indebtedness arising from agreements of the Borrower or any Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case entered into in connection with Permitted Acquisitions, other Investments and the disposition of any business, assets, or Stock and Stock Equivalents permitted hereunder, other than Guarantee Obligations incurred by any Person acquiring all or any portion of such business, assets or Stock and Stock Equivalents for the purpose of financing such acquisition, provided that (i) such Indebtedness is not reflected on the balance sheet of the Borrower or any Restricted Subsidiary (contingent obligations referred to in a footnote to financial statements

and not otherwise reflected on the balance sheet will not be deemed to be reflected on such balance sheet for purposes of this clause (i)) and (ii) the maximum assumable liability in respect of all such Indebtedness shall at no time exceed the gross proceeds, including non-cash proceeds (the fair market value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value), actually received by the Borrower and the Restricted Subsidiaries in connection with such disposition;

(s) Indebtedness of the Borrower or any Restricted Subsidiary consisting of (i) obligations to pay insurance premiums or (ii) take or pay obligations contained in supply agreements, in each case arising in the ordinary course of business and not in connection with the borrowing of money or Hedge Agreements;

(t) Indebtedness representing deferred compensation to employees of the Borrower (or any direct or indirect parent thereof) and the Restricted Subsidiaries incurred in the ordinary course of business;

(u) Unsecured, subordinated Indebtedness consisting of promissory notes in an aggregate principal amount of not more than $10,000,000 issued by the Borrower or any Guarantor to current or former officers, managers, consultants, directors and employees (or their respective spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees) to finance the purchase or redemption of Stock or Stock Equivalents of the Borrower (or any direct or indirect parent thereof) permitted by Section 10.6;

(v) Indebtedness consisting of obligations of the Borrower or the Restricted Subsidiaries under deferred compensation or other similar arrangements incurred by such Person in connection with the Transactions and Permitted Acquisitions or any other Investment expressly permitted hereunder;

(w) cash management obligations and other Indebtedness in respect of netting services, automatic clearinghouse arrangements, overdraft protections and similar arrangements in each case in connection with deposit accounts; and

(x) all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (a) through (w) above.

10.2 Limitation on Liens. The Borrower will not, and will not permit any of the Restricted Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any property or assets of any kind (real or personal, tangible or intangible) of the Borrower or any Restricted Subsidiary, whether now owned or hereafter acquired, except:

(a) Liens arising under the Credit Documents;

(b) Permitted Liens;

(c) (i) Liens securing Indebtedness permitted pursuant to Section 10.1(f), provided that (x) such Liens attach at all times only to the assets so financed except for accessions to such property Indebtedness and the proceeds and the products thereof and (y) that individual

financings of equipment provided by one lender may be cross collateralized to other financings of equipment provided by such lender, and (ii) Liens on the assets of Restricted Subsidiaries that are not Guarantors securing Indebtedness permitted pursuant to Section 10.1(n) and (p);

(d) Liens existing on the date hereof and listed on Schedule 10.2;

(e) the replacement, extension or renewal of any Lien permitted by clauses (a) through (d) above and clause (f) of this Section 10.2 upon or in the same assets (other than after acquired property that is affixed or incorporated into the property covered by such Lien or financed by Indebtedness permitted under Section 10.1 and proceeds and products thereof) theretofore subject to such Lien or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor except to the extent otherwise permitted hereunder) of the Indebtedness secured thereby;

(f) Liens existing on the assets of any Person that becomes a Restricted Subsidiary (or is a Restricted Subsidiary that survives a merger with such Person), or existing on assets acquired, pursuant to a Permitted Acquisition or other Investment to the extent the Liens on such assets secure Indebtedness permitted by Section 10.1(j) or other obligations permitted by this Agreement, provided that such Liens attach at all times only to the same assets that such Liens (other than after acquired property that is affixed or incorporated into the property covered by such Lien or financed by Indebtedness permitted under Section 10.1 and proceeds and products thereof) attached to, and secure only the same Indebtedness or obligations (or any modifications, refinancings, extensions, renewals, refundings or replacements of such Indebtedness permitted by Section 10.1) that such Liens secured, immediately prior to such Permitted Acquisition or other Investment, as applicable;

(g) (i) Liens placed upon the Stock and Stock Equivalents of any Restricted Subsidiary acquired pursuant to a Permitted Acquisition to secure Indebtedness incurred pursuant to Section 10.1(k) in connection with such Permitted Acquisition and (ii) Liens placed upon the assets of such Restricted Subsidiary to secure a guarantee by, or Indebtedness of, such Restricted Subsidiary of any Indebtedness of the Borrower or any other Restricted Subsidiary incurred pursuant to Section 10.1(k);

(h) Liens securing Indebtedness or other obligations of the Borrower or a Subsidiary in favor of the Borrower or any Subsidiary that is a Guarantor and Liens securing Indebtedness or other obligations of any Subsidiary that is not a Guarantor in favor of any Subsidiary that is not a Guarantor;

(i) Liens (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection, (ii) attaching to commodity trading accounts or other commodities brokerage accounts incurred in the ordinary course of business; and (iii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking industry;

(j) Liens (i) on cash advances in favor of the seller of any property to be acquired in an Investment permitted pursuant to Sections 10.5 to be applied against the purchase price for such Investment, and (ii) consisting of an agreement to sell, transfer, lease or otherwise dispose of any property in a transaction permitted under Section 10.4, in each case, solely to the extent such Investment or sale, disposition, transfer or lease, as the case may be, would have been permitted on the date of the creation of such Lien;

(k) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by the Borrower or any of the Restricted Subsidiaries in the ordinary course of business permitted by this Agreement;

(l) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 10.5;

(m) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(n) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Borrower or any Restricted Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower and the Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Borrower or any Restricted Subsidiary in the ordinary course of business;

(o) Liens solely on any cash earnest money deposits made by the Borrower or any of the Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(p) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(q) subject to the terms of the Intercreditor Agreement, Liens securing obligations under the Revolving Loan Credit Agreement; and

(r) additional Liens so long as the aggregate principal amount of the obligations so secured does not exceed $25,000,000 at any time outstanding.

10.3 Limitation on Fundamental Changes. Except as expressly permitted by Section 10.4 or 10.5, the Borrower will not, and will not permit any of the Restricted Subsidiaries to, enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, assign, transfer or otherwise dispose of, all or substantially all its business units, assets or other properties, except that:

(a) so long as no Default or Event of Default would result therefrom, any Subsidiary of the Borrower or any other Person may be merged or consolidated with or into the Borrower, provided that (i) the Borrower shall be the continuing or surviving

corporation or (ii) if the Person formed by or surviving any such merger or consolidation is not the Borrower (such Person, the "Successor Borrower"), (A) the Successor Borrower shall be an entity organized or existing under the laws of the United States, any state thereof, the District of Columbia or any territory thereof, (B) the Successor Borrower shall expressly assume all the obligations of the Borrower under this Agreement and the other Credit Documents pursuant to a supplement hereto or thereto in form reasonably satisfactory to the Administrative Agent, (C) each Guarantor, unless it is the other party to such merger or consolidation, shall have by a supplement to the Guarantee confirmed that its Guarantee shall apply to the Successor Borrower's obligations under this Agreement, (D) each Subsidiary grantor and each Subsidiary pledgor, unless it is the other party to such merger or consolidation, shall have by a supplement to the Security Agreement or the Pledge Agreement, as applicable, confirmed that its obligations thereunder shall apply to the Successor Borrower's obligations under this Agreement, (E) each mortgagor of a Mortgaged Property, unless it is the other party to such merger or consolidation, shall have by an amendment to or restatement of the applicable Mortgage confirmed that its obligations thereunder shall apply to the Successor Borrower's obligations under this Agreement, and (F) the Borrower shall have delivered to the Administrative Agent (x) an officer's certificate stating that such merger or consolidation and such supplements to this Agreement preserve the enforceability of the Guarantee and the perfection and priority of the Liens under the Security Documents and (y) if reasonably requested by the Administrative Agent, an opinion of counsel to the effect that such merger or consolidation does not violate this Agreement or any other Credit Document, and provided further that if the foregoing are satisfied, the Successor Borrower will succeed to, and be substituted for, such Borrower under this Agreement;

(b) any Subsidiary of the Borrower or any other Person may be merged, amalgamated or consolidated with or into any one or more Subsidiaries of the Borrower, provided that (i) in the case of any merger, amalgamation or consolidation involving one or more Restricted Subsidiaries, (A) a Restricted Subsidiary shall be the continuing or surviving corporation or (B) the Borrower shall take all steps necessary to cause the Person formed by or surviving any such merger, amalgamation or consolidation (if other than a Restricted Subsidiary) to become a Restricted Subsidiary, (ii) in the case of any merger, amalgamation or consolidation involving one or more Guarantors, a Guarantor shall be the continuing or surviving corporation or the Person formed by or surviving any such merger, amalgamation or consolidation (if other than a Guarantor) shall execute a supplement to the Guarantee Agreement, Pledge Agreement, the Security Agreement and any applicable Mortgage in form and substance reasonably satisfactory to the Collateral Agent in order to become a Guarantor and pledgor, mortgager, and grantor of Collateral for the benefit of the Secured Parties, (iii) no Default or Event of Default would result from the consummation of such merger, amalgamation or consolidation, (iv) the Borrower shall be in compliance, on a Pro Forma Basis after giving effect to such merger, amalgamation or consolidation, with the covenant set forth in Section 10.9, as such covenant is recomputed as at the last day of the most recently ended Test Period under such Section as if such merger or consolidation had occurred on the first day of such Test Period, and (v) the Borrower shall have delivered to the Administrative Agent an officer's certificate stating that such merger, amalgamation or consolidation and such

supplements to any Security Document preserve the enforceability of the Guarantee and the perfection and priority of the Liens under the Security Documents;

(c) any Restricted Subsidiary that is not a Guarantor may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the Borrower, a Guarantor or any other Restricted Subsidiary;

(d) any Guarantor may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the Borrower or any other Guarantor; and

(e) any Restricted Subsidiary may liquidate or dissolve if (i) the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders and (ii) to the extent such Restricted Subsidiary is a Credit Party, any assets or business not otherwise disposed of or transferred in accordance with Section 10.4 or 10.5, or, in the case of any such business, discontinued, shall be transferred to, or otherwise owned or conducted by, another Credit Party after giving effect to such liquidation or dissolution.

10.4 Limitation on Sale of Assets. The Borrower will not, and will not permit any of the Restricted Subsidiaries to, (i) convey, sell, lease, assign, transfer or otherwise dispose of any of its property, business or assets (including receivables and leasehold interests), whether now owned or hereafter acquired (other than any such sale, transfer, assignment or other disposition resulting from any casualty or condemnation, of any assets of the Borrower or the Restricted Subsidiaries) or (ii) sell to any Person (other than the Borrower or a Guarantor) any shares owned by it of any Restricted Subsidiary's Stock and Stock Equivalents, except that:

(a) the Borrower and the Restricted Subsidiaries may sell, transfer or otherwise dispose of (i) used or surplus equipment, vehicles, inventory and other assets in the ordinary course of business and (ii) Permitted Investments;

(b) the Borrower and the Restricted Subsidiaries may sell, transfer or otherwise dispose of other assets (other than accounts receivable) (each a "Disposition") for fair value, provided that:

(i) with respect to any Disposition pursuant to this clause (b) for a purchase price in excess of $5,000,000, the Borrower or a Restricted Subsidiary shall receive not less than 75% of such consideration in the form of cash or Permitted Investments; provided that for the purposes of this clause (i):

(A) any liabilities (as shown on the Borrower's or such Restricted Subsidiary's most recent balance sheet provided hereunder or in the footnotes thereto) of the Borrower or such Restricted Subsidiary, other than liabilities that are by their terms subordinated to the payment in cash of the Obligations, that are assumed by the transferee with respect to the applicable Disposition and for which the Borrower and all of the Restricted Subsidiaries shall have been validly released by all applicable creditors in writing,

(B) any securities received by the Borrower or such Restricted Subsidiary from such transferee that are converted by the Borrower or such Restricted Subsidiary into cash (to the extent of the cash received) within 180 days following the closing of the applicable Disposition, and

(C) any Designated Non-Cash Consideration received by the Borrower or such Restricted Subsidiary in respect of such Disposition having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this Section 10.4(b) and Section 10.4(c) that is at that time outstanding, not in excess of 6% of Consolidated Total Assets at the time of the receipt of such Designated Non-Cash Consideration, with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value,

shall in each case under this clause (i) be deemed to be cash;

(ii) any non-cash proceeds received are pledged to the Collateral Agent to the extent required under Section 9.12;

(iii) with respect to any such sale, transfer or disposition (or series of related sales, transfers or dispositions), the Borrower shall be in compliance, on a Pro Forma Basis after giving effect to such sale, transfer or disposition, with the covenant set forth in Section 10.9, as such covenant is recomputed as at the last day of the most recently ended Test Period under such Section as if such sale, transfer or disposition had occurred on the first day of such Test Period; and

(iv) to the extent applicable, the Net Cash Proceeds thereof to the Borrower and the Restricted Subsidiaries are promptly applied to the prepayment and/or commitment reductions as provided for in Section 5.2; and

(v) after giving effect to any such sale, transfer or disposition, no Default or Event of Default shall have occurred and be continuing;

(c) the Borrower and the Restricted Subsidiaries may make sales of assets to the Borrower or to any Restricted Subsidiary, provided that with respect to any such sales to Restricted Subsidiaries that are not Guarantors:

(i) such sale, transfer or disposition shall be for fair value;

(ii) with respect to any Disposition pursuant to this clause (c) for a purchase price in excess of $5,000,000, the Borrower or a Restricted Subsidiary shall receive not less than 75% of such consideration in the form of cash or Permitted Investments; provided that for the purposes of this clause (ii):

(A) any liabilities (as shown on the Borrower's or such Restricted Subsidiary's most recent balance sheet provided hereunder or in the footnotes thereto) of the Borrower or such Restricted Subsidiary, other

than liabilities that are by their terms subordinated to the payment in cash of the Obligations, that are assumed by the transferee with respect to the applicable Disposition and for which the Borrower and all of the Restricted Subsidiaries shall have been validly released by all applicable creditors in writing,

(B) any securities received by the Borrower or such Restricted Subsidiary from such transferee that are converted by the Borrower or such Restricted Subsidiary into cash (to the extent of the cash received) within 180 days following the closing of the applicable Disposition,

(C) any Designated Non-Cash Consideration received by the Borrower or such Restricted Subsidiary in respect of such Disposition having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this Section 10.4(c) and Section 10.4(b) that is at that time outstanding, not in excess of 6% of Consolidated Total Assets at the time of the receipt of such Designated Non-Cash Consideration, with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value,

shall in each case under this clause (ii) be deemed to be cash; and

(iii) any non-cash proceeds received are pledged to the Collateral Agent to the extent required under Section 9.12.

(d) the Borrower and any Restricted Subsidiary may effect any transaction permitted by Section 10.3, 10.5 or 10.6;

(e) in addition to selling or transferring accounts receivable pursuant to the other provisions hereof, the Borrower and the Restricted Subsidiaries may sell or discount without recourse accounts receivable arising in the ordinary course of business in connection with the compromise or collection thereof consistent with such Person's current credit and collection practices;

(f) the Borrower and the Restricted Subsidiaries may lease, sublease, license or sublicense (on a non-exclusive basis with respect to any intellectual property) real, personal or intellectual property in the ordinary course of business;

(g) sales, transfers and other dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are promptly applied to the purchase price of such replacement property;

(h) sales, transfers and other dispositions of property pursuant to Permitted Sale Leaseback transactions;

(i) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to customary buy/sell arrangements between, the joint venture parties set forth in joint venture arrangements and similar binding arrangements; and

(j) the Disposition of Non-Core Assets.

10.5 Limitation on Investments. The Borrower will not, and will not permit any of the Restricted Subsidiaries to, make any advance, loan, extensions of credit or capital contribution to, or purchase any stock, bonds, notes, debentures or other securities of or any assets of, or make any other Investment in, any Person, except:

(a) extensions of trade credit and asset purchases in the ordinary course of business;

(b) Permitted Investments;

(c) loans and advances to officers, directors and employees of the Borrower (or any direct or indirect parent thereof) or any of its Subsidiaries (i) for reasonable and customary business-related travel, entertainment, relocation and analogous ordinary business purposes (including employee payroll advances), (ii) in connection with such Person's purchase of Stock or Stock Equivalents of the Borrower (or any direct or indirect parent thereof) to the extent that the amount of such loans and advances are contributed to the Borrower in cash and (iii) for purposes not described in the foregoing clauses (i) and (ii), in an aggregate principal amount outstanding not to exceed $2,000,000;

(d) Investments existing on, or contemplated as of, the date hereof and listed on Schedule 10.5 and any extensions, renewals or reinvestments thereof, so long as the aggregate amount of all Investments pursuant to this clause (d) is not increased at any time above the amount of such Investments existing on the date hereof;

(e) Investments received in connection with the bankruptcy or reorganization of suppliers or customers and in settlement of delinquent obligations of, and other disputes with, customers arising in the ordinary course of business or upon foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment;

(f) Investments to the extent that payment for such Investments is made solely with Stock or Stock Equivalents of the Borrower;

(g) Investments (i) in any Guarantor or the Borrower, (ii) in Restricted Subsidiaries that are not Guarantors, in an aggregate amount pursuant to this clause (ii) not to exceed (x) $25,000,000 plus (y) the Applicable Amount at such time, and (iii) in Restricted Subsidiaries that are not Guarantors so long as such Investment is part of a series of simultaneous Investments by Restricted Subsidiaries in other Restricted Subsidiaries that result in the proceeds of the initial Investment being invested in one or more Guarantors;

(h) Investments constituting Permitted Acquisitions;

(i) (i) Investments (including Investments in Unrestricted Subsidiaries) and (ii) Investments in joint ventures or similar entities that do not constitute Restricted Subsidiaries, in each case, as valued at the fair market value of such Investment at the time each such Investment is made, in an amount that, at the time such Investment is made, would not exceed the sum of (x) $50,000,000, plus (y) the Applicable Amount at such time plus (z) an amount equal to any repayments, interest, returns, profits, distributions, income and similar amounts actually received in cash in respect of any such Investment (which amount shall not exceed the amount of such Investment valued at the fair market value of such Investment at the time such Investment was made),

(j) Investments constituting non-cash proceeds of sales, transfers and other dispositions of assets to the extent permitted by Section 10.4;

(k) Investments made to repurchase or retire Stock of the Borrower or any direct or indirect parent thereof owned by any employee stock ownership plan or key employee stock ownership plan of the Borrower (or any direct or indirect parent thereof);

(l) Investments permitted under Section 10.6;

(m) loans and advance to any direct or indirect parent of the Borrower in lieu of, and not in excess of the amount of, dividends to the extent permitted to be made to such parent in accordance with Section 10.6;

(n) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors and other credits to suppliers in the ordinary course of business;

(o) Investments in the ordinary course of business consisting of Article 3 endorsements for collection or deposit and Article 4 customary trade arrangements with customers consistent with past practices;

(p) advances of payroll payments to employees in the ordinary course of business;

(q) [Intentionally Omitted]

(r) Guarantee Obligations of the Borrower or any Restricted Subsidiary of leases (other than Capitalized Leases) or of other obligations that do not constitute Indebtedness, in each case entered into in the ordinary course of business;

(s) Investments made to repurchase or retire equity interests of the Borrower (or any direct or indirect parent thereof) or the Borrower owned by any employee stock ownership plan or key employee stock ownership plan of the Borrower (or any direct or indirect parent thereof); and

(t) Investments of a Restricted Subsidiary acquired after the Closing Date or of any Person merged into the Borrower or merged or consolidated with a Restricted Subsidiary in accordance with Section 10.3 after the Closing Date to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger or consolidation and were in existence on the date of such acquisition, merger or consolidation.

10.6 Limitation on Dividends. The Borrower will not declare or pay any dividends (other than dividends payable solely in its Stock) or return any capital to its stockholders or make any other distribution, payment or delivery of property or cash to its stockholders as such, or redeem, retire, purchase or otherwise acquire, directly or indirectly, for consideration, any shares of any class of its Stock or Stock Equivalents or the Stock or Stock Equivalents of any direct or indirect parent now or hereafter outstanding, or set aside any funds for any of the foregoing purposes, or permit any of the Restricted Subsidiaries to purchase or otherwise acquire for consideration (other than in connection with an Investment permitted by Section 10.5) any Stock or Stock Equivalents of the Borrower, now or hereafter outstanding (all of the foregoing "dividends"), provided that, so long as no Default or Event of Default exists or would exist after giving effect thereto:

(a) the Borrower may redeem in whole or in part any of its Stock or Stock Equivalents for another class of its Stock or Stock Equivalents or with proceeds from substantially concurrent equity contributions or issuances of new Stock or Stock Equivalents, provided that such new Stock or Stock Equivalents contain terms and provisions at least as advantageous to the Lenders in all respects material to their interests as those contained in the Stock or Stock Equivalents redeemed thereby;

(b) the Borrower may (or may make dividends to permit any direct or indirect parent thereof to) repurchase shares of its (or such parent's) Stock or Stock Equivalents held by officers, directors and employees of the Borrower and its Subsidiaries, so long as such repurchase is pursuant to, and in accordance with the terms of, management and/or employee stock plans, stock subscription agreements or shareholder agreements;

(c) the Borrower may pay dividends on the Stock or Stock Equivalents, provided that the amount of any such dividends pursuant to this clause (c) shall not exceed an amount equal to (i) $50,000,000 (less any amount expended pursuant to Section 10.7(a)(i)(x)), plus (ii) the Applicable Amount at such time; and

(d) the Borrower may pay dividends:

(i) so long as the Borrower is a member of a group filing a consolidated, combined, unitary or affiliated tax return with a parent, the proceeds of which will be used to pay (or to make dividends to allow any direct or indirect parent of the Borrower to pay) within 30 days of the receipt thereof, the tax liability to each relevant jurisdiction in respect of such consolidated, combined, unitary or affiliated returns for the relevant jurisdiction of such parent

to the extent such tax liability is directly attributable to the taxable income of the Borrower or its Subsidiaries (that are included in such consolidated, combined, unitary or affiliated tax return), determined as if the Borrower and such Subsidiaries filed a separate consolidated, combined, unitary or affiliated tax return as a stand-alone group;

(ii) the proceeds of which shall be used to allow any direct or indirect parent of Borrower to pay (A) its operating expenses incurred in the ordinary course of business and other corporate overhead costs and expenses (including administrative, legal, accounting and similar expenses provided by third parties), which are reasonable and customary and incurred in the ordinary course of business, in an aggregate amount not to exceed $1,000,000 in any fiscal year of the Borrower plus any reasonable and customary indemnification claims made by directors or officers of the Borrower (or any parent thereof) attributable to the ownership or operations of the Borrower and its Subsidiaries or (B) fees and expenses otherwise (x) due and payable by the Borrower or any of its Subsidiaries and (y) permitted to be paid by the Borrower or such Subsidiary under this Agreement;

(iii) the proceeds of which shall be used to pay franchise taxes and other fees, taxes and expenses required to maintain the corporate existence of any of its direct or indirect parent of the Borrower, within thirty (30) days of the receipt thereof;

(iv) in amount equal to the Net Cash Proceeds of any Disposition of Non-Core Assets for the purposes of complying with the requirements of the Merger Agreement relating thereto; and

(v) to any direct or indirect parent of the Borrower to finance any Investment permitted to be made pursuant to Section 10.5; provided that (A) such dividend shall be made substantially concurrently with the closing of such Investment and (B) such parent shall, immediately following the closing thereof, cause (1) all property acquired (whether assets, Stock or Stock Equivalents) to be contributed to the Borrower or its Restricted Subsidiaries or (2) the merger (to the extent permitted in Section 10.5) of the Person formed or acquired into the Borrower or its Restricted Subsidiaries in order to consummate such Permitted Acquisition.

10.7 Limitations on Debt Payments and Amendments. (a) The Borrower will not, and will not permit any Restricted Subsidiary to, prepay, repurchase or redeem or otherwise defease any Subordinated Indebtedness; provided, however, that so long as no Default or Event of Default shall have occurred and be continuing at the date of such prepayment, repurchase, redemption or other defeasance or would result after giving effect thereof, the Borrower or any Restricted Subsidiary may prepay, repurchase or redeem Subordinated Indebtedness (i) for an aggregate price not in excess of (x) $50,000,000 (less any amount expended pursuant to Section 10.6(c)(i)) plus (y) the Applicable Amount at the time of such prepayment, repurchase or redemption, or (ii) with the proceeds of Subordinated Indebtedness

that (A) is permitted by Section 10.1 (other than Section 10.1(o)) and (B) has terms material to the interests of the Lenders not materially less advantageous to the Lenders than those of such Subordinated Indebtedness being refinanced.

(b) The Borrower will not waive, amend, modify, terminate or release any Subordinated Indebtedness to the extent that any such waiver, amendment, modification, termination or release would be adverse to the Lenders in any material respect.

10.8 Limitations on Sale Leasebacks. The Borrower will not, and will not permit any of the Restricted Subsidiaries to, enter into or effect any Sale Leasebacks, other than Permitted Sale Leasebacks.

10.9 Consolidated Total Debt to Consolidated EBITDA Ratio

The Borrower will not permit the Consolidated Total Debt to Consolidated EBITDA Ratio for any Test Period ending during any period set forth below to be greater than the ratio set forth below opposite such period:

Period	Ratio
March 31, 2007	5.75:1.00
June 30, 2007	5.75:1.00
September 30, 2007	5.75:1.00
December 31, 2007	5.75:1.00
March 31, 2008	5.50:1.00
June 30, 2008	5.50:1.00
September 30, 2008	5.25:1.00
December 31, 2008	5.25:1.00
March 31, 2009	5.00:1.00
June 30, 2009	5.00:1.00
September 30, 2009	4.50:1.00
December 31, 2009	4.50:1.00
March 31, 2010	4.50:1.00
June 30, 2010	4.50:1.00
September 30, 2010	4.00:1.00
December 31, 2010	4.00:1.00
March 31, 2011	4.00:1.00
June 30, 2011	4.00:1.00
September 30, 2011	3.50:1.00
December 31, 2011	3.50:1.00
March 31, 2012	3.50:1.00
June 30, 2012	3.50:1.00
September 30, 2012	3.00:1.00
December 31, 2012	3.00:1.00
March 31, 2013	3.00:1.00
June 30, 2013	3.00:1.00
September 30, 2013	3.00:1.00
December 31, 2013	3.00:1.00

10.10 Consolidated EBITDA to Consolidated Interest Expense Ratio.

The Borrower will not permit the Consolidated EBITDA to Consolidated Interest Expense Ratio for any Test Period ending during any period set forth below to be less than the ratio set forth below opposite such period:

Period	Ratio
March 31, 2007	2.00:1.00
June 30, 2007	2.00:1.00
September 30, 2007	2.00:1.00
December 31, 2007	2.00:1.00
March 31, 2008	2.25:1.00
June 30, 2008	2.25:1.00
September 30, 2008	2.50:1.00
December 31, 2008	2.50:1.00
March 31, 2009	2.50:1.00
June 30, 2009	2.50:1.00
September 30, 2009	2.50:1.00
December 31, 2009	2.50:1.00
March 31, 2010	2.75:1.00
June 30, 2010	2.75:1.00
September 30, 2010	2.75:1.00
December 31, 2010	2.75:1.00
March 31, 2011	3.00:1.00
June 30, 2011	3.00:1.00
September 30, 2011	3.00:1.00
December 31, 2011	3.00:1.00
March 31, 2012	3.25:1.00
June 30, 2012	3.25:1.00
September 30, 2012	3.25:1.00
December 31, 2012	3.25:1.00
March 31, 2013	3.25:1.00
June 30, 2013	3.25:1.00
September 30, 2013	3.25:1.00
December 31, 2013	3.25:1.00

10.11 Capital Expenditures:

The Borrower will not, and will not permit any of its Restricted Subsidiaries to, make, or be committed to make, Capital Expenditures which in the aggregate in any Fiscal Year set forth below exceed the amount set forth below for such Fiscal Year:

Fiscal Year	Amount
2007	$12,000,000
2008	$12,000,000
2009	$12,000,000
2010	$12,000,000
2011	$12,000,000
2012	$12,000,000

The amount of permitted Capital Expenditures set forth above in respect of any Fiscal Year commencing with Fiscal Year 2008 shall be increased by 100% of the amount of unused permitted Capital Expenditures for the immediately preceding Fiscal Year (such amount, a "carry-forward amount") without giving effect to any carry-forward amount that was added in such preceding Fiscal Year and assuming any such carry-forward amount is utilized first.

10.12 Changes in Business. The Borrower and the Subsidiaries, taken as a whole, will not fundamentally and substantively alter the character of their business, taken as a whole, from the business conducted by the Borrower and the Subsidiaries, taken as a whole, on the Closing Date and other business activities incidental or related to any of the foregoing.

10.13 Burdensome Agreements. The Borrower will not, and will not permit any Restricted Subsidiary to, enter into or permit to exist any contractual obligation (other than this Agreement or any other Credit Document) that limits the ability of (a) any Restricted Subsidiary that is not a Guarantor to make dividends to the Borrower or any Guarantor or (b) the Borrower or any Subsidiary Guarantor to create, incur, assume or suffer to exist Liens on property of such Person for the benefit of the Lenders with respect to the Obligations; provided that the foregoing clauses (a) and (b) shall not apply to contractual obligations which (i) (x) exist on the date hereof and (to the extent not otherwise permitted by this Section 10.13) are listed on Schedule 10.13 and (y) to the extent contractual obligations permitted by clause (x) are set forth in an agreement evidencing Indebtedness, are set forth in any agreement evidencing any permitted renewal, extension or refinancing of such Indebtedness so long as such renewal, extension or refinancing does not expand the scope of such contractual obligation, (ii) are binding on a Restricted Subsidiary at the time such Restricted Subsidiary first becomes a Restricted Subsidiary of the Borrower, so long as such contractual obligations were not entered into solely in contemplation of such Person becoming a Restricted Subsidiary of the Borrower; (iii) represent Indebtedness of a Restricted Subsidiary of the Borrower which is not a Credit Party which is permitted by Section 10.01, (iv) arise in connection with any Disposition permitted by Section 10.04, (v) are customary provisions in joint venture agreements and other similar agreements applicable to joint ventures permitted under Section 10.05 and applicable solely to such joint venture entered into in the ordinary course of business, (vi) are negative pledges and restrictions on Liens in favor of any holder of Indebtedness permitted under Section 10.01 but solely to the extent any negative pledge relates to the property financed by or the subject of such Indebtedness, (vii) are customary restrictions on leases, subleases, licenses or asset sale agreements otherwise permitted hereby so long as such restrictions relate to the assets subject thereto, (viii) comprise restrictions imposed by any agreement relating to secured Indebtedness permitted pursuant to Section 10.01 to the extent that such restrictions apply only to the property or assets securing such Indebtedness or, in the case of secured Indebtedness incurred pursuant to Section 10.01(j) or Section 10.01(k)) only, to the Restricted Subsidiaries incurring or guaranteeing such Indebtedness, (ix) are customary provisions restricting subletting or assignment of any lease governing a leasehold interest of the Borrower or any Restricted Subsidiary, (x) are customary provisions restricting

assignment of any agreement entered into in the ordinary course of business, (xi) are restrictions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business, and (xii) exist under the Revolving Loan Credit Agreement or any documentation relating to such debt.

SECTION 11. Events of Default

Upon the occurrence of any of the following specified events (each an "Event of Default"):

11.1 Payments. The Borrower shall (a) default in the payment when due of any principal of the Loans or (b) default, and such default shall continue for five or more days, in the payment when due of any interest or stamping fees on the Loans or any Fees or of any other amounts owing hereunder or under any other Credit Document; or

11.2 Representations, etc. Any representation, warranty or statement made or deemed made by any Credit Party herein or in any Security Document or any certificate, statement, report or other document delivered or required to be delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made; or

11.3 Covenants. Any Credit Party shall:

(a) default in the due performance or observance by it of any term, covenant or agreement contained in Section 9.1(h) or Section 10; or

(b) default in the due performance or observance by it of any term, covenant or agreement (other than those referred to in Section 11.1 or 11.2 or clause (a) of this Section 11.3) contained in this Agreement, any Security Document or the Fee Letter and such default shall continue unremedied for a period of at least thirty (30) days after receipt of written notice by the Borrower from the Administrative Agent or the Required Lenders; or

11.4 Default Under Other Agreements (a) The Borrower or any of the Restricted Subsidiaries shall (i) default in any payment with respect to any Indebtedness (other than the Obligations) in excess of $15,000,000 in the aggregate, for the Borrower and such Restricted Subsidiaries, beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created or (ii) default in the observance or performance of any agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist (other than, with respect to Indebtedness consisting of any Hedge Agreements, termination events or equivalent events pursuant to the terms of such Hedge Agreements), the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, any such Indebtedness to become due prior to its stated maturity; or (b) without limiting the provisions of clause (a) above, any such Indebtedness shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment or as a mandatory prepayment (and, with respect to Indebtedness consisting of any Hedge

Agreements, other than due to a termination event or equivalent event pursuant to the terms of such Hedge Agreements), prior to the stated maturity thereof; or

11.5 Bankruptcy, etc. The Borrower or any Specified Subsidiary shall commence a voluntary case, proceeding or action concerning itself under (a) Title 11 of the United States Code entitled "Bankruptcy," or (b) in the case of any Foreign Subsidiary that is a Specified Subsidiary, any domestic or foreign law relating to bankruptcy, judicial management, insolvency reorganization or relief of debtors legislation of its jurisdiction of incorporation, in each case as now or hereafter in effect, or any successor thereto (collectively, the "Bankruptcy Code"); or an involuntary case, proceeding or action is commenced against the Borrower or any Specified Subsidiary and the petition is not controverted within 10 days after commencement of the case, proceeding or action; or an involuntary case, proceeding or action is commenced against the Borrower or any Specified Subsidiary and the petition is not dismissed within 60 days after commencement of the case, proceeding or action; or a custodian (as defined in the Bankruptcy Code), judicial manager, receiver, receiver manager, trustee or similar person is appointed for, or takes charge of, all or substantially all of the property of the Borrower or any Specified Subsidiary; or the Borrower or any Specified Subsidiary commences any other proceeding or action under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Borrower or any Specified Subsidiary; or there is commenced against the Borrower or any Specified Subsidiary any such proceeding or action that remains undismissed for a period of 60 days; or the Borrower or any Specified Subsidiary is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding or action is entered; or the Borrower or any Specified Subsidiary suffers any appointment of any custodian receiver, receiver manager, trustee or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of 60 days; or the Borrower or any Specified Subsidiary makes a general assignment for the benefit of creditors; or any corporate action is taken by the Borrower or any Specified Subsidiary for the purpose of effecting any of the foregoing; or

11.6 ERISA. (a) Any Plan shall fail to satisfy the minimum funding standard required for any plan year or part thereof or a waiver of such standard or extension of any amortization period is sought or granted under Section 412 of the Code; any Plan is or shall have been terminated or is the subject of termination proceedings under ERISA (including the giving of written notice thereof); an event shall have occurred or a condition shall exist in either case entitling the PBGC to terminate any Plan or to appoint a trustee to administer any Plan (including the giving of written notice thereof); any Plan shall have an accumulated funding deficiency (whether or not waived); the Borrower or any Subsidiary or any ERISA Affiliate has incurred or is likely to incur a liability to or on account of a Plan under Section 409, 502(i), 502(l), 515, 4062, 4063, 4064, 4069, 4201 or 4204 of ERISA or Section 4971 or 4975 of the Code (including the giving of written notice thereof); (b) there could result from any event or events set forth in clause (a) of this Section 11.6 the imposition of a lien, the granting of a security interest, or a liability, or the reasonable likelihood of incurring a lien, security interest or liability; and (c) such lien, security interest or liability will or would be reasonably likely to have a Material Adverse Effect; or

11.7 Guarantee. Any Guarantee provided by any Material Subsidiary or any material provision thereof shall cease to be in full force or effect or any such Guarantor thereunder or any Credit Party shall deny or disaffirm in writing any such Guarantor's obligations under the Guarantee (or any of the foregoing shall occur with respect to a Guarantee provided by a Subsidiary that is not a Material Subsidiary and shall continue unremedied for a period of at least 30 Business Days after receipt of written notice by the Borrower from the Administrative Agent, the Collateral Agent or the Required Lenders); or

11.8 Pledge Agreement. The Pledge Agreement pursuant to which the Stock or Stock Equivalents of any Material Subsidiary is pledged or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof or as a result of acts or omissions of the Collateral Agent or any Lender) or any pledgor thereunder or any Credit Party shall deny or disaffirm in writing any pledgor's obligations under the Pledge Agreement (or any of the foregoing shall occur with respect to a pledge of the Stock or Stock Equivalents of a Subsidiary that is not a Material Subsidiary and shall continue unremedied for a period of at least 30 days after receipt of written notice by the Borrower from the Administrative Agent, the Collateral Agent or the Required Lenders); or

11.9 Security Agreement. The Security Agreement pursuant to which the assets of the Borrower or any Material Subsidiary are pledged as Collateral or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof or as a result of acts or omissions of the Collateral Agent or any Lender) or any grantor thereunder or any Credit Party shall deny or disaffirm in writing any grantor's obligations under the Security Agreement (or any of the foregoing shall occur with respect to Collateral provided by a Subsidiary that is not a Material Subsidiary and shall continue unremedied for a period of at least 30 Business Days after receipt of written notice by the Borrower from the Administrative Agent, the Collateral Agent or the Required Lenders); or

11.10 Mortgages. Any Mortgage or any material provision of any Mortgage relating to any material portion of the Collateral shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof or as a result of acts or omissions of the Collateral Agent or any Lender) or any mortgagor thereunder or any Credit Party shall deny or disaffirm in writing any mortgagor's obligations under any Mortgage; or

11.11 Judgments. One or more judgments or decrees shall be entered against the Borrower or any of the Restricted Subsidiaries involving a liability of $15,000,000 or more in the aggregate for all such judgments and decrees for the Borrower and the Restricted Subsidiaries (to the extent not paid or fully covered by insurance provided by a carrier not disputing coverage) and any such judgments or decrees shall not have been satisfied, vacated, discharged or stayed or bonded pending appeal within 60 days from the entry thereof; or

11.12 Change of Control. A Change of Control shall occur; or

11.13 Subordination. The subordination provisions of any document or instrument evidencing any Permitted Additional Debt having a principal amount in excess of $15,000,000 that are subordinated shall be invalidated or otherwise cease to be legal, valid and binding

obligations of the holders of such Permitted Additional Debt, enforceable in accordance with their terms;

then, (1) upon the occurrence of any Event of Default described in Section 11.5, automatically, and (2) upon the occurrence of any other Event of Default, at the request of (or with the consent of) Required Lenders, upon notice to the Borrower by Administrative Agent, (A) each of the following shall immediately become due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by each Credit Party: (I) first to the unpaid principal amount of and accrued interest on the Loans, and (II) then to all other Obligations; (B) Administrative Agent may cause Collateral Agent to enforce any and all Liens and security interests created pursuant to Security Documents.

SECTION 12. Investors' Right to Cure. Notwithstanding anything to the contrary contained in Section 11.3(a), in the event that the Borrower fails to comply with the requirement of the covenant set forth in Section 10.9, until the expiration of the tenth day after the date on which Section 9.1 Financials with respect to the Test Period in which the covenant set forth in such Section is being measured are required to be delivered pursuant to Section 9.1, any of the Investors shall have the right to make a direct or indirect equity investment in the Borrower or any Restricted Subsidiary in cash (the "Cure Right"), and upon the receipt by such Person of net cash proceeds pursuant to the exercise of the Cure Right (including through the capital contribution of any such Net Cash proceeds to such person, the "Cure Amount"), the covenant set forth in such Section shall be recalculated, giving effect to a pro forma increase to Consolidated EBITDA for such Test Period in an amount equal to such net cash proceeds; provided that such pro forma adjustment to Consolidated EBITDA shall be given solely for the purpose of determining the existence of a Default or an Event of Default under the covenant set forth in such Section with respect to any Test Period that includes the fiscal quarter for which such Cure Right was exercised and not for any other purpose under any Credit Document.

If, after the exercise of the Cure Right and the recalculations pursuant to the preceding paragraph, the Borrower shall then be in compliance with the requirements of the covenant set forth in Section 10.9 during such Test Period (including for purposes of Section 7.1), the Borrower shall be deemed to have satisfied the requirements of such covenant as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable Default or Event of Default under Section 11.3 that had occurred shall be deemed cured; provided that (i) in each Test Period there shall be at least one fiscal quarter in which no Cure Right is exercised and (ii) with respect to any exercise of the Cure Right, the Cure Amount shall be no greater than the amount required to cause the Borrower to be in compliance with the covenant set forth in Section 10.9.

SECTION 13. The Administrative Agent

13.1 Appointment. (a) Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Credit Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly

delegated to the Administrative Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Administrative Agent. The provisions of this Section 13 are solely for the benefit of the Agents, any sub-agent and the Lenders and no Credit Party shall have any rights as a third party beneficiary of any of the provisions hereof. In performing its functions and duties hereunder, each Agent shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Borrower or any of its Subsidiaries.

(b) The Administrative Agent and each Lender hereby irrevocably designate and appoint the Collateral Agent as its agent under this Agreement and the other Credit Documents, and the Administrative Agent and each Lender irrevocably authorize the Collateral Agent, in such capacity, (i) to take such action on their behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Collateral Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto and (ii) to enter into any and all of the Security Documents (including, for the avoidance of doubt, the Intercreditor Agreement) together with such other documents as shall be necessary to give effect to (x) the ranking and priority of Indebtedness contemplated by the Intercreditor Agreement and (y) the Collateral contemplated by the other Security Documents, on its behalf. For the avoidance of doubt, each Lender agrees to be bound by the terms of the Intercreditor Agreement to the same extent as if it were a party thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Collateral Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with the Administrative Agent, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Collateral Agent.

(c) The Syndication Agent, in its capacity as such, shall not have any obligations, duties or responsibilities under this Agreement but shall be entitled to all benefits of this Section 13.

13.2 Delegation of Duties. Administrative Agent may perform any and all of its duties and exercise its rights and powers under this Agreement or under any other Credit Document by or through any one or more sub-agents appointed by Administrative Agent. 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 Affiliates. The exculpatory, indemnification and other provisions of this Section 13.2 and of Section 13.7 shall apply to any of the Affiliates of Administrative 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**.** All of the rights, benefits, and privileges (including the exculpatory and indemnification provisions) of this Section 13 and Section 14.5 shall apply to any such sub-agent and to the

Affiliates of any such sub-agent, and shall apply to their respective activities as sub-agent as if such sub-agent and Affiliates were named herein. Notwithstanding anything herein to the contrary, with respect to each sub-agent appointed by the Administrative Agent, (i) such sub-agent shall be a third party beneficiary under this Agreement with respect to all such rights, benefits and privileges (including exculpatory rights and rights to indemnification) and shall have all of the rights and benefits of a third party beneficiary, including an independent right of action to enforce such rights, benefits and privileges (including exculpatory rights and rights to indemnification) directly, without the consent or joinder of any other Person, against any or all of the Credit Parties and the Lenders, (ii) such rights, benefits and privileges (including exculpatory rights and rights to indemnification) shall not be modified or amended without the consent of such sub-agent, and (iii) such sub-agent shall only have obligations to Administrative Agent and not to any Credit Party, Lender or any other Person and no Credit Party, Lender or any other Person shall have any rights, directly or indirectly, as a third party beneficiary or otherwise, against such sub-agent**.**

13.3 General Immunity. (a) No Responsibility for Certain Matters. No Agent shall be responsible to any Lender for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency hereof or any other Credit Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by any Agent to Lenders or by or on behalf of any Credit Party, or for the financial condition or business affairs of any Credit Party or any other Person liable for the payment of any Obligations, nor shall any Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Credit Documents or as to the use of the proceeds of the Loans or as to the existence or possible existence of any Event of Default or Default or to make any disclosures with respect to the foregoing other than to the extent required under this Agreement. Anything contained herein to the contrary notwithstanding, Administrative Agent shall not have any liability arising from confirmations of the amount of outstanding Loans or the component amount thereof.

(b) Exculpatory Provisions. No Agent nor any of its officers, partners, directors, employees or agents shall be liable to Lenders for any action taken or omitted by any Agent under or in connection with any of the Credit Documents except to the extent caused by such Agent's gross negligence or willful misconduct. Each Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or any of the other Credit Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until such Agent shall have received instructions in respect thereof from Required Lenders (or such other Lenders as may be required to give such instructions under Section 14.1) and, upon receipt of such instructions from Required Lenders (or such other Lenders, as the case may be), such Agent shall be entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions. Without prejudice to the generality of the foregoing, (i) each Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons and shall be entitled to rely and shall be protected in relying on opinions and judgments of attorneys (who may be attorneys for Borrower and its Subsidiaries),

accountants, experts and other professional advisors selected by it; and (ii) no Lender shall have any right of action whatsoever against any Agent as a result of such Agent acting or (where so instructed) refraining from acting hereunder or any of the other Credit Documents in accordance with the instructions of Required Lenders (or such other Lenders as may be required to give such instructions under Section 14.1)

13.4 Reliance by Agents. The Administrative Agent and the Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent or the Collateral Agent. The Administrative Agent may deem and treat the Lender specified in the Register with respect to any amount owing hereunder as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent and the Collateral Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent and the Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Credit Documents in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

13.5 Notice of Default. Neither the Administrative Agent nor the Collateral Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless it has received notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default”. In the event that the Administrative Agent receives such a notice, it shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required 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 or Event of Default as it shall deem advisable in the best interests of the Lenders (except to the extent that this Agreement requires that such action be taken only with the approval of the Required Lenders or each of the Lenders, as applicable).

13.6 Non-Reliance on Administrative Agent, Collateral Agent and Other Lenders. Each Lender expressly acknowledges that neither the Administrative Agent nor the Collateral Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent or the Collateral Agent hereinafter taken, including any review of the affairs of the Borrower, any Guarantor or any other Credit Party, shall be deemed to constitute any representation or warranty by the Administrative Agent or the Collateral Agent to any Lender. Each Lender represents to the Administrative Agent and the Collateral Agent that it has, independently and without reliance

upon the Administrative Agent, the Collateral Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower, any Guarantor and any other Credit Party and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent, the Collateral Agent 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 analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Credit Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrower, any Guarantor and any other Credit Party. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, neither the Administrative Agent nor the Collateral Agent shall have any duty or responsibility to provide any Lender with any credit or other information concerning the business, assets, operations, properties, financial condition, prospects or creditworthiness of the Borrower, any Guarantor or any other Credit Party that may come into the possession of the Administrative Agent or the Collateral Agent any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliate. Notwithstanding anything herein to the contrary, each Lender acknowledges that the lien and security interest granted to the Collateral Agent pursuant to the Security Agreement or other applicable Security Document, and the exercise of any right or remedy by the Collateral Agent thereunder, are subject to the provisions of the Intercreditor Agreement and that in the event of any conflict between the terms of the Intercreditor Agreement and such Security Document, the terms of the Intercreditor Agreement shall govern and control.

13.7 Indemnification. The Lenders agree to indemnify the Administrative Agent and the Collateral Agent and any sub-agent thereof, each in its capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective portions of the Total Credit Exposure in effect on the date on which indemnification is sought (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with their respective portions of the Total Credit Exposure in effect immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs (including legal fees and costs), expenses or disbursements of any kind whatsoever that may at any time (including at any time following the payment of the Loans) be imposed on, incurred by or asserted against the Administrative Agent or the Collateral Agent or such sub-agent in any way relating to or arising out of, the Commitments, this Agreement, any of the other Credit Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent or the Collateral Agent or such sub-agent under or in connection with any of the foregoing, provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's or the Collateral Agent's or such sub-agent's gross negligence or willful misconduct. The agreements in this Section 13.7 shall survive the payment of the Loans and all other amounts payable hereunder.

13.8 Agents in their Individual Capacity. The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, any Agent or any sub-agent thereof in its individual capacity as a Lender hereunder. With respect to its participation in the Loans and the Letters of Credit, each Agent and any sub-agent thereof shall have the same rights and powers hereunder as any other Lender and may exercise the same as if it were not performing the duties and functions delegated to it hereunder, and the term "Lender" shall, unless the context clearly otherwise indicates, include each Agent or any sub-agent thereof in its individual capacity. Any Agent or any sub-agent thereof and its respective Affiliates may accept deposits from, lend money to, own securities of, and generally engage in any kind of banking, trust, financial advisory or other business with Borrower or any of its Affiliates as if it were not performing the duties specified herein, and may accept fees and other consideration from the Borrower for services in connection herewith and otherwise without having to account for the same to Lenders.

13.9 Successor Agents. The Administrative Agent may resign as Administrative Agent and the Collateral Agent may resign as Collateral Agent upon 20 days' prior written notice to the Lenders and the Borrower. If the Administrative Agent shall resign as Administrative Agent or the Collateral Agent shall resign as Collateral Agent under this Agreement and the other Credit Documents, then the Required Lenders shall appoint from among the Lenders a successor Administrative Agent or successor Collateral Agent, as applicable, which successor agent in each case, shall be approved by the Borrower (which approval shall not be unreasonably withheld) so long as no Default or Event of Default is continuing, whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent or the Collateral Agent, as the case may be, and the term "Administrative Agent" or "Collateral Agent", as the case may be, shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's or Collateral Agent's rights, powers and duties as Administrative Agent or Collateral Agent, as the case may be, shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or Collateral Agent, as the case may be, or any of the parties to this Agreement or any holders of the Loans. After any retiring Administrative Agent's or Collateral Agent's resignation as Administrative Agent or Collateral Agent, as the case may be, the provisions of this Section 13 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent or Collateral Agent under this Agreement and the other Credit Documents.

13.10 Withholding Tax. To the extent required by any applicable law, the Administrative Agent may withhold from any interest payment to any Lender an amount equivalent to any applicable withholding tax. If the Internal Revenue Service or any authority of the United States or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason), such Lender shall indemnify the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by the Borrower and without limiting the obligation of the Borrower to do so) fully for all amounts paid, directly or indirectly, by the Administrative Agent as tax or otherwise, including penalties and interest, together with all expenses incurred, including legal expenses, allocated staff costs and any out of pocket expenses.

13.11 REPORTS AND FINANCIAL STATEMENTS; DISCLAIMER BY LENDERS. By signing this Agreement, each Lender:

(a) is deemed to have requested that the Agents furnish such Lender, promptly after it becomes available, (i) a copy of all financial statements to be delivered by the Borrower hereunder, (ii) a copy of any notice of Default or Event of Default received by such Agent and (iii) a copy of each Report;

(b) expressly agrees and acknowledges that no Agent (i) makes any representation or warranty as to the accuracy of any Report, or (ii) shall be liable for any information contained in any Report;

(c) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that the Agent or other party performing any audit or examination will inspect only specific information regarding the Borrower and will rely significantly upon the Borrower's books and records, as well as on representations of the Borrower's personnel;

(d) agrees to keep all Reports confidential in accordance with Section 14.16; and

without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold the Agents and any such other Person or Lender preparing a Report harmless from any action the indemnifying Lender may take or conclusion the indemnifying Lender may reach or draw from any Report in connection with any loans or other credit accommodations that the indemnifying Lender has made or may make to the Borrower, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a loan or loans of the Borrower; and (ii) to pay and protect, and indemnify, defend, and hold the Agents and any such other Person or Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including reasonable costs of counsel) incurred by the Agents and any such other Lender preparing a Report as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

SECTION 14. Miscellaneous

14.1 Amendments and Waivers. Neither this Agreement nor any other Credit Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 14.1. The Required Lenders may, or, with the written consent of the Required Lenders, the Administrative Agent may, from time to time, (a) enter into with the relevant Credit Party or Credit Parties written amendments, supplements or modifications hereto and to the other Credit Documents for the purpose of adding any provisions to this Agreement or the other Credit Documents or changing in any manner the rights of the Lenders or of the Credit Parties hereunder or thereunder or (b) waive, on such terms and

conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Credit Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall directly (i) forgive or reduce any portion of any Loan or any Repayment Amount or extend the final scheduled maturity date of any Loan or extend any scheduled Repayment Date for any Loan or reduce the stated rate (it being understood that any change to the definitions of Consolidated Total Debt to Consolidated EBITDA Ratio or in the component definitions thereof shall not constitute a reduction in the rate and only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrower to pay interest at the "default rate" or amend Section 2.8(c)), or forgive any portion, or extend the date for the payment, of any interest or fee payable hereunder (other than as a result of waiving the applicability of any post-default increase in interest rates), or extend the final expiration date of any Lender's Commitment, or increase the aggregate amount of the Commitments of any Lender, or amend or modify any provisions of Section 5.3(a) (with respect to the ratable allocation of any payments only), 2.4 (with respect to the ratable disbursement of funds) and 14.8(a), in each case without the written consent of each Lender directly and adversely affected thereby, or (ii) amend, modify or waive any provision of this Section 14.1 or reduce the percentages specified in the definitions of the term "Required Lenders" or consent to the assignment or transfer by the Borrower of its rights and obligations under any Credit Document to which it is a party (except as permitted pursuant to Section 10.3), in each case without the written consent of each Lender directly and adversely affected thereby, or (iii) amend, modify or waive any provision of Section 13 without the written consent of the then-current Administrative Agent, or, (iv) release all or substantially all of the Guarantors under the Guarantee (except as expressly permitted by the Guarantee) or release all or substantially all of the Collateral under the Security Agreement or the Pledge Agreement without the prior written consent of each Lender, or (v) amend Section 2.9 so as to permit Interest Period intervals greater than six months without regard to availability to Lenders, without the written consent of each Lender directly and adversely affected thereby; or (vi) amend, modify or waive any provisions hereof relating to the Administrative Agent in a manner that directly and adversely affects it rights and obligations hereunder without the written consent of the Administrative Agent; or (x) amend, modify or waive any provisions hereof relating to the Collateral Agent in a manner that directly and adversely affects it rights and obligations hereunder without the written consent of the Collateral Agent. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the affected Lenders and shall be binding upon the Borrower, such Lenders, the Administrative Agent and all future holders of the affected Loans. In the case of any waiver, the Borrower, the Lenders and the Administrative Agent shall be restored to their former positions and rights hereunder and under the other Credit Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing, it being understood that no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender (it being understood that any Commitments or Loans held or deemed held by any Defaulting Lender shall be excluded for a vote of the Lenders hereunder requiring any consent of the Lenders).

Notwithstanding the foregoing, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Credit Documents with the Term Loans and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and other definitions related to such new Term Loans.

In addition, notwithstanding the foregoing, this Agreement may be amended with the written consent of the Administrative Agent, the Borrower and the Lenders providing the relevant Replacement Term Loans (as defined below) to permit the refinancing of all outstanding Term Loans ("Refinanced Term Loans") with a replacement term loan tranche ("Replacement Term Loans") hereunder; provided that (a) the aggregate principal amount of such Replacement Term Loans shall not exceed the aggregate principal amount of such Refinanced Term Loans, (b) the Applicable Margin for such Replacement Term Loans shall not be higher than the Applicable Margin for such Refinanced Term Loans, (c) the weighted average life to maturity of such Replacement Term Loans shall not be shorter than the weighted average life to maturity of such Refinanced Term Loans at the time of such refinancing (except to the extent of nominal amortization for periods where amortization has been eliminated as a result of prepayment of the applicable Term Loans) and (d) all other terms applicable to such Replacement Term Loans shall be substantially identical to, or less favorable to the Lenders providing such Replacement Term Loans than those applicable to such Refinanced Term Loans, except to the extent necessary to provide for covenants and other terms applicable to any period after the latest final maturity of the Term Loans in effect immediately prior to such refinancing.

14.2 Notices. Unless otherwise expressly provided herein, all notices and other communications provided for hereunder or under any other Credit Document shall be in writing (including by facsimile transmission). All such written notices shall be mailed, faxed or delivered to the applicable address, facsimile number or electronic mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(a) if to the Borrower or the Administrative Agent, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 14.2 or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties; and

(b) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the Borrower or the Administrative Agent.

All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, three (3) Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile,

when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail, when delivered; provided that notices and other communications to the Administrative Agent or the Lenders pursuant to Sections 2.3, 2.6, 2.9, and 5.1 shall not be effective until received.

14.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent, the Collateral Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Credit Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

14.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Credit Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans hereunder.

14.5 Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Agents for all their reasonable and documented out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Credit Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees, disbursements and other charges of Latham & Watkins LLP, one local counsel in each relevant local jurisdiction and such additional counsel to the extent consented to by the Borrower, (b) to pay or reimburse each Lender, and Agent for all its reasonable and documented costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Credit Documents and any such other documents, including the reasonable fees, disbursements and other charges of one counsel to the Administrative Agent, Collateral Agent and the other Agents (unless there is an actual or perceived conflict of interest in which case each such Person may retain its own counsel), (c) to pay, indemnify, and hold harmless each Lender, and Agent from, any and all recording and filing fees and (d) to pay, indemnify, and hold harmless each Lender, and Agent and their respective directors, officers, employees, trustees, investment advisors and agents from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, including reasonable and documented fees, disbursements and other charges of one primary counsel and one local counsel in each relevant jurisdiction to such indemnified Persons (unless there is an actual or perceived conflict of interest or the availability of different claims or defenses in which case each such Person may retain its own counsel), related to the Transactions or with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Credit Documents and any such other documents, including, without limitation, any of the foregoing relating to the violation of, noncompliance with or liability under, any Environmental Law or to any actual or alleged presence, release or threatened release of Hazardous Materials or any other Environmental Claims involving or attributable to the operations of the Borrower, any of its Subsidiaries or any of the Real Estate (all the foregoing in this clause (d), collectively, the "indemnified liabilities"), provided that the Borrower shall have no obligation hereunder to the Administrative Agent or any Lender nor any of their Related

Parties with respect to indemnified liabilities to the extent attributable to the bad faith, gross negligence or willful misconduct of, or material breach of the Credit Documents by, the party to be indemnified or any of its Related Parties. All amounts payable under this Section 14.5 shall be paid within ten (10) Business Days of receipt by the Borrower of an invoice relating thereto setting forth such expense in reasonable detail. No Person indemnified under this Section 14.5 shall be liable for any special, indirect, consequential or punitive damages relating to this Agreement or any other Credit Document or arising out of its activities in connection herewith or therewith. The agreements in this Section 14.5 shall survive repayment of the Loans and all other amounts payable hereunder

14.6 Successors and Assigns; Participations and Assignments. (a) 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 (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower or without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 14.6. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section 14.6), pledges to the extent provided in paragraph (d) of this Section 14.6 and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent of:

(A) the Borrower (which consent shall not be unreasonably withheld or delayed; provided that it being understood that, without limitation, the Borrower shall have the right to withhold its consent to any assignment if, in order for such assignment to comply with applicable law, the Borrower would be required to obtain the consent of, or make any filing or registration with, any Governmental Authority), provided that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund (unless increased costs would result therefrom at any time when no Event of Default under Section 11.1 or Section 11.5 is continuing) or, if an Event of Default under Section 11.1 or Section 11.5 has occurred and is continuing, any other assignee;

(B) the Administrative Agent (which consent shall not be unreasonably withheld or delayed; provided that no consent of the Administrative Agent shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund), or, in the case of assignments in connection with the initial syndication of Commitments and Loans only, the Co-Lead Arrangers.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, or assignments in connection with the initial syndication of Commitments and Loans (in amounts, and to such Persons, as previously agreed between the Borrower and the Co-Lead Arrangers), the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than $1,000,000, and increments of $1,000,000 in excess thereof, unless each of the Borrower and the Administrative Agent otherwise consents (which consents shall not be unreasonably withheld or delayed), provided that no such consent of the Borrower shall be required if an Event of Default under Section 11.1 or Section 11.5 has occurred and is continuing; provided, further, that contemporaneous assignments to a single assignee made by Affiliates of Lenders and related Approved Funds or by a single assignor made to Affiliates or related Approved Funds shall be aggregated for purposes of meeting the minimum assignment amount requirements stated above;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500, provided that only one such fee shall be payable in the event of simultaneous assignments to or from two or more Approved Funds; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire in a form approved by the Administrative Agent (the "Administrative Questionnaire").

For the purpose of this Section 14.6(b), the term "Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course and that is administered, advised or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers, advises or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(v) of this Section 14.6, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.10, 2.11, 5.4 and 14.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 14.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section 14.6.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower shall maintain at the Administrative Agent's Office a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans, each Lender pursuant to the terms hereof from time to time (the "Register"). Further, the Register shall contain the name and address of the Administrative Agent and the lending office through which each such Person acts under this Agreement. The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender (with respect to any entry relating to such Lender's Loans) at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section 14.6 and any written consent to such assignment required by paragraph (b) of this Section 14.6, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register.

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (each, a "Participant") in all or a portion of such Lender's

rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it), provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent, and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement or any other Credit Document, provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 14.1 under subsections (i) and (iv) that affects such Participant. Subject to paragraph (c)(ii) of this Section 14.6, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.10, 2.11 and 5.4 to the same extent as if it were a Lender (subject to the requirements of those Sections) and had acquired its interest by assignment pursuant to paragraph (b) of this Section 14.6. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 14.8(b) as though it were a Lender, provided such Participant agrees to be subject to Section 14.8(a) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.10 or 5.4 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent (which consent shall not be unreasonably withheld).

(d) Any Lender may, without the consent of the Borrower or the Administrative Agent, 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, and this Section 14.6 shall not apply to any such pledge or assignment of a security interest, provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto. In order to facilitate such pledge or assignment, the Borrower hereby agrees that, upon request of any Lender at any time and from time to time after the Borrower has made its initial borrowing hereunder, the Borrower shall provide to such Lender, at the Borrower's own expense, a promissory note, substantially in the form of Exhibit L evidencing the Term Loans, respectively, owing to such Lender.

(e) Subject to Section 14.16, the Borrower authorizes each Lender to disclose to any Participant, secured creditor of such Lender or assignee (each, a "Transferee") and any prospective Transferee any and all financial information in such Lender's possession concerning the Borrower and its Affiliates that has been delivered to such Lender by or on behalf of the Borrower and its Affiliates pursuant to this Agreement or which has been delivered to such Lender by or on behalf of the Borrower and its Affiliates in connection with such Lender's credit evaluation of the Borrower and its Affiliates prior to becoming a party to this Agreement.

14.7 Replacements of Lenders under Certain Circumstances. (a) The Borrower shall be permitted to replace any Lender that (a) requests reimbursement for amounts owing pursuant to Section 2.10, 3.5 or 5.4, (b) is affected in the manner described in Section 2.10(a)(iii) and as a result thereof any of the actions described in such Section is required to be taken or (c)

becomes a Defaulting Lender, with a replacement bank or other financial institution, provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Event of Default shall have occurred and be continuing at the time of such replacement, (iii) the Borrower shall repay (or the replacement bank or institution shall purchase, at par) all Loans and other amounts (other than any disputed amounts), pursuant to Section 2.10, 2.11 or 5.4, as the case may be) owing to such replaced Lender prior to the date of replacement, (iv) the replacement bank or institution, if not already a Lender, and the terms and conditions of such replacement, shall be reasonably satisfactory to the Administrative Agent, (v) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 14.6 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein) and (vi) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

(b) If any Lender (such Lender, a "Non-Consenting Lender") has failed to consent to a proposed amendment, waiver, discharge or termination which pursuant to the terms of Section 14.1 requires the consent of all of the Lenders affected and with respect to which the Required Lenders shall have granted their consent, then provided no Event of Default then exists, the Borrower shall have the right (unless such Non-Consenting Lender grants such consent) to replace such Non-Consenting Lender by requiring such Non-Consenting Lender to assign its Loans, and its Commitments hereunder to one or more assignees reasonably acceptable to the Administrative Agent, provided that: (a) all Obligations of the Borrower owing to such Non-Consenting Lender being replaced shall be paid in full to such Non-Consenting Lender concurrently with such assignment, (b) the replacement Lender shall purchase the foregoing by paying to such Non-Consenting Lender a price equal to the principal amount thereof plus accrued and unpaid interest thereon and (c) the replacement Lender shall grant such consent. In connection with any such assignment, the Borrower, Administrative Agent, such Non-Consenting Lender and the replacement Lender shall otherwise comply with Section 14.6.

14.8 Adjustments; Set-off. (a) If any Lender (a "benefited Lender") shall at any time receive any payment of all or part of its Loans, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 11.5, or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Loans, or interest thereon, such benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Loan, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such benefited Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) After the occurrence and during the continuance of an Event of Default, in addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the

Borrower to the extent permitted by applicable law, subject to the consent of the Administrative Agent (such consent not to be unreasonably withheld) upon any amount becoming due and payable by the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the Borrower. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such set-off and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application.

14.9 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), 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 Borrower and the Administrative Agent.

14.10 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.

14.11 Integration. This Agreement and the other Credit Documents represent the agreement of the Borrower, the Collateral Agent, the Administrative Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Borrower, the Administrative Agent, the Collateral Agent or any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents.

14.12 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.

14.13 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 and the other Credit Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-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 may 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 set forth on Schedule 14.2 at such other address of which the Administrative Agent shall have been notified pursuant to Section 14.2;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right 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 14.13 any special, exemplary, punitive or consequential damages.

14.14 Acknowledgments. The Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Credit Documents;

(b) neither the Administrative Agent nor the Collateral Agent nor any Lender has any fiduciary relationship with or duty to the Borrower arising out of or in connection with this Agreement or any of the other Credit Documents, and the relationship between Administrative Agent, the Collateral Agent and Lenders, on one hand, and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Borrower and the Lenders.

14.15 **WAIVERS OF JURY TRIAL**. THE BORROWER, EACH AGENT AND EACH LENDER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

14.16 Confidentiality. The Administrative Agent and each Lender shall hold all non-public information furnished by or on behalf of the Borrower in connection with such Lender's evaluation of whether to become a Lender hereunder or obtained by such Lender or the Administrative Agent pursuant to the requirements of this Agreement ("Confidential Information"), confidential in accordance with its customary procedure for handling confidential information of this nature and (in the case of a Lender that is a bank) in accordance with safe and sound banking practices and in any event may (i) make disclosure as required or requested by any governmental agency or representative thereof or pursuant to legal process or to such Lender's or the Administrative Agent's attorneys, professional advisors or independent auditors

or Affiliates, provided that unless specifically prohibited by applicable law or court order, each Lender and the Administrative Agent shall notify the Borrower of any request by any governmental agency or representative thereof (other than any such request in connection with an examination of the financial condition of such Lender by such governmental agency or other routine examinations of such Lender by such governmental agency) for disclosure of any such non-public information prior to disclosure of such information, and provided, further, that in no event shall any Lender or the Administrative Agent be obligated or required to return any materials furnished by the Borrower or any Subsidiary of the Borrower, (ii) make disclosures of such information reasonably required by any bona fide or potential assignee, transferee or participant in connection with the contemplated assignment, transfer or participation by such Lender of any Loans or any participations therein or by any pledgees referred to in Section 14.16(d) or by direct or indirect contractual counterparties (or the professional advisors thereto) in Hedge Agreements (provided, such assignees, transferees, participants, pledgees, counterparties and advisors are advised of and agree to be bound by provisions that in substance are the equivalent to those in this Section 14.16), (iii) make disclosure of such information reasonably required by any lender or other Person providing financing to such Lender (provided such lenders or other Persons are advised of the confidential nature of such information and agree to keep such information confidential on terms consistent with this Section 14.16), and (iv) make disclosure to any rating agency, provided that, prior to any disclosure, such rating agency shall undertake in writing to preserve the confidentiality of any Confidential Information received by it from any of the Agents or any Lender.

14.17 Direct Website Communications.

(a) (i) The Borrower may, at its option, provide to the Administrative Agent any information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to the Credit Documents, including, without limitation, all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (A) relates to a request for a new, or a conversion of an existing, borrowing or other extension of credit (including any election of an interest rate or interest period relating thereto), (B) relates to the payment of any principal or other amount due under the Credit Agreement prior to the scheduled date therefor, (C) provides notice of any default or event of default under the Credit Agreement or (D) is required to be delivered to satisfy any condition precedent to the effectiveness of the Credit Agreement and/or any borrowing or other extension of credit thereunder (all such non-excluded communications being referred to herein collectively as "Communications"), by transmitting the Communications in an electronic/soft medium in a format reasonably acceptable to the Administrative Agent to lpgloans@lehman.com or such other email address as disclosed in writing to the Borrower. Nothing in this Section 14.17 shall prejudice the right of the Borrower, the Administrative Agent or any Lender to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document.

(ii) The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above

shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Credit Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Credit Documents. Each Lender agrees (A) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and (B) that the foregoing notice may be sent to such e-mail address.

(b) The Borrower further agrees that the Administrative Agent may make the Communications available to the Lenders by posting the Communications on Intralinks or a substantially similar electronic transmission system (the "Platform"), so long as the access to such Platform is limited (i) to the Agents and the Lenders and (ii) remains subject the confidentiality requirements set forth in Section 14.16.

(c) The Platform is provided "as is" and "as available." The Agent Parties do not warrant the accuracy or completeness of the Communications, or the adequacy of the platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by the Agent Parties in connection with the Communications or the platform. In no event shall the Administrative Agent, the Collateral Agent or any of its affiliates or any of their respective officers, directors, employees, agents, advisors or representatives (collectively, "Agent Parties") have any liability to the Borrower, any Lender or any other person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Communications through the internet, except to the extent the liability of any Agent Party resulted from such Agent Party's (or any of its Related Parties) gross negligence, bad faith or willful misconduct or material breach of the Credit Documents.

(d) The Borrower and each Lender acknowledge that certain of the Lenders may be "public-side" Lenders (Lenders that do not wish to receive material non-public information with respect to the Borrower, its Subsidiaries or their securities) and, if documents or notices required to be delivered pursuant to the Credit Documents or otherwise are being distributed through the Platform, any document or notice that the Borrower has indicated contains only publicly available information with respect to the Borrower may be posted on that portion of the Platform designated for such public-side Lenders. If the Borrower has not indicated whether a document or notice delivered contains only publicly available information, the Administrative Agent shall post such document or notice solely on that portion of the Platform designated for Lenders who wish to receive material nonpublic information with respect to the Borrower, its Subsidiaries and their securities. Notwithstanding the foregoing, the Borrower shall be under no obligation under this Section 14.17 (d) to indicate any document or notice as containing only publicly available information.

14.18 USA PATRIOT Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act.

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

MCJUNKIN CORPORATION

By: /s/ J.F. UNDERHILL
Name:
Title:

[SIGNATURE PAGE TO TERM CREDIT AGREEMENT]

LEHMAN COMMERCIAL PAPER INC., as Administrative Agent, as Collateral Agent and as a Lender

By: /s/ JEFF OGDEN
Name: Jeff Ogden
Title: Managing Director

[SIGNATURE PAGE TO TERM CREDIT AGREEMENT]

GOLDMAN SACHS CREDIT PARTNERS L.P., as Co-Lead Arranger, Joint Bookrunner, Syndication Agent and as a Lender

By: /s/ BRUCE MENDELSOHN
Name: Bruce Mendelsohn
Title: Authorized Signatory

By: _____
Name:
Title:

[SIGNATURE PAGE TO TERM LOAN CREDIT AGREEMENT]

LEHMAN BROTHERS INC., as Co-Lead Arranger and Joint Bookrunner

By: /s/ JEFF OGDEN
Name: Jeff Ogden
Title: Managing Director

[SIGNATURE PAGE TO TERM LOAN CREDIT AGREEMENT]

SCHEDULE 1.1(A) — EXISTING LETTERS OF CREDIT

Beneficiary	Expiration Date	Amount	Purpose	Issuing Bank
Brickstreet	11/1/07	$ 200,000	Worker's Comp	JPMorgan Chase
St. Paul Travelers	11/4/07	$1,775,000	Insurance	United Bank
State of West Virginia	1/31/08	$1,000,000	Worker's Comp	JPMorgan Chase
Sentry Insurance	11/1/07	$ 130,000	Insurance	JPMorgan Chase

SCHEDULE 1.1(B) — MORTGAGED PROPERTY

Name of Pertection Entity	Location
McJunkin Corporation	4732 Darien Houston, TX 77028
McJunkin Corporation	1100 Leblanc Road, Port Allen, LA 70767 West Baton Rouge Parish, LA
McJunkin Corporation	835 Hillcrest Drive, Charleston, WV 25311
McJunkin Corporation	Nitro, WV

SCHEDULE 1.1(c)
TERM LOAN COMMITMENTS

Lender	Term Loan Commitment
Goldman Sachs Credit Partners L.P.	$575,000,000

Addresses on file with Administrative Agent.

SCHEDULE 1.1(D) – EXCLUDED SUBSIDIARY

McJunkin Receivables Corporation

SCHEDULE 1.1(E) — INITIAL COST SAVINGS

3/31/07	—	$11,203,565
6/30/07	—	$7,842,496
9/30/07	—	$4,481,426
12/31/07	—	$1,120,357

SCHEDULE 1.1(F) — NON-CORE ASSETS

623,521 shares of common stock of PrimeEnergy Corporation, which comprise approximately 19% of outstanding stock

19/60 ownership interest in Vision Exploration & Production Co., LLC

Hansford Street property and building (1400, 1401 and 1403 Hansford Street, Charleston, WV 25301)

Beekman apartment (575 Park Avenue, Apt. 401, New York, NY 10021)

Piedmont Farm (State Route 3, Union, WV)

Vacant lot at Hillcrest Drive (835 Hillcrest Drive, Charleston, WV, 25311)

SCHEDULE 8.12 SUBSIDIARIES

Name	Owner	FEIN	Type	Material Subsidiary (Y/N)
McJunkin Appalachian Oilfield Supply Company	McJunkin Corporation	55-0685701	corporation	Y
McJunkin Nigeria Limited	McJunkin Corporation	55-0758030	corporation	N
McJunkin Development Corporation	McJunkin Corporation	55-0825430	corporation	N
McJunkin-Puerto Rico Corporation	McJunkin Corporation	27-0094172	corporation	N
McJunkin Receivables Corporation	McJunkin Corporation	55-2070733	corporation	N
McJunkin-West Africa Corporation	McJunkin Corporation	20-7303835	corporation	N
Milton Oil & Gas Company	McJunkin Corporation	55-0547779	corporation	N
Greenbrier Petroleum Corporation	Milton Oil & Gas Company	55-0566559	corporation	N
Piedmont Farms, Inc.	McJunkin Corporation	55-0547781	corporation	N
Ruffner Realty Company	McJunkin Corporation	55-0547777	corporation	N
McJunkin Nigeria Limited	McJunkin Corporation	N/A	corporation	N

SCHEDULE 9.9 — CLOSING DATE AFFILIATE TRANSACTIONS

NONE.

SCHEDULE 9.17(C) — POST CLOSING ACTIONS

1. The Company agrees that it will provide the stock certificate and stock power for Greenbrier Petroleum Corporation no later than 30 days after the Closing Date or such later date as the Administrative Agent may reasonably agree.

2. The Company agrees that it will provide evidence of title insurance policies on each property listed on Schedule 1.1(B) no later than 45 days after the Closing Date or such later date as the Administrative Agent may reasonably agree.

3. [Other real estate items TBD]

SCHEDULE 10.1 — CLOSING DATE INDEBTEDNESS

Letters of Credit

Beneficiary	Expiration Date	Amount	Purpose	Issuing Bank
Brickstreet	11/1/07	$ 200,000	Worker's Comp	JP Morgan Chase
St. Paul Travelers	11/4/07	$ 1,175,000	Insurance	United Bank
State of West Virginia	1/31/08	$ 1,000,000	Worker's Comp	JP Morgan Chase
Sentry Insurance	11/1/07	$ 130,000	Insurance	JP Morgan Chase
Lumberman's Mutual	7/1/07	$ 89,653	Insurance	National City

Capital Leases

Warehouse	State	County	Lessor	Lease Expir Date
Little Rock	AR	Pulaski	Hansford Associates, LP	12/31/2016
Bakersfield	CA	Kern	Hansford Associates, LP	3/31/2012
Augusta	GA	Richmond	Hansford Associates, LP	12/31/2009
Granite City	IL	Madison	Hansford Associates, LP	9/30/2009
Calvert City	KY	Marshall	Hansford Associates, LP	10/31/2011
Cleveland	OH	Summit	Hansford Associates, LP	10/31/2010
North Charleston	SC	Charleston	Hansford Associates, LP	12/31/2009
LaMarque	TX	Galveston	Hansford Associates, LP	12/31/2012
Rock Springs	WY	Sweetwater	Hansford Associates, LP	3/31/2012

SCHEDULE 10.2 — CLOSING DATE LIENS

NONE.

SCHEDULE 10.5 – CLOSING DATE INVESTMENTS

1. Investments held by McJunkin Corporation

Investment	**Percentage Of Interest**
Greenbrier Development Drilling Partners 1976 P.O. Box 513 Charleston, West Virginia 25322	47 Units, 8.07%
W.T. Massey 200 N.W. 66th, Suite 935 Oklahoma City, Oklahoma 73116 & H.A. Moore 4013 N.W. Expressway Suite 605 Oklahoma City, Oklahoma 73116	Own various overriding royalty interests in oil and gas wells in Oklahoma Own various overriding royalty interests in oil and gas wells in Oklahoma.
PrimeEnergy Corporation One Landmark Square Stamford, Connecticut 06901	Purchased 49.8% interest in K.R.M. Petroleum Company in 1984. Name changed on 5/17/90 from K.R.M. Petroleum to PrimeEnergy (percentage owned approximately 19.0% as of 6/30/06)
Vision Exploration & Production Co., LLC 8100 E. 22nd No. Bldg. 1100 Wichita, Kansas 67226	Purchased 1/3 interest in Vision Exploration & Production, LLC

2. Investments held by Milton Oil & Gas Company, a wholly owned subsidiary of McJunkin Corporation:

Investment	**Percentage Of Interest**
Butcher & Singer C/O Butcher & Singer, Inc. 211 South Broad Street Philadelphia, Pennsylvania 15105 Buttes 1976-1 (931)	 Overriding royalty interest
Cabot Oil & Gas Corporation (formerly Appalachian Exploration & Development) C/O Cabot Petroleum Corporation Joint Interest Section	

Investment	Percentage Of Interest
921 Main Street, Suite 900 Houston, Texas 77002 B & H Partnership (935) Milton Option (938) P & H Partnership (942)	 60% working interest 60% working interest 60% working interest
Dunne Equities C/O Dunne Equities 8100 E. 22nd Street North Building 1100 Wichita, Kansas 67226 Currently (24) Productive Wells/Programs	 Various %
Quad D Operating P.O. Box 5567 Huntington, West Virginia 25703	
Closterman M-1 And M-2 (952) Closterman M-3 And M-4 (953) Closterman M-5 (954) Closterman M-6 (955) D.P. Morris Lease Well (956)	25% working interest 18.75% working interest 18.75% working interest 18.75% working interest 25% working interest
Devon Energy Production Co LP 20 North Broadway Oklahoma City, Oklahoma 73102 Clifton #1 (946) Hawkins #1 (948) Pritchard #1 (949). Whisenhunt (950) Clifton #2 (947) Clifton #3 (951)	 .90868% working interest 1.82364% working interest 32835% net revenue interest 1.0138% working interest 1.0447% working interest

3. Investments held by Ruffner Realty Company, a wholly owned subsidiary of McJunkin Corporation:

Investment	Percentage Of Interest
Auburn Lakes - Cost Basis 185 Acres + 370 Units Condominium 2901 Cedar Road Cleveland, Ohio	2.08%

Investment	Percentage Of Interest
First Interstate Elyria Shopping Center Elyria, Ohio	1.04%
First Interstate Hawthorne - Cost Basis Equity Investors Shopping Center 29425 Chagrin Boulevard Cleveland, Ohio	1.85%
First Interstate Mentor Centers Equity Investors Shopping Center 29425 Chagrin Boulevard Cleveland, Ohio	1.39%
Merc-Ex Investors Ltd. Partnership. - Cost Basis Equity Investors, Inc. Apartment Complex Beachwood, Ohio	7.75%
One Congress Square - Cost Basis Sovereign Realty Office Building - Historic Structure Chicago, Illinois	1.5%

SCHEDULE 10.11 — CLOSING DATE RESTRICTIONS

NONE.

Exhibit 10.3.1

POSTED VERSION

FIRST AMENDMENT
TO TERM LOAN CREDIT AGREEMENT

THIS FIRST AMENDMENT TO TERM LOAN CREDIT AGREEMENT (this **"Amendment"**) is dated as of October 31, 2007 and is entered into by and among **MCJUNKIN CORPORATION**, a West Virginia corporation (the "**Borrower**"), **CERTAIN FINANCIAL INSTITUTIONS** listed on the signature pages hereto (the **"Lenders"**), **GOLDMAN SACHS CREDIT PARTNERS L.P.**, as Co-Lead Arranger, Joint Bookrunner and Syndication Agent, **LEHMAN BROTHERS INC.**, as Co-Lead Arranger and Joint Bookrunner, **LEHMAN COMMERCIAL PAPER INC.**, as Administrative Agent (**"Administrative Agent"**) and Collateral Agent, and, for purposes of Section V hereof, the **CREDIT SUPPORT PARTIES** listed on the signature pages hereto, and is made with reference to that certain **TERM LOAN CREDIT AGREEMENT** dated as of January 31, 2007 (as amended through the date hereof, the **"Credit Agreement"**) by and among Borrower, the Lenders, Syndication Agent, Administrative Agent, Collateral Agent, Joint Bookrunners and the Co-Lead Arrangers. Capitalized terms used herein without definition shall have the same meanings herein as set forth in the Credit Agreement after giving effect to this Amendment.

RECITALS

WHEREAS, the Credit Parties have requested that Required Lenders agree to amend certain provisions of the Credit Agreement as provided for herein; and

WHEREAS, subject to certain conditions, Required Lenders are willing to agree to such amendment relating to the Credit Agreement.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION I. AMENDMENTS TO CREDIT AGREEMENT

A. The following definitions set forth in Section 1.1 of the Credit Agreement are hereby amended and restated in their entirety to read as follows:

""Applicable ABR Margin" shall mean at any date, with respect to each ABR Loan that is a Term Loan, 2.25% *per annum*."

""Applicable LIBOR Margin" shall mean at any date, with respect to each LIBOR Loan that is a Term Loan, 3.25% *per annum*."

""Consolidated Secured Debt" shall mean, as of any date of determination, (a) the aggregate principal amount of Indebtedness of the Borrower and the Restricted Subsidiaries outstanding on such date, determined on a consolidated basis in accordance with GAAP (but excluding the effects of any discounting of Indebtedness resulting from the application of purchase accounting in connection with the Transaction or any Permitted Acquisition), consisting of Indebtedness for borrowed money, Capital Lease Obligations and debt obligations evidenced by promissory notes or

similar instruments, in each case secured by Liens, minus (b) the aggregate amount of cash and cash equivalents held in accounts on the consolidated balance sheet of the Borrower and the Restricted Subsidiaries as at such date to the extent the use thereof for application to payment of Indebtedness is not prohibited by law or any contract to which the Borrower or any of the Restricted Subsidiaries is a party."

""Revolving Loan Credit Agreement" shall mean that certain revolving loan credit agreement dated as of the Revolving Loan Closing Date by and among the Borrower, The CIT Group/Business Credit, Inc. as administrative agent and co-collateral agent, Bank of America, N.A., as co-collateral agent, Goldman Sachs Credit Partners L.P. and Lehman Brothers Inc., as the co-lead arrangers and joint bookrunners, and Goldman Sachs Credit Partners L.P., as the syndication agent."

""Secured Leverage Ratio" shall mean, as of any date of determination, the ratio of (a) Consolidated Secured Debt as of the last day of the relevant Test Period to (b) Consolidated EBITDA for such Test Period."

B. Section 1.1 of the Credit Agreement is hereby amended by deleting the definitions "Level I Status", "Level II Status", "Status" and "Trigger Date" and inserting the following definitions in the appropriate alphabetical order:

""Red Man Acquisition Agreement" shall mean that certain stock purchase agreement dated as of July 6, 2007, among McJ Holding LLC, a Delaware limited liability company, Red-Man Pipe and Supply Company, an Oklahoma corporation, West Oklahoma PVF Company, a Delaware corporation and the shareholders of Red Man, as amended from time to time in accordance with the terms thereof."

""Revolving Loan Closing Date" shall mean October 31, 2007."

C. Section 1.1 of the Credit Agreement is hereby amended by deleting subsection (a)(ii) of the definition "Applicable Amount" and inserting the following in its place:

"(ii) the amount of any capital contributions (other than any Cure Amount) made in cash to, or any proceeds of any equity issuance received by, the Borrower from and including the Business Day immediately following the Revolving Loan Closing Date through and including the Reference Time, including proceeds from the issuance of Stock or Stock Equivalents of any direct or indirect parent of the Borrower,"

D. Section 2.14(a) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(a) Borrower may by written notice to Administrative Agent elect to request the establishment of one or more increases in Term Loan Commitments (the "New Term Loan Commitments"), by an aggregate

amount not in excess of the difference between the aggregate amounts permitted by clauses (x) & (y) hereafter and the sum of all New Term Loan Commitments and New Revolving Credit Commitments obtained on or prior to such date and not less than $10,000,000 individually (or such lesser amount which shall be approved by Administrative Agent or such lesser amount that shall constitute the difference between the aggregate amounts permitted by clauses (x) & (y) hereafter and the sum of all New Revolving Credit Commitments and New Term Loan Commitments obtained on or prior to such date). Each such notice shall specify the date (each, an "Increased Amount Date") on which the Borrower proposes that the New Term Loan Commitments shall be effective, which shall be a date not less than ten Business Days after the date on which such notice is delivered to Administrative Agent. The New Term Loan Commitments shall not exceed the sum of: (x) up to $200,000,000 solely to the extent used to fund the exercise of the CanHCO Call Right (as defined under the Red Man Acquisition Agreement as in effect on the date hereof) and the refinancing of certain indebtedness of Midfield Supply Co. plus (y) up to an additional $100,000,000; provided that any Lender offered or approached to provide all or a portion of the New Term Loan Commitments may elect or decline, in its sole discretion, to provide a New Term Loan Commitments. Such New Term Loan Commitments shall become effective, as of such Increased Amount Date; provided that (i) no Default or Event of Default shall exist on such Increased Amount Date before or after giving effect to such New Term Loan Commitments, as applicable; (ii) both before and after giving effect to the making of any Series of New Term Loans, each of the conditions set forth in Section 7 shall be satisfied; (iii) Borrower and its Subsidiaries shall be in Pro Forma Compliance with each of the covenants set forth in Section 10.9 as of the last day of the most recently ended fiscal quarter after giving effect to such New Term Loan Commitments and any Specified Transaction to be consummated in connection therewith; (iv) the New Term Loan Commitments shall be effected pursuant to one or more Joinder Agreements executed and delivered by the Borrower and Administrative Agent, and each of which shall be recorded in the Register and shall be subject to the requirements set forth in Section 5.4(d) and (e); (v) Borrower shall make any payments required pursuant to Section 2.11 in connection with the New Term Loan Commitments, as applicable; and (vi) Borrower shall deliver or cause to be delivered any legal opinions or other documents reasonably requested by Administrative Agent in connection with any such transaction. Any New Term Loans made on an Increased Amount Date shall be designated, a separate series (a "Series") of New Term Loans for all purposes of this Agreement."

E. Section 5.1 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(a) The Borrower shall have the right to prepay Term Loans, in each case, without premium or penalty except as set forth in subsection (b) below, in whole or in part

from time to time on the following terms and conditions: (i) the Borrower shall give the Administrative Agent and at the Administrative Agent's Office written notice (or telephonic notice promptly confirmed in writing no later than 1:00 p.m. (New York City time)) of its intent to make such prepayment, the amount of such prepayment and (in the case of LIBOR Loans) the specific Borrowing(s) pursuant to which made, which notice shall be given by the Borrower no later than (x) in the case of a LIBOR Loans, 12:00 noon (New York City time) three Business Days prior to or (y) in the case of ABR Loans, 12:00 noon (New York City time) on, the date of such prepayment and shall promptly be transmitted by the Administrative Agent to each of the Lenders; (ii) each partial prepayment of any Borrowing of Term Loans shall be in a multiple of $100,000 and in an aggregate principal amount of at least $1,000,000, provided that no partial prepayment of LIBOR Loans made pursuant to a single Borrowing shall reduce the outstanding LIBOR Loans made pursuant to such Borrowing to an amount less than the Minimum Borrowing Amount for LIBOR Loans and (iii) any prepayment of LIBOR Loans pursuant to this Section 5.1 on any day other than the last day of an Interest Period applicable thereto shall be subject to compliance by the Borrower with the applicable provisions of Section 2.11. Each prepayment in respect of any Term Loans pursuant to this Section 5.1 shall be (1) applied to Term Loans in such manner as the Borrower may determine and (2) applied to reduce Repayment Amounts, and/or any New Term Loan Repayment Amounts, as the case may be, in such order as the Borrower may determine. At the Borrower's election in connection with any prepayment pursuant to this Section 5.1, such prepayment shall not be applied to any Term Loan of a Defaulting Lender.

(b) In the event that all but not less than all of the Term Loans are repaid prior to the first anniversary of the Revolving Loan Closing Date with the proceeds of a substantially concurrent issuance or incurrence of new bank loans which (i) are incurred solely for the purpose of refinancing the Term Loans and decreasing the Applicable ABR Margin and/or Applicable LIBOR Margin with respect thereto, (ii) otherwise have terms and conditions (and are in an aggregate principal amount) substantially the same as those of the Term Loans as in effect prior to the prepayment thereof and (iii) are not otherwise in connection with an initial public offering by the Borrower, any of its Subsidiaries or any direct or indirect parent thereof, such prepayment will be accompanied by a premium equal to 1.00% of the aggregate principal amount of such prepayment."

F. Section 5.2(a)(ii) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(ii) Not later than the date that is ninety days after the last day of any fiscal year (commencing with and including the fiscal year ending December 31, 2007), the Borrower shall prepay, in accordance with paragraph (c) below, the principal of Term Loans in an amount equal to (x) 50% of Excess Cash Flow for such fiscal year, provided that (A) the percentage in this Section 5.2(a)(ii) shall be reduced to 25% if the Borrower's ratio of Consolidated Total Debt on the date of prepayment (prior to giving effect thereto) to Consolidated EBITDA for the most recent Test Period ended prior to such prepayment date is no greater than 2.50 to 1.00 but greater than 2.00 to 1.00 and (B) no payment of any Term Loans shall be required under this Section 5.2(a)(ii) if the Borrower's ratio of Consolidated Total Debt on

the date of prepayment (prior to giving effect thereto) to Consolidated EBITDA for the most recent Test Period ended prior to such prepayment date is no greater than 2.00 to 1.00), minus (y) the principal amount of Term Loans voluntarily prepaid pursuant to Section 5.1 during such fiscal year.

G. Section 9.1(a) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(a) Annual Financial Statements. As soon as available and in any event on or before the date on which such financial statements are required to be filed with the SEC (or, if such financial statements are not required to be filed with the SEC, on or before the date that is 105 days after the end of each such fiscal year), the consolidated balance sheet of the Borrower and the Restricted Subsidiaries as at the end of such fiscal year, and the related consolidated statement of operations and consolidated statement of cash flows for such fiscal year, setting forth comparative consolidated figures for the preceding fiscal year, and certified by independent certified public accountants of recognized national standing whose opinion shall not be qualified as to the scope of audit or as to the status of the Borrower or any of the Material Subsidiaries (or group of Subsidiaries that together would constitute a Material Subsidiary) as a going concern, together in any event with a certificate of such accounting firm stating that in the course of its regular audit of the business of the Borrower and the Material Subsidiaries, which audit was conducted in accordance with generally accepted auditing standards, such accounting firm has obtained no knowledge of any Default or Event of Default relating to Sections 10.9, 10.10 or 10.11 that has occurred and is continuing or, if in the opinion of such accounting firm such a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof which shall be certified by a Financial Officer of the Borrower."

H. Section 9.1(b) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(b) Quarterly Financial Statements. As soon as available and in any event on or before the date on which such financial statements are required to be filed with the SEC with respect to each of the first three quarterly accounting periods in each fiscal year of the Borrower (or, if such financial statements are not required to be filed with the SEC, on or before the date that is sixty (60) days after the end of each such quarterly accounting period), the consolidated balance sheet of (i) the Borrower and the Restricted Subsidiaries and (ii) the Borrower and its Subsidiaries, in each case as at the end of such quarterly period and the related consolidated statement of operations for such quarterly accounting period and for the elapsed portion of the fiscal year ended with the last day of such quarterly period, and the related consolidated statement of cash flows for the elapsed portion of the fiscal year ended with the last day of such quarterly period, and setting forth comparative consolidated figures for the related periods in the prior fiscal year or, in the case of such consolidated balance sheet, for the last day of the prior fiscal year, all of

which shall be certified by a Financial Officer of the Borrower, subject to changes resulting from audit and normal year-end audit adjustments."

I. Section 9.15 of the Credit Agreement is hereby amended by deleting the first occurrence of the defined term "Closing Date" and inserting the defined term "Revolving Loan Closing Date" in its place.

J. Section 10.1(n) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(n) (i) additional Indebtedness and (ii) any refinancing, refunding, renewal or extension of any Indebtedness specified in subclause (i) above; provided that the aggregate amount of Indebtedness incurred and remaining outstanding pursuant to this clause (n) shall not at any time exceed the greater of (w) $150,000,000 and (x) 5% of Consolidated Total Assets at the time of the incurrence of such Indebtedness; provided, however, not more than the greater of (y) $50,000,000 and (z) 1.5% of Consolidated Total Assets at the time of the incurrence of such Indebtedness in aggregate principal amount of Indebtedness of the Borrower or any Subsidiary Guarantor incurred under this clause (n) shall be secured;"

K. Section 10.2(r) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(r) additional Liens so long as the aggregate principal amount of the obligations so secured does not exceed the greater of (y) $50,000,000 at any time outstanding and (z) 1.5% of Consolidated Total Asset at the time of the incurrence of such obligations."

L. Subsection (i) of Section 10.4(b) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(i) with respect to any Disposition pursuant to this clause (b) for a purchase price in excess of $10,000,000, the Borrower or a Restricted Subsidiary shall receive not less than 75% of such consideration in the form of cash or Permitted Investments; provided that for the purposes of this clause (i):"

M. Subsection (ii) of Section 10.4(c) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(ii) with respect to any Disposition pursuant to this clause (c) for a purchase price in excess of $10,000,000, the Borrower or a Restricted Subsidiary shall receive not less than 75% of such consideration in the form of cash or Permitted Investments; provided that for the purposes of this clause (ii):"

N. Section 10.5(c) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(c) loans and advances to officers, directors and employees of the Borrower (or any direct or indirect parent thereof) or any of its Subsidiaries (i) for reasonable and customary business-related travel, entertainment, relocation and analogous ordinary business purposes (including employee payroll advances), (ii) in connection with such Person's purchase of Stock or Stock Equivalents of the Borrower (or any direct or indirect parent thereof) to the extent that the amount of such loans and advances are contributed to the Borrower in cash and (iii) for purposes not described in the foregoing clauses (i) and (ii), in an aggregate principal amount outstanding not to exceed $5,000,000;"

O. Section 10.5(i) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(i) (i) Investments (including Investments in Unrestricted Subsidiaries) and (ii) Investments in joint ventures or similar entities that do not constitute Restricted Subsidiaries, in each case, as valued at the fair market value of such Investment at the time each such Investment is made, in an amount that, at the time such Investment is made, would not exceed the sum of (x) the greater of (A) $100,000,000 and (B) 3% of Consolidated Total Assets at the time of the incurrence of such Investment, plus (y) the Applicable Amount at such time plus (z) an amount equal to any repayments, interest, returns, profits, distributions, income and similar amounts actually received in cash in respect of any such Investment (which amount shall not exceed the amount of such Investment valued at the fair market value of such Investment at the time such Investment was made),"

P. Section 10.5(s) of the Credit Agreement is hereby amended by deleting "; and" at the end of such subsection and inserting ";" in its place.

Q. Section 10.5(t) of the Credit Agreement is hereby amended by deleting "." at the end of such subsection and inserting "; and" in its place.

R. A new Section 10.5(u) is hereby added to the Credit Agreement to read as follows:

"(u) Investments with respect to the purchase of the outstanding Stock and Stock Equivalents of Red Man Pipe and Supply Canada, Ltd. in accordance with the exercise of the CanHCO Call Right (as defined in the Red Man Acquisition Agreement) so long as no Default or Event of Default exists or would exist after giving effect thereto."

S. Section 10.6(d)(ii) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(ii) the proceeds of which shall be used to allow any direct or indirect parent of Borrower to pay (A) its operating expenses incurred in the ordinary course of business and other corporate overhead costs and expenses (including administrative, legal, accounting and similar expenses provided by third parties), which are reasonable and customary and incurred in the ordinary course of business, in an aggregate amount not to exceed $2,000,000 in any fiscal year of the Borrower plus any reasonable and customary indemnification claims made by directors or officers of the Borrower (or any parent thereof) attributable to the ownership or operations of the Borrower and its Subsidiaries or (B) fees and expenses otherwise (x) due and payable by the Borrower or any of its Subsidiaries and (y) permitted to be paid by the Borrower or such Subsidiary under this Agreement;"

T. Section 10.6(d)(iv) of the Credit Agreement is hereby amended by deleting "; and" at the end of such subsection and inserting ";" in its place

U. Section 10.6(d)(v) of the Credit Agreement is hereby amended by deleting "." at the end of such subsection and inserting "; and" in its place.

V. A new Section 10.6(d)(vi) is hereby added to the Credit Agreement to read as follows:

"(vi) in an amount not to exceed the amount necessary to effect the Investment described in Section 10.5(u)."

W. Section 10.9 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"The Borrower will not permit the Consolidated Total Debt to Consolidated EBITDA Ratio for any Test Period ending during any period set forth below to be greater than the ratio set forth below opposite such period:

Period	Ratio
March 31, 2007	5.75:1.00
June 30, 2007	5.75:1.00
September 30, 2007	5.75:1.00
December 31, 2007	4.25:1.00
March 31, 2008	4.25:1.00
June 30, 2008	4.25:1.00
September 30, 2008	4.25:1.00
December 31, 2008	4.25:1.00
March 31, 2009	3.50:1.00
June 30, 2009	3.50:1.00
September 30, 2009	3.50:1.00
December 31, 2009	3.50:1.00
March 31, 2010	2.75:1.00

Period	Ratio
June 30, 2010	2.75:1.00
September 30, 2010	2.75:1.00
December 31, 2010	2.75:1.00
March 31, 2011	2.50:1.00
June 30, 2011	2.50:1.00
September 30, 2011	2.50:1.00
December 31, 2011	2.50:1.00
March 31, 2012	2.50:1.00
June 30, 2012	2.50:1.00
September 30, 2012	2.50:1.00
December 31, 2012	2.50:1.00
March 31, 2013	2.50:1.00
June 30, 2013	2.50:1.00
September 30, 2013	2.50:1.00
December 31, 2013	2.50:1.00

X. Section 10.10 of the Credit Agreement is hereby amended is hereby amended and restated in its entirety to read as follows:

"The Borrower will not permit the Consolidated EBITDA to Consolidated Interest Expense Ratio for any Test Period ending during any period set forth below to be less than the ratio set forth below opposite such period:

Period	Ratio
March 31, 2007	2.00:1.00
June 30, 2007	2.00:1.00
September 30, 2007	2.00:1.00
December 31, 2007	3.00:1.00
March 31, 2008	3.00:1.00
June 30, 2008	3.00:1.00
September 30, 2008	3.00:1.00
December 31, 2008	3.00:1.00
March 31, 2009	3.25:1.00
June 30, 2009	3.25:1.00
September 30, 2009	3.25:1.00
December 31, 2009	3.25:1.00
March 31, 2010	3.25:1.00
June 30, 2010	3.25:1.00
September 30, 2010	3.25:1.00
December 31, 2010	3.25:1.00
March 31, 2011	3.25:1.00
June 30, 2011	3.25:1.00
September 30, 2011	3.25:1.00
December 31, 2011	3.25:1.00
March 31, 2012	3.50:1.00

Period	Ratio
June 30, 2012	3.50:1.00
September 30, 2012	3.50:1.00
December 31, 2012	3.50:1.00
March 31, 2013	3.50:1.00
June 30, 2013	3.50:1.00
September 30, 2013	3.50:1.00
December 31, 2013	3.50:1.00

Y. Section 10.11 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"The Borrower will not, and will not permit any of its Restricted Subsidiaries to, make, or be committed to make, Capital Expenditures which in the aggregate in any Fiscal Year set forth below exceed the amount set forth below for such Fiscal Year:

Fiscal Year	Amount
2007	$18,000,000
2008	$25,000,000
2009	$25,000,000
2010	$25,000,000
2011	$25,000,000
2012	$25,000,000

The amount of permitted Capital Expenditures set forth above in respect of any Fiscal Year commencing with Fiscal Year 2008 shall be increased by 100% of the amount of unused permitted Capital Expenditures for the immediately preceding Fiscal Year (such amount, a "carry-forward amount") without giving effect to any carry-forward amount that was added in such preceding Fiscal Year and assuming any such carry-forward amount is utilized first."

Z. Section 14.1 of the Credit Agreement is hereby amended by deleting the parenthetical "(it being understood that any change to the definitions of Consolidated Total Debt to Consolidated EBITDA Ratio or Consolidated Fixed Charge Coverage Ratio or in the component definitions thereof shall not constitute a reduction in the rate and only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrower to pay interest at the "default rate" or amend Section 2.8(c))" and inserting "(it being understood that any change to the definitions of Consolidated Total Debt to Consolidated EBITDA Ratio**,** Secured Leverage Ratio or Consolidated Fixed Charge Coverage Ratio or in the component definitions thereof shall not constitute a reduction in the rate and only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrower to pay interest at the "default rate" or amend Section 2.8(c))" in its place.

SECTION II. AMENDMENT TO EXHIBIT O (FORM OF INTERCREDITOR AGREEMENT) TO CREDIT AGREEMENT

A. Section 1.1 of Exhibit O (Form of Intercreditor Agreement) to the Credit Agreement is hereby amended by amending the definition of "Cap Amount" therein by deleting the amount "$330,000,000" and inserting "$715,000,000" in its place.

SECTION III. CONDITIONS TO EFFECTIVENESS

This Amendment shall become effective as of the date hereof only upon the satisfaction of all of the following conditions precedent (the date of satisfaction of such conditions being referred to herein as the **"First Amendment Effective Date"**):

A. Execution. Administrative Agent shall have received a counterpart signature page of this Amendment duly executed by each of the Credit Parties and Required Lenders.

B. Revolving Loan Credit Agreement and Intercreditor Agreement. Administrative Agent shall have received a fully-executed copy of the Revolving Loan Credit Agreement and the Intercreditor Agreement as amended hereby.

C. Fees. Administrative Agent shall have received, for the account of each Lender delivering an executed counterpart of this Amendment to the Administrative Agent, an amendment fee in an amount equal to 0.25% on such Lender's Commitment and any other fees and expenses required to be paid on or before the date hereof.

D. Necessary Consents. Each Credit Party shall have obtained all material consents necessary or advisable in connection with the transactions contemplated by this Amendment.

E. Other Documents. Administrative Agent and Lenders shall have received such other documents, information or agreements regarding Credit Parties as Administrative Agent or Collateral Agent may reasonably request.

SECTION IV. REPRESENTATIONS AND WARRANTIES

In order to induce Lenders to enter into this Amendment and to amend the Credit Agreement in the manner provided herein, each Credit Party which is a party hereto represents and warrants to each Lender that the following statements are true and correct in all material respects:

A. Corporate Power and Authority; Authorization; Binding Obligation. Each Credit Party has the corporate or other organizational power and authority to execute and deliver this Amendment and to carry out the terms and provisions of the Credit Agreement as amended by this Amendment (the "**Amended Agreement**") and the other Credit Documents to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution and delivery of the Amendment and performance of the Amended Agreement and the other Credit Documents to which it is a party. Each Credit Party has duly executed and delivered this Amendment and the

Amendment and the Amended Agreement constitute the legal, valid and binding obligation of such Credit Party each enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and subject to general principles of equity.

B. No Violation. Neither the execution and delivery by any Credit Party of this Amendment or performance by any Credit Party of the Amended Agreement and the other Credit Documents to which it is a party will (a) contravene any applicable provision of any material law, statute, rule, regulation, order, writ, injunction or decree of any court or governmental instrumentality, (b) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of the property or assets of such Credit Party or any of the Restricted Subsidiaries (other than Liens created under the Credit Documents) pursuant to, the terms of any material indenture, loan agreement, lease agreement, mortgage, deed of trust, agreement or other material instrument to which such Credit Party or any of the Restricted Subsidiaries is a party or by which it or any of its property or assets is bound or (c) violate any provision of the certificate of incorporation, by-laws or other constitutional documents of such Credit Party or any of the Restricted Subsidiaries.

C. Governmental Approvals. The execution and delivery of this Amendment and the performance of the Amended Agreement and the other Credit Documents does not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except for (i) such as have been obtained or made and are in full force and effect, (ii) filings and recordings in respect of the Liens created pursuant to the Security Documents and (iii) such licenses, approvals, authorizations or consents the failure to obtain or make could not reasonably be expected to have a Material Adverse Effect.

D. Incorporation of Representations and Warranties From Credit Agreement. The representations and warranties contained in Section 8 of the Amended Agreement are and will be true and correct in all material respects on and as of the First Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date.

E. Absence of Default. No event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Amendment that would constitute an Event of Default or a Default.

SECTION V. ACKNOWLEDGMENT AND CONSENT

Each Domestic Subsidiary listed on the signature pages hereto are referred to herein as a **"Credit Support Party"** and collectively as the **"Credit Support Parties"**, and the Credit Documents to which they are a party are collectively referred to herein as the **"Credit Support Documents"**.

Each Credit Support Party hereby acknowledges that it has reviewed the terms and provisions of the Credit Agreement and this Amendment and consents to the amendment of the Credit Agreement effected pursuant to this Amendment. Each Credit Support Party hereby confirms that each Credit Support Document to which it is a party or otherwise bound and all Collateral encumbered thereby will continue to guarantee or secure, as the case may be, to the fullest extent possible in accordance with the Credit Support Documents the payment and performance of all "Obligations" under each of the Credit Support Documents to which is a party (in each case as such terms are defined in the applicable Credit Support Document).

Each Credit Support Party acknowledges and agrees that any of the Credit Support Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Amendment. Each Credit Support Party represents and warrants that all representations and warranties contained in the Amended Agreement and the Credit Support Documents to which it is a party or otherwise bound are true and correct in all material respects on and as of the First Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date.

Each Credit Support Party acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, such Credit Support Party is not required by the terms of the Credit Agreement or any other Credit Support Document to consent to the amendments to the Credit Agreement effected pursuant to this Amendment and (ii) nothing in the Credit Agreement, this Amendment or any other Credit Support Document shall be deemed to require the consent of such Credit Support Party to any future amendments to the Credit Agreement.

SECTION VI. MISCELLANEOUS

A. Reference to and Effect on the Credit Agreement and the Other Credit Documents.

(i) On and after the First Amendment Effective Date, each reference in the Credit Agreement to "this Amendment", "hereunder", "hereof", "herein" or words of like import referring to the Credit Agreement, and each reference in the other Credit Documents to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment.

(ii) Except as specifically amended by this Amendment, the Credit Agreement and the other Credit Documents shall remain in full force and effect and are hereby ratified and confirmed.

(iii) The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right,

power or remedy of any Agent or Lender under, the Credit Agreement or any of the other Credit Documents.

B. Agent's Direction. The Administrative Agent and Required Lenders hereby irrevocably authorize and direct the Collateral Agent, in such capacity, to enter into any and all Security Documents (including, for the avoidance of doubt, the Intercreditor Agreement as amended hereby).

C. Headings. Section and Subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

D. Applicable Law. THIS AMENDMENT 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.

E. Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts (including by facsimile or other electronic transmission), each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

[*Remainder of this page intentionally left blank.*]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date above written.

MCJUNKIN CORPORATION

By: /s/ J. F. Underhill
Name: James F. Underhill
Title: Chief Financial Officer

MCJUNKIN APPALACHIAN OILFIELD SUPPLY COMPANY

By: /s/ David A. Fox III
Name: David A. Fox III
Title: Executive Vice President

MCJUNKIN NIGERIA LIMITED

By: /s/ H. B. Wehrle III
Name: Henry B. Wehrle III
Title: Vice President

MCJUNKIN DEVELOPMENT CORPORATION

By: /s/ H. B. Wehrle III
Name: Henry B. Wehrle III
Title: Vice President

MCJUNKIN-PUERTO RICO CORPORATION

By: /s/ H. B. Wehrle III
Name: Henry B. Wehrle III
Title: President

MCJUNKIN-WEST AFRICA CORPORATION

By: /s/ H. B. Wehrle III
Name: Henry B. Wehrle III
Title: President

MILTON OIL & GAS COMPANY

By: /s/ H. B. Wehrle III
Name: Henry B. Wehrle III
Title: President

GREENBRIER PETROLEUM CORPORATION

By: /s/ H. B. Wehrle III
Name: Henry B. Wehrle III
Title: President

RUFFNER REALTY COMPANY

By: /s/ H. B. Wehrle III
Name: Henry B. Wehrle III
Title: President

MIDWAY-TRISTATE CORPORATION

By: /s/ H. B. Wehrle III
Name: Henry B. Wehrle III
Title: President

WEST OKLAHOMA PVF COMPANY

By: /s/ H. B. Wehrle III
Name: Henry B. Wehrle III
Title: President

[Signature Page to First Amendment to Term Loan Credit Agreement]

RED MAN PIPE & SUPPLY CO.

By: /s/ Dee Paige
Name: Dee Paige
Title: Chief Financial Officer

WESCO ACQUISITION PARTNERS, INC.

By: /s/ Craig Ketchum
Name: Craig Ketchum
Title: Chairman of the Board

[Signature Page to First Amendment to Term Loan Credit Agreement]

LEHMAN COMMERCIAL PAPER INC.,
as Administrative Agent, as Collateral Agent and as a Lender

By: /s/ Maria M. Lund
Name: Maria M. Lund
Title: Authorized Signatory

[Signature Page to First Amendment to Term Loan Credit Agreement]

GOLDMAN SACHS CREDIT PARTNERS L.P.,
as Co-Lead Arranger, Joint Bookrunner, Syndication Agent and as a Lender

By: /s/ Pedro Ramirez
Name: Pedro Ramirez
Title: Authorized Signatory

By: _____
Name:
Title:

[Signature Page to First Amendment to Term Loan Credit Agreement]

LEHMAN BROTHERS INC., as Co-Lead Arranger and
Joint Bookrunner

By: /s/ D. Albanese
Name: Diane Albanese
Title: Vice President

[Signature Page to First Amendment to Term Loan Credit Agreement]

Exhibit 10.4

TERM LOAN PLEDGE AGREEMENT

TERM LOAN PLEDGE AGREEMENT (this "Agreement") dated as of January 31, 2007 among McJunkin Corporation, a West Virginia corporation (the "Borrower"), each of the Subsidiaries of the Borrower listed on the signature pages hereto (each such Subsidiary being a "Subsidiary Pledgor" and, collectively, the "Subsidiary Pledgors"; the Subsidiary Pledgors and the Borrower are referred to collectively as the "Pledgors") and Lehman Commercial Paper Inc., as Collateral Agent (in such capacity, the "Collateral Agent") under the Credit Agreement (as defined below) for the benefit of the Secured Parties (as defined below).

W I T N E S S E T H:

WHEREAS, the Borrower is party to the Term Loan Credit Agreement dated as of January 31, 2007 (as the same may be amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the "Credit Agreement") among the Borrower, the lending institutions from time to time party thereto (the "Lenders"), Lehman Commercial Paper Inc., as Administrative Agent and as Collateral Agent, pursuant to which (1) the Lenders have severally agreed to make Loans to the Borrower upon the terms and subject to the conditions set forth therein, and (2) one or more Lenders or affiliates of Lenders may from time to time enter into Hedge Agreements with the Borrower (the items in clauses (1) and (2) collectively, the "Extensions of Credit");

WHEREAS, pursuant to the Guarantee, dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Guarantee"), each of the Subsidiary Pledgors, have agreed to unconditionally and irrevocably guarantee, as primary obligor and not merely as surety, to the Collateral Agent, for the ratable benefit of the Secured Parties, the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations (as defined below);

WHEREAS, each Subsidiary Pledgor is a Subsidiary Guarantor;

WHEREAS, the proceeds of the Extensions of Credit will be used in part to enable the Borrower to make valuable transfers to the Subsidiary Pledgors in connection with the operation of their respective businesses;

WHEREAS, each Pledgor acknowledges that it will derive substantial direct and indirect benefit from the making of the Extensions of Credit;

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective Extensions of Credit to the Borrower under the Credit Agreement that the Borrower and the Subsidiary Pledgors shall have executed and delivered this Agreement to the Collateral Agent for the ratable benefit of the Secured Parties;

WHEREAS, (a) Each of the Pledgors is the legal and beneficial owner of the Equity Interests (as defined below) described in Schedule 1 hereto and issued by the entities named therein (such Equity Interests, together with all other Equity Interests required to be

pledged hereunder (the "After-acquired Shares"), are referred to collectively herein as the "Pledged Shares"), and (b) each of the Pledgors is the legal and beneficial owner of the Indebtedness (the "Pledged Debt") described in Schedule 1 hereto and issued by the entities named therein, in each case as such schedule may be amended or supplemented pursuant to Section 9.12 of the Credit Agreement.

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent, the Collateral Agent, the Syndication Agent, and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective Extensions of Credit to the Borrower under the Credit Agreement and to induce one or more Lenders or affiliates of Lenders to enter into Hedge Agreements with the Borrower, the Pledgors hereby agree with the Collateral Agent, for the benefit of the Secured Parties, as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, all capitalized terms used herein (including the preamble and recitals hereto) and not otherwise defined herein shall have the meanings given to them in the Credit Agreement or, if not defined therein, in the UCC.

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

"After-acquired Shares" shall have the meaning assigned to such term in the recitals hereto.

"Agreement" shall have the meaning assigned to such term in the preamble hereto.

"Borrower" shall have the meaning assigned to such term in the preamble hereto.

"Collateral" shall have the meaning provided in Section 2 hereof.

"Collateral Agent" shall have the meaning assigned to such term in the preamble hereto.

"Credit Agreement" shall have the meaning assigned to such term in the recitals hereto.

"Equity Interests" shall mean, collectively, Stock and Stock Equivalents.

"Extensions of Credit" shall have the meaning assigned to such term in the recitals hereto.

"Lender Counterparty" means each Lender or any Affiliate of a Lender that is a counterparty to a Hedge Agreement (including any Person that ceases to be a Lender (or any Affiliate thereof) (a) on the date such Lender becomes a party to the Credit Agreement or (b) as of the date such Hedge Agreement was entered into**.**

"Lenders" shall have the meaning assigned to such term in the recitals hereto.

"Obligations" shall mean the collective reference to (i) the due and punctual payment of (x) the principal of and premium, if any, and interest at the applicable rate provided in the Credit Agreement (including interest at the contract rate applicable upon default accrued or accruing after the commencement of any proceeding, under the Bankruptcy Code or any applicable provision of comparable state or foreign law, whether or not such interest is an allowed claim in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (y) each payment required to be made by any Borrower under the Credit Agreement, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral, and (z) all other monetary obligations, including fees, costs, payments for early termination of Hedge Agreements, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any proceeding under the Bankruptcy Code or any applicable provision of comparable state or foreign law, whether or not such interest is an allowed claim in such proceeding), of any Borrower or any other Credit Party to any of the Secured Parties under the Credit Agreement and any other Credit Documents, (ii) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Borrower under or pursuant to the Credit Agreement and the other Credit Documents, (iii) the due and punctual payment and performance of all the covenants, agreements, obligations and liabilities of each other Credit Party under or pursuant to this Agreement or the other Credit Documents and (iv) the due and punctual payment and performance of all obligations of each Credit Party under each Hedge Agreement that (x) is in effect on the Closing Date with a counterparty that is a Lender or an affiliate of a Lender as of the Closing Date or (y) is entered into after the Closing Date with any counterparty that is a Lender or an affiliate of a Lender at the time such Hedge Agreement is entered into.

"Pledged Debt" shall have the meaning assigned to such term in the recitals hereto.

"Pledged Shares" shall have the meaning assigned to such term in the recitals hereto.

"Pledgors" shall have the meaning assigned to such term in the preamble hereto.

"Proceeds" shall mean: (i) all "proceeds" as defined in Article 9 of the UCC and (ii) whatever is receivable or received when Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary, including proceeds of any indemnity or guarantee payable to any Pledgor or the Collateral Agent from time to time with respect to any of the Collateral.

"Secured Parties" shall mean, collectively, (i) the Lenders, (ii) the Administrative Agent, (iii) the Collateral Agent, (iv) the Syndication Agent, (v) each Lender Counterparty party to a Hedge Agreement the obligations under which constitute Obligations, (vi) the beneficiaries

of each indemnification obligation undertaken by any Credit Party under the Credit Documents and (vii) any successors, indorsees, transferees and assigns of each of the foregoing.

"Subsidiary Pledgors" shall have the meaning assigned to such term in the preamble hereto.

"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 Collateral Agent's and the Secured Parties' 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.

(c) References to "Lenders" in this Agreement shall be deemed to include affiliates of Lenders that may from time to time enter into Hedge Agreements with the Borrower.

(d) 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, and Section references are to Sections of this Agreement unless otherwise specified. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation."

(e) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

SECTION 2. Grant of Security. Each Pledgor hereby transfers, assigns and pledges to the Collateral Agent, for the ratable benefit of the Secured Parties, and grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest in and continuing lien on all of such Pledgor's right, title and interest in, to and under the following, whether now owned or existing or at any time hereafter acquired or existing or arising (collectively, the "Collateral"):

(a) the Pledged Shares held by such Pledgor and the certificates representing such Pledged Shares and any interest of such Pledgor in the entries on the books or records of the issuer of such Pledged Shares or on the books or records of any financial intermediary pertaining to such Pledged Shares and all dividends, cash, warrants, rights, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Shares;

(b) the Pledged Debt and the instruments evidencing the Pledged Debt owed to such Pledgor, and all interest, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Pledged Debt; and

(c) to the extent not covered by clauses (a) and (b) above, respectively, all Proceeds of any or all of the foregoing Collateral.

SECTION 3. Security for Obligations. This Agreement secures the payment of all the Obligations. Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts that constitute part of the Obligations and would be owed to the Collateral Agent or the Secured Parties under the Credit Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving any Pledgor.

SECTION 4. Delivery of the Collateral. All original stock certificates or instruments, if any, representing or evidencing the Collateral shall be promptly delivered to and held by or on behalf of the Collateral Agent pursuant hereto and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Collateral Agent. The Collateral Agent shall have the right, at any time after the occurrence and during the continuance of an Event of Default and with notice to the relevant Pledgor, to transfer to or to register in the name of the Collateral Agent or any of its nominees any or all of the Pledged Shares. Each delivery of Collateral (including any After-acquired Shares) shall be accompanied by a schedule describing the securities theretofore and then being pledged hereunder, which shall be attached hereto as part of Schedule 1 and made a part hereof; provided that the failure to deliver or attach any such schedule hereto shall not affect the validity of such pledge of such securities; provided, further, that the failure by the Collateral Agent to attach any schedule so delivered shall not constitute a Default or Event of Default hereunder or under any other Credit Document . Each schedule so delivered shall supersede any prior schedules so delivered.

SECTION 5. Representations and Warranties. Each Pledgor represents and warrants to the Collateral Agent and each other Secured Party as follows:

(a) Schedule 1 hereto (i) correctly represents as of the Closing Date (A) the issuer, the certificate number, the Pledgor and the record and beneficial owner, the number and class and the percentage of the issued and outstanding Equity Interests of such class of all Pledged Shares and (B) the issuer, the initial principal amount, the Pledgor and holder, date of issuance and maturity date of all Pledged Debt, and (ii) together with the comparable schedule to each supplement hereto, accurately and completely describes all Equity Interests, debt securities and promissory notes required to be pledged hereunder. Except as set forth on Schedule 1, the Pledged Shares represent all (or 65% in the case of pledges of Foreign Subsidiaries) of the issued and outstanding Equity Interests of each class of Equity Interests in the issuer on the Closing Date.

(b) Such Pledgor is the legal and beneficial owner of the Collateral pledged or assigned by such Pledgor hereunder, free and clear of any Lien, except for the Lien created by this Agreement.

(c) As of the Closing Date, the Pledged Shares pledged by such Pledgor hereunder have been duly authorized and validly issued and, in the case of Pledged Shares issued by a corporation, are fully paid and non-assessable.

(d) As of the Closing Date, all of the Pledged Debt, to the knowledge of such Pledgor only with respect to Pledged Debt owed by an issuer other than a Subsidiary of a Pledgor, has been duly authorized, authenticated or issued, and delivered, and is the legal, valid and binding obligation of the issuers thereof and is not in default.

(e) The execution and delivery by such Pledgor of this Agreement and the pledge of the Collateral pledged by such Pledgor hereunder pursuant hereto create a legal, valid and enforceable security interest in such Collateral and, upon the earlier of (i) delivery of such Collateral to the Collateral Agent in the State of New York or (ii) the filing of all UCC financing statements naming each Pledgor as "debtor" and the Collateral Agent as "secured party" and describing the Collateral in the filing offices set forth opposite such Pledgor's name on Schedule 5(e) hereto, shall constitute a fully perfected Lien on and first priority security interest in the Collateral, securing the payment of the Obligations, in favor of the Collateral Agent for the benefit of the Secured Parties, except as enforceability thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and subject to general principles of equity.

(f) Such Pledgor has full power, authority and legal right to pledge all the Collateral pledged by such Pledgor pursuant to this Agreement, and this Agreement constitutes a legal, valid and binding obligation of each Pledgor, enforceable in accordance with its terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and subject to general principles of equity.

SECTION 6. Certification of Limited Liability Company, Limited Partnership Interests and Pledged Debt. (a) The Equity Interests in any Domestic Subsidiary that is organized as a limited liability company or limited partnership and pledged hereunder shall be represented by a certificate and in the organizational documents of such Domestic Subsidiary, the applicable Pledgor shall cause the issuer of such interests to elect to treat such interests as a "security" within the meaning of Article 8 of the UCC of its jurisdiction of organization or formation, as applicable, by including in its organizational documents language substantially similar to the following and, accordingly, such interests shall be governed by Article 8 of the UCC:

> "The Partnership/Company hereby irrevocably elects that all membership interests in the Partnership/Company shall be securities governed by Article 8 of the Uniform Commercial Code of [jurisdiction of organization or formation, as applicable]. Each certificate evidencing partnership/membership interests in the Partnership/Company shall bear the following legend: "This certificate evidences an interest in [name of Partnership/LLC] and shall be a security for purposes of Article 8 of the Uniform Commercial Code." No change to this provision shall be effective until all outstanding certificates have been surrendered for cancellation and any new certificates thereafter issued shall not bear the foregoing legend."

(b) Each Pledgor will cause any Indebtedness for borrowed money in an aggregate principal amount exceeding $5,000,000 owed to such Pledgor to be evidenced by a duly executed promissory note that is pledged and delivered to the Collateral Agent pursuant to the terms hereof.

SECTION 7. Further Assurances. Each Pledgor agrees that at any time and from time to time, at the expense of such Pledgor, it will promptly execute or otherwise authorize the filing of any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), which may be required under any applicable law, or which the Collateral Agent or the Administrative Agent may reasonably request, in order (x) to perfect and protect any pledge, assignment or security interest granted or purported to be granted hereby (including the priority thereof) or (y) to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral.

SECTION 8. Voting Rights; Dividends and Distributions; Etc. (a) So long as no Event of Default shall have occurred and be continuing:

(i) Each Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Collateral or any part thereof for any purpose not prohibited by the terms of this Agreement or the other Credit Documents.

(ii) The Collateral Agent shall execute and deliver (or cause to be executed and delivered) to each Pledgor all such proxies and other instruments as such Pledgor may reasonably request for the purpose of enabling such Pledgor to exercise the voting and other rights that it is entitled to exercise pursuant to paragraph (i) above.

(b) Subject to paragraph (c) below, each Pledgor shall be entitled to receive and retain and use, free and clear of the Lien created by this Agreement, any and all dividends, distributions, principal and interest made or paid in respect of the Collateral to the extent permitted by the Credit Agreement, as applicable; provided, however, that any and all noncash dividends, interest, principal or other distributions that would constitute Pledged Shares or Pledged Debt, whether resulting from a subdivision, combination or reclassification of the outstanding Equity Interests of the issuer of any Pledged Shares or received in exchange for Pledged Shares or Pledged Debt or any part thereof, or in redemption thereof, or as a result of any merger, consolidation, acquisition or other exchange of assets to which such issuer may be a party or otherwise, shall be, and shall be forthwith delivered to the Collateral Agent to hold as, Collateral and shall, if received by such Pledgor, be received in trust for the benefit of the Collateral Agent, be segregated from the other property or funds of such Pledgor and be forthwith delivered to the Collateral Agent as Collateral in the same form as so received (with any necessary indorsement).

(c) Upon written notice to a Pledgor by the Collateral Agent following the occurrence and during the continuance of an Event of Default,

(i) all rights of such Pledgor to exercise or refrain from exercising the voting and other consensual rights that it would otherwise be entitled to exercise pursuant to Section 8(a)(i) shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall thereupon have the sole right to exercise or refrain from exercising such voting and other consensual rights during the continuance of such Event of Default, provided that, unless otherwise directed by the Required Lenders, the Collateral Agent shall have the right from time to time following the occurrence and

during the continuance of an Event of Default to permit the Pledgors to exercise such rights. When no Events of Default are continuing and the Borrower has delivered to the Collateral Agent a certificate to that effect, or after all Events of Default have been cured or waived pursuant to Section 12 or Section 14.1 of the Credit Agreement, as applicable, each Pledgor shall have the right to exercise the voting and consensual rights that such Pledgor would otherwise be entitled to exercise pursuant to the terms of Section 8(a)(i) (and the obligations of the Collateral Agent under Section 8(a)(ii) shall be reinstated);

(ii) all rights of such Pledgor to receive the dividends, distributions and principal and interest payments that such Pledgor would otherwise be authorized to receive and retain pursuant to Section 8(b) shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall thereupon have the sole right to receive and hold as Collateral such dividends, distributions and principal and interest payments during the continuance of such Event of Default. When no Events of Default are continuing and the Borrower has delivered to the Collateral Agent a certificate to that effect, or after all Events of Default have been cured or waived pursuant to Section 12 or Section 14.1 of the Credit Agreement, as applicable, the Collateral Agent shall repay to each Pledgor (without interest) all dividends, distributions and principal and interest payments that such Pledgor would otherwise be permitted to receive, retain and use pursuant to the terms of Section 8(b);

(iii) all dividends, distributions and principal and interest payments that are received by such Pledgor contrary to the provisions of Section 8(b) shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other property or funds of such Pledgor and shall forthwith be delivered to the Collateral Agent as Collateral in the same form as so received (with any necessary indorsements); and

(iv) in order to permit the Collateral Agent to receive all dividends, distributions and principal and interest payments to which it may be entitled under Section 8(b) above, to exercise the voting and other consensual rights that it may be entitled to exercise pursuant to Section 8(c)(i) above, and to receive all dividends, distributions and principal and interest payments that it may be entitled to under Sections 8(c)(ii) and (c)(iii) above, such Pledgor shall from time to time execute and deliver to the Collateral Agent appropriate proxies, dividend payment orders and other instruments as the Collateral Agent may reasonably request in writing.

SECTION 9. Transfers and Other Liens; Additional Collateral; Etc. Each Pledgor shall:

(a) not (i) except as permitted by the Credit Agreement sell or otherwise dispose of, or grant any option or warrant with respect to, any of the Collateral or (ii) create or suffer to exist any consensual Lien upon or with respect to any of the Collateral, except for the Lien created by this Agreement, provided that in the event such Pledgor sells or otherwise disposes of assets as permitted by the Credit Agreement, and such assets are or include any of the Collateral, the Collateral Agent shall release such Collateral to such Pledgor free and clear of the Lien created by this Agreement concurrently with the consummation of such sale;

(b) pledge and, if applicable, cause each Domestic Subsidiary to pledge, to the Collateral Agent for the ratable benefit of the Secured Parties, immediately upon acquisition thereof, all the Equity Interests and all evidence of Indebtedness held or received by such Pledgor or Domestic Subsidiary required to be pledged hereunder pursuant to Section 9.12 of the Credit Agreement, in each case pursuant to a supplement to this Agreement substantially in the form of Annex A hereto (it being understood that the execution and delivery of such a supplement shall not require the consent of any Pledgor hereunder and that the rights and obligations of each Pledgor hereunder shall remain in full force and effect notwithstanding the addition of any new Subsidiary Pledgor as a party to this Agreement); and

(c) defend its and the Collateral Agent's title or interest in and to all the Collateral (and in the Proceeds thereof) against any and all Liens (other than the Lien created by this Agreement), however arising, and any and all Persons whomsoever.

SECTION 10. Collateral Agent Appointed Attorney-in-Fact. Each Pledgor hereby appoints, which appointment is irrevocable and coupled with an interest, the Collateral Agent as such Pledgor's attorney-in-fact, with full authority in the place and stead of such Pledgor and in the name of such Pledgor or otherwise, to take any action and to execute any instrument, in each case after the occurrence and during the continuance of an Event of Default, that the Collateral Agent may deem reasonably necessary or advisable to accomplish the purposes of this Agreement, including to receive, indorse and collect all instruments made payable to such Pledgor representing any dividend, distribution or principal or interest payment in respect of the Collateral or any part thereof and to give full discharge for the same.

SECTION 11. The Collateral Agent's Duties. The powers conferred on the Collateral Agent hereunder are solely to protect its interest and the interests of the Secured Parties in the Collateral and shall not impose any duty upon the Collateral Agent or any other Secured Party to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Collateral, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Pledged Shares, whether or not the Collateral Agent or any other Secured Party has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property.

SECTION 12. Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Collateral 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 upon default under the UCC (whether or not the UCC applies to the affected Collateral) or other applicable law or in equity and also may, with notice to the relevant Grantor, sell the Collateral or any part thereof in one or more parcels at public or private sale, at

any exchange broker's board or at any of the Collateral Agent's offices or elsewhere, for cash, 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 Collateral 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 Collateral 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 any Pledgor, and each Pledgor 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 rule of law or statute now existing or hereafter enacted. The Collateral Agent or any other Secured Party shall have the right upon any such public sale and, to the extent permitted by law, upon any such private sale, to purchase all or any part of the Collateral so sold, and the Collateral Agent or such other Secured Party may pay the purchase price by crediting the amount thereof against the Obligations. Each Pledgor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to such Pledgor 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 Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral 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, each Pledgor hereby waives any claim against the Collateral 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 Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree.

(b) The Collateral Agent shall apply the proceeds of any collection or sale of the Collateral at any time after receipt as follows:

(i) first, to the payment of all reasonable and documented costs and expenses incurred by the Collateral Agent in connection with such collection or sale or otherwise in connection with this Agreement, the other Credit Documents or any of the Obligations, including all court costs and the reasonable fees and expenses of its agents and legal counsel, the repayment of all advances made by the Collateral Agent hereunder or under any other Credit Document on behalf of any Pledgor and any other reasonable and documented costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Credit Document;

(ii) second, to the Secured Parties, an amount equal to all Obligations owing to them on the date of any such distribution, and, if such moneys shall be insufficient to pay such amounts in full, then ratably (without priority of any one over any other) to such Secured Parties in proportion to the unpaid amounts thereof; and

(iii) third, any surplus then remaining shall be paid to the Pledgors or their successors or assigns or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Upon any sale of the Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral 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 Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

(c) The Collateral Agent may exercise any and all rights and remedies of each Pledgor in respect of the Collateral.

(d) All payments received by any Pledgor in respect of the Collateral after the occurrence and during the continuance of an Event of Default shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other property or funds of such Pledgor and shall be forthwith delivered to the Collateral Agent as Collateral in the same form as so received (with any necessary indorsement).

SECTION 13. Amendments, etc. with Respect to the Obligations; Waiver of Rights. Each Pledgor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Pledgor and without notice to or further assent by any Pledgor, (a) any demand for payment of any of the Obligations made by the Collateral Agent or any other Secured Party may be rescinded by such party and any of the Obligations continued, (b) the 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 Collateral Agent or any other Secured Party, (c) the Credit Agreement, the other Credit Documents and any other documents executed and delivered in connection therewith and the Hedge Agreements and any other documents executed and delivered in connection therewith and any documents entered into with the applicable Administrative Agent or the Collateral Agent or any of its respective affiliates in connection with treasury, depositary or cash management services or in connection with any automated clearinghouse transfer of funds may be amended, modified, supplemented or terminated, in whole or in part, as the applicable Administrative Agent (or the Required Lenders, as the case may be, or, in the case of any Hedge Agreement or documents entered into with the applicable Collateral Agent or any of its respective affiliates in connection with treasury, depositary or cash management services or in connection with any automated clearinghouse transfer of funds, the party thereto) may deem advisable from time to time, and (d) any collateral security, guarantee or right of offset at any time held by the Collateral Agent or any other Secured Party for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Collateral Agent nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Agreement or any property subject thereto. When making any demand hereunder against any Pledgor, the Collateral Agent or any other Secured Party may, but shall be under no obligation to, make a similar demand on any Borrower or any Pledgor or any other person, and any failure by the Collateral Agent or any other Secured Party to make any such demand or to collect any

payments from any Borrower or any Pledgor or any other person or any release of any Borrower or any Pledgor or any other person shall not relieve any Pledgor in respect of which a demand or collection is not made or any Pledgor 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 Collateral Agent or any other Secured Party against any Pledgor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

SECTION 14. Continuing Security Interest; Assignments Under the Credit Agreement; Release. (a) This Agreement shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon each Pledgor and the successors and assigns thereof, and shall inure to the benefit of the Collateral Agent and the other Secured Parties and their respective successors, indorsees, transferees and assigns until all the Obligations (other than any contingent indemnity obligations not then due) under the Credit Documents shall have been satisfied by payment in full, and the Commitments shall be terminated, notwithstanding that from time to time during the term of the Credit Agreement and any Hedge Agreement the Credit Parties may be free from any Obligations.

(b) A Subsidiary Pledgor shall automatically be released from its obligations hereunder and the pledge of such Subsidiary Pledgor shall be automatically released upon the consummation of any transaction expressly permitted under the Credit Agreement, as a result of which such Subsidiary Pledgor ceases to be a Subsidiary Guarantor.

(c) Upon any sale or other transfer by any Pledgor of any Collateral that is permitted under the Credit Agreement or upon the effectiveness of any written consent to the release of the security interest granted hereby in any Collateral pursuant to Section 14.1 of the Credit Agreement, the obligations of such Pledgor with respect to such Collateral shall be automatically released and such Collateral sold free and clear of the Lien and security interests created hereby.

(d) In connection with any termination or release pursuant to the foregoing paragraph (a), (b) or (c), the Collateral Agent shall execute and deliver to any Pledgor or authorize the filing of, at such Pledgor's expense, all documents that such Pledgor shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 14 shall be without recourse to or warranty by the Collateral Agent.

SECTION 15. Reinstatement. Each Pledgor further agrees that, if any payment made by any Credit Party or other Person and applied to the 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 Secured Party to such Credit Party, its estate, trustee, receiver or any other party, including any Pledgor, under any bankruptcy law, state, federal or foreign law, common law or equitable cause, then, to the extent of such payment or repayment, any Lien 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 Lien granted hereby or other Collateral securing such liability hereunder shall have been released or terminated by virtue of such cancellation or surrender),

such Lien 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 Lien or other Collateral securing the obligations of any Pledgor in respect of the amount of such payment.

SECTION 16. Notices. All notices, requests and demands pursuant hereto shall be made in accordance with Section 14.2 of the Credit Agreement. All communications and notices hereunder to any Pledgor shall be given to it in care of the Borrower at the Borrower's address set forth in Section 14.2 of the Credit Agreement.

SECTION 17. 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), 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 Collateral Agent and the Borrower.

SECTION 18. 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.

SECTION 19. Integration. This Agreement together with the other Credit Documents represents the agreement of each of the Pledgors with respect to the subject matter hereof and there are no promises, undertakings, representations or warranties by the Collateral Agent or any other Secured Party relative to the subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents.

SECTION 20. Amendments in Writing; No Waiver; Cumulative Remedies. (a) 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 affected Pledgor and the Collateral Agent in accordance with Section 14.1 of the Credit Agreement.

(b) Neither the Collateral Agent nor any other Secured Party shall by any act (except by a written instrument pursuant to Section 20(a) hereof), 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. No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or any other Secured Party, 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 Collateral Agent or any other Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Collateral Agent or such other Secured Party would otherwise have on any future occasion.

(c) 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 law.

SECTION 21. 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.

SECTION 22. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Pledgor and shall inure to the benefit of the Collateral Agent and the other Secured Parties and their respective successors and assigns, except that no Pledgor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent.

SECTION 23. **WAIVER OF JURY TRIAL. EACH PARTY HERETO 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.**

SECTION 24. Submission to Jurisdiction; Waivers. Each party hereto irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Credit Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-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 may 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 16 or at such other address of which the Collateral Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right of any other party hereto (or any Secured Party) to effect service of process in any other manner permitted by law or shall limit the right of any party hereto (or any Secured Party) 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 24 any special, exemplary, punitive or consequential damages.

SECTION 25. **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 LAWS OF THE STATE OF NEW YORK.**

SECTION 26. Intercreditor Agreement. Notwithstanding anything herein to the contrary, the lien and security interest granted to the Collateral Agent pursuant to this Agreement and the exercise of any right or remedy by the Collateral Agent hereunder are subject to the provisions of the Intercreditor Agreement, dated as of January 31, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "Intercreditor Agreement"), among the Borrower, Lehman Commercial Paper Inc., as Administrative Agent and as Collateral Agent, and certain other persons which may be or become parties thereto, or become bound thereto from time to time. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement, the terms of the Intercreditor Agreement shall govern and control.

(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 day and year first above written.

MCJUNKIN CORPORATION, as Pledgor

By: /s/ JAMES F. UNDERHILL
Name: James F. Underhill
Title: Chief Financial Officer

MCJUNKIN APPALACHIAN OILFIELD COMPANY, as Pledgor

By: /s/ DAVID FOX III
Name: David Fox III
Title: Executive Vice President

MCJUNKIN NIGERIA LIMITED, as Pledgor

By: /s/ HENRY B. WEHRLE III
Name: Henry B. Wehrle III
Title: Vice President

MCJUNKIN DEVELOPMENT CORPORATION, as Pledgor

By: /s/ HENRY B. WEHRLE III
Name: Henry B. Wehrle III
Title: Vice President

MCJUNKIN-PUERTO RICO CORPORATION, as Pledgor

By: /s/ HENRY B. WEHRLE III
Name: Henry B. Wehrle III
Title: President

MILTON OIL & GAS COMPANY, as Pledgor

By: /s/ HENRY B. WEHRLE III
Name: Henry B. Wehrle III
Title: Vice President

GREENBRIER PETROLEUM CORPORATION, as Pledgor

By: /s/ HENRY B. WEHRLE III
Name: Henry B. Wehrle III
Title: Vice President

PIEDMONT FARMS, INC., as Pledgor

By: /s/ STEPHEN WEHRLE
Name: Stephen Wehrle
Title: President

RUFFNER REALTY COMPANY, as Pledgor

By: /s/ STEPHEN WEHRLE
Name: Stephen Wehrle
Title: Vice President

MCJUNKIN-WEST AFRICA CORPORATION, as Pledgor

By: /s/ STEPHEN WEHRLE
Name: Stephen Wehrle
Title: President

Lehman Commercial Paper Inc.,

as Collateral Agent

By: /s/ JEFF OGDEN
Name: Jeff Ogden
Title: Managing Director

[SIGNATURE PAGE TO PLEDGE AGREEMENT]

SUPPLEMENT NO. 1 dated as of April 30, 2007 (this "Supplement"), to the PLEDGE AGREEMENT dated as of January 31, 2007, among McJunkin Corporation, a West Virginia corporation (the "Borrower"), each of the Subsidiaries of the Borrower listed on the signature pages thereto (each such Subsidiary being a "Subsidiary Pledgor" and, collectively, the "Subsidiary Pledgors"; the Subsidiary Pledgors and the Borrower are referred to collectively as the "Pledgors") and Lehman Commercial Paper Inc., as Collateral Agent (in such capacity, the "Collateral Agent") under the Credit Agreement referred to below.

A. Reference is made to the Term Loan Credit Agreement dated as of January 31, 2007(as the same may be amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the "Credit Agreement") among the Borrower, the lending institutions from time to time party thereto (the "Lenders"), Lehman Commercial Paper Inc., as Administrative Agent and as Collateral Agent and the Term Loan Guarantee dated as of January 31, 2007 (as the same may be amended, restated, supplemented and or otherwise modified from time to time, the "Guarantee"), among the Guarantors party thereto and the Collateral Agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Pledge Agreement.

C. The Pledgors have entered into the Pledge Agreement in order to induce the Administrative Agent, the Collateral Agent, the Syndication Agent, and the Lenders to enter into the Credit Agreement, to induce the Lenders to make their respective Extensions of Credit to the Borrower under the Credit Agreement and to induce one or more Lenders or affiliates of Lenders to enter into Hedge Agreements with the Borrower.

D. The undersigned Pledgor (the "Additional Pledgor") is (a) the legal and beneficial owner of the Equity Interests described under Schedule 1 hereto and issued by the entity named therein (such pledged Equity Interests, together with all other Equity Interests required to be pledged under the Pledge Agreement (the "After-acquired Additional Pledged Shares"), referred to collectively herein as the "Additional Pledged Shares") and (b) the legal and beneficial owner of the Indebtedness described under Schedule 1 hereto and issued by the entity named therein (such Indebtedness, together with all other Indebtedness required to be pledged under the Pledge Agreement, the "Additional Pledged Debt"), in each case as such schedule may be amended in accordance with the Credit Agreement.

E. Section 9.12 of the Credit Agreement and Section 9(b) of the Pledge Agreement provide that additional Subsidiaries may become Subsidiary Pledgors under the Pledge Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Additional Pledgor is executing this Supplement in accordance with the requirements of Section 9(b) of the Pledge Agreement to pledge to the Collateral Agent for the ratable benefit of the Secured Parties the Additional Pledged Shares and the Additional Pledged Debt in order to induce (i) the Lenders to make additional Extensions of Credit and as consideration for Extensions of Credit previously made and (ii) the Lender Counterparties to enter into Hedge Agreements with the Borrower.

Accordingly, the Collateral Agent and the undersigned Additional Pledgor agree as follows:

SECTION 1. In accordance with Section 9(b) of the Pledge Agreement, the Additional Pledgor by its signature hereby transfers, assigns and pledges to the Collateral Agent for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent for the ratable benefit of the Secured Parties, a security interest in all of the Additional Pledgor's right, title and interest in the following, whether now owned or existing or hereafter acquired or existing or arising (collectively, the "Additional Collateral"):

(a) the Additional Pledged Shares held by the Additional Pledgor and the certificates representing such Additional Pledged Shares and any interest of such Additional Pledgor in the entries on the books of the issuer of the Additional Pledged Shares or any financial intermediary pertaining to the Additional Pledged Shares and all dividends, cash, warrants, rights, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Additional Pledged Shares;

(b) the Additional Pledged Debt and the instruments evidencing the Additional Pledged Debt owed to such Additional Pledgor, and all interest, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Additional Pledged Debt; and

(c) to the extent not covered by clauses (a) and (b) above, respectively, all Proceeds of any or all of the foregoing Additional Collateral.

For purposes of the Pledge Agreement, (x) the Collateral shall be deemed to include the Additional Collateral and (y) the After-acquired Pledged Shares shall be deemed to include the Additional After-acquired Pledge Shares.

SECTION 2. The Additional Pledgor represents and warrants as follows:

(a) Schedule 1 hereto (i) correctly represents as of the date hereof (A) the issuer, the certificate number, the Pledgor and registered owner, the number and class and the percentage of the issued and outstanding Equity Interests of such class of all Additional Pledged Shares and (B) the issuer, the initial principal amount, the Pledgor and holder, date of and maturity date of all Additional Pledged Debt and (ii) together with Schedule 1 to the Pledge Agreement and the comparable schedules to each other Supplement to the Pledge Agreement, accurately and completely describes all Equity Interests, debt securities and promissory notes required to be pledged under the Pledge Agreement. Except as set forth on Schedule 1 hereto, the Additional Pledged Shares represent all (or 65% in the case of pledges of Foreign Subsidiaries)of the issued and outstanding Equity Interests of each class of Equity Interests of the issuer on the date hereof.

(b) The Additional Pledgor is the legal and beneficial owner of the Additional Collateral pledged or assigned by such Additional Pledgor hereunder free and clear of any Lien, except for the Lien created by this Supplement to the Pledge Agreement.

(c) As of the date of this Supplement, the Additional Pledged Shares pledged by the Additional Pledgor hereunder have been duly authorized and validly issued and, in the case of Additional Pledged Shares issued by a corporation, are fully paid and nonassessable.

(d) The execution and delivery by the Additional Pledgor of this Supplement and the pledge of the Additional Collateral pledged by the Additional Pledgor hereunder pursuant hereto create a valid and perfected first priority security interest in the Additional Collateral, securing the payment of the Obligations, in favor of the Collateral Agent for the ratable benefit of the Secured Parties.

(e) The Additional Pledgor has full power, authority and legal right to pledge all the Additional Collateral pledged by such Additional Pledgor pursuant to this Supplement and this Supplement constitutes a legal, valid and binding obligation of the Additional Pledgor, enforceable in accordance with its terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and subject to general principles of equity.

SECTION 3. This Supplement may be executed by one or more of the parties to this Supplement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Supplement signed by all the parties shall be lodged with the Collateral Agent and the Borrower. This Supplement shall become effective as to the Additional Pledgor when the Collateral Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of such Additional Pledgor and the Collateral Agent.

SECTION 4. Except as expressly supplemented hereby, the Pledge Agreement shall remain in full force and effect.

SECTION 5. THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. Any provision of this Supplement 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 in the Pledge Agreement, 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.

SECTION 7. All notices, requests and demands pursuant hereto shall be made in accordance with Section 16 of the Pledge Agreement. All communications and notices hereunder to the Additional Pledgor shall be given to it in care of the Borrower at the Borrower's address set forth in Section 14.2 of the Credit Agreement.

SECTION 8. The Additional Pledgor agrees to reimburse the Collateral 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 Collateral Agent.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Additional Pledgor and the Collateral Agent have duly executed this Supplement to the Pledge Agreement as of the day and year first above written.

McJunkin Appalachian Oilfield Supply Company,
as Additional Pledgor

By: /s/ S. D. Wehrle
Name: S. D. Wehrle
Title: Vice President

Lehman Commercial Paper Inc.,
as Collateral Agent

By: _____
Name:
Title:

IN WITNESS WHEREOF, the Additional Pledgor and the Collateral Agent have duly executed this Supplement to the Pledge Agreement as of the day and year first above written.

McJunkin Appalachian Oilfield Supply Company,
as Additional Pledgor

By: _____
Name:
Title:

Lehman Commercial Paper Inc.,
as Collateral Agent

By: /s/ Maria M. Lund
Name: Maria M. Lund
Title: Authorized Signatory

SUPPLEMENT NO. 2 dated as of April 30, 2007 (this "Supplement"), to the PLEDGE AGREEMENT dated as of January 31, 2007, among McJunkin Corporation, a West Virginia corporation (the "Borrower"), each of the Subsidiaries of the Borrower listed on the signature pages thereto (each such Subsidiary being a "Subsidiary Pledgor" and, collectively, the "Subsidiary Pledgors"; the Subsidiary Pledgors and the Borrower are referred to collectively as the "Pledgors") and Lehman Commercial Paper Inc., as Collateral Agent (in such capacity, the "Collateral Agent") under the Credit Agreement referred to below.

A. Reference is made to the Term Loan Credit Agreement dated as of January 31, 2007 (as the same may be amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the "Credit Agreement") among the Borrower, the lending institutions from time to time party thereto (the "Lenders"), Lehman Commercial Paper Inc., as Administrative Agent and as Collateral Agent and the Term Loan Guarantee dated as of January 31, 2007 (as the same may be amended, restated, supplemented and or otherwise modified from time to time, the "Guarantee"), among the Guarantors party thereto and the Collateral Agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Pledge Agreement.

C. The Pledgors have entered into the Pledge Agreement in order to induce the Administrative Agent, the Collateral Agent, the Syndication Agent, and the Lenders to enter into the Credit Agreement, to induce the Lenders to make their respective Extensions of Credit to the Borrower under the Credit Agreement and to induce one or more Lenders or affiliates of Lenders to enter into Hedge Agreements with the Borrower.

D. The undersigned Subsidiary Guarantor (the "Additional Pledgor") is (a) the legal and beneficial owners of the Equity Interests described under Schedule 1 hereto and issued by the entities named therein (such pledged Equity Interests, together with all other Equity Interests required to be pledged under the Pledge Agreement (the "After-acquired Additional Pledged Shares"), referred to collectively herein as the "Additional Pledged Shares") and (b) the legal and beneficial owners of the Indebtedness described under Schedule 1 hereto and issued by the entities named therein (such Indebtedness, together with all other Indebtedness required to be pledged under the Pledge Agreement, the "Additional Pledged Debt"), in each case as such schedule may be amended in accordance with the Credit Agreement.

E. Section 9.12 of the Credit Agreement and Section 9(b) of the Pledge Agreement provide that additional Subsidiaries may become Subsidiary Pledgors under the Pledge Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Additional Pledgor is executing this Supplement in accordance with the requirements of Section 9(b) of the Pledge Agreement to pledge to the Collateral Agent for the ratable benefit of the Secured Parties the Additional Pledged Shares and the Additional Pledged Debt and to become a Subsidiary Pledgor under the Pledge Agreement in order to induce (i) the Lenders to make additional Extensions of Credit and as consideration for Extensions of Credit previously made and (ii) the Lender Counterparties to enter into Hedge Agreements with the Borrower.

Accordingly, the Collateral Agent and the undersigned Additional Pledgor agree as follows:

SECTION 1. In accordance with Section 9(b) of the Pledge Agreement, the Additional Pledgor by its signature hereby transfers, assigns and pledges to the Collateral Agent for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent for the ratable benefit of the Secured Parties, a security interest in all of the Additional Pledgor's right, title and interest in the following, whether now owned or existing or hereafter acquired or existing or arising (collectively, the "Additional Collateral"):

(a) the Additional Pledged Shares held by the Additional Pledgor and the certificates representing such Additional Pledged Shares and any interest of the Additional Pledgor in the entries on the books of the issuer of the Additional Pledged Shares or any financial intermediary pertaining to the Additional Pledged Shares and all dividends, cash, warrants, rights, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Additional Pledged Shares;

(b) the Additional Pledged Debt and the instruments evidencing the Additional Pledged Debt owed to the Additional Pledgor, and all interest, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Additional Pledged Debt; and

(c) to the extent not covered by clauses (a) and (b) above, respectively, all Proceeds of any or all of the foregoing Additional Collateral.

For purposes of the Pledge Agreement, (x) the Collateral shall be deemed to include the Additional Collateral and (y) the After-acquired Pledged Shares shall be deemed to include the Additional After-acquired Pledge Shares.

SECTION 2. The Additional Pledgor by its signature below becomes a Pledgor under the Pledge Agreement with the same force and effect as if originally named therein as a Pledgor and the Additional Pledgor hereby agrees to all the terms and provisions of the Pledge Agreement applicable to it as a Pledgor thereunder. Each reference to a "Subsidiary Pledgor" or a "Pledgor" in the Pledge Agreement shall be deemed to include each Additional Pledgor. The Pledge Agreement is hereby incorporated herein by reference.

SECTION 3. The Additional Pledgor represents and warrants as follows:

(a) Schedule 1 hereto (i) correctly represents as of the date hereof (A) the issuer, the certificate number, the Pledgor and registered owner, the number and class and the percentage of the issued and outstanding Equity Interests of such class of all Additional Pledged Shares and (B) the issuer, the initial principal amount, the Pledgor and holder, date of and maturity date of all Additional Pledged Debt and (ii) together with Schedule 1 to the Pledge Agreement and the comparable schedules to each other Supplement to the Pledge Agreement, accurately and completely describes all Equity Interests, debt securities and promissory notes required to be pledged under the Pledge

Agreement. Except as set forth on Schedule 1 hereto, the Additional Pledged Shares represent all (or 65% in the case of pledges of Foreign Subsidiaries) of the issued and outstanding Equity Interests of each class of Equity Interests of the issuer on the date hereof.

(b) The Additional Pledgor is the legal and beneficial owner of the Additional Collateral pledged or assigned by such Additional Pledgor hereunder free and clear of any Lien, except for the Lien created by this Supplement to the Pledge Agreement.

(c) As of the date of this Supplement, the Additional Pledged Shares pledged by such Additional Pledgor hereunder have been duly authorized and validly issued and, in the case of Additional Pledged Shares issued by a corporation, are fully paid and non-assessable.

(d) The execution and delivery by the Additional Pledgor of this Supplement and the pledge of the Additional Collateral pledged by such Additional Pledgor hereunder pursuant hereto create a valid and perfected first priority security interest in the Additional Collateral, securing the payment of the Obligations, in favor of the Collateral Agent for the ratable benefit of the Secured Parties.

(e) The Additional Pledgor has full power, authority and legal right to pledge all the Additional Collateral pledged by the Additional Pledgor pursuant to this Supplement and this Supplement constitutes a legal, valid and binding obligation of the Additional Pledgor, enforceable in accordance with its terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and subject to general principles of equity.

SECTION 4. This Supplement may be executed by one or more of the parties to this Supplement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Supplement signed by all the parties shall be lodged with the Collateral Agent and the Borrower. This Supplement shall become effective as to the Additional Pledgor when the Collateral Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of the Additional Pledgor and the Collateral Agent.

SECTION 5. Except as expressly supplemented hereby, the Pledge Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. Any provision of this Supplement 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 in the Pledge Agreement, 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.

SECTION 8. All notices, requests and demands pursuant hereto shall be made in accordance with Section 16 of the Pledge Agreement. All communications and notices hereunder to the Additional Pledgor shall be given to it in care of the Borrower at the Borrower's address set forth in Section 14.2 of the Credit Agreement.

SECTION 9. The Additional Pledgor agrees to reimburse the Collateral 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 Collateral Agent.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Additional Pledgor and the Collateral Agent have duly executed this Supplement to the Pledge Agreement as of the day and year first above written.

Midway-Tristate Corporation,
as Additional Pledgor

By: /s/ S. D. Wehrle
Name: S. D. Wehrle
Title: Vice President

Lehman Commercial Paper Inc.,
as Collateral Agent

By: _____
Name:
Title:

IN WITNESS WHEREOF, the Additional Pledgor and the Collateral Agent have duly executed this Supplement to the Pledge Agreement as of the day and year first above written.

Midway-Tristate Corporation,
as Additional Pledgor

By: _____
Name:
Title:

Lehman Commercial Paper Inc.,
as Collateral Agent

By: /s/ Maria M. Lund
Name: Maria M. Lund
Title: Authorized Signatory

Exhibit 10.4.3

SUPPLEMENT NO. 3 TO TERM PLEDGE AGREEMENT

SUPPLEMENT NO. 3 dated as of October 31, 2007 (this "Supplement"), to the PLEDGE AGREEMENT dated as of January 31, 2007 (as the same may be amended, restated, supplemented or otherwise modified or replaced from time to time, the "Pledge Agreement"), among McJunkin Corporation, a West Virginia corporation (the "Borrower"), each of the Subsidiaries of the Borrower listed on the signature pages thereto (each such Subsidiary being a "Subsidiary Pledgor" and, collectively, the "Subsidiary Pledgors"; the Subsidiary Pledgors and the Borrower are referred to collectively as the "Pledgors") and Lehman Commercial Paper Inc., as Collateral Agent (in such capacity, the "Collateral Agent") under the Credit Agreement referred to below.

A. Reference is made to the Term Loan Credit Agreement dated as of January 31, 2007 (as the same may be amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the "Credit Agreement") among the Borrower, the lending institutions from time to time party thereto (the "Lenders"), Lehman Commercial Paper Inc., as Administrative Agent and as Collateral Agent, and the Term Loan Guarantee dated as of January 31, 2007 (as the same may be amended, restated, supplemented and or otherwise modified from time to time, the "Guarantee"), among the Guarantors party thereto and the Collateral Agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Pledge Agreement.

C. The Pledgors have entered into the Pledge Agreement in order to induce the Administrative Agent, the Collateral Agent, the Syndication Agent, and the Lenders to enter into the Credit Agreement, to induce the Lenders to make their respective Extensions of Credit to the Borrower under the Credit Agreement and to induce one or more Lenders or affiliates of Lenders to enter into Hedge Agreements with the Borrower.

D. The Borrower and Red Man Pipe & Supply Co. ("Red Man" and, together with Borrower, the "Additional Pledgors" and each an "Additional Pledgor") are (a) the legal and beneficial owners of the Equity Interests described under Schedule 1 hereto and issued by the entities named therein (such pledged Equity Interests, together with all other Equity Interests required to be pledged under the Pledge Agreement (the "After-acquired Additional Pledged Shares"), referred to collectively herein as the "Additional Pledged Shares") and (b) the legal and beneficial owners of the Indebtedness described under Schedule 1 hereto and issued by the entities named therein (such Indebtedness, together with all other Indebtedness required to be pledged under the Pledge Agreement, the "Additional Pledged Debt"), in each case as such schedule may be amended in accordance with the Credit Agreement.

E. Section 9.11 of the Credit Agreement and Section 9(b) of the Pledge Agreement provide that additional Subsidiaries may become Subsidiary Pledgors under the Pledge Agreement by execution and delivery of an instrument in the form of this Supplement. In order to induce the Lenders to make additional Extensions of Credit and as consideration for Extensions of Credit previously made and the Lender Counterparties to enter into Hedge Agreements with the Borrower, (i) Red Man is executing this Supplement in accordance with the

requirements of Section 9(b) of the Pledge Agreement to pledge to the Collateral Agent for the ratable benefit of the Secured Parties all of its right, title and interest in and to the Additional Pledged Shares and the Additional Pledged Debt and to become a Subsidiary Pledgor under the Pledge Agreement and (ii) Borrower is executing this Supplement in accordance with the requirements of Section 9(b) of the Pledge Agreement to pledge to the Collateral Agent for the ratable benefit of the Secured Parties all of its right, title and interest in and to the Additional Pledged Shares and the Additional Pledged Debt.

Accordingly, the Collateral Agent and each undersigned Additional Pledgor agree as follows:

SECTION 1. In accordance with Section 9(b) of the Pledge Agreement, each Additional Pledgor by its signature hereby transfers, assigns and pledges to the Collateral Agent for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent for the ratable benefit of the Secured Parties, a security interest in all of such Additional Pledgor's right, title and interest in the following, whether now owned or existing or hereafter acquired or existing or arising (collectively, the "Additional Collateral"):

(a) the Additional Pledged Shares held by such Additional Pledgor and the certificates representing such Additional Pledged Shares and any interest of such Additional Pledgor in the entries on the books of the issuer of the Additional Pledged Shares or any financial intermediary pertaining to the Additional Pledged Shares and all dividends, cash, warrants, rights, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Additional Pledged Shares;

(b) the Additional Pledged Debt and the instruments evidencing the Additional Pledged Debt owed to such Additional Pledgor, and all interest, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Additional Pledged Debt; and

(c) to the extent not covered by clauses (a) and (b) above, respectively, all Proceeds of any or all of the foregoing Additional Collateral.

For purposes of the Pledge Agreement, (x) the Collateral shall be deemed to include the Additional Collateral and (y) the After-acquired Pledged Shares shall be deemed to include the Additional After-acquired Pledge Shares.

SECTION 2. Red Man by its signature below becomes a Pledgor under the Pledge Agreement with the same force and effect as if originally named therein as a Pledgor and Red Man hereby agrees to all the terms and provisions of the Pledge Agreement applicable to it as a Pledgor thereunder. Each reference to a "Subsidiary Pledgor" or a "Pledgor" in the Pledge Agreement shall be deemed to include Red Man. The Pledge Agreement is hereby incorporated herein by reference.

SECTION 3. Each Additional Pledgor represents and warrants as follows:

(a) Schedule 1 hereto (i) correctly represents as of the date hereof (A) the issuer, the certificate number, the Pledgor and registered owner, the number and class and the percentage of the issued and outstanding Equity Interests of such class of all Additional Pledged Shares and (B) the issuer, the initial principal amount, the Pledgor and holder, date of and maturity date of all Additional Pledged Debt and (ii) together with Schedule 1 to the Pledge Agreement and the comparable schedules to each other Supplement to the Pledge Agreement, accurately and completely describes all Equity Interests, debt securities and promissory notes required to be pledged under the Pledge Agreement. Except as set forth on Schedule 1 hereto, the Additional Pledged Shares represent all (or 65% in the case of pledges of Foreign Subsidiaries) of the issued and outstanding Equity Interests of each class of Equity Interests of the issuer on the date hereof.

(b) Such Additional Pledgor is the legal and beneficial owner of the Additional Collateral pledged or assigned by such Additional Pledgor hereunder free and clear of any Lien, except for the Lien created by this Supplement to the Pledge Agreement.

(c) As of the date of this Supplement, the Additional Pledged Shares pledged by such Additional Pledgor hereunder have been duly authorized and validly issued and, in the case of Additional Pledged Shares issued by a corporation, are fully paid and non-assessable.

(d) The execution and delivery by such Additional Pledgor of this Supplement and the pledge of the Additional Collateral pledged by such Additional Pledgor hereunder pursuant hereto create a valid and perfected first priority security interest in the Additional Collateral, securing the payment of the Obligations, in favor of the Collateral Agent for the ratable benefit of the Secured Parties.

(e) Such Additional Pledgor has full power, authority and legal right to pledge all the Additional Collateral pledged by such Additional Pledgor pursuant to this Supplement and this Supplement constitutes a legal, valid and binding obligation of each Additional Pledgor, enforceable in accordance with its terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and subject to general principles of equity.

SECTION 4. This Supplement may be executed by one or more of the parties to this Supplement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Supplement signed by all the parties shall be lodged with the Collateral Agent and the Borrower. This Supplement shall become effective as to each Additional Pledgor when the Collateral Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of such Additional Pledgor and the Collateral Agent.

SECTION 5. Except as expressly supplemented hereby, the Pledge Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. Any provision of this Supplement 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 in the Pledge Agreement, 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.

SECTION 8. All notices, requests and demands pursuant hereto shall be made in accordance with Section 16 of the Pledge Agreement. All communications and notices hereunder to each Additional Pledgor shall be given to it in care of the Borrower at the Borrower's address set forth in Section 14.2 of the Credit Agreement.

SECTION 9. Each Additional Pledgor agrees to reimburse the Collateral 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 Collateral Agent.

[Signature Pages Follow]

IN WITNESS WHEREOF, each Additional Pledgor and the Collateral Agent have duly executed this Supplement to the Pledge Agreement as of the day and year first above written.

McJunkin Corporation,
as Pledgor

By: /s/ J. F. Underhill
Name: James F. Underhill
Title: Chief Financial Officer

Red Man Pipe & Supply Co.,
as Additional Pledgor

By: /s/ Dee Paige
Name: Dee Paige
Title: Chief Financial Officer

[Signature Page to Supplement No. 3 to Term Loan Pledge Agreement]

WEST OKLAHOMA PVF COMPANY,
as Additional Pledgor

By: /s/ H. B. Wehrle III
Name: Henry B. Wehrle III
Title: President

[Signature Page to Supplement No. 3 to the Term Loan Pledge Agreement]

MCJUNKIN DEVELOPMENT CORPORATION,
as Additional Pledgor

By: /s/ H. B. Wehrle III
Name: Henry B. Wehrle III
Title: Vice President

[Signature Page to Supplement No. 3 to the Term Loan Pledge Agreement]

MCJUNKIN-WEST AFRICA CORPORATION,
as Additional Pledgor

By: /s/ H. B. Wehrle III
Name: Henry B. Wehrle III
Title: President

[Signature Page to Supplement No. 3 to the Term Loan Pledge Agreement]

MCJUNKIN DE ANGOLA, LDA,
as Additional Pledgor

By: /s/ H. B. Wehrle III
Name: Henry B. Wehrle III
Title: Chairman of the Board of Directors

By: /s/ Stephen D. Wehrle
Name: Stephen D. Wehrle
Title: Director

By: _____
Name: James Christopher Noble
Title: Director

[Signature Page to Supplement No. 3 to the Term Loan Pledge Agreement]

MCJUNKIN DE ANGOLA, LDA,
as Additional Pledgor

By: _____
Name: Henry B. Wehrle III
Title: Chairman of the Board of Directors

By: _____
Name: Stephen D. Wehrle
Title: Director

By: /s/ James Christopher Noble
Name: James Christopher Noble
Title: Director

[Signature Page to Supplement No. 3 to the Term Loan Pledge Agreement]

Lehman Commercial Paper Inc.,
as Collateral Agent

By: /s/ Laurie Perper
Name: Laurie Perper
Title: Senior Vice President

[Signature Page to Supplement No. 3 to Term Loan Pledge Agreement]

Exhibit 10.5

TERM LOAN SECURITY AGREEMENT

THIS TERM LOAN SECURITY AGREEMENT (this "Agreement")dated as of January 31, 2007, among McJunkin Corporation, a West Virginia corporation (the "Borrower"), each of the Subsidiaries of the Borrower listed on the signature pages hereto (each such entity being a "Subsidiary Grantor" and, collectively, the "Subsidiary Grantors"; the Subsidiary Grantors and the Borrower are referred to collectively as the "Grantors") and Lehman Commercial Paper Inc., as Collateral Agent (in such capacity, the "Collateral Agent") under the Credit Agreement (as defined below) for the benefit of the Secured Parties (as defined below).

W I T N E S S E T H:

WHEREAS, the Borrower is party to the Term Loan Credit Agreement, dated as of January 31, 2007 (as the same may be amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the "Credit Agreement"), among the Borrower, the lending institutions from time to time party thereto (the "Lenders"), Lehman Commercial Paper Inc., as Administrative Agent and as Collateral Agent, pursuant to which (1) the Lenders have severally agreed to make Loans to the Borrower upon the terms and subject to the conditions set forth therein, and (2) one or more Lenders or affiliates of Lenders may from time to time enter into Hedge Agreements with the Borrower (the items in clauses (1) and (2) collectively, the "Extensions of Credit");

WHEREAS, pursuant to the Guarantee, dated as of the date hereof, (as amended, restated, supplemented or otherwise modified from time to time, the "Guarantee") each Subsidiary Grantor party thereto has agreed to unconditionally and irrevocably guarantee, as primary obligor and not merely as surety, to the Administrative Agent for the benefit of the Secured Parties, the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations;

WHEREAS, each Subsidiary Grantor is a Subsidiary Guarantor;

WHEREAS, the proceeds of the Extensions of Credit will be used in part to enable the Borrower to make valuable transfers to the Subsidiary Grantors in connection with the operation of their respective businesses;

WHEREAS, each Grantor acknowledges that it will derive substantial direct and indirect benefit from the making of the Extensions of Credit; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective Extensions of Credit to the Borrower under the Credit Agreement that the Grantors shall have executed and delivered this Agreement to the Collateral Agent for the ratable benefit of the Secured Parties;

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent, the Collateral Agent, the Syndication Agent, and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective Extensions of Credit to the Borrower under the Credit Agreement and to induce one or more Lenders or affiliates of

Lenders to enter into Hedge Agreements with the Borrower, the Grantors hereby agree with the Collateral Agent for the benefit of the Secured Parties, as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, all capitalized terms used herein (including the preamble and recitals hereto) and not otherwise defined herein shall have the meanings given to them in the Credit Agreement or, if not defined therein, in the UCC.

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

"Agreement" shall have the meaning assigned to such term in the preamble hereto.

"Borrower" shall have the meaning assigned to such term in the preamble hereto.

"Collateral" shall have the meaning provided in Section 2 hereof.

"Collateral Agent" shall have the meaning assigned to such term in the preamble hereto.

"Collateral Account" shall mean any collateral account established by the Collateral Agent as provided in Section 5.1 or Section 5.3.

"Collateral Agent" shall have the meaning provided in the preamble hereto.

"Control" shall mean (i) in the case of each Deposit Account, "control," as such term is defined in Section 9-104 of the UCC, and (ii) in the case of any Security Entitlement, "control," as such term is defined in Section 8-106 of the UCC.

"Control Agreements" shall mean, collectively, Deposit Account Control Agreements and the Securities Account Control Agreements.

"Copyright License" shall mean any written agreement, now or hereafter in effect, naming any Grantor as licensor or licensee, granting any right to any third party under any copyright now or hereafter owned by any Grantor (including all Copyrights) or that any Grantor otherwise has the right to license, or granting any right to any Grantor under any copyright now or hereafter owned by any third party, and all rights of any Grantor under any such agreement, including those listed on Schedule I (as such schedule may be amended or supplemented from time to time).

"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, any other country or any 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, including registrations,

recordings, supplemental registrations and pending applications for registration in the United States Copyright Office.

"Copyrights" shall mean all copyrights now owned or hereafter acquired by any Grantor, including those listed on Schedule II (as such schedule may be amended or supplemented from time to time).

"Credit Agreement" shall have the meaning assigned to such term in the recitals hereto.

"Deposit Account Control Agreement" shall mean an agreement that is reasonably satisfactory to the Collateral Agent establishing Control in favor of the Collateral Agent with respect to any Deposit Account.

"Deposit Accounts" shall mean, collectively, with respect to each Pledgor, (i) all "deposit accounts" as such term is defined in Article 9 of the UCC and in any event shall include all accounts and sub-accounts relating to any of the foregoing accounts and (ii) all cash, funds, checks, notes and instruments from time to time on deposit in any of the accounts or sub-accounts described in clause (i) of this definition.

"Equipment" shall mean all "equipment," as such term is defined in Article 9 of the UCC, now or hereafter owned by any Grantor or to which any Grantor has rights and, in any event, shall include all machinery, equipment, computers, furnishings, appliances, fixtures, tools and vehicles (in each case, regardless of whether characterized as equipment under the UCC) now or hereafter owned by any Grantor or to which any Grantor has rights and any and all Proceeds, accessions, additions, substitutions and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto; but excluding equipment to the extent it is subject to a Lien permitted by the Credit Agreement and the terms of the Indebtedness securing such Lien prohibit assignment of, or granting of a security interest in, such Grantor's rights and interests therein (other than to the extent that any such prohibition would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law), provided, that immediately upon the repayment of all Indebtedness secured by such Lien, such Grantor shall be deemed to have granted a Security Interest in all the rights and interests with respect to such equipment.

"Extensions of Credit" shall have the meaning assigned to such term in the recitals hereto.

"General Intangibles" shall mean all "general intangibles" as such term is defined in Article 9 of the UCC, including "payment intangibles" also as such term is defined in Article 9 of the UCC, and, in any event, including with respect to any Grantor, all contracts, agreements, instruments and indentures in any form, and portions thereof, to which such Grantor is a party or under which such Grantor has any right, title or interest or to which such Grantor or any property of such Grantor is subject, as the same may from time to time be amended, supplemented or otherwise modified, including (a) all rights of such Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (b) all rights of such Grantor to receive proceeds

of any insurance, indemnity, warranty or guarantee with respect thereto, (c) all claims of such Grantor for damages arising out of any breach of or default thereunder and (d) all rights of such 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, in each case to the extent the grant by such Grantor of a Security Interest pursuant to this Agreement in its right, title and interest in any such contract, agreement, instrument or indenture (i) is not prohibited by such contract, agreement, instrument or indenture without the consent of any other party thereto, (ii) would not give any other party to any such contract, agreement, instrument or indenture the right to terminate its obligations thereunder or (iii) is permitted with consent if all necessary consents to such grant of a Security Interest have been obtained from the other parties thereto (other than to the extent that any such prohibition referred to in clauses (i), (ii) and (iii) would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law) (it being understood that the foregoing shall not be deemed to obligate such Grantor to obtain such consents), provided that the foregoing limitation shall not affect, limit, restrict or impair the grant by such Grantor of a Security Interest pursuant to this Agreement in any Account or any money or other amounts due or to become due under any such contract, agreement, instrument or indenture.

"Grantor" shall have the meaning assigned to such term in the recitals hereto.

"Guarantee" shall have the meaning assigned to such term in the recitals hereto.

"Intellectual Property" shall mean all of the following now owned or hereafter acquired by any Grantor: rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws, including the Trade Secrets, the Copyrights, the Patents, the Trademarks and the Licenses and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom, in each case to the extent the grant by such Grantor of a Security Interest pursuant to this Agreement in any such rights, priorities and privileges relating to intellectual property (i) is not prohibited by any contract, agreement or other instrument governing such rights, priorities and privileges without the consent of any other party thereto, (ii) would not give any other party to any such contract, agreement or other instrument the right to terminate its obligations thereunder or (iii) is permitted with consent if all necessary consents to such grant of a Security Interest have been obtained from the relevant parties (other than to the extent that any such prohibition referred to in clauses (i), (ii) and (iii) would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law) (it being understood that the foregoing shall not be deemed to obligate such Grantor to obtain such consents).

"Investment Property" shall mean all Securities (whether certificated or uncertificated), Security Entitlements, Securities Accounts, Commodity Contracts and Commodity Accounts of any Grantor (other than as pledged pursuant to the Pledge Agreements), whether now or hereafter acquired by any Grantor, in each case to the extent the grant by a Grantor of a Security Interest therein pursuant to this Agreement in its right, title and interest in any such Investment Property (i) is not prohibited by any contract, agreement, instrument or

indenture governing such Investment Property without the consent of any other party thereto, (ii) would not give any other party to any such contract, agreement, instrument or indenture the right to terminate its obligations thereunder or (iii) is permitted with consent if all necessary consents to such grant of a Security Interest have been obtained from the other parties thereto (other than to the extent that any such prohibition referred to in clauses (i), (ii) and (iii) would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law) (it being understood that the foregoing shall not be deemed to obligate such Grantor to obtain such consents).

"Lender Counterparty" means each Lender or any Affiliate of a Lender that is a counterparty to a Hedge Agreement (including any Person that ceases to be a Lender (or any Affiliate thereof) (a) on the date such Lender becomes a party to the Credit Agreement or (b) as of the date such Hedge Agreement was entered into.

"License" shall mean any Patent License, Trademark License, Copyright License or other license or sublicense to which any Grantor is a party.

"Obligations" shall mean the collective reference to (i) the due and punctual payment of (x) the principal of and premium, if any, and interest at the applicable rate provided in the Credit Agreement (including interest at the contract rate applicable upon default accrued or accruing after the commencement of any proceeding, under the Bankruptcy Code or any applicable provision of comparable state or foreign law, whether or not such interest is an allowed claim in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (y) each payment required to be made by any Borrower under the Credit Agreement, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral, and (z) all other monetary obligations, including fees, costs, payments for early termination of Hedge Agreements, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any proceeding under the Bankruptcy Code or any applicable provision of comparable state or foreign law, whether or not such interest is an allowed claim in such proceeding), of any Borrower or any other Credit Party to any of the Secured Parties under the Credit Agreement and any other Credit Documents, (ii) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Borrower under or pursuant to the Credit Agreement and the other Credit Documents, (iii) the due and punctual payment and performance of all the covenants, agreements, obligations and liabilities of each other Credit Party under or pursuant to this Agreement or the other Credit Documents and (iv) the due and punctual payment and performance of all obligations of each Credit Party under each Hedge Agreement that (x) is in effect on the Closing Date with a counterparty that is a Lender or an affiliate of a Lender as of the Closing Date or (y) is entered into after the Closing Date with any counterparty that is a Lender or an affiliate of a Lender at the time such Hedge Agreement is entered into.

"Patent License" shall mean any written agreement, now or hereafter in effect, naming any Grantor as licensor or licensee, granting to any third party any right to make, use or sell any invention on which a patent, now or hereafter owned by any Grantor (including all

Patents) or that any Grantor otherwise has the right to license, is in existence, or granting to any Grantor any right to make, use or sell any invention on which a patent, now or hereafter owned by any third party, is in existence, and all rights of any Grantor under any such agreement, including those listed on Schedule III (as such schedule may be amended or supplemented from time to time).

"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 or group of countries, 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, reexaminations or extensions thereof, all rights corresponding thereto throughout the world and all inventions and improvements disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

"Patents" shall mean all patents now owned or hereafter acquired by any Grantor, including those listed on Schedule IV (as such schedule may be amended or supplemented from time to time).

"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 any 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 possession 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 Collateral Agent, (b) any claim of any 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 any Grantor, or licensed under a Patent License, (ii) past, present or future infringement or dilution of any Trademark now or hereafter owned by any Grantor or licensed under a Trademark License or injury to the goodwill associated with or symbolized by any Trademark now or hereafter owned by any Grantor, (iii) past, present or future breach of any License and (iv) past, present or future infringement of any Copyright now or hereafter owned by any Grantor or licensed under a Copyright License and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Secured Parties" shall mean, collectively, (i) the Lenders, (ii) the Administrative Agent, (iii) the Collateral Agent, (iv) the Syndication Agent, (v) each Lender Counterparty party to a Hedge Agreement the obligations under which constitute Obligations, (vi) the beneficiaries of each indemnification obligation undertaken by any Credit Party under the Credit Agreement or any document executed pursuant thereto and (vii) any successors, indorsees, transferees and assigns of each of the foregoing.

"Securities Account Control Agreement" shall mean an agreement that is reasonably satisfactory to the Collateral Agent establishing Control in favor of the Collateral Agent with respect to any Securities Account.

"Security Interest" shall have the meaning provided in Section 2 hereof.

"Subsidiary Grantor" shall have the meaning assigned to such term in the preamble hereto.

"Trade Secrets" shall mean all information used or useful arising from the business including all goodwill, trade secrets, trade secret rights, know-how, customer lists, processes of production, ideas, confidential business information, techniques, processes, formulas and all other proprietary information.

"Trademark License" shall mean any written agreement, now or hereafter in effect, naming any Grantor as licensor or licensee, granting to any third party any right to use any trademark now or hereafter owned by any Grantor (including any Trademark) or that any Grantor otherwise has the right to license, or granting to any Grantor any right to use any trademark now or hereafter owned by any third party, and all rights of any Grantor under any such agreement, including those listed on Schedule V (as such schedule may be amended or supplemented from time to time).

"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, Internet domain 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.

"Trademarks" shall mean all trademarks now owned or hereafter acquired by any Grantor, including those listed on Schedule VI (as such schedule may be amended or supplemented from time to time); provided that any "intent to use" Trademark applications for which a "Statement of Use" or "Amendment to Allege Use" has not been filed (but only until such statement is filed) are excluded from this definition.

"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 Collateral Agent's and the Secured Parties' 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.

(c) The words “hereof”, “herein”, “hereto” 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, and Section, subsection, clause and Schedule references are to this Security Agreement unless otherwise specified. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.”

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

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

(f) References to “Lenders” in this Agreement shall be deemed to include Affiliates of any Lender that may from time to time enter into Hedge Agreements with the Borrower.

2. Grant of Security Interest.

(a) Each Grantor hereby bargains, sells, conveys, assigns, sets over, mortgages, pledges, hypothecates and transfers to the Collateral Agent, for the ratable benefit of the Secured Parties, and grants to the Collateral Agent, for the ratable benefit of the Secured Parties a lien on and continuing security interest in (the “Security Interest”), all of its right, title and interest in, to and under all of the following property (other than any property constituting Non-Core Assets) now owned or at any time hereafter acquired by such Grantor or in which such 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 Obligations:

(i) all Accounts;

(ii) all Chattel Paper;

(iii) all Commercial Tort Claims, if any;

(iv) all Documents;

(v) all Equipment;

(vi) all General Intangibles;

(vii) all Instruments;

(viii) all Intellectual Property;

(ix) all Inventory;

(x) all Investment Property;

(xi) all Letters of Credit and Letter-of-Credit Rights;

(xii) all Money;

(xiii) all Supporting Obligations;

(xiv) all Collateral Accounts;

(xv) all books and records pertaining to the Collateral;

(xvi) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing.

(b) Each Grantor hereby irrevocably authorizes the Collateral Agent and its Affiliates, counsel and other representatives, at any time and from time to time, to file or record financing statements, amendments to financing statements and, with notice to the Borrower, other filing or recording documents or instruments with respect to the Collateral in such form and in such offices as the Collateral Agent reasonably determines appropriate to perfect the Security Interests of the Collateral Agent under this Agreement, and such financing statements and amendments may describe the Collateral covered thereby as "all assets" or "all personal property" or words of similar effect, whether now owned or hereafter acquired. Each Grantor hereby also authorizes the Collateral Agent and its Affiliates, counsel and other representatives, at any time and from time to time, to file continuation statements with respect to previously filed financing statements. 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 Collateral Agent.

Each Grantor hereby agrees to provide to the Collateral Agent, promptly upon request, any information reasonably necessary to effectuate the filings or recordings authorized by this Section 2(b).

The Collateral Agent is further authorized to file with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office in any other country) such documents as may be necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interests granted by each Grantor hereunder, without the signature of any Grantor, and naming any Grantor or the Grantors as debtors and the Collateral Agent, as the case may be, as secured party.

This Agreement secures the payment of all the Obligations. Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts that constitute part of the Obligations and would be owed to the Collateral Agent or the Secured Parties under the Credit Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving any Grantor.

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

3. Representations and Warranties.

Each Grantor hereby represents and warrants to the Collateral Agent and each other Secured Party that:

3.1 Title; No Other Liens. Except for (a) the Security Interest granted to the Collateral Agent for the ratable benefit of the Secured Parties pursuant to this Agreement, (b) the Liens permitted by the Credit Agreement and (c) any Liens securing Indebtedness which is no longer outstanding or any Liens with respect to commitments to lend which have been terminated, such Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. No security agreement, financing statement or other public notice with respect to all or any part of the Collateral that evidences a Lien securing any material Indebtedness is on file or of record in any public office, except such as (i) have been filed in favor of the Collateral Agent for the ratable benefit of the Secured Parties pursuant to this Agreement or (ii) are permitted by the Credit Agreement.

3.2 Perfected First Priority Liens. (a) This Agreement is effective to create in favor of the Collateral Agent, for its benefit and for the benefit of the Secured Parties, legal, valid and enforceable Security Interests in the Collateral, subject to the effects of bankruptcy, insolvency or similar laws affecting creditors' rights generally and general equitable principles.

(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 Security Interests in the Collateral (as to which perfection may be obtained by the filings or other actions described in clause (A), (B), or (C) of this paragraph in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, as collateral security for the Obligations, upon (A) the filing of all financing statements, in each case, naming each Grantor as "debtor" and the Collateral Agent as "secured party" and describing the Collateral in the filing offices specified in Schedule 3.2(b), (B) delivery to Collateral Agent (or its bailee) of all Instruments, Chattel Paper, Certificated Securities and Negotiable Documents, in each case, properly endorsed for transfer or in blank, and (C) completion of the filing and recording of fully executed agreements in the form hereof (or a supplement hereto) and containing a description of all Collateral constituting Patents and Trademarks in the United States Patent and Trademark Office (or any successor office) within the three month period (commencing as of the date hereof) or, with respect to all Collateral constituting Patents and registered Trademarks acquired after the date hereof, within three months thereafter, and all Collateral constituting registered Copyrights in the United States Copyright Office (or a successor office) within the one month period (commencing as of the date hereof) or, with respect to all Collateral constituting Copyrights acquired after the date hereof, within one month thereafter pursuant to 35 USC § 261, and 15 USC § 1060, or 17 USC § 205 and the regulations thereunder, and otherwise as may be required pursuant to the laws of any other necessary jurisdiction to the extent that a security interest may be perfected by such filings and recordings, and (ii) are prior to all other Liens on the Collateral other than Liens permitted pursuant to Section 10.2 of the Credit Agreement.

(c) Notwithstanding anything to the contrary herein, no Grantor shall be required to perfect the Security Interests granted by this Agreement (including Security Interests in cash, cash accounts and Investment Property) by any means other than (i) filings pursuant to the UCC of the relevant state(s), (ii) filings approved by United States government offices with respect to Intellectual Property or (iii) delivery to the Collateral Agent (or its bailee) to be held in its possession of all Collateral consisting of Instruments, Certificated Securities or Negotiable Documents.

(d) It is understood and agreed that the Security Interests in cash and Investment Property created hereunder shall not prevent the Grantors from using such assets in the ordinary course of their respective businesses, subject to the provisions of the Control Agreements with respect to such cash and Investment Property.

4. Covenants.

Each Grantor hereby covenants and agrees with the Collateral Agent and the Secured Parties that, from and after the date of this Agreement until the Obligations under the Credit Documents are paid in full and the Commitments are terminated:

4.1 Maintenance of Perfected Security Interest; Further Documentation. (a) Such Grantor shall maintain the Security Interest created by this Agreement as a perfected Security Interest having at least the priority described in Section 3.1 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) Such Grantor will furnish to the Collateral Agent and the Lenders from time to time statements and schedules further identifying and describing the assets and property of such Grantor and such other reports in connection therewith as the Collateral Agent may reasonably request. In addition, within 30 days after the end of each calendar quarter, such Grantor will deliver to the Collateral Agent a written supplement substantially in the form of Annex A hereto with respect to any additional Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks and Trademark Licenses acquired by such Grantor after the date hereof, all in reasonable detail.

(c) Subject to clause (d) below and Section 3.2(c), each Grantor agrees that at any time and from time to time, at the expense of such 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)(C)), which may be required under any applicable law, or which the Collateral Agent or the Required 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 Collateral 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 UCC in effect in any jurisdiction with respect to the Security Interests created hereby and all applicable documents required under Section 3.2(b)(C), all at the expense of such Grantor.

(d) Notwithstanding anything in this Section 4.1 to the contrary, (i) with respect to any assets acquired by such Grantor after the date hereof that are required by the Credit Agreement to be subject to the Lien created hereby or (ii) with respect to any Person that, subsequent to the date hereof, becomes a U.S. Subsidiary that is required by the Credit Agreement to become a party hereto, the relevant Grantor after the acquisition or creation thereof shall promptly take all actions required by the Credit Agreement or this Section 4.1.

4.2 Changes in Locations, Name, etc. Each Grantor will furnish to the Collateral Agent prompt written notice of any change (i) in its legal name, (ii) in its jurisdiction of organization or location for purposes of the UCC, (iii) in its identity or type of organization or corporate structure or (iv) in its Federal Taxpayer Identification Number or organizational identification number. Each Grantor agrees promptly to provide the Collateral Agent with certified organizational documents reflecting any of the changes described in the first sentence of this paragraph. Each Grantor also agrees promptly to notify the Collateral Agent if any material portion of the Collateral is damaged or destroyed.

4.3 Notices. Each Grantor will advise the Collateral Agent and the Lenders promptly, in reasonable detail, of any Lien of which it has knowledge (other than the Security Interests created hereby or Liens permitted under the Credit Agreement) on any of the Collateral which would adversely affect, in any material respect, the ability of the Collateral Agent to exercise any of its remedies hereunder.

5. Remedial Provisions.

5.1 Certain Matters Relating to Accounts. (a) At any time after the occurrence and during the continuance of an Event of Default and after giving reasonable notice to the Borrower and any other relevant Grantor, the Administrative Agent shall have the right, but not the obligation, to instruct the Collateral Agent to (and upon such instruction, the Collateral Agent shall) make test verifications of the Accounts in any manner and through any medium that such Agent reasonably considers advisable, and each Grantor shall furnish all such assistance and information as such Agent may require in connection with such test verifications. Such Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party.

(b) The Collateral Agent hereby authorizes each Grantor to collect such Grantor's Accounts and the Collateral Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If required in writing by the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Accounts, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly endorsed by such Grantor to the Collateral Agent if required, in a Collateral Account maintained under the sole dominion and control of and on terms and conditions reasonably satisfactory to the Collateral Agent, subject to withdrawal by the Collateral Agent for the account of the Secured Parties only as provided in Section 5.5, and (ii) until so turned over, shall be held by such Grantor in trust for the Collateral Agent and the Secured Parties, segregated from other funds of such 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.

(c) At the Collateral Agent's request at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall deliver to the Collateral 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.

(d) Upon the occurrence and during the continuance of an Event of Default, a 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 Collateral Agent shall have instructed the Grantors not to grant or make any such extension, credit, discount, compromise or settlement under any circumstances during the continuance of such Event of Default.

(e) At the direction of the Collateral Agent, upon the occurrence and during the continuance of an Event of Default, each Grantor shall grant to the Collateral Agent to the extent assignable, an irrevocable, non-exclusive, fully paid-up, royalty-free, worldwide license to use, assign, license or sublicense any of the Intellectual Property now owned or hereafter acquired by such Grantor. 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 thereof.

5.2 Communications with Credit Parties; Grantors Remain Liable. (a) The Collateral 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 notice to the relevant Grantor of its intent to do so, communicate with obligors under the Accounts to verify with them to the Collateral Agent's satisfaction the existence, amount and terms of any Accounts. The Collateral Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party.

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

(c) Anything herein to the contrary notwithstanding, each 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 Collateral Agent nor any Secured Party 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 Collateral Agent or any Secured Party of any payment relating thereto, nor shall the Collateral Agent or any Secured Party be obligated in any manner to perform any of the obligations of any 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 Collateral Agent. In addition to the rights of the Collateral Agent and the Secured Parties specified in Section 5.1 with respect to payments of Accounts, if an Event of Default shall occur and be continuing and the Collateral Agent so requires by notice in writing to the relevant Grantor (it being understood that the exercise of remedies by the Secured Parties in connection with an Event of Default under Section 11.5 of the Credit Agreement shall be deemed to constitute a request by the Collateral Agent for the purposes of this sentence and in such circumstances, no such written notice shall be required), all Proceeds received by any Grantor consisting of cash, checks and other near-cash items shall be held by such Grantor in trust for the Collateral Agent and the Secured Parties, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Collateral Agent in the exact form received by such Grantor (duly endorsed by such Grantor to the Collateral Agent, if required). All Proceeds received by the Collateral Agent hereunder shall be held by the Collateral Agent in a Collateral Account maintained under its dominion and control and on terms and conditions reasonably satisfactory to the Collateral Agent. All Proceeds while held by the Collateral Agent in a Collateral Account (or by such Grantor in trust for the Collateral Agent and the Secured Parties) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 5.4.

5.4 Application of Proceeds. The Collateral 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 as follows:

(a) first, to the payment of all reasonable and documented costs and expenses incurred by the Collateral Agent in connection with such collection or sale or otherwise in connection with this Agreement, the other Credit Documents or any of the Obligations, including all court costs and the reasonable fees and expenses of its agents and legal counsel, the repayment of all advances made by the Collateral Agent hereunder or under any other Credit Document on behalf of any Grantor and any other reasonable and documented costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Credit Document;

(b) second, to the Secured Parties, an amount equal to all Obligations owing to them on the date of any distribution, and, if such moneys shall be insufficient to pay such amounts in full, then ratably (without priority of any one over any other) to such Secured Parties in proportion to the unpaid amounts thereof; and

(c) third, any surplus then remaining shall be paid to the Grantors or their successors or assigns or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Upon any sale of the Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral 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 Collateral 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 Collateral 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 law and also may with notice to the relevant 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 Collateral Agent or any Lender 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 Collateral 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 Collateral 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 any Grantor, and each 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 rule of law or statute now existing or hereafter enacted. The Collateral Agent and any Secured Party 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 Collateral Agent or such Secured Party may, subject to (x) the satisfaction in full in cash of all payments due pursuant to Section 5.4(a) hereof and (y) the satisfaction of the Obligations in accordance with the priorities set forth in Section 5.4 hereof, pay the purchase price by crediting the amount thereof against the Obligations. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to such 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 Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral 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, each Grantor hereby waives any claim against the Collateral 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 Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree. Each Grantor further agrees, at the Collateral Agent's request, to assemble the Collateral and make it available to the Collateral Agent, at places which the Collateral Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Collateral 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. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the fees and disbursements of any attorneys employed by the Collateral Agent or any Secured Party to collect such deficiency.

5.7 Amendments, etc. with Respect to the Obligations; Waiver of Rights. Each Grantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Grantor and without notice to or further assent by any Grantor, (a) any demand for payment of any of the Obligations made by the Collateral Agent or any other Secured Party may be rescinded by such party and any of the Obligations continued, (b) the 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 Collateral Agent or any other Secured Party, (c) the Credit Agreement, the other Credit Documents, the Letters of Credit and any other documents executed and delivered in connection therewith and the Hedge Agreements and any other documents executed and delivered in connection therewith and any documents entered into with the applicable Administrative Agent or the Collateral Agent or any of its respective affiliates in connection with treasury, depositary or cash management services or in connection with any automated clearinghouse transfer of funds may be amended, modified, supplemented or terminated, in whole or in part, as the applicable Administrative Agent (or the Required Lenders, as the case may be, or, in the case of any Hedge Agreement or documents entered into with the applicable Administrative Agent or any of its respective affiliates in connection with treasury, depositary or cash management services or in connection with any automated clearinghouse transfer of funds, the party thereto) may deem advisable from time to time, and (d) any collateral security, guarantee or right of offset at any time held by the Collateral Agent or any other Secured Party for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Collateral Agent nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Agreement or any property subject thereto. When making any demand hereunder against any Grantor, the Collateral Agent or any other Secured Party may, but shall be under no obligation to, make a similar demand on any Borrower or any Grantor or any other person, and any failure by the Collateral Agent or any other Secured Party to make any such demand or to collect any payments from any Borrower or any Grantor or any other person or any release of any Borrower or any Grantor or any other person shall not relieve any Grantor in respect of which a demand or collection is not made or any 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 Collateral Agent or any other Secured Party against any Grantor. For the purposes hereof “demand” shall include the commencement and continuance of any legal proceedings.

5.8 Access Rights on Mortgaged Properties. The Grantors hereby agree with the Collateral Agent that, at any time during the continuance of an Event of Default and after notice of such action to the Borrower, the Revolving Credit Collateral Agent (as defined in the Intercreditor Agreement) shall have access, during the Access Period (as defined in the Intercreditor Agreement), and each such Grantor that owns any of the Mortgaged Premises has granted a non-exclusive easement in gross over its property to permit the uses by Revolving

Credit Collateral Agent (as defined in the Intercreditor Agreement) contemplated by Section 3.3 of the Intercreditor Agreement. The Collateral Agent hereby consents to such easement.

6. The Collateral Agent.

6.1 Collateral Agent's Appointment as Attorneys-in-Fact, etc. (a) Each Grantor hereby appoints, which appointment is irrevocable and coupled with an interest, effective upon and during the occurrence of an Event of Default, the Collateral 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 such Grantor and in the name of such 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 which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Collateral Agent the power and right, on behalf of such Grantor, either in the Collateral Agent's name or in the name of such Grantor or otherwise, without assent by such Grantor, to do any or all of the following, in each case after and during the occurrence of an Event of Default and after written notice by the Collateral 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 Collateral 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 and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Collateral Agent may request to evidence the Collateral Agent's and the Secured Parties' Security Interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens 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) obtain and adjust insurance required to be maintained by such Grantor or paid to the Collateral Agent pursuant to Section 9.3 of the Credit Agreement;

(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 Collateral Agent or as the Collateral 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, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, 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 such Grantor with respect to any Collateral (with such Grantor's consent (not to be unreasonably withheld or delayed) to the extent such action or its resolution could materially affect such 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 Collateral Agent may deem appropriate (with such Grantor's consent (not to be unreasonably withheld or delayed) to the extent such action or its resolution could materially affect such Grantor or any of its affiliates in any manner other than with respect to its continuing rights in such Collateral);

(xii) assign any Copyright, Patent or Trademark (along with the goodwill of the business to which any such Copyright, Patent or Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Collateral 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 Collateral Agent were the absolute owner thereof for all purposes, and do, at the Collateral Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things that the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's and the Secured Parties' Security Interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 6.1(a) to the contrary notwithstanding, the Collateral 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 any Grantor fails to perform or comply with any of its agreements contained herein, the Collateral 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 Collateral 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 on any category of past due ABR Loans under the Credit Agreement, from the date of payment by the Collateral Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Collateral Agent on demand.

(d) Each 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 Collateral Agent. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property. Neither the Collateral Agent, any Secured Party nor any of their respective officers, directors, employees or agents 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 any 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 Collateral Agent and the Secured Parties hereunder are solely to protect the Collateral Agent's and the Secured Parties' interests in the Collateral and shall not impose any duty upon the Collateral Agent or any Secured Party to exercise any such powers. The Collateral Agent and the Secured Parties 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 officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

6.3 Authority of Collateral Agent. Each Grantor acknowledges that the rights and responsibilities of the Collateral Agent under this Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral 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 Collateral Agent and the Secured Parties, 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 Collateral Agent and the Grantors, the Collateral Agent shall be conclusively presumed to be acting as agent for the applicable Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

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

6.5 Continuing Security Interest; Assignments Under the Credit Agreement; Release. (a) This Agreement shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon each Grantor and the successors and assigns thereof and shall inure to the benefit of the Collateral Agent and the other Secured Parties and their respective successors, indorsees, transferees and assigns until all Obligations under the Credit Documents (other than any contingent indemnity obligations not then due) and the obligations of each Grantor under this Agreement shall have been satisfied by payment in full, the Commitments shall be terminated and no Letters of Credit shall be outstanding, notwithstanding that from time to time during the term of the Credit Agreement and any Hedge Agreement the Credit Parties may be free from any Obligations.

(b) A Subsidiary Grantor shall automatically be released from its obligations hereunder and the Security Interest in the Collateral of such Subsidiary Grantor shall be automatically released upon the consummation of any transaction permitted under the Credit Agreement as a result of which such Subsidiary Grantor ceases to be a Subsidiary Guarantor.

(c) Upon any sale or other transfer by any Grantor of any Collateral that is permitted under the Credit Agreement or upon the effectiveness of any written consent to the release of the Security Interest granted hereby in any Collateral pursuant to Section 14.1 of the Credit Agreement, the Security Interest in such Collateral shall be automatically released and such Collateral sold free and clear of the Lien and Security Interests created hereby.

(d) In connection with any termination or release pursuant to paragraph (a), (b) or (c), the Collateral Agent shall execute and deliver to any Grantor, at such Grantor's expense, all documents that such Grantor shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 6.5 shall be without recourse to or warranty by the Collateral Agent.

6.6 Reinstatement. Each Grantor further agrees that, if any payment made by any Credit Party or other Person and applied to the 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 Secured Party to such Credit Party, its estate, trustee, receiver or any other party, including any Grantor, under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or repayment, any Lien 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 Lien granted hereby or other Collateral securing such liability hereunder shall have been released or terminated by virtue of such cancellation or surrender), such Lien 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 Lien or other Collateral securing the obligations of any Grantor in respect of the amount of such payment.

7. Collateral Agent As Agent.

(a) Lehman Commercial Paper Inc. has been appointed to act as the Collateral Agent under the Credit Agreement, by the Lenders under the Credit Agreement and, by their

acceptance of the benefits hereof, the other Secured Parties. The Collateral Agent shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including the release or substitution of Collateral), solely in accordance with this Agreement and the Credit Agreement, provided that the Collateral Agent shall exercise, or refrain from exercising, any remedies provided for in Section 5 in accordance with the instructions of Required Lenders. In furtherance of the foregoing provisions of this Section 7(a), each Secured Party, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Collateral hereunder, it being understood and agreed by such Secured Party that all rights and remedies hereunder may be exercised solely by the Collateral Agent for the ratable benefit of the applicable Lenders and Secured Parties in accordance with the terms of this Section 7(a).

(b) The Collateral Agent shall at all times be the same Person that is the Collateral Agent under the Credit Agreement. Written notice of resignation by the Collateral Agent pursuant to Section 13.9 of the Credit Agreement shall also constitute notice of resignation as Collateral Agent under this Agreement; removal of the Collateral Agent shall also constitute removal under this Agreement; and appointment of a Collateral Agent pursuant to Section 13.9 of the Credit Agreement shall also constitute appointment of a successor Collateral Agent under this Agreement. Upon the acceptance of any appointment as Collateral Agent under Section 13.9 of the Credit Agreement by a successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Collateral Agent under this Agreement, and the retiring or removed Collateral Agent under this Agreement shall promptly (i) transfer to such successor Collateral Agent all sums, securities and other items of Collateral held hereunder, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Collateral Agent under this Agreement, and (ii) execute and deliver to such successor Collateral Agent or otherwise authorize the filing of such amendments to financing statements and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Collateral Agent of the Security Interests created hereunder, whereupon such retiring or removed Collateral Agent shall be discharged from its duties and obligations under this Agreement. After any retiring or removed Collateral Agent's resignation or removal hereunder as Collateral Agent, the provisions of this Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was Collateral Agent hereunder.

(c) The Collateral Agent shall not be deemed to have any duty whatsoever with respect to any Secured Party that is a counterparty to a Hedge Agreement the obligations under which constitute Obligations, unless it shall have received written notice in form and substance satisfactory to the Collateral Agent from a Grantor or any such Secured Party as to the existence and terms of the applicable Hedge Agreement.

8. Miscellaneous.

8.1 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 affected Grantor and the Collateral Agent in accordance with Section 14.1 of the Credit Agreement.

8.2 Notices. All notices, requests and demands pursuant hereto shall be made in accordance with Section 14.2 of the Credit Agreement. All communications and notices hereunder to any Subsidiary Grantor shall be given to it in care of the Borrower at the Borrower's address set forth in Section 14.2 of the Credit Agreement.

8.3 No Waiver by Course of Conduct; Cumulative Remedies. Neither the Collateral Agent nor any Secured Party shall by any act (except by a written instrument pursuant to Section 8.1), 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. No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or any other Secured Party, 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 Collateral Agent or any other Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Collateral Agent or such other Secured Party 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 law.

8.4 Enforcement Expenses; Indemnification. (a) Each Grantor agrees to pay any and all expenses (including all reasonable fees and disbursements of counsel) that may be paid or incurred by any Secured Party in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, such Grantor under this Agreement.

(b) Each Grantor agrees to pay, and to save the Collateral Agent and the Secured Parties harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) Each Grantor agrees to pay, and to save the Collateral Agent and the Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent a Borrower would be required to do so pursuant to Section 12.5 of the Credit Agreement.

(d) The agreements in this Section 8.4 shall survive repayment of the Obligations and all other amounts payable under the Credit Agreement and the other Credit Documents.

8.5 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 no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent except pursuant to a transaction permitted by the Credit Agreement.

8.6 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), 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 Collateral Agent and the Borrower.

8.7 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.

8.8 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.

8.9 Integration. This Agreement together with the other Credit Documents represents the agreement of each of the Grantors with respect to the subject matter hereof and there are no promises, undertakings, representations or warranties by the Collateral Agent or any other Secured Party relative to the subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents.

8.10 **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 LAWS OF THE STATE OF NEW YORK.**

8.11 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 and the other Credit Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-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 may 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 8.2 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 Secured Party) to effect service of process in any other manner permitted by law or shall limit the right of any party hereto (or any Secured Party) 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 8.11 any special, exemplary, punitive or consequential damages.

8.12 Acknowledgments. Each party hereto hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Credit Documents to which it is a party;

(b) neither the Collateral Agent nor any other Secured Party has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Credit Documents, and the relationship between the Grantors, on the one hand, and the Collateral Agent and the other Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders and any other Secured Party or among the Grantors and the Lenders and any other Secured Party.

8.13 Additional Grantors. Each Subsidiary of the Borrower that is required to become a party to this Agreement pursuant to Section 9.11 of the Credit Agreement shall become a Grantor, with the same force and effect as if originally named as a Grantor herein, for all purposes of this Agreement upon execution and delivery by such Subsidiary of a written supplement substantially in the form of Annex B hereto. The execution and delivery of any instrument adding an additional Grantor as a party to this 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 Agreement.

8.14 **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.**

9. Intercreditor Agreement

9.1 Intercreditor Agreement. Notwithstanding anything herein to the contrary, the lien and security interest granted to the Collateral Agent pursuant to this Agreement and the exercise of any right or remedy by the Collateral Agent hereunder are subject to the provisions of the Intercreditor Agreement, dated as of January 31, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "Intercreditor Agreement"), among the Borrower, Lehman Commercial Paper Inc., as Administrative Agent and as Collateral Agent, and certain other persons which may be or become parties thereto, or become bound thereto from time to time. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement, the terms of the Intercreditor Agreement shall govern and control.

[Signature Pages Follow]

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

MCJUNKIN CORPORATION, as Grantor

By: /s/ JAMES F. UNDERHILL
Name: James F. Underhill
Title: Chief Financial Officer

MCJUNKIN APPALACHIAN OILFIELD COMPANY, as Grantor

By: /s/ DAVID FOX III
Name: David Fox III
Title: Executive Vice President

MCJUNKIN NIGERIA LIMITED, as Grantor

By: /s/ HENRY B. WEHRLE III
Name: Henry B. Wehrle III
Title: Vice President

MCJUNKIN DEVELOPMENT CORPORATION, as Grantor

By: /s/ HENRY B. WEHRLE III
Name: Henry B. Wehrle III
Title: Vice President

MCJUNKIN-PUERTO RICO CORPORATION, as Grantor

By: /s/ HENRY B. WEHRLE III
Name: Henry B. Wehrle III
Title: President

MILTON OIL & GAS COMPANY, as Grantor

By: /s/ HENRY B. WEHRLE III
Name: Henry B. Wehrle III
Title: Vice President

GREENBRIER PETROLEUM CORPORATION, as Grantor

By: /s/ HENRY B. WEHRLE III
Name: Henry B. Wehrle III
Title: Vice President

PIEDMONT FARMS, INC., as Grantor

By: /s/ STEPHEN WEHRLE
Name: Stephen Wehrle
Title: President

RUFFNER REALTY COMPANY, as Grantor

By: /s/ STEPHEN WEHRLE
Name: Stephen Wehrle
Title: Vice President

MCJUNKIN-WEST AFRICA
CORPORATION, as Grantor

By: /s/ STEPHEN WEHRLE
Name: Stephen Wehrle
Title: President

Lehman Commercial Paper Inc.,
as Collateral Agent

By: /s/ JEFF OGDEN
Name: Jeff Ogden
Title: Managing Director

[SIGNATURE PAGE TO TERM SECURITY AGREEMENT]

SUPPLEMENT NO. 1 dated as of April 30, 2007 (this "Supplement") to the SECURITY AGREEMENT dated as of January 31, 2007 among each of the Grantors listed on the signature pages thereto (each such subsidiary individually, a "Grantor" and, collectively, the "Grantors"), and Lehman Commercial Paper Inc., as Collateral Agent for the lenders (the "Lenders") from time to time parties to the Credit Agreement referred to below.

A. Reference is made to the Term Loan Credit Agreement, dated as of January 31, 2007 (as the same may be amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the "Credit Agreement"), among McJunkin Corporation, a West Virginia corporation (the "Borrower"), the lending institutions from time to time party thereto (the "Lenders") and Lehman Commercial Paper Inc. as Administrative Agent and as Collateral Agent

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement.

C. Section 8.13 of the Security Agreement provides that each Subsidiary of the Borrower that is required to become a party to the Security Agreement pursuant to Section 9.11 of the Credit Agreement shall become a Grantor, with the same force and effect as if originally named as a Grantor therein, for all purposes of the Security Agreement upon execution and delivery by such Subsidiary of an instrument in the form of this Supplement. Each undersigned Subsidiary (each, a "New Grantor") is executing this Supplement in accordance with the requirements of the Security Agreement to become a Subsidiary Grantor under the Security Agreement as consideration for the Obligations.

Accordingly, the Collateral Agent and the New Grantors agree as follows:

SECTION 1. In accordance with Section 8.13 of the Security Agreement, each 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 each New Grantor hereby (a) agrees 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, each New Grantor, as security for the payment and performance in full of the Obligations, does hereby bargain, sell, convey, assign, set over, mortgage, pledge, hypothecate and transfer to the Collateral Agent, for the benefit of the Secured Parties, and hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest in all of the Collateral of such New Grantor, in each case whether now or hereafter existing or in which it now has or hereafter acquires an interest. Each reference to a "Grantor" in the Security Agreement shall be deemed to include each New Grantor. The Security Agreement is hereby incorporated herein by reference.

SECTION 2. Each New Grantor represents and warrants to the Collateral 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 the effects of bankruptcy, insolvency or similar laws affecting creditors' rights generally and general equitable principles.

SECTION 3. This Supplement may be executed by one or more of the parties to this Supplement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Supplement signed by all the parties shall be lodged with the Collateral Agent and the Borrower. This Supplement shall become effective as to each New Grantor when the Collateral Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of such New Grantor and the Collateral Agent.

SECTION 4. Such New Grantor hereby represents and warrants that (a) set forth on Schedule A hereto is (i) the legal name of such New Grantor, (ii) the jurisdiction of incorporation or organization of such New Grantor, (iii) the identity or type of organization or corporate structure of such New Grantor and (iv) the Federal Taxpayer Identification Number and organizational number of such New Grantor and (b) as of the date hereof (i) Schedule I hereto sets forth all of such New Grantor's exclusive Licenses of registered Copyrights, (ii) Schedule II hereto sets forth all of such New Grantor's registered Copyrights (and all applications therefor), (iii) Schedule III hereto sets forth all of such New Grantor's exclusive Licenses of registered Patents, (iv) Schedule IV hereto sets forth all of such New Grantor's registered Patents (and all applications therefor), (v) Schedule V hereto sets forth all of such New Grantor's exclusive Licenses of registered Trademarks, and (vi) Schedule VI hereto sets forth all of such New Grantor's registered Trademarks (and all applications therefor).

SECTION 5. Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. Any provision of this Supplement 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 in the Security Agreement, 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.

SECTION 8. All notices, requests and demands pursuant hereto shall be made in accordance with Section 8.2 of the Security Agreement. All communications and notices hereunder to each New Grantor shall be given to it in care of the Borrower at the Borrower's address set forth in Section 14.2 of the Credit Agreement.

SECTION 9. Each New Grantor agrees to reimburse the Collateral 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 Collateral Agent.

[Signature Pages Follow]

IN WITNESS WHEREOF, each New Grantor and the Collateral Agent have duly executed this Supplement to the Security Agreement as of the day and year first above written

Midway-Tristate Corporation,
as New Grantor

By: /s/ S. D. Wehrle
Name: S. D. Wehrle
Title: Vice President

Lehman Commercial Paper Inc.,
as Collateral Agent

By: _____
Name:
Title:

IN WITNESS WHEREOF, each New Grantor and the Collateral Agent have duly executed this Supplement to the Security Agreement as of the day and year first above written

Midway-Tristate Corporation,
as New Grantor

By: _____
Name:
Title:

Lehman Commercial Paper Inc.,
as Collateral Agent

By: /s/ Maria M. Lund
Name: Maria M. Lund
Title: Authorized Signatory

Exhibit 10.5.2

SUPPLEMENT NO. 2 dated as of October 31, 2007 (this "Supplement") to the SECURITY AGREEMENT dated as of January 31, 2007 (as the same may be amended, restated, supplemented or otherwise modified or replaced from time to time, the "Security Agreement") among each of the Grantors listed on the signature pages thereto (each such subsidiary individually, a "Grantor" and, collectively, the "Grantors"), and Lehman Commercial Paper Inc., as Collateral Agent for the lenders (the "Lenders") from time to time parties to the Credit Agreement referred to below.

A. Reference is made to the Term Loan Credit Agreement, dated as of January 31, 2007 (as the same may be amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the "Credit Agreement"), among McJunkin Corporation, a West Virginia corporation (the "Borrower"), the lending institutions from time to time party thereto (the "Lenders") and Lehman Commercial Paper Inc. as Administrative Agent and as Collateral Agent

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement.

C. Section 8.13 of the Security Agreement provides that each Subsidiary of the Borrower that is required to become a party to the Security Agreement pursuant to Section 9.11 of the Credit Agreement shall become a Grantor, with the same force and effect as if originally named as a Grantor therein, for all purposes of the Security Agreement upon execution and delivery by such Subsidiary of an instrument in the form of this Supplement. Each undersigned Subsidiary (each, a "New Grantor") is executing this Supplement in accordance with the requirements of the Security Agreement to become a Subsidiary Grantor under the Security Agreement as consideration for the Obligations.

Accordingly, the Collateral Agent and the New Grantors agree as follows:

SECTION 1. In accordance with Section 8.13 of the Security Agreement, each 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 each New Grantor hereby (a) agrees 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, each New Grantor, as security for the payment and performance in full of the Obligations, does hereby bargain, sell, convey, assign, set over, mortgage, pledge, hypothecate and transfer to the Collateral Agent, for the benefit of the Secured Parties, and hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest in all of the Collateral of such New Grantor, in each case whether now or hereafter existing or in which it now has or hereafter acquires an interest. Each reference to a "Grantor" in the Security Agreement shall be deemed to include each New Grantor. The Security Agreement is hereby incorporated herein by reference.

SECTION 2. Each New Grantor represents and warrants to the Collateral 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 the effects of bankruptcy, insolvency or similar laws affecting creditors' rights generally and general equitable principles.

SECTION 3. This Supplement may be executed by one or more of the parties to this Supplement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Supplement signed by all the parties shall be lodged with the Collateral Agent and the Borrower. This Supplement shall become effective as to each New Grantor when the Collateral Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of such New Grantor and the Collateral Agent.

SECTION 4. Such New Grantor hereby represents and warrants that (a) set forth on Schedule A hereto is (i) the legal name of such New Grantor, (ii) the jurisdiction of incorporation or organization of such New Grantor, (iii) the identity or type of organization or corporate structure of such New Grantor and (iv) the Federal Taxpayer Identification Number and organizational number of such New Grantor and (b) as of the date hereof (i) Schedule I hereto sets forth all of such New Grantor's exclusive Licenses of registered Copyrights, (ii) Schedule II hereto sets forth all of such New Grantor's registered Copyrights (and all applications therefor), (iii) Schedule III hereto sets forth all of such New Grantor's exclusive Licenses of registered Patents, (iv) Schedule IV hereto sets forth all of such New Grantor's registered Patents (and all applications therefor), (v) Schedule V hereto sets forth all of such New Grantor's exclusive Licenses of registered Trademarks, and (vi) Schedule VI hereto sets forth all of such New Grantor's registered Trademarks (and all applications therefor).

SECTION 5. Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. Any provision of this Supplement 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 in the Security Agreement, 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.

SECTION 8. All notices, requests and demands pursuant hereto shall be made in accordance with Section 8.2 of the Security Agreement. All communications and notices hereunder to each New Grantor shall be given to it in care of the Borrower at the Borrower's address set forth in Section 14.2 of the Credit Agreement.

SECTION 9. Each New Grantor agrees to reimburse the Collateral 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 Collateral Agent.

[Signature Pages Follow]

IN WITNESS WHEREOF, each New Grantor and the Collateral Agent have duly executed this Supplement to the Security Agreement as of the day and year first above written.

West Oklahoma PVF Company, as
New Grantor

By: /s/ H. B. Wehrle III
Name: Henry B. Wehrle III
Title: President

Red Man Pipe & Supply Co., as
New Grantor

By: /s/ Dee Paige
Name: Dee Paige
Title: Chief Financial Officer

Wesco Acquisition Partners, Inc., as
New Grantor

By: /s/ Craig Ketchum
Name: Craig Ketchum
Title: Chairman of the Board

[Signature Page to Supplement No. 2 to Term Loan Security Agreement]

Lehman Commercial Paper Inc., as
Collateral Agent

By: /s/ Laurie Perper
Name: Laurie Perper
Title: Senior Vice President

[Signature Page to Supplement No. 2 to Term Loan Security Agreement]

Exhibit 10.6

EXECUTION VERSION

$450,000,000

TERM LOAN CREDIT AGREEMENT

Dated as of May 22, 2008

among

MCJUNKIN RED MAN HOLDING CORPORATION,
as the Borrower

The Several Lenders
from Time to Time Parties Hereto

GOLDMAN SACHS CREDIT PARTNERS L.P. and
LEHMAN BROTHERS INC.,
as Co-Lead Arrangers and Joint Bookrunners

LEHMAN COMMERCIAL PAPER INC.,
as Administrative Agent and Collateral Agent

and

GOLDMAN SACHS CREDIT PARTNERS L.P.,
as Syndication Agent

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

SCHEDULES

EXHIBITS

TERM LOAN CREDIT AGREEMENT dated as of May 22, 2008, among MCJUNKIN RED MAN HOLDING CORPORATION, a Delaware corporation (the "Borrower"), the lending institutions from time to time parties hereto (each a "Lender" and, collectively, the "Lenders"), Goldman Sachs Credit Partners L.P. and Lehman Brothers Inc., as Co-Lead Arrangers and Joint Bookrunners, Lehman Commercial Paper Inc., as Administrative Agent and Collateral Agent, and Goldman Sachs Credit Partners L.P., as Syndication Agent (such term and each other capitalized term used but not defined in this introductory statement having the meaning provided in Section 1).

WHEREAS, Borrower owns 100% of the outstanding equity interests of McJunkin Red Man Corporation (f/k/a McJunkin Corporation), a West Virginia corporation ("McJunkin Opco");

WHEREAS, on January 31, 2007 (the "Original Closing Date"), McJunkin Opco, Goldman Sachs Credit Partners L.P. and Lehman Brothers Inc., as the co-lead arrangers and joint bookrunners, Lehman Commercial Paper Inc., as administrative agent and collateral agent, and Goldman Sachs Credit Partners L.P., as the syndication agent, entered into that certain term loan credit agreement (as amended, restated, increased or otherwise supplemented from time to time in accordance with the McJunkin Opco Loan Documents (as hereinafter defined), the "McJunkin Opco Term Loan Credit Agreement") to, among other things, provide a portion of the consideration for the acquisition of McJunkin Corporation (the "McJunkin Transaction");

WHEREAS, on October 31, 2007 (the "Red Man Closing Date"), McJunkin Opco, Goldman Sachs Credit Partners L.P. and Lehman Brothers Inc., as the co-lead arrangers and joint bookrunners, The CIT Group/Business Credit, Inc., as administrative agent and co-collateral agent, Bank of America, N.A., as co-collateral agent, and Goldman Sachs Credit Partners L.P., as the syndication agent, entered into that certain revolving credit agreement (as amended, restated, increased or otherwise supplemented from time to time in accordance with the McJunkin Opco Loan Documents (as hereinafter defined), the "McJunkin Opco Revolving Credit Agreement") to, among other things, provide a portion of the consideration for the acquisition of Red Man Pipe & Supply Co. (the "Red Man Transaction");

WHEREAS, certain of the Investors made an additional equity investment in the amount of $475,000,000 in PVF Holdings LLC f/k/a McJ Holding LLC ("Holdings") (which equity investment was contributed to Borrower and in turn to McJunkin Opco in exchange for common Stock) on the Red Man Closing Date to provide a portion of the consideration for the Red Man Transaction;

WHEREAS, in connection with the foregoing, the Borrower has requested that the Lenders extend credit in the form of Term Loans, in an aggregate principal amount of $450,000,000;

WHEREAS, the repayment of the Term Loans will be secured by perfected security interests in and liens upon substantially all of the personal property and certain real property of the Borrower;

WHEREAS, the proceeds of up to $25,000,000 of revolving credit loans made available to McJunkin Opco pursuant to the McJunkin Opco Revolving Credit Agreement will be distributed to the Borrower and used by the Borrower, together with the proceeds of the Term Loans, on the Closing Date solely to fund a distribution to and/or stock redemption from the Investors in an aggregate amount not to exceed $475,000,000 (such distribution to and/or stock redemption, the "Special Equity Dividend"); and

WHEREAS, the Lenders are willing to make available to the Borrower such term loans, upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, the parties hereto hereby agree as follows:

SECTION 1. Definitions

1.1 Defined Terms. (a) As used herein, the following terms shall have the meanings specified in this Section 1.1 unless the context otherwise requires (it being understood that defined terms in this Agreement shall include in the singular number the plural and in the plural the singular):

"ABR" shall mean, for any day, a rate *per annum* (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greater of (a) the Prime Rate in effect on such day or (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1%. Any change in the ABR due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"ABR Loan" shall mean each Loan bearing interest at the rate provided in Section 2.8(a).

"Acquired Entity or Business" shall have the meaning provided in the definition of the term "Consolidated EBITDA".

"Acquisition Transactions" shall mean, collectively, the McJunkin Transaction, the Red Man Transaction and the transactions contemplated by the McJunkin Opco Credit Agreements and the acquisition documents with respect to the McJunkin Transaction and the Red Man Transaction.

"Acquisition Transaction Expenses" shall mean any fees or expenses incurred or paid by the Borrower or any of its Subsidiaries in connection with the Acquisition Transactions, the McJunkin Opco Credit Agreements and the other McJunkin Opco Loan Documents and the transactions contemplated thereby.

"Adjusted Total Term Loan Commitment" shall mean at any time the Total Term Loan Commitment less the Term Loan Commitments of all Defaulting Lenders.

"Administrative Agent" shall mean Lehman Commercial Paper Inc., as the administrative agent for the Lenders under this Agreement and the other Credit Documents, or any successor administrative agent pursuant to Section 13.

"Administrative Agent's Office" shall mean in respect of all Credit Events for the account of the Borrower, the office of the Administrative Agent located at 745 Seventh Avenue, New York City, New York, or such other office as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

"Administrative Questionnaire" shall have the meaning provided in Section 14.6(b).

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with such Person. A Person shall be deemed to control a corporation if such Person possesses, directly or indirectly, the power (a) to vote 20% or more of the securities having ordinary voting power for the election of directors of such corporation or (b) to direct or cause the direction of the management and policies of such corporation, whether through the ownership of voting securities, by contract or otherwise.

"Agent Parties" shall have the meaning provided in Section 14.17(c).

"Agents" shall mean each Co-Lead Arranger, the Administrative Agent, the Collateral Agent and the Syndication Agent.

"Agreement" shall mean this Term Loan Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Applicable ABR Margin" shall mean at any date, with respect to each ABR Loan that is a Term Loan, 2.25% *per annum*.

"Applicable LIBOR Margin" shall mean at any date, with respect to each LIBOR Loan that is a Term Loan, 3.25% *per annum*.

"Approved Fund" shall have the meaning provided in Section 14.6.

"Asset Sale Prepayment Event" shall mean any Disposition of any business units, assets or other property of the Borrower or any of the Restricted Subsidiaries not in the ordinary course of business (including any Disposition of any Stock or Stock Equivalents of any Subsidiary of the Borrower owned by the Borrower or a Restricted Subsidiary, including any sale of any Stock or Stock Equivalents of any Restricted Subsidiary). Notwithstanding the foregoing, the term "Asset Sale Prepayment Event" shall not include any (a) transaction permitted by Section 10.4 of the McJunkin Opco Term Loan Credit Agreement, other than transactions permitted by Section 10.4(b) thereof or (b) Disposition of Revolving Credit Collateral (as defined in the Intercreditor Agreement); provided, that this clause (b) shall only apply prior to a Discharge of Revolving Credit Obligations (as defined in the Intercreditor Agreement).

"Assignment and Acceptance" shall mean an assignment and acceptance substantially in the form of Exhibit K.

"Authorized Officer" shall mean the President, the Chief Financial Officer, the Treasurer or any other senior officer of the Borrower designated as such in writing to the Administrative Agent by the Borrower.

"Bankruptcy Code" shall have the meaning provided in Section 11.5.

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Borrower" shall have the meaning provided in the preamble to this Agreement.

"Borrower Purchase" shall have the meaning provided in Section 3.1.

"Borrowing" shall mean and include the incurrence of one Type of Term Loan on the Closing Date (or resulting from conversions on a given date after the Closing Date) having, in the case of LIBOR Loans, the same Interest Period (provided that ABR Loans incurred pursuant to Section 2.10(b) shall be considered part of any related Borrowing of LIBOR Loans).

"Business Day" shall mean (a) for all purposes other than as covered by clause (b) below, any day excluding Saturday, Sunday and any day that shall be in New York City a legal holiday or a day on which banking institutions are authorized by law or other governmental actions to close and (b) with respect to all notices and determinations in connection with, and payments of principal and interest on, LIBOR Loans, any day which is a Business Day described in clause (a) and which is also a day for trading by and between banks in Dollar deposits in the interbank eurodollar market.

"Capital Expenditures" shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including in all events all amounts expended or capitalized under Capital Leases, but excluding any amount representing capitalized interest) by McJunkin Opco and the other Restricted Subsidiaries during such period that, in conformity with GAAP, are or are required to be included as additions during such period to property, plant or equipment reflected in the consolidated balance sheet of McJunkin Opco and the other Restricted Subsidiaries, provided that the term "Capital Expenditures" shall not include (a) expenditures made in connection with the replacement, substitution, restoration or repair of assets (i) to the extent financed from insurance proceeds paid on account of the loss of or damage to the assets being replaced, restored or repaired or (ii) with awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced, (b) the purchase price of equipment that is purchased simultaneously with the trade-in of existing equipment pursuant to Section 10.4 of the McJunkin Opco Credit Agreements to the extent that the gross amount of such purchase price is reduced by the credit granted by the seller of such equipment for the equipment being traded in at such time, (c) the purchase of plant, property or equipment made within fifteen months of the sale of any asset to the extent purchased with the proceeds of such sale, (d) expenditures that constitute any part of Consolidated Lease Expense, (e) expenditures that are accounted for as capital expenditures by any Restricted Subsidiary and that actually are paid for by a Person other than any Restricted Subsidiary and for which no Restricted Subsidiary has provided or is required to provide or incur, directly or indirectly, any consideration or obligation to such Person or any other Person (whether before, during or after such period), (f) the book value of any asset owned by any Restricted Subsidiary prior to or during such period to the extent that such book value is included as a capital expenditure during such period as a result of such Person reusing or beginning to reuse such asset during such period without a corresponding expenditure actually having been made in such period, provided that (x) any

expenditure necessary in order to permit such asset to be reused shall be included as a Capital Expenditure during the period in which such expenditure actually is made and (y) such book value shall have been included in Capital Expenditures when such asset was originally acquired, (g) expenditures that constitute Permitted Acquisitions or (h) Acquisition Transaction Expenses.

"Capital Lease" shall mean, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP, is, or is required to be, accounted for as a capital lease on the balance sheet of that Person.

"Capitalized Lease Obligations" shall mean, as applied to any Person, all obligations under Capital Leases of such Person or any of its Subsidiaries, in each case taken at the amount thereof accounted for as liabilities in accordance with GAAP.

"Casualty Event" shall mean, with respect to any Collateral, any loss of or damage to, or any condemnation or other taking by a Governmental Authority of, such property for which such Collateral for which the Borrower or any of its Restricted Subsidiaries receives insurance proceeds, or proceeds of a condemnation award or other compensation.

"Change in Law" shall mean (a) the adoption of any law, treaty, order, policy, rule or regulation after the date of this Agreement, (b) any change in any law, treaty, order, policy, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by the Lender with any guideline, request or directive issued or made after the date hereof by any central bank or other governmental or quasi governmental authority (whether or not having the force of law).

"Change of Control" shall mean and be deemed to have occurred if (a) the Sponsor shall at any time not own, in the aggregate, directly or indirectly, beneficially and of record, at least 35% of the voting power of the outstanding Voting Stock of Borrower (other than as the result of one or more Qualified IPOs); or (b) any person, entity or "group" (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended) shall at any time have acquired direct or indirect beneficial ownership of a percentage of the voting power of the outstanding Voting Stock of Borrower that exceeds the percentage of the voting power of such Voting Stock then beneficially owned, in the aggregate, by the Sponsor, unless, in the case of either clause (a) or (b) above, the Sponsor have, at such time, the right or the ability by voting power, contract or otherwise to elect or designate for election at least a majority of the board of directors of Borrower; or (c) Borrower shall at any time not directly own 100% of the outstanding Stock of McJunkin Opco; or (d) Continuing Directors shall not constitute at least a majority of the board of directors of the Borrower.

"Closing Date" shall mean the date of the initial Borrowing hereunder.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to the Code are to the Code, as in effect at the date of this Agreement, and any subsequent provisions of the Code, amendatory thereof, supplemental thereto or substituted therefor.

"Co-Lead Arrangers" shall mean Goldman Sachs Credit Partners L.P. and Lehman Brothers Inc.

"Collateral" shall have the meaning provided in the Security Agreement or any other Security Document, as applicable.

"Collateral Agent" shall mean Lehman Commercial Paper Inc., a New York corporation, as collateral agent for the Lenders and the other Secured Parties.

"Commitments" shall mean, with respect to each Lender, such Lender's Term Loan Commitment.

"Communications" shall have the meaning provided in Section 14.17(a).

"Confidential Information" shall have the meaning provided in Section 14.16.

"Confidential Information Memorandum" shall mean the Confidential Information Memorandum of the Borrower dated May, 2008, delivered to the Lenders in connection with this Agreement.

"Consolidated EBITDA" shall mean, for any period, Consolidated Net Income for such period, plus:

(a) without duplication and to the extent already deducted (and not added back) in arriving at such Consolidated Net Income, the sum of the following amounts for such period:

(i) total interest expense and to the extent not reflected in such total interest expense, any losses on hedging obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, net of interest income and gains on such hedging obligations, and costs of surety bonds in connection with financing activities,

(ii) provision for taxes based on income, profits or capital of McJunkin Opco and the other Restricted Subsidiaries, including state, franchise and similar taxes and foreign withholding taxes paid or accrued during such period,

(iii) depreciation and amortization,

(iv) Non-Cash Charges,

(v) extraordinary losses and unusual or non-recurring charges, severance, relocation costs and curtailments or modifications to pension and post-retirement employee benefit plans,

(vi) restructuring charges or reserves (including restructuring costs related to acquisitions after the date hereof and to closure and/or consolidation of facilities),

(vii) any deductions attributable to minority interests,

(viii) the amount, if any, of management, monitoring, consulting and advisory fees and related expenses paid to the Sponsor,

(ix) any costs or expenses incurred by any Restricted Subsidiary pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of McJunkin Opco or net cash proceeds of an issuance of Stock or Stock Equivalents of McJunkin Opco; and

(x) (A) for any period that includes a fiscal quarter occurring prior to fifth fiscal quarter occurring after the Original Closing Date, the cost savings described on Schedule 1.1(e) and (B) for any period that includes a fiscal quarter occurring thereafter, the amount of net cost savings projected by the Borrower and/or McJunkin Opco in good faith to be realized as a result of specified actions taken by the Borrower and its Restricted Subsidiaries in connection with the Acquisition Transactions (calculated on a Pro Forma Basis as though such cost savings had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions, provided that (A) such cost savings are reasonably identifiable and factually supportable, (B) such actions are taken on or prior to the third anniversary of the Closing Date, (C) no cost savings shall be added pursuant to this clause (x) to the extent duplicative of any expenses or charges relating to such cost savings that are included in clause (vi) above with respect to such period and (D) the aggregate amount of cost savings added pursuant to this clause (x)(B) shall not exceed $5,000,000 for any period consisting of four consecutive quarters, less

(b) without duplication and to the extent included in arriving at such Consolidated Net Income, the sum of the following amounts for such period:

(i) extraordinary gains and unusual or non-recurring gains,

(ii) non-cash gains (excluding any non-cash gain to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced Consolidated Net Income in any prior period),

(iii) gains on asset sales (other than asset sales in the ordinary course of business),

(iv) any net after-tax income from the early extinguishment of Indebtedness or hedging obligations or other derivative instruments, and

(v) all gains from investments recorded using the equity method,

in each case, as determined on a consolidated basis for McJunkin Opco and the Restricted Subsidiaries in accordance with GAAP; provided that, to the extent included in Consolidated Net Income,

(A) there shall be excluded in determining Consolidated EBITDA currency translation gains and losses related to currency remeasurements of Indebtedness or intercompany balances (including the net loss or gain resulting from Hedge Agreements for currency exchange risk),

(B) there shall be excluded in determining Consolidated EBITDA for any period any adjustments resulting from the application of Statement of Financial Accounting Standards No. 133, and

(C) there shall be included in determining Consolidated EBITDA for any period, without duplication, (A) the Acquired EBITDA of any Person, property, business or asset acquired by any Restricted Subsidiary during such period (but not the Acquired EBITDA of any related Person, property, business or assets to the extent not so acquired) to the extent not subsequently sold, transferred, abandoned or otherwise disposed by any Restricted Subsidiary (each such Person, property, business or asset acquired and not subsequently so disposed of, an "Acquired Entity or Business") and the Acquired EBITDA of any Unrestricted Subsidiary that is converted into a Restricted Subsidiary during such period (each, a "Converted Restricted Subsidiary"), based on the actual Acquired EBITDA of such Acquired Entity or Business or Converted Restricted Subsidiary for such period (including the portion thereof occurring prior to such acquisition or conversion) and (B) an adjustment in respect of each Acquired Entity or Business equal to the amount of the Pro Forma Adjustment with respect to such Acquired Entity or Business for such period (including the portion thereof occurring prior to such acquisition) as specified in a Pro Forma Adjustment Certificate and delivered to the Lenders and the Administrative Agents and (C) there shall be excluded in determining Consolidated EBITDA for any period the Disposed EBITDA of any Person, property, business or asset (other than an Unrestricted Subsidiary) sold, transferred, abandoned or otherwise disposed of, closed or classified as discontinued operations by any Restricted Subsidiary during such period (each such Person, property, business or asset so sold or disposed of, a "Sold Entity or Business"), and the Acquired EBITDA of any Restricted Subsidiary that is converted into an Unrestricted Subsidiary during such period (each, a "Converted Unrestricted Subsidiary") based on the actual Disposed EBITDA of such Sold Entity or Business or Converted Restricted Subsidiary for such period (including the portion thereof occurring prior to such sale, transfer or disposition or conversion).

"Consolidated EBITDA to Consolidated Interest Expense Ratio" shall mean, as of any date of determination, the ratio of (a) Consolidated EBITDA for the relevant Test Period to (b) Consolidated Interest Expense for such Test Period.

"Consolidated Interest Expense" shall mean, for any period, the sum of (i) the cash interest expense (including that attributable to Capital Leases in accordance with GAAP), net of cash interest income, of McJunkin Opco and the other Restricted Subsidiaries on a consolidated basis in accordance with GAAP with respect to all outstanding Indebtedness of McJunkin Opco and the other Restricted Subsidiaries, including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Hedge Agreements (other than currency swap agreements, currency future or option contracts and other similar agreements) and (ii) any cash payments made during such period in

respect of obligations referred to in clause (b) below relating to Funded Debt that were amortized or accrued in a previous period (other than any such obligations resulting from the discounting of Indebtedness in connection with the application of purchase accounting in connection with the Acquisition Transactions or any Permitted Acquisition), but excluding, however, (a) amortization of deferred financing costs and any other amounts of non-cash interest, (b) the accretion or accrual of discounted liabilities during such period, and (c) all non-recurring cash interest expense consisting of liquidated damages for failure to timely comply with registration rights obligations and financing fees, all as calculated on a consolidated basis in accordance with GAAP and excluding, for the avoidance of doubt, any interest in respect of items excluded from Indebtedness in the proviso to the definition thereof, provided that (a) except as provided in clause (b) below, there shall be excluded from Consolidated Interest Expense for any period the cash interest expense (or cash interest income) of all Unrestricted Subsidiaries for such period to the extent otherwise included in Consolidated Interest Expense, (b) there shall be included in determining Consolidated Interest Expense for any period the cash interest expense (or income) of any Acquired Entity or Business acquired during such period and of any Converted Restricted Subsidiary converted during such period, in each case based on the cash interest expense (or income) of such Acquired Entity or Business or Converted Restricted Subsidiary for such period (including the portion thereof occurring prior to such acquisition or conversion) assuming any Indebtedness incurred or repaid in connection with any such acquisition or conversion had been incurred or prepaid on the first day of such period, and (c) there shall be excluded from determining Consolidated Interest Expense for any period the cash interest expense (or income) of any Sold Entity or Business disposed of during such period, based on the cash interest expense (or income) relating to any Indebtedness relieved, retired or repaid in connection with any such disposition of such Sold Entity or Business for such period (including the portion thereof occurring prior to such disposal) assuming such debt relieved, retired or repaid in connection with such disposition had been relieved, retired or repaid on the first day of such period.

"Consolidated Lease Expense" shall mean, for any period, all rental expenses of McJunkin Opco and the other Restricted Subsidiaries during such period under operating leases for real or personal property (including in connection with Permitted Sale Leasebacks), excluding real estate taxes, insurance costs and common area maintenance charges and net of sublease income, other than (a) obligations under vehicle leases entered into in the ordinary course of business, (b) all such rental expenses associated with assets acquired pursuant to a Permitted Acquisition to the extent that such rental expenses relate to operating leases in effect at the time of (and immediately prior to) such acquisition and (c) Capital Lease Obligations, all as determined on a consolidated basis in accordance with GAAP, provided that there shall be excluded from Consolidated Lease Expense for any period the rental expenses of all Unrestricted Subsidiaries for such period to the extent otherwise included in Consolidated Lease Expense.

"Consolidated Net Income" shall mean, for any period, the net income (loss) of McJunkin Opco and the other Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, excluding, without duplication, (a) extraordinary items for such period, (b) the cumulative effect of a change in accounting principles during such period to the extent included in Consolidated Net Income, (c) in the case of any period that includes a period ending prior to or during the fiscal year ending December 31, 2007, Acquisition Transaction Expenses, (d) any fees and expenses incurred during such period, or any amortization thereof for such period, in connection with any acquisition, investment,

recapitalization, asset disposition, issuance or repayment of debt, issuance of equity securities, refinancing transaction or amendment or other modification of any debt instrument (in each case, including any such transaction consummated prior to the Closing Date and any such transaction undertaken but not completed) and any charges or non-recurring merger costs incurred during such period as a result of any such transaction, (e) any income (loss) for such period attributable to the early extinguishment of Indebtedness and (f) accruals and reserves that are established that are so required to be established or adjusted as a result of the Acquisition Transactions in accordance with GAAP or changes as a result of adoption of or modification of accounting policies, in each case, within twelve months after the Red Man Closing Date. There shall be excluded from Consolidated Net Income for any period the purchase accounting effects of adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to McJunkin Opco and the other Restricted Subsidiaries), as a result of the Acquisition Transactions, any acquisition whether consummated before or after the Closing Date, any Permitted Acquisition or other Investment, or the amortization or write-off of any amounts thereof.

"Consolidated Secured Debt" shall mean, as of any date of determination, (a) the aggregate principal amount of Indebtedness of McJunkin Opco and the other Restricted Subsidiaries outstanding on such date, determined on a consolidated basis in accordance with GAAP (but excluding the effects of any discounting of Indebtedness resulting from the application of purchase accounting in connection with the Transaction or any Permitted Acquisition), consisting of Indebtedness for borrowed money, Capital Lease Obligations and debt obligations evidenced by promissory notes or similar instruments, in each case secured by Liens, minus (b) the aggregate amount of cash and cash equivalents held in accounts on the consolidated balance sheet of McJunkin Opco and the other Restricted Subsidiaries as at such date to the extent the use thereof for application to payment of Indebtedness is not prohibited by law or any contract to which any Restricted Subsidiary is a party.

"Consolidated Total Assets" shall mean, as of any date of determination, the amount that would, in conformity with GAAP, be set forth opposite the caption "total assets" (or any like caption) on a consolidated balance sheet of McJunkin Opco and the other Restricted Subsidiaries at such date.

"Consolidated Total Debt" shall mean, as of any date of determination, (a) the aggregate principal amount of Indebtedness of McJunkin Opco and the other Restricted Subsidiaries outstanding on such date, determined on a consolidated basis in accordance with GAAP (but excluding the effects of any discounting of Indebtedness resulting from the application of purchase accounting in connection with the Acquisition Transactions or any Permitted Acquisition), consisting of Indebtedness for borrowed money, Capital Lease Obligations and debt obligations evidenced by promissory notes or similar instruments, minus (b) the aggregate amount of cash and cash equivalents held in accounts on the consolidated balance sheet of the McJunkin Opco and the other Restricted Subsidiaries as at such date to the extent the use thereof for application to payment of Indebtedness is not prohibited by law or any contract to which any Restricted Subsidiary is a party.

"Consolidated Total Debt to Consolidated EBITDA Ratio" shall mean, as of any date of determination, the ratio of (a) Consolidated Total Debt as of the last day of the relevant Test Period to (b) Consolidated EBITDA for such Test Period.

"Consolidated Working Capital" shall mean, at any date, the excess of (a) the sum of all amounts (other than cash and Permitted Investments) that would, in conformity with GAAP, be set forth opposite the caption "total current assets" (or any like caption) on a consolidated balance sheet of McJunkin Opco and the other Restricted Subsidiaries at such date excluding the current portion of current and deferred income taxes plus any LIFO reserve over (b) the sum of all amounts that would, in conformity with GAAP, be set forth opposite the caption "total current liabilities" (or any like caption) on a consolidated balance sheet of McJunkin Opco and the other Restricted Subsidiaries on such date, including deferred revenue but excluding, without duplication, (i) the current portion of any Funded Debt, (ii) all Indebtedness consisting of Loans and Letter of Credit Exposure (as defined in the McJunkin Opco Revolving Credit Agreement) to the extent otherwise included therein, (iii) the current portion of interest and (iv) the current portion of current and deferred income taxes.

"Continuing Director" shall mean, at any date, an individual (a) who is a member of the board of directors of the Borrower on the date hereof, (b) who, as at such date, has been a member of such board of directors for at least the twelve preceding months, (c) who has been nominated to be a member of such board of directors, directly or indirectly, by a Sponsor or Persons nominated by a Sponsor or (d) who has been nominated to be a member of such board of directors by a majority of the other Continuing Directors then in office.

"Contract Consideration" shall have the meaning provided in the definition of Excess Cash Flow.

"Contractual Obligation" means, as applied to any Person, any provision of any security issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

"Converted Restricted Subsidiary" shall have the meaning provided in the definition of the term "Consolidated EBITDA".

"Converted Unrestricted Subsidiary" shall have the meaning provided in the definition of the term "Consolidated EBITDA".

"Credit Documents" shall mean this Agreement, the Security Documents, and any promissory notes issued by the Borrower hereunder.

"Credit Event" shall mean and include the making (but not the conversion or continuation) of a Loan.

"Cure Amount" shall have the meaning provided in Section 12.

"Cure Right" shall have the meaning provided in Section 12.

"Currency Agreement" means any foreign exchange contract, currency swap agreement, futures contract, option contract, synthetic cap or other similar agreement or arrangement, each of which is for the purpose of hedging the foreign currency risk associated with Borrower's and its Subsidiaries' operations and not for speculative purposes.

"Debt Incurrence Prepayment Event" shall mean any issuance or incurrence by the Borrower or any of the Restricted Subsidiaries of any Indebtedness (excluding any Indebtedness permitted to be issued or incurred under Section 10.1 of the McJunkin Opco Credit Agreements other than Section 10.1(o) thereof and any issuance by McJunkin Opco of Permitted Additional Debt (as defined therein) to the extent the Net Cash Proceeds are used for a Permitted Acquisition).

"Default" shall mean any event, act or condition that with notice or lapse of time, or both, would constitute an Event of Default.

"Defaulting Lender" shall mean any Lender with respect to which a Lender Default is in effect.

"Deferred Net Cash Proceeds" shall have the meaning provided such term in the definition of "Net Cash Proceeds."

"Designated Non-Cash Consideration" shall mean the fair market value of non-cash consideration received by the Borrower or a Restricted Subsidiary in connection with a Disposition pursuant to Sections 10.4(b) and (c) of the McJunkin Opco Term Loan Credit Agreement that is designated as Designated Non-Cash Consideration pursuant to a certificate of an Authorized Officer of the Borrower, setting forth the basis of such valuation (which amount will be reduced by the fair market value of the portion of the non-cash consideration converted to cash within 180 days following the consummation of the applicable Disposition).

"Discharge of McJunkin Opco Term Loan Obligations" shall mean the payment in full of the Obligations (as defined in the McJunkin Opco Term Loan Credit Agreement) and any refinancing Indebtedness in respect thereof permitted to be incurred by the McJunkin Opco Loan Documents.

"Disposed EBITDA" shall mean, with respect to any Sold Entity or Business or any Converted Unrestricted Subsidiary for any period, the amount for such period of Consolidated EBITDA of such Sold Entity or Business or Converted Unrestricted Subsidiary (determined as if references to the Borrower and the Restricted Subsidiaries in the definition of Consolidated EBITDA were references to such Sold Entity or Business or Converted Unrestricted Subsidiary and its Subsidiaries), all as determined on a consolidated basis for such Sold Entity or Business.

"Disposition" shall have the meaning assigned to such term in the McJunkin Opco Term Loan Credit Agreement.

"Dividend Transactions" shall mean the transactions contemplated by this Agreement, including without limitation the funding and making of the Special Equity Dividend.

"Dividend Transaction Expenses" shall mean any fees or expenses incurred or paid by the Borrower or any of its Subsidiaries in connection with the Dividend Transactions, this Agreement and the other Credit Documents and the transactions contemplated hereby and thereby.

"Dollar Equivalent" shall mean, on any date of determination, (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 in Dollars of such amount, determined by the Administrative Agent pursuant using the applicable Exchange Rate.

"Dollars" and "$" shall mean dollars in lawful currency of the United States of America.

"Domestic Subsidiary" shall mean each Subsidiary of the Borrower that is organized under the laws of the United States, any state or territory thereof, or the District of Columbia.

"Engagement Letter" shall mean that certain confidential engagement letter dated as of May 15, 2008 by and among Goldman Sachs Credit Partners L.P., Lehman Brothers Inc., Lehman Commercial Paper Inc., Lehman Brothers Commercial Bank, Borrower and McJunkin Opco.

"Environmental Claims" shall mean any and all actions, suits, orders, decrees, demands, demand letters, claims, liens, notices of noncompliance, violation or potential responsibility or investigation (other than internal reports prepared by the Borrower or any of the Subsidiaries (a) in the ordinary course of such Person's business or (b) as required in connection with a financing transaction or an acquisition or disposition of real estate) or proceedings relating in any way to any Environmental Law or any permit issued, or any approval given, under any such Environmental Law (hereinafter, "Claims"), including, without limitation, (i) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law and (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief relating to the presence, release or threatened release of Hazardous Materials or arising from alleged injury or threat of injury to health or safety (to the extent relating to human exposure to Hazardous Materials), or the environment including, without limitation, ambient air, surface water, groundwater, land surface and subsurface strata and natural resources such as wetlands.

"Environmental Law" shall mean any applicable Federal, state, foreign or local statute, law, rule, regulation, ordinance, code and rule of common law now or hereafter in effect and in each case as amended, and any binding judicial or administrative interpretation thereof, including any binding judicial or administrative order, consent decree or judgment, relating to the protection of environment, including, without limitation, ambient air, surface water, groundwater, land surface and subsurface strata and natural resources such as wetlands, or human health or safety (to the extent relating to human exposure to Hazardous Materials), or Hazardous Materials.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time. Section references to ERISA are to ERISA as in effect at the date of this

Agreement and any subsequent provisions of ERISA amendatory thereof, supplemental thereto or substituted therefor.

"ERISA Affiliate" shall mean each person (as defined in Section 3(9) of ERISA) that together with the Borrower or a Subsidiary would be deemed to be a "single employer" within the meaning of Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"Event of Default" shall have the meaning provided in Section 11.

"Excess Cash Flow" shall mean, for any period, an amount equal to the excess of

(a) the sum, without duplication, of

(i) Consolidated Net Income for such period,

(ii) an amount equal to the amount of all non-cash charges to the extent deducted in arriving at such Consolidated Net Income,

(iii) decreases in Consolidated Working Capital and long-term account receivables for such period, and

(iv) an amount equal to the aggregate net non-cash loss on Dispositions by McJunkin Opco and the other Restricted Subsidiaries during such period (other than Dispositions in the ordinary course of business) to the extent deducted in arriving at such Consolidated Net Income, over

(b) the sum, without duplication, of

(i) an amount equal to the amount of all non-cash credits included in arriving at such Consolidated Net Income and cash charges included in clauses (a) through (f) of the definition of Consolidated Net Income (other than cash charges in respect of Acquisition Transaction Expenses paid on or about the Original Closing Date and Red Man Closing Date to the extent financed with the proceeds of Indebtedness incurred on such dates or the equity investments made by the Investors on such dates),

(ii) without duplication of amounts deducted pursuant to clause (xi) below in prior years, the amount of capital expenditures made in cash during such period, except to the extent that such capital expenditures were financed with the proceeds of Indebtedness of McJunkin Opco or any other Restricted Subsidiary,

(iii) the aggregate amount of all principal payments of Indebtedness of McJunkin Opco and the other Restricted Subsidiaries (including

(A) the principal component of payments in respect of Capitalized Leases and (B) the amount of any mandatory prepayment of Term Loans pursuant to Section 5.2(a) of the McJunkin Term Loan Credit Agreement and, without duplication, Section 5.2(a) hereof to the extent required due to a Disposition that resulted in an increase to Consolidated Net Income and not in excess of the amount of such increase but excluding (x) all other prepayments of the Term Loans, (y) all other prepayments of Term Loans (as defined in the McJunkin Opco Term Loan Credit Agreement), and (z) all prepayments of Revolving Credit Loans and Swing Line Loans) made during such period (other than in respect of any revolving credit facility to the extent there is not an equivalent permanent reduction in commitments thereunder), except to the extent financed with the proceeds of other Indebtedness of McJunkin Opco or any other Restricted Subsidiary,

(iv) an amount equal to the aggregate net non-cash gain on Dispositions by McJunkin Opco and the other Restricted Subsidiaries during such period (other than Dispositions in the ordinary course of business) to the extent included in arriving at such Consolidated Net Income,

(v) increases in Consolidated Working Capital for such period and long-term account receivables for such period,

(vi) cash payments by McJunkin Opco and the other Restricted Subsidiaries during such period in respect of long-term liabilities of McJunkin Opco and the other Restricted Subsidiaries other than Indebtedness,

(vii) without duplication of amounts deducted pursuant to clause (xi) below in prior fiscal years, the aggregate amount of cash consideration paid by McJunkin Opco and the other Restricted Subsidiaries in connection with Investments (including acquisitions) made during such period pursuant to Section 10.5 of the McJunkin Opco Credit Agreements to the extent that such Investments were financed with internally generated cash flow of McJunkin Opco and the other Restricted Subsidiaries,

(viii) the amount of dividends paid during such period to the extent such dividends were financed with internally generated cash flow of McJunkin Opco and the other Restricted Subsidiaries,

(ix) the aggregate amount of expenditures actually made by McJunkin Opco and the other Restricted Subsidiaries in cash during such period (including expenditures for the payment of financing fees)

to the extent that such expenditures are not expensed during such period,

(x) the aggregate amount of any premium, make-whole or penalty payments actually paid in cash by McJunkin Opco and the other Restricted Subsidiaries during such period that are required to be made in connection with any prepayment of Indebtedness,

(xi) without duplication of amounts deducted from Excess Cash Flow in prior periods, the aggregate consideration required to be paid in cash by any Restricted Subsidiary pursuant to binding contracts (the "Contract Consideration") entered into prior to or during such period relating to Permitted Acquisitions, Investments in the nature of joint ventures or capital expenditures to be consummated or made during the period of four consecutive fiscal quarters of McJunkin Opco following the end of such period, provided that to the extent the aggregate amount of internally generated cash actually utilized to finance such Permitted Acquisitions, Investment in the nature of joint ventures or capital expenditures during such period of four consecutive fiscal quarters is less than the Contract Consideration, the amount of such shortfall shall be added to the calculation of Excess Cash Flow at the end of such period of four consecutive fiscal quarters, and

(xii) the amount of cash taxes paid in such period to the extent they exceed the amount of tax expense deducted in determining Consolidated Net Income for such period.

"Exchange Rate" shall mean on any day with respect to any Foreign Currency, the rate at which such Foreign Currency may be exchanged into Dollars, as set forth at approximately 11:00 a.m. (London time) on such day on the Reuters World Currency Page for such Foreign Currency; in the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower, or, in the absence of such agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such Foreign Currency are then being conducted, at or about 10:00 a.m. (New York City time) on such date for the purchase of Dollars for delivery two Business Days later.

"Excluded Subsidiary" means (a) each Subsidiary listed on Schedule 1.1(d) hereto, (b) any Subsidiary that is not a wholly-owned Subsidiary, (c) each Unrestricted Subsidiary and (d) each other Subsidiary that satisfies the definition of "Excluded Subsidiary" in the McJunkin Opco Credit Agreements.

"Excluded Taxes" shall mean, with respect to the Administrative Agent, the Collateral Agent, or any Lender (a) (i) net income taxes and franchise taxes (imposed in lieu of net income

taxes) and capital taxes imposed on the Administrative Agent, or any Lender and (ii) any taxes imposed on the Administrative Agent, or any Lender as a result of any current or former connection between the Administrative Agent, or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or having been a party to or having enforced this Agreement or any other Credit Document) and (b) (i) any withholding tax that is imposed by a jurisdiction in which the Borrower is located or organized on amounts payable to such Lender under the law in effect at the time such Lender becomes a party to this Agreement (or, in the case of a Participant, on the date such Participant became a Participant hereunder); provided that this clause (b)(i) shall not apply to the extent that (x) the indemnity payments or additional amounts any Lender (or Participant) would be entitled to receive (without regard to this clause (b)(i)) do not exceed the indemnity payment or additional amounts that the person making the assignment, participation or transfer to such Lender (or Participant) would have been entitled to receive in the absence of such assignment, participation or transfer or (y) any Tax is imposed on a Lender in connection with an interest or participation in any Loan or other obligation that such Lender was required to acquire pursuant to Section 14.8(a) or that such Lender acquired pursuant to Section 14.7 (it being understood and agreed, for the avoidance of doubt, that any withholding tax imposed on a Lender as a result of a Change in Law occurring after the time such Lender became a party to this Agreement (or designates a new lending office) shall not be an Excluded Tax) or (ii) any Tax to the extent attributable to such Lender's failure to comply with Section 5.4(d) or Section 5.4(e).

"Federal Funds Effective Rate" shall mean, for any day, the weighted average of the *per annum* rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the Federal Funds Effective Rate for such day shall be the average rate charged to the Administrative Agent on such day on such transactions as determined by the Administrative Agent.

"Fees" shall mean all amounts payable pursuant to, or referred to in, Section 4.1.

"Financial Officer" shall mean the Chief Financial Officer, principal accounting officer, Treasurer, or Controller or any other senior financial officer of the Borrower designated in writing to the Administrative Agent by any of the foregoing and reasonably acceptable to the Administrative Agent.

"Foreign Asset Sale" shall have the meaning provided in Section 5.2(g).

"Foreign Currencies" shall mean any currency other than Dollars.

"Foreign Plan" shall mean any employee benefit plan, program, policy, arrangement or agreement maintained or contributed to by the Borrower or any of its Subsidiaries with respect to employees employed outside the United States.

"Foreign Subsidiary" shall mean each Subsidiary of the Borrower that is not a Domestic Subsidiary.

"Fund" shall mean GS Capital Partners V Fund, L.P. and GS Capital Partners VI Fund, L.P.

"Funded Debt" shall mean all indebtedness of McJunkin Opco and the other Restricted Subsidiaries for borrowed money that matures more than one year from the date of its creation or matures within one year from such date that is renewable or extendable, at the option of any Restricted Subsidiary, to a date more than one year from such date or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date, including all amounts of Funded Debt required to be paid or prepaid within one year from the date of its creation and, in the case of McJunkin Opco, Indebtedness in respect of the Loans (as defined in the McJunkin Opco Term Loan Credit Agreement).

"GAAP" shall mean generally accepted accounting principles in the United States of America, as in effect from time to time; provided, however, that if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

"Governmental Authority" shall mean any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

"Guarantee Obligations" shall mean, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any Indebtedness of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent, (a) to purchase any such Indebtedness or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such Indebtedness or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such Indebtedness of the ability of the primary obligor to make payment of such Indebtedness or (d) otherwise to assure or hold harmless the owner of such Indebtedness against loss in respect thereof; provided, however, that the term "Guarantee Obligations" shall not include endorsements of instruments for deposit or collection in the ordinary course of business or customary and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness). The amount of any Guarantee Obligation

shall be deemed to be an amount equal to the stated or determinable amount of the Indebtedness in respect of which such Guarantee Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

"Hazardous Materials" shall mean (a) any petroleum or petroleum products, radioactive materials, friable asbestos, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing regulated levels of polychlorinated biphenyls, and radon gas; (b) any chemicals, materials or substances defined as or included in the definition of "hazardous substances", "hazardous waste", "hazardous materials", "extremely hazardous waste", "restricted hazardous waste", "toxic substances", "toxic pollutants", "contaminants", or "pollutants", or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance, which is prohibited, limited or regulated by any Environmental Law.

"Hedge Agreement" means an Interest Rate Agreement or a Currency Agreement entered into in order to satisfy the requirements of this Agreement or otherwise in the ordinary course of Borrower's or any of its Subsidiaries' businesses.

"Historical Financial Statements" shall mean as of the Closing Date, the audited financial statements of McJunkin Opco and its Subsidiaries, for the 2005, 2006 and 2007 fiscal years, consisting of balance sheets and the related consolidated statements of income, stockholders' equity and cash flows for such fiscal years.

"Holdings" shall have the meaning provided in the recitals to this Agreement.

"Holdings Contribution" shall have the meaning provided in Section 3.1.

"Indebtedness" of any Person shall mean (a) all indebtedness of such Person for borrowed money, (b) the deferred purchase price of assets or services that in accordance with GAAP would be included as liabilities in the balance sheet of such Person, (c) the face amount of all letters of credit issued for the account of such Person and, without duplication, all drafts drawn thereunder, (d) all Indebtedness of a second Person secured by any Lien on any property owned by such first Person, whether or not such Indebtedness has been assumed, (e) all Capitalized Lease Obligations of such Person, (f) all obligations of such Person under interest rate swap, cap or collar agreements, interest rate future or option contracts, currency swap agreements, currency future or option contracts, commodity price protection agreements or other commodity price hedging agreements and other similar agreements and (g) without duplication, all Guarantee Obligations of such Person, provided that Indebtedness shall not include (i) trade payables and accrued expenses, in each case payable directly or through a bank clearing arrangement and arising in the ordinary course of business, (ii) deferred or prepaid revenue, (iii) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller and (iv) all intercompany Indebtedness having a term not exceeding 364 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business.

"Indemnified Taxes" shall mean all Taxes (other than Excluded Taxes) and Other Taxes.

"Intercreditor Agreement" shall mean that certain Amended and Restated Intercreditor Agreement dated as of the Red Man Closing Date, by and among McJunkin Opco, the Guarantors from time to time party thereto, The CIT Group/Business Credit, Inc., Bank of America, N.A., and Lehman Commercial Paper Inc., as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"Interest Period" shall mean, with respect to any Term Loan, the interest period applicable thereto, as determined pursuant to Section 2.9.

"Interest Rate Agreement" means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedging agreement or other similar agreement or arrangement, each of which is for the purpose of hedging the interest rate exposure associated with Borrower's and its Subsidiaries' operations and not for speculative purposes.

"Investment" shall mean, for any Person: (a) the acquisition (whether for cash, property, services or securities or otherwise) of Stock, Stock Equivalents, bonds, notes, debentures, partnership or other ownership interests or other securities of any other Person (including any "short sale" or any sale of any securities at a time when such securities are not owned by the Person entering into such sale); (b) the making of any deposit with, or advance, loan or other extension of credit to, any other Person (including the purchase of property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such property to such Person), but excluding any such advance, loan or extension of credit having a term not exceeding 364 days arising in the ordinary course of business; or (c) the entering into of any guarantee of, or other contingent obligation with respect to, Indebtedness.

"Investors" shall mean the Sponsor, the Management Investors and each other investor providing a portion of the equity investments in connection with the McJunkin Transaction on the Original Closing Date and the Red Man Transaction on the Red Man Closing Date.

"McJunkin Opco" shall have the meaning provided in the preamble to this Agreement.

"Lender" shall have the meaning provided in the preamble to this Agreement.

"Lender Default" shall mean, (a) a Lender having notified the Administrative Agent and/or the Borrower that it does not intend to comply with the obligations under Section 2.1 or (b) a Lender being deemed insolvent or becoming the subject of a bankruptcy or insolvency proceeding.

"LIBOR Loan" shall mean any Loan bearing interest at a rate determined by reference to the LIBOR Rate.

"LIBOR Rate" shall mean, in the case of any LIBOR Loan, with respect to each day during each Interest Period pertaining to such LIBOR Loan, (a) the rate of interest determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Page 3750 of the Telerate screen as of 11:00 a.m. (London time) two Business Days prior to the beginning of such Interest Period multiplied by (b) the Statutory Reserve Rate. In the event that any such rate does not appear on the applicable Page of the Telerate Service (or otherwise on such service), the "LIBOR Rate" for the

purposes of this paragraph shall be determined by reference to such other publicly available service for displaying LIBOR rates as may be agreed upon by the Administrative Agent and the Borrower or, in the absence of such agreement, the "LIBOR Rate" for the purposes of this paragraph shall instead be the rate *per annum* notified to the Administrative Agent by the Reference Lender as the rate at which the Reference Lender is offered Dollar deposits at or about 11:00 a.m. (London time) two Business Days prior to the beginning of such Interest Period in the interbank LIBOR market where the LIBOR and foreign currency and exchange operations in respect of its LIBOR Loans are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to the amount of its LIBOR Loan, as the case may be, to be outstanding during such Interest Period.

"Lien" shall mean any mortgage, pledge, security interest, hypothecation, assignment, lien (statutory or other) or similar encumbrance (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement or any lease in the nature thereof).

"Loan" shall mean any Term Loan made by any Lender.

"Management Investors" shall mean the directors, management officers and employees of McJunkin Opco and its Subsidiaries who are investors in the McJunkin Opco or Borrower (or any direct or indirect parent thereof) on the Red Man Closing Date.

"Material Adverse Change" shall mean any event or circumstance which has resulted or is reasonably likely to result in a material adverse change in the business, assets, operations, properties or financial condition of the Borrower and its Subsidiaries, taken as a whole or that would materially adversely affect the ability of the Borrower to perform its payment obligations under this Agreement or any of the other Credit Documents.

"Material Adverse Effect" shall mean a circumstance or condition affecting the business, assets, operations, properties or financial condition of the Borrower and the Subsidiaries, taken as a whole, that would materially adversely affect (a) the business, assets, operations, properties, or financial condition of the Borrower and its Subsidiaries, taken as a whole, (b) the ability of the Borrower to perform its payment obligations under this Agreement or any of the other Credit Documents or (c) the rights and remedies of the Administrative Agent, Collateral Agent and the Lenders under this Agreement or any of the other Credit Documents.

"Material Subsidiary" shall mean, at any date of determination, each Restricted Subsidiary (a) whose total assets at the last day of the Test Period ending on the last day of the most recent fiscal period for which Section 9.1 Financials have been delivered were equal to or greater than 5% of the consolidated total assets of McJunkin Opco and the other Restricted Subsidiaries at such date or (b) whose gross revenues for such Test Period were equal to or greater than 5% of the consolidated gross revenues of McJunkin Opco and the other Restricted Subsidiaries for such period, in each case determined in accordance with GAAP.

"McJunkin Opco" shall have the meaning provided in the preamble to this Agreement.

"McJunkin Opco Credit Agreements" shall have the McJunkin Opco Revolving Credit Agreement and the McJunkin Opco Term Loan Credit Agreement, or any of them, as the context requires.

"McJunkin Opco Revolving Credit Agreement" shall have the meaning provided in the recitals to this Agreement.

"McJunkin Opco Revolving Loan Documents" shall mean the Credit Documents (as defined in the McJunkin Revolving Credit Agreement).

"McJunkin Opco Term Loan Credit Agreement" shall have the meaning provided in recitals to this Agreement (it being agreed that at any time after the Discharge of the McJunkin Opco Term Loan Obligations, "McJunkin Opco Term Loan Credit Agreement" shall mean such agreement as in effect immediately prior to such Discharge).

"McJunkin Opco Term Loan Documents" shall mean the Credit Documents (as defined in the McJunkin Term Loan Credit Agreement).

"McJunkin Opco Loan Documents" shall mean, collectively, the McJunkin Opco Revolving Loan Documents and the McJunkin Opco Term Loan Documents.

"McJunkin Transaction" shall have the meaning provided in recitals to this Agreement.

"Minimum Borrowing Amount" shall mean $1,000,000 with respect to the Term Loans.

"Moody's" shall mean Moody's Investors Service, Inc. or any successor by merger or consolidation to its business.

"Net Cash Proceeds" shall mean, with respect to any Prepayment Event, (a) the gross cash proceeds (including payments from time to time in respect of installment obligations, if applicable) received by or on behalf of the Borrower or any of the Restricted Subsidiaries in respect of such Prepayment Event or issuance, as the case may be, less (b) the sum of:

(i) the amount, if any, of all taxes paid or estimated to be payable by the Borrower or any of the Restricted Subsidiaries in connection with such Prepayment Event,

(ii) the amount of any reasonable reserve established in accordance with GAAP against any liabilities (other than any taxes deducted pursuant to clause (i) above) (x) associated with the assets that are the subject of such Prepayment Event and (y) retained by the Borrower or any of the Restricted Subsidiaries, provided that the amount of any subsequent reduction of such reserve (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Cash Proceeds of such a Prepayment Event occurring on the date of such reduction,

(iii) the amount of any Indebtedness secured by a Lien on the assets that are the subject of such Prepayment Event to the extent that the instrument creating or

evidencing such Indebtedness requires that such Indebtedness be repaid upon consummation of such Prepayment Event,

(iv) in the case of any Asset Sale Prepayment Event, Casualty Event or Permitted Sale Leaseback, the amount of any proceeds of such Prepayment Event that the Borrower or any Subsidiary has reinvested (or intends to reinvest within the Reinvestment Period or has entered into a binding commitment prior to the last day of the Reinvestment Period to reinvest) in the business of the Borrower or any of the Restricted Subsidiaries (subject to Section 10.12 of the McJunkin Opco Credit Agreements), provided that any portion of such proceeds that has not been so reinvested within such Reinvestment Period (with respect to such Prepayment Event, the "Deferred Net Cash Proceeds") shall, unless the Borrower or a Subsidiary has entered into a binding commitment prior to the last day of such Reinvestment Period to reinvest such proceeds, (x) be deemed to be Net Cash Proceeds of an Asset Sale Prepayment Event, Casualty Event or Permitted Sale Leaseback occurring on the last day of such Reinvestment Period or 180 days after the date such Borrower or such Subsidiary has entered into such binding commitment, as applicable, and (y) be applied to the repayment of Term Loans in accordance with Section 5.2(a)(i); and

(v) reasonable and customary fees.

"Non-Cash Charges" shall mean (a) losses on asset sales (other than asset sales in the ordinary course of business), disposals or abandonments, (b) any impairment charge or asset write-off related to intangible assets (including good-will), long-lived assets, and investments in debt and equity securities pursuant to GAAP, (c) all losses from investments recorded using the equity method, (d) stock-based awards compensation expense, and (e) other non-cash charges (provided that if any non-cash charges referred to in this clause (e) represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period).

"Non-Consenting Lender" shall have the meaning provided in Section 14.7(b).

"Non-Defaulting Lender" shall mean and include each Lender other than a Defaulting Lender.

"Non-U.S. Lender" shall mean any Lender that is not, for United States federal income tax purposes, (a) a citizen or resident of the United States, (b) a corporation or partnership or entity treated as a corporation or partnership created or organized in or under the laws of the United States, or any political subdivision thereof, (c) an estate whose income is subject to U.S. federal income taxation regardless of its source or (d) a trust if a court within the United States is able to exercise primary supervision over the administration of such trust and one or more United States persons have the authority to control all substantial decisions of such trust or a trust that has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

"Non-U.S. Participant" shall mean any Participant that if it were a Lender would qualify as a Non-U.S. Lender.

"Notice of Borrowing" shall mean each notice of a Borrowing of Term Loans pursuant to Section 2.3(a).

"Notice of Conversion or Continuation" shall have the meaning provided in Section 2.6.

"Obligations" shall have the meaning assigned to such term in the Security Documents.

"Organizational Documents" shall mean (a) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, and its by-laws, as amended, (b) with respect to any limited partnership, its certificate of limited partnership (if any), as amended, and its partnership agreement, as amended, (c) with respect to any general partnership, its partnership agreement, as amended, and (d) with respect to any limited liability company, its articles of organization (if any), as amended, and its operating agreement, as amended.

"Original Closing Date" shall have the meaning provided in the recitals to this Agreement.

"Other Taxes" shall mean any and all present or future stamp, documentary or any other excise, property or similar taxes (including interest, fines, penalties, additions to tax and related expenses with regard thereto) arising directly from any payment made or required to be made under this Agreement or from the execution or delivery of, registration or enforcement of, consummation or administration of, or otherwise with respect to, this Agreement or any other Credit Document.

"Participant" shall have the meaning provided in Section 14.6(c).

"Patriot Act" shall have the meaning provided in Section 14.18.

"PBGC" shall mean the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

"Perfection Certificate" shall mean a certificate of the Borrower in the form of Exhibit E or any other form approved by the Administrative Agent.

"Permitted Acquisition" shall have the meaning assigned to such term in the McJunkin Opco Credit Agreements.

"Permitted Investments" shall mean:

(a) securities issued or unconditionally guaranteed by the United States government or any agency or instrumentality thereof, in each case having maturities of not more than 12 months from the date of acquisition thereof;

(b) securities issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof or any

political subdivision of any such state or any public instrumentality thereof or any political subdivision of any such state or any public instrumentality thereof having maturities of not more than 12 months from the date of acquisition thereof and, at the time of acquisition, having an investment grade rating generally obtainable from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, then from another nationally recognized rating service);

(c) commercial paper issued by any Lender or any bank holding company owning any Lender;

(d) commercial paper maturing no more than 12 months after the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 or P-1 from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized rating service);

(e) domestic and LIBOR certificates of deposit or bankers' acceptances maturing no more than two years after the date of acquisition thereof issued by any Lender or any other bank having combined capital and surplus of not less than $250,000,000 in the case of domestic banks;

(f) repurchase agreements with a term of not more than 30 days for underlying securities of the type described in clauses (a), (b) and (e) above entered into with any bank meeting the qualifications specified in clause (e) above or securities dealers of recognized national standing;

(g) marketable short-term money market and similar funds (x) either having assets in excess of $250,000,000 or (y) having a rating of at least A-1 or P-1 from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized rating service);

(h) shares of investment companies that are registered under the Investment Company Act of 1940 and substantially all the investments of which are one or more of the types of securities described in clauses (a) through (g) above; and

(i) in the case of Investments by any Restricted Foreign Subsidiary or Investments made in a country outside the United States of America, Permitted Investments shall also include ((i) direct obligations of the sovereign nation (or any agency thereof) in which such Restricted Foreign Subsidiary is organized and is conducting business or where such Investment is made, or in obligations fully and unconditionally guaranteed by such sovereign nation (or any agency thereof), in each case maturing within a two years after such date and having, at the time of the acquisition thereof, a rating equivalent to at least A-1 from S&P and at least P-1 from Moody's, (ii) investments of the type and maturity described in clauses (a) through (h) above of foreign obligors, which Investments or obligors (or the parents of such obligors) have ratings described in such clauses or equivalent ratings from comparable foreign rating agencies, (iii) shares of money market mutual or similar funds which invest exclusively in assets otherwise satisfying the requirements of this definition (including this proviso) and (iv) other short-term investments utilized by Foreign Restricted Subsidiaries in accordance

with normal investment practices for cash management in investments analogous to the foregoing investments in clauses (a) through (i).

"Permitted Liens" shall mean:

(a) Liens for taxes, assessments or governmental charges or claims not yet due or which are being contested in good faith and by appropriate proceedings for which appropriate reserves have been established in accordance with GAAP;

(b) Liens in respect of property or assets of the Borrower or any of the Subsidiaries imposed by law, such as carriers', warehousemen's and mechanics' Liens and other similar Liens arising in the ordinary course of business, in each case so long as such Liens arise in the ordinary course of business and do not individually or in the aggregate have a Material Adverse Effect;

(c) Liens arising from judgments or decrees in circumstances not constituting an Event of Default under Section 11.11;

(d) Liens incurred or deposits made in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations incurred in the ordinary course of business or otherwise constituting Investments permitted by Section 10.5 of the McJunkin Opco Credit Agreements;

(e) ground leases in respect of real property on which facilities owned or leased by the Borrower or any of its Subsidiaries are located;

(f) easements, rights-of-way, restrictions, minor defects or irregularities in title and other similar charges or encumbrances not interfering in any material respect with the business of the Borrower and its Subsidiaries, taken as a whole;

(g) any interest or title of a lessor or secured by a lessor's interest under any lease permitted by this Agreement;

(h) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(i) Liens on goods the purchase price of which is financed by a documentary letter of credit issued for the account of the Borrower or any of its Subsidiaries, provided that such Lien secures only the obligations of the Borrower or such Subsidiaries in respect of such letter of credit to the extent permitted under Section 10.1 of the McJunkin Opco Credit Agreements;

(j) leases or subleases granted to others not interfering in any material respect with the business of the Borrower and its Subsidiaries, taken as a whole;

(k) Liens arising from precautionary Uniform Commercial Code financing statement or similar filings made in respect of operating leases entered into by the Borrower or any of its Subsidiaries; and

(l) Liens created in the ordinary course of business in favor of banks and other financial institutions over credit balances of any bank accounts of the Borrower and the Restricted Subsidiaries held at such banks or financial institutions, as the case may be, to facilitate the operation of cash pooling and/or interest set-off arrangements in respect of such bank accounts in the ordinary course of business.

"Permitted Sale Leaseback" shall mean any Sale Leaseback consummated by the Borrower or any of the Restricted Subsidiaries after the Original Closing Date, provided that any such Sale Leaseback not between the Borrower and any Restricted Subsidiary or any Restricted Subsidiary and another Restricted Subsidiary is consummated for fair value as determined at the time of consummation in good faith by the Borrower or such Restricted Subsidiary and, in the case of any Sale Leaseback (or series of related Sales Leasebacks) the aggregate proceeds of which exceed $25,000,000 the board of directors of the Borrower or such Restricted Subsidiary (which such determination may take into account any retained interest or other Investment of the Borrower or such Restricted Subsidiary in connection with, and any other material economic terms of, such Sale Leaseback).

"Person" shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust or other enterprise or any Governmental Authority.

"Plan" shall mean any multiemployer or single-employer plan, as defined in Section 4001 of ERISA and subject to Title IV of ERISA, that is or was within any of the preceding six plan years maintained or contributed to by (or to which there is or was an obligation to contribute or to make payments to) the Borrower, a Subsidiary or an ERISA Affiliate.

"Platform" shall have the meaning provided in Section 14.17(b).

"Pledge Agreement" shall mean the Pledge Agreement, entered into by the relevant pledgors party thereto and the Collateral Agent for the benefit of the Lenders and other Secured Parties, substantially in the form of Exhibit F, on the Closing Date, as the same may be amended, supplemented or otherwise modified from time to time.

"Post-Acquisition Period" means, with respect to any Permitted Acquisition, the period beginning on the date such Permitted Acquisition is consummated and ending on the last day of the fourth full consecutive fiscal quarter immediately following the date on which such Permitted Acquisition is consummated.

"Prepayment Event" shall mean any Asset Sale Prepayment Event, Casualty Event, Debt Incurrence Prepayment Event or any Permitted Sale Leaseback

"Prime Rate" means the rate of interest quoted in the *Wall Street Journal*, Money Rates Section as the Prime Rate (currently defined as the base rate on corporate loans posted by at least 75% of the nation's thirty (30) largest banks), as in effect from time to time. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any

customer. The Administrative Agent or any other Lender may make commercial loans or other loans at rates of interest at, above or below the Prime Rate.

"Pro Forma Adjustment" shall mean, for any Test Period that includes all or any part of a fiscal quarter included in any Post-Acquisition Period, with respect to the Acquired EBITDA of the applicable Acquired Entity or Business or the Consolidated EBITDA of the Borrower, the pro forma increase or decrease in such Acquired EBITDA or such Consolidated EBITDA, as the case may be, projected by the Borrower or McJunkin Opco in good faith as a result of (a) actions taken during such Post-Acquisition Period for the purposes of realizing reasonably identifiable and factually supportable cost savings or (b) any additional costs incurred during such Post-Acquisition Period, in each case in connection with the combination of the operations of such Acquired Entity or Business with the operations of McJunkin Opco and the other Restricted Subsidiaries; provided that, so long as such actions are taken during such Post-Acquisition Period or such costs are incurred during such Post-Acquisition Period, as applicable, it may be assumed, for purposes of projecting such pro forma increase or decrease to such Acquired EBITDA or such Consolidated EBITDA, as the case may be, that such cost savings will be realizable during the entirety of such Test Period, or such additional costs, as applicable, will be incurred during the entirety of such Test Period; provided further that any such pro forma increase or decrease to such Acquired EBITDA or such Consolidated EBITDA, as the case may be, shall be without duplication for cost savings or additional costs already included in such Acquired EBITDA or such Consolidated EBITDA, as the case may be, for such Test Period.

"Pro Forma Adjustment Certificate" shall mean any certificate of an Authorized Officer of the Borrower delivered pursuant to Section 9.1(h) or Section 9.1(d).

"Pro Forma Basis", "Pro Forma Compliance" and "Pro Forma Effect" shall mean, with respect to compliance with any test or covenant hereunder, that (A) to the extent applicable, the Pro Forma Adjustment shall have been made and (B) all Specified Transactions and the following transactions in connection therewith shall be deemed to have occurred as of the first day of the applicable period of measurement in such test or covenant: (a) income statement items (whether positive or negative) attributable to the property or Person subject to such Specified Transaction, (i) in the case of a sale, transfer or other disposition of all or substantially all Stock and Stock Equivalents in any Subsidiary of the Borrower or any division, product line, or facility used for operations of McJunkin Opco or any of its Subsidiaries, shall be excluded, and (ii) in the case of a Permitted Acquisition or Investment described in the definition of "Specified Transaction", shall be included, (b) any retirement of Indebtedness, and (c) any Indebtedness incurred or assumed by McJunkin Opco or any of the other Restricted Subsidiaries in connection therewith and if such Indebtedness has a floating or formula rate, shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate which is or would be in effect with respect to such Indebtedness as at the relevant date of determination; provided that, without limiting the application of the Pro Forma Adjustment pursuant to (A) above, the foregoing pro forma adjustments may be applied to any such test or covenant solely to the extent that such adjustments are consistent with the definition of Consolidated EBITDA and give effect to events (including operating expense reductions) that are (i) (x) directly attributable to such transaction, (y) expected to have a continuing impact on McJunkin Opco and the other Restricted Subsidiaries and (z) factually supportable or (ii) otherwise consistent with the definition of Pro Forma Adjustment.

"Qualified IPO" shall mean a bona fide underwritten sale to the public of common Stock of the Borrower, any of its direct or indirect Subsidiaries or any of its direct or indirect parent companies pursuant to a registration statement (other than on Form S-8 or any other form relating to securities issuable under any benefit plan of Borrower, any of its direct or indirect Subsidiaries or any of its direct or indirect parent companies) that is declared effective by the SEC or the equivalent offering on a private exchange or platform.

"Real Estate" shall have the meaning provided in Section 9.1(i).

"Red Man Closing Date" shall have the meaning provided in the recitals to this Agreement.

"Red Man Transaction" shall have the meaning provided in recitals to this Agreement.

"Reference Lender" shall mean JPMorgan Chase Bank, N.A.

"Register" shall have the meaning provided in Section 14.6(b)(iv).

"Regulation D" shall mean Regulation D of the Board as from time to time in effect and any successor to all or a portion thereof establishing reserve requirements.

"Regulation T" shall mean Regulation T of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Regulation U" shall mean Regulation U of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Regulation X" shall mean Regulation X of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Reinvestment Period" shall mean 15 months following the date of an Asset Sale Prepayment Event or Casualty Event.

"Related Parties" shall mean, with respect to any specified Person, such Person's Affiliates and the directors, officers, employees, agents, trustees, advisors of such Person and any Person that possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise.

"Report" shall mean reports prepared in good faith by an Agent or another Person showing the results of appraisals, field examinations or audits pertaining to the Borrower's assets from information furnished by or on behalf of the Borrower, after an Agent has exercised its rights of inspection pursuant to this Agreement, which Reports may be distributed to the Lenders by the applicable Agent.

"Reportable Event" shall mean an event described in Section 4043 of ERISA and the regulations thereunder.

"Required Lenders" shall mean, at any date, Non Defaulting Lenders having or holding a majority of the outstanding principal amount of the Term Loans in the aggregate at such date.

"Requirement of Law" shall mean, as to any Person, the Certificate of Incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or assets or to which such Person or any of its property or assets is subject.

"Restricted Foreign Subsidiary" shall mean a Foreign Subsidiary that is a Restricted Subsidiary.

"Restricted Subsidiary" shall mean McJunkin Opco and any other Subsidiary of the Borrower other than an Unrestricted Subsidiary.

"Sale Leaseback" shall mean any transaction or series of related transactions pursuant to which the Borrower or any of the Restricted Subsidiaries (a) sells, transfers or otherwise disposes of any property, real or personal, whether now owned or hereafter acquired, and (b) as part of such transaction, thereafter rents or leases such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold, transferred or disposed.

"S&P" shall mean Standard & Poor's Ratings Services or any successor by merger or consolidation to its business.

"SEC" shall mean the Securities and Exchange Commission or any successor thereto.

"Section 9.1 Financials" shall mean the financial statements delivered, or required to be delivered, pursuant to Section 9.1(a) or (b) together with the accompanying officer's certificate delivered, or required to be delivered, pursuant to Section 9.1(e).

"Secured Leverage Ratio" shall mean, as of any date of determination, the ratio of (a) Consolidated Secured Debt as of the last day of the relevant Test Period to (b) Consolidated EBITDA for such Test Period.

"Secured Parties" shall have the meaning assigned to such term in the applicable Security Documents.

"Security Agreement" shall mean the Security Agreement entered into by the Borrower, the other grantors party thereto and the Collateral Agent for the benefit of the Lenders, substantially in the form of Exhibit G, as the same may be amended, supplemented or otherwise modified from time to time.

"Security Documents" shall mean, collectively, (a) the Security Agreement, (b) the Pledge Agreement and (c) each other security agreement or other instrument or document executed and delivered pursuant to Section 9.17 or pursuant to any of the Security Documents to secure any of the Obligations.

"Sold Entity or Business" shall have the meaning provided in the definition of the term "Consolidated EBITDA".

"Solvent" shall mean, with respect to the Borrower, that as of the Closing Date, both (a) (i) the sum of the Borrower's debt (including contingent liabilities) does not exceed the present fair saleable value of the Borrower's present assets; (ii) the Borrower's capital is not unreasonably small in relation to its business as contemplated on the Closing Date; and (iii) the Borrower has not incurred and does not intend to incur, or believe that it will incur, debts including current obligations beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (b) such Person is "solvent" within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

"Special Equity Dividend" shall have the meaning provided in recitals to this Agreement.

"Specified Subsidiary" shall mean, at any date of determination (a) any Material Subsidiary or (b) any Unrestricted Subsidiary (i) whose total assets at the last day of the Test Period ending on the last day of the most recent fiscal period for which Section 9.1 Financials have been delivered were equal to or greater than 15% of the consolidated total assets of McJunkin Opco and its Subsidiaries at such date, (ii) whose gross revenues for such Test Period were equal to or greater than 15% of the consolidated gross revenues of McJunkin Opco and its Subsidiaries for such period, in each case determined in accordance with GAAP and (c) each other Subsidiary that, when such Subsidiary's total assets or gross revenues are aggregated with the total assets or gross revenues, as applicable, of each other Subsidiary that is the subject of an Event of Default described in Section 11.5 would constitute a Specified Subsidiary under clause (a) or (b) above.

"Specified Transaction" shall have the meaning assigned to such term in the McJunkin Opco Credit Agreements.

"Sponsor" shall mean the Fund and its respective Affiliates.

"Sponsor Affiliated Institutional Lender" means any investment fund or other institutional lender that is an Affiliate of Fund so long as (a) Fund owns directly or indirectly less than all of the equity interests of such Person and (b) Fund does not directly appoint any Person with responsibility for reviewing or approving credit decisions with respect to the transactions contemplated by the Credit Documents; provided that each Sponsor Affiliated Institutional Lender shall agree in the applicable Assignment and Acceptance that it will not provide any information obtained by such Person in its capacity as a Lender to any Sponsor Affiliated Lender.

"Sponsor Affiliated Lender" means any investment fund, managed account or other entity with respect to which the Principal Investment Area of Goldman, Sachs & Co. acts as an advisor

or manager (other than any private equity fund or other Person that is primarily engaged in the making of investments in loans or debt securities); provided such Person (a) together with each other Sponsor Affiliated Lender, holds no more than 30% of the aggregate principal amount of the Loans outstanding at any time, (b) executes and delivers a waiver in substantially the form of Exhibit D stating that it shall have no right whatsoever so long as such Person is an Affiliate of Borrower or the Fund to (i) consent to any amendment, modification, waiver, consent or other such action with respect to any of the terms of this Agreement or any other Credit Document; provided that such Person shall also instruct the Administrative Agent to automatically deem any Loans held by such Person to be voted pro rata according to the Loans of all other Lenders (other than any Sponsor Affiliated Lender) in connection with any such amendment, modification, waiver, consent or other action, (ii) require any Agent or other Lender to undertake any action (or refrain from taking any action) with respect to this Agreement or any other Credit Document, (iii) otherwise vote on any matter related to this Agreement or any other Credit Document; provided that such Person shall also instruct the Administrative Agent to automatically deem any Loans held by such Person to be voted pro rata according to the Loans of all other Lenders (other than any Sponsor Affiliated Lender), (iv) attend any meeting (live or by any electronic means) in its capacity as a Lender with any Agent or other Lender or receive any information from any Agent or other Lender, (v) have access to the Platform, or (vi) make or bring any claim, in such Person's capacity as Lender, against the Agent or any Lender with respect to the duties and obligations of such Person under this Agreement and the other Credit Documents; provided that no such amendment, modification, waiver or consent referred to above shall deprive us of such Person's share of any payments or other recoveries which the Lenders are entitled to share on a pro rata basis hereunder and (c) includes a representation in the Assignment and Acceptance with respect to each Sponsor Purchase and each Sponsor Sale stating that such Sponsor Affiliated Lender does not have any material non-public information ("MNPI") with respect to Borrower or any of its Subsidiaries or securities that either (i) has not been disclosed to the Lenders (other than Lenders that do not wish to receive MNPI with respect to Borrower or any of its Subsidiaries or securities) prior to such time or (ii) if not disclosed to the Lenders, could reasonably be expected to have a material adverse effect upon, or otherwise be material to, a Lender's decision to sell their Loans to such Sponsor Affiliated Lender or purchase Loans from such Sponsor Affiliated Lender, as applicable.

"Sponsor Purchase" shall have the meaning provided in Section 3.1.

"Sponsor Purchase Cap Amount" shall have the meaning provided in Section 3.1.

"Sponsor Contribution" shall have the meaning provided in Section 3.1.

"Sponsor Sale" means the sale, assignment or transfer by a Sponsor Affiliated Lender of all or a portion of its rights and obligations under this Agreement, including, without limitation, all or a portion of its Loans owing to it, in accordance with Section 14.6.

"Statutory Reserve Rate" shall mean for any day as applied to any LIBOR Loan, a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages that are in effect on that day (including any marginal, special, emergency or supplemental reserves), expressed as a decimal, as prescribed by the Board and to which the Administrative Agent is

subject, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. LIBOR Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Stock" shall mean shares of capital stock or shares in the capital, as the case may be (whether denominated as common stock or preferred stock or ordinary shares or preferred shares, as the case may be), beneficial, partnership or membership interests, participations or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity, whether voting or non-voting.

"Stock Equivalents" shall mean all securities convertible into or exchangeable for Stock and all warrants, options or other rights to purchase or subscribe for any Stock, whether or not presently convertible, exchangeable or exercisable.

"Subsidiary" of any Person shall mean and include (a) any corporation more than 50% of whose Stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time Stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries and (b) any partnership, association, joint venture or other entity in which such Person directly or indirectly through Subsidiaries has more than a 50% equity interest at the time. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower.

"Syndication Agent" shall mean Goldman Sachs Credit Partners L.P., together with its affiliates, as the syndication agent for the Lenders under this Agreement and the other Credit Documents.

"Taxes" shall mean any and all present or future taxes, duties, levies, imposts, assessments, deductions, withholdings or other similar charges imposed by any Governmental Authority whether computed on a separate, consolidated, unitary, combined or other basis and any and all liabilities (including interest, fines, penalties or additions to tax) with respect to the foregoing.

"Term Loan Commitment" shall mean (a) in the case of each Lender that is a Lender on the date hereof, the amount set forth opposite such Lender's name on Schedule 1.1(c) as such Lender's "Term Loan Commitment" and (b) in the case of any Lender that becomes a Lender after the date hereof, the amount specified as such Lender's "Commitment" in the Assignment and Acceptance pursuant to which such Lender assumed a portion of the Total Term Loan Commitment, in each case as the same may be changed from time to time pursuant to the terms hereof. The aggregate amount of the Term Loan Commitments as of the Closing Date is $450,000,000.

"Term Loans" shall have the meaning provided in Section 2.1.

"Term Loan Maturity Date" shall mean January 31, 2014, or, if such date is not a Business Day, the next preceding Business Day.

"Test Period" shall mean, for any determination under this Agreement, the four consecutive fiscal quarters of the Borrower then last ended.

"Total Commitment" shall mean the Total Term Loan Commitment.

"Total Credit Exposure" shall mean, at any date, the sum of (a) the Total Term Loan Commitment at such date and (b) the outstanding principal amount of all Term Loans at such date.

"Total Term Loan Commitment" shall mean the sum of the Term Loan Commitments of all the Lenders.

"Transferee" shall have the meaning provided in Section 14.6(e).

"Type" shall mean as to any Term Loan, its nature as an ABR Loan or a LIBOR Loan.

"Unfunded Current Liability" of any Plan shall mean the amount, if any, by which the present value of the accrued benefits under the Plan as of the close of its most recent plan year, determined in accordance with Statement of Financial Accounting Standards No. 87 as in effect on the date hereof, based upon the actuarial assumptions that would be used by the Plan's actuary in a termination of the Plan, exceeds the fair market value of the assets allocable thereto.

"Unrestricted Subsidiary" shall mean (a) any Subsidiary of McJunkin Opco that is formed or acquired after the Closing Date, provided that at such time (or promptly thereafter) the Borrower designates such Subsidiary an Unrestricted Subsidiary in a written notice to the Administrative Agent, (b) any Restricted Subsidiary subsequently re-designated as an Unrestricted Subsidiary by the Borrower in a written notice to the Administrative Agent, provided that in the case of (a) and (b), (x) such designation or re-designation shall be deemed to be an Investment by McJunkin Opco on the date of such re-designation in an Unrestricted Subsidiary in an amount equal to the sum of (i) McJunkin Opco's direct or indirect equity ownership percentage of the net worth of such designated or re-designated Restricted Subsidiary immediately prior to such designated or re-designation (such net worth to be calculated without regard to any guarantee provided by such designated or re-designated Restricted Subsidiary) and (ii) the aggregate principal amount of any Indebtedness owed by such designated or re-designated Restricted Subsidiary to McJunkin Opco or any other Restricted Subsidiary immediately prior to such designated or re-designation, all calculated, except as set forth in the parenthetical to clause (i), on a consolidated basis in accordance with GAAP and (y) no Default or Event of Default would result from such designation or re-designation and (c) each Subsidiary of an Unrestricted Subsidiary; provided, however, that at the time of any written designation or re-designation by the Borrower to the Administrative Agent that any Unrestricted Subsidiary shall no longer constitute an Unrestricted Subsidiary, such Unrestricted Subsidiary shall cease to be an Unrestricted Subsidiary to the extent no Default or Event of Default would result from such designation or re-designation. On or promptly after the date of its formation, acquisition,

designation or re-designation, as applicable, each Unrestricted Subsidiary (other than an Unrestricted Subsidiary that is a Foreign Subsidiary) shall have entered into a tax sharing agreement containing terms that, in the reasonable judgment of the Administrative Agent, provide for an appropriate allocation of tax liabilities and benefits. An Unrestricted Subsidiary which has been re-designated as a Restricted Subsidiary may not be subsequently re-designated as an Unrestricted Subsidiary.

"Voting Stock" shall mean, with respect to any Person, such Person's Stock or Stock Equivalents having the right to vote for the election of directors of such Person under ordinary circumstances.

1.2 Other Interpretive Provisions. With reference to this Agreement and each other Credit Document, unless otherwise specified herein or in such other Credit Document:

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words "herein", "hereto", "hereof" and "hereunder" and words of similar import when used in any Credit Document shall refer to such Credit Document as a whole and not to any particular provision thereof.

(c) Article, Section, Exhibit and Schedule references are to the Credit Document in which such reference appears.

(d) The term "including" is by way of example and not limitation.

(e) The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(f) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding"; and the word "through" means "to and including".

(g) Section headings herein and in the other Credit Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Credit Document.

1.3 Accounting Terms; Exchange Rates. (a) All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP.

(b) Notwithstanding anything to the contrary herein, for purposes of determining compliance with any test or covenant contained in this Agreement with respect to any period during which any Specified Transaction occurs, the Consolidated Total Debt to Consolidated EBITDA and the Consolidated EBITDA to Consolidated Interest Expense Ratio shall be calculated with respect to such period and such Specified Transaction on a Pro Forma Basis.

For purposes of determining compliance under Section 10.1 with respect to any amount in a Foreign Currency, such amount shall be deemed to equal the Dollar Equivalent thereof based on the average Exchange Rate for a Foreign Currency for the most recent twelve-month period immediately prior to the date of determination determined in a manner consistent with that used in calculating Consolidated EBITDA for the related period.

1.4 Rounding. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.5 References to Agreements, Laws, Etc. Unless otherwise expressly provided herein, (a) references to Organizational Documents, agreements (including the Credit Documents) and other Contractual Obligations shall be deemed to include all subsequent amendments, restatements, amendment and restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, amendment and restatements, extensions, supplements and other modifications are permitted by any Credit Document; and (b) references to any Applicable Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such applicable law.

SECTION 2. Amount and Terms of Credit

2.1 Commitments. Subject to and upon the terms and conditions herein set forth, each Lender having a Term Loan Commitment severally agrees to make a loan or loans (each a "Term Loan") on the Closing Date to the Borrower in Dollars, which Term Loans shall not exceed for any such Lender the Term Loan Commitment of such Lender and in the aggregate shall not exceed $450,000,000.

Such Term Loans (i) shall be made on the Closing Date in accordance with the preceding paragraph, (ii) may at the option of the Borrower be incurred and maintained as, and/or converted into, ABR Loans or LIBOR Loans, provided that all such Term Loans made by each of the Lenders pursuant to the same Borrowing shall, unless otherwise specifically provided herein, consist entirely of Term Loans of the same Type, (iii) may be repaid or prepaid in accordance with the provisions hereof, but once repaid or prepaid, may not be reborrowed, (iv) shall not exceed for any such Lender its Term Loan Commitment and (v) shall not exceed in the aggregate the total of all Term Loan Commitments. On the Term Loan Maturity Date, all then unpaid Term Loans shall be repaid in full.

2.2 Minimum Amount of Each Borrowing; Maximum Number of Borrowings. The aggregate principal amount of each Borrowing of Term Loans shall be in a multiple of $1,000,000 and, shall not be less than the Minimum Borrowing Amount with respect thereto. More than one Borrowing may be incurred on any date, provided that at no time shall there be outstanding more than six (6) Borrowings of LIBOR Loans under this Agreement.

2.3 Notice of Borrowing. (a) The Borrower shall give the Administrative Agent at the Administrative Agent's Office (i) prior to 12:00 Noon (New York City time) at least three Business Days' prior written notice (or telephonic notice promptly confirmed in writing no later than 1:00 p.m. (New York City time)) of the Borrowing of Term Loans if all or any of such Term Loans are to be initially LIBOR Loans, and (ii) prior written notice (or telephonic notice promptly confirmed in writing no later than 1:00 p.m. (New York City time)) prior to 10:00 a.m. (New York City time) on the date of the Borrowing of Term Loans if all such Term Loans are to be ABR Loans. Such Notice of Borrowing shall specify (i) the aggregate principal amount of the Term Loans to be made, (ii) the date of the Borrowing (which shall be the Closing Date) and (iii) whether the Term Loans shall consist of ABR Loans and/or LIBOR Loans and, if the Term Loans are to include LIBOR Loans, the Interest Period to be initially applicable thereto. The Administrative Agent shall promptly give each Lender written notice (or telephonic notice promptly confirmed in writing) of the proposed Borrowing of Term Loans, of such Lender's proportionate share thereof and of the other matters covered by the related Notice of Borrowing.

(b) [Intentionally Omitted].

(c) [Intentionally Omitted].

(d) [Intentionally Omitted]

(e) [Intentionally Omitted].

(f) Without in any way limiting the obligation of the Borrower to confirm in writing any notice it may give hereunder by telephone, the Administrative Agent may act prior to receipt of written confirmation without liability upon the basis of such telephonic notice believed by the Administrative Agent in good faith to be from an Authorized Officer of the Borrower. In each such case, the Borrower hereby waives the right to dispute the Administrative Agent's record of the terms of any such telephonic notice.

2.4 Disbursement of Funds. (a) No later than 12:00 Noon (New York City time) on the date specified in each Notice of Borrowing each Lender will make available its *pro rata* portion, if any, of each Borrowing requested to be made on such date in the manner provided below.

(b) Each Lender shall make available all amounts it is to fund to the Borrower under any Borrowing for its applicable Commitments, and in immediately available funds to the Administrative Agent at the Administrative Agent's Office and the Administrative Agent will make available to the Borrower, by depositing to an account designated by the Borrower to the Administrative Agent the aggregate of the amounts so made available in Dollars. Unless the Administrative Agent shall have been notified by any Lender prior to the date of any such Borrowing that such Lender does not intend to make available to the Administrative Agent its portion of the Borrowing or Borrowings to be made on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date of Borrowing, and the Administrative Agent, in reliance upon such assumption, may (in its sole discretion and without any obligation to do so) make available to

the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender and the Administrative Agent has made available same to the Borrower, the Administrative Agent shall be entitled to recover such corresponding amount from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor the Administrative Agent shall promptly notify the Borrower and the Borrower shall immediately pay such corresponding amount to the Administrative Agent. The Administrative Agent shall also be entitled to recover from such Lender or the Borrower interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower to the date such corresponding amount is recovered by the Administrative Agent, at a rate *per annum* equal to (i) if paid by such Lender, the Federal Funds Effective Rate or (ii) if paid by the Borrower, the then-applicable rate of interest or fees, calculated in accordance with Section 2.8, for the respective Loans.

(c) Nothing in this Section 2.4 shall be deemed to relieve any Lender from its obligation to fulfill its commitments hereunder or to prejudice any rights that the Borrower may have against any Lender as a result of any default by such Lender hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to fulfill its commitments hereunder).

2.5 Repayment of Loans; Evidence of Debt. (a) The Borrower shall repay to the Administrative Agent in Dollars, for the benefit of the applicable Lenders, on the Term Loan Maturity Date, the then-unpaid Term Loans made to the Borrower.

(b) [Intentionally Omitted].

(c) [Intentionally Omitted].

(d) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to the appropriate lending office of such Lender resulting from each Loan made by such lending office of such Lender from time to time, including the amounts of principal and interest payable and paid to such lending office of such Lender from time to time under this Agreement.

(e) The Administrative Agent shall maintain the Register pursuant to Section 14.6(b), and a sub account for each Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount of each Term Loan made hereunder, the Type of each Loan made and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(f) The entries made in the Register and accounts and subaccounts maintained pursuant to paragraphs (d) and (e) of this Section 2.5 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain such account, such Register or such subaccount, as

applicable, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made to the Borrower by such Lender in accordance with the terms of this Agreement.

2.6 Conversions and Continuations . (a) The Borrower shall have the option on any Business Day to convert all or a portion equal to at least the Minimum Borrowing Amount of the outstanding principal amount of Term Loans made to the Borrower (as applicable) of one Type into a Borrowing or Borrowings of another Type and the Borrower shall have the option on any Business Day to continue the outstanding principal amount of any LIBOR Loans as LIBOR Loans for an additional Interest Period on the last Business Day of the existing Interest Period, provided that (i) no partial conversion of LIBOR Loans shall reduce the outstanding principal amount of LIBOR Loans made pursuant to a single Borrowing to less than the Minimum Borrowing Amount, (ii) ABR Loans may not be converted into LIBOR Loans if a Default or Event of Default is in existence on the date of the conversion and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such conversion, (iii) LIBOR Loans may not be continued as LIBOR Loans for an additional Interest Period if an Event of Default is in existence on the date of the proposed continuation and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuation and (iv) Borrowings resulting from conversions pursuant to this Section 2.6 shall be limited in number as provided in Section 2.2. Each such conversion or continuation shall be effected by the Borrower by giving the Administrative Agent at the Administrative Agent's Office prior to 1:00 p.m. (New York City time) at least three Business Days' prior written notice or written notice prior to 10:00 a.m. (New York City time) on the same Business Day in the case of a conversion into ABR Loans (or, in each case, telephonic notice promptly confirmed in writing no later than 1:00 p.m. (New York City time)) (each, a "Notice of Conversion or Continuation") specifying the Term Loans to be so converted or continued, the Type of Term Loans to be converted or continued into and, if such Term Loans are to be converted into or continued as LIBOR Loans, the Interest Period to be initially applicable thereto. The Administrative Agent shall give each Lender notice as promptly as practicable of any such proposed conversion or continuation affecting any of its Term Loans.

(b) If any Default or Event of Default is in existence at the time of any proposed continuation of any LIBOR Loans and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuation, such LIBOR Loans shall be automatically converted on the last day of the current Interest Period into ABR Loans. If upon the expiration of any Interest Period in respect of LIBOR Loans, the Borrower has failed to elect a new Interest Period to be applicable thereto as provided in paragraph (a) above, the Borrower shall be deemed to have elected to continue such Borrowing of LIBOR Loans into a Borrowing of ABR Loans, effective as of the expiration date of such current Interest Period.

2.7 *Pro Rata* Borrowings. Each Borrowing of Term Loans under this Agreement shall be granted by the Lenders *pro rata* on the basis of their then-applicable Term Loan Commitments. It is understood that (a) no Lender shall be responsible for any default by any other Lender in its obligation to make Loans hereunder and that each Lender shall be obligated to make the Loans provided to be made by it hereunder, regardless of the failure of any other

Lender to fulfill its commitments hereunder and (b) other than as expressly provided herein with respect to a Defaulting Lender, failure by a Lender to perform any of its obligations under any of the Credit Documents shall not release any Person from performance of its obligation under any Credit Document.

2.8 Interest. (a) The unpaid principal amount of each ABR Loan shall bear interest from the date of the Borrowing thereof until maturity (whether by acceleration or otherwise) at a rate *per annum* that shall at all times be the Applicable ABR Margin plus the ABR in effect from time to time.

(b) The unpaid principal amount of each LIBOR Loan shall bear interest from the date of the Borrowing thereof until maturity thereof (whether by acceleration or otherwise) at a rate *per annum* that shall at all times be the Applicable LIBOR Margin in effect from time to time plus the relevant LIBOR Rate.

(c) If all or a portion of (i) the principal amount of any Loan or (ii) any interest payable thereon shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest (including post-petition interest in any proceeding under the Bankruptcy Code or other applicable bankruptcy laws) at a rate *per annum* that is (x) in the case of overdue principal, the rate that would otherwise be applicable thereto plus 2% or (y) in the case of any overdue interest, to the extent permitted by applicable law, the rate described in Section 2.8(a) plus 2% from and including the date of such non-payment to but excluding the date on which such amount is paid in full (after as well as before judgment). Payment or acceptance of the increased rates of interest provided for in this Section 2.8 is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Administrative Agent or any Lender.

(d) Interest on each Loan shall accrue from and including the date of any Borrowing to but excluding the date of any repayment thereof and shall be payable (i) in respect of each ABR Loan, quarterly in arrears on the last day of each March, June, September and December, (ii) in respect of each LIBOR Loan, on the last day of each Interest Period applicable thereto and, in the case of an Interest Period in excess of three months, on each date occurring at three-month intervals after the first day of such Interest Period, (iii) in respect of each Loan (except, other than in the case of prepayments, any ABR Loan), on any prepayment date (on the amount prepaid), at maturity (whether by acceleration or otherwise) and, after such maturity, on demand.

(e) All computations of interest hereunder shall be made in accordance with Section 5.5.

(f) The Administrative Agent, upon determining the interest rate for any Borrowing of LIBOR Loans, shall promptly notify the Borrower and the relevant Lenders thereof. Each such determination shall, absent clearly demonstrable error, be final and conclusive and binding on all parties hereto.

2.9 Interest Periods. At the time the Borrower gives a Notice of Borrowing or Notice of Conversion or Continuation in respect of the making of, or conversion into or continuation as, a Borrowing of LIBOR Loans (in the case of the initial Interest Period applicable thereto) or prior to 10:00 a.m. (New York City time) on the third Business Day prior to the expiration of an Interest Period applicable to a Borrowing of LIBOR Loans, the Borrower shall have the right to elect by giving the Administrative Agent written notice (or telephonic notice promptly confirmed in writing no later than 1:00 p.m. (New York City time)) the Interest Period applicable to such Borrowing, which Interest Period shall, at the option of the Borrower be a one, two, three, six or if available to all the Lenders as determined by the Lenders in good faith based on prevailing market conditions, a nine or twelve month period.

Notwithstanding anything to the contrary contained above:

(a) the initial Interest Period for any Borrowing of LIBOR Loans shall commence on the date of such Borrowing (including the date of any conversion from a Borrowing of ABR Loans) and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the next preceding Interest Period expires;

(b) if any Interest Period relating to a Borrowing of LIBOR Loans begins on the last Business Day of a calendar month or begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of the calendar month at the end of such Interest Period;

(c) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day, provided that if any Interest Period would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day; and

(d) the Borrower shall not be entitled to elect any Interest Period in respect of any LIBOR Loan if such Interest Period would extend beyond the applicable maturity date of such Loan.

2.10 Increased Costs, Illegality, etc(a) . (a) In the event that (x) in the case of clause (i) below, the Administrative Agent or (y) in the case of clauses (ii) and (iii) below, any Lender shall have reasonably determined (which determination shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto):

(i) on any date for determining the LIBOR Rate for any Interest Period that (x) deposits in the principal amounts of the Loans comprising such LIBOR Borrowing are not generally available in the relevant market or (y) by reason of any changes arising on or after the Closing Date affecting the interbank LIBOR market, adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of LIBOR Rate; or

(ii) at any time, that such Lender shall incur increased costs or reductions in the amounts received or receivable hereunder with respect to any LIBOR Loans (other than any

such increase or reduction attributable to Taxes) because of (x) any change since the date hereof in any applicable law, governmental rule, regulation, guideline or order (or in the interpretation or administration thereof and including the introduction of any new law or governmental rule, regulation, guideline or order), such as, for example, without limitation, a change in official reserve requirements, and/or (y) other circumstances affecting the interbank LIBOR market or the position of such Lender in such market; or

(iii) at any time, that the making or continuance of any LIBOR Loan has become unlawful by compliance by such Lender in good faith with any law, governmental rule, regulation, guideline or order (or would conflict with any such governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful), or has become impracticable as a result of a contingency occurring after the date hereof that materially and adversely affects the interbank LIBOR market;

then, and in any such event, such Lender (or the Administrative Agent, in the case of clause (i) above) shall within a reasonable time thereafter give notice (if by telephone, confirmed in writing) to the Borrower and to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the other Lenders). Thereafter (x) in the case of clause (i) above, LIBOR Loans shall no longer be available until such time as the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice by the Administrative Agent no longer exist (which notice the Administrative Agent agrees to give at such time when such circumstances no longer exist), and any Notice of Borrowing or Notice of Conversion given by the Borrower with respect to LIBOR Loans that have not yet been incurred shall be deemed rescinded by the Borrower (y) in the case of clause (ii) above, the Borrower shall pay to such Lender, promptly after receipt of written demand therefor such additional amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Lender in its reasonable discretion shall determine) as shall be required to compensate such Lender for such increased costs or reductions in amounts receivable hereunder (it being agreed that a written notice as to the additional amounts owed to such Lender, showing in reasonable detail the basis for the calculation thereof, submitted to the Borrower by such Lender shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto) and (z) in the case of clause (iii) above, the Borrower shall take one of the actions specified in Section 2.10(b) as promptly as possible and, in any event, within the time period required by law.

(b) At any time that any LIBOR Loan is affected by the circumstances described in Section 2.10(a)(ii) or (iii), the Borrower may (and in the case of a LIBOR Loan affected pursuant to Section 2.10(a)(iii) shall) either (x) if the affected LIBOR Loan is then being made pursuant to a Borrowing, cancel said Borrowing by giving the Administrative Agent telephonic notice thereof on the same date that the Borrower was notified by a Lender pursuant to Section 2.10(a)(ii) or (iii) (confirmed promptly in writing no later than 10:00 a.m. (New York City time) on the next day) or (y) if the affected LIBOR Loan is then outstanding, upon at least three Business Days' notice to the Administrative Agent, require the affected Lender to convert each such LIBOR Loan into an ABR Loan, provided that if more than one Lender is affected at any time, then all affected Lenders must be treated in the same manner pursuant to this Section 2.10(b).

(c) If, after the date hereof, the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, the National Association of Insurance Commissioners, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by a Lender or its parent with any request or directive made or adopted after the date hereof regarding capital adequacy (whether or not having the force of law) of any such authority, association, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Lender's or its parent's or its Affiliate's capital or assets as a consequence of such Lender's commitments or obligations hereunder to a level below that which such Lender or its parent or its Affiliate could have achieved but for such adoption, effectiveness, change or compliance (taking into consideration such Lender's or its parent's policies with respect to capital adequacy), then from time to time, promptly after demand by such Lender (with a copy to the Administrative Agent), the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or its parent for such reduction, it being understood and agreed, however, that a Lender shall not be entitled to such compensation as a result of such Lender's compliance with, or pursuant to any request or directive to comply with, any such law, rule or regulation as in effect on the date hereof. Each Lender, upon determining in good faith that any additional amounts will be payable pursuant to this Section 2.10(c), will give prompt written notice thereof to the Borrower which notice shall set forth in reasonable detail the basis of the calculation of such additional amounts, although the failure to give any such notice shall not, subject to Section 2.13, release or diminish the Borrower's obligations to pay additional amounts pursuant to this Section 2.10(c) upon receipt of such notice.

(d) It is understood that to the extent duplicative of Section 5.4, this Section 2.10 shall not apply to Taxes.

2.11 Compensation. If (a) any payment of principal of any LIBOR Loan is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such LIBOR Loan as a result of a payment or conversion pursuant to Section 2.5, 2.6, 2.10, 5.1, 5.2 or 14.7, as a result of acceleration of the maturity of the Loans pursuant to Section 11 or for any other reason, (b) any Borrowing of LIBOR Loans is not made as a result of a withdrawn Notice of Borrowing, (c) any ABR Loan is not converted into a LIBOR Loan as a result of a withdrawn Notice of Conversion or Continuation, (d) any LIBOR Loan is not continued as an LIBOR Loan, as the case may be, as a result of a withdrawn Notice of Conversion or Continuation or (e) any prepayment of principal of any LIBOR Loan is not made as a result of a withdrawn notice of prepayment pursuant to Section 5.1 or 5.2, the Borrower shall, after receipt of a written request by such Lender (which request shall set forth in reasonable detail the basis for requesting such amount), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that such Lender may reasonably incur as a result of such payment, failure to convert, failure to continue or failure to prepay, including any loss, cost or expense (excluding loss of anticipated profits) actually incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such LIBOR Loan.

2.12 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.10(a)(ii), 2.10(a)(iii), 2.10(b), or 5.4 with respect

to such Lender, it will, if requested by the Borrower use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event, provided that such designation is made on such terms that such Lender and its lending office suffer no economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of any such Section. Nothing in this Section 2.12 shall affect or postpone any of the obligations of the Borrower or the right of any Lender provided in Section 2.10, 3.5 or 5.4.

2.13 Notice of Certain Costs. Notwithstanding anything in this Agreement to the contrary, to the extent any notice required by Section 2.10, 2.11, or 5.4 is given by any Lender more than 180 days after such Lender has knowledge (or should have had knowledge) of the occurrence of the event giving rise to the additional cost, reduction in amounts, loss, tax or other additional amounts described in such Sections, such Lender shall not be entitled to compensation under Section 2.10, 2.11, or 5.4, as the case may be, for any such amounts incurred or accruing prior to the 181st day prior to the giving of such notice to the Borrower; provided that if the event giving rise to such additional cost, reduction in amounts, loss, tax or other additional amounts has a retroactive effect, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 3. Sponsor and Borrower Purchases.

3.1 Notice of Sponsor and Borrower Purchases. Sponsor may (i) from time to time seek to purchase in accordance with Section 14.6 Loans from Lenders pursuant to open market purchases, including, without limitation, pursuant to a Dutch auction, on terms to be agreed among the Sponsor and the Lenders participating in such open market purchases (each, a "Sponsor Purchase", and collectively, the "Sponsor Purchases"), in an aggregate amount for all such Sponsor Purchases by Sponsor Affiliated Lenders not to exceed 30% of the aggregate principal amount of the Loans outstanding at any time (the "Sponsor Purchase Cap Amount"), and (ii) at any time on or after the date of such Sponsor Purchase, contribute (the "Sponsor Contribution") the Loans acquired in such Sponsor Purchase to Holdings as a contribution to the equity of Holdings in return for additional Stock in Holdings and Holdings will then contribute (the "Holdings Contribution" and, together with the Sponsor Contribution, the "Contributions") the Loans acquired in such Sponsor Purchase to Borrower as a contribution to the equity of Borrower in return for additional Stock of Borrower. Additionally, the Borrower may from time to time seek to purchase in accordance with Section 14.6 Loans from Lenders pursuant to open market purchases, including, without limitation, pursuant to a Dutch auction, on terms to be agreed among the Borrower and the Lenders participating in such open market purchases (each, a "Borrower Purchase", and collectively, the "Borrower Purchases").

3.2 Cancellation of Loans. Notwithstanding any provision in this Agreement or the other Credit Documents, (a) if the Sponsor Purchases are contributed by any Sponsor Affiliated Lender as an equity contribution to Holdings and Borrower pursuant to and to the extent provided in the definition of "Contributions", then promptly following such Contributions, any Loans that are the subject of such Contributions shall be forgiven by Sponsor, Holdings and Borrower, as applicable, and shall be cancelled and no longer outstanding (and may not be resold by Borrower), for all purposes of this Agreement and all other Credit Documents, including, but not limited to (A) the making of, or the application of, any payments to the Lenders under this

Agreement or any other Credit Document, (B) the making of any request, demand, authorization, direction, notice, consent or waiver under this Agreement or any other Credit Document or (C) the determination of Required Lenders, or for any similar or related purpose, under this Agreement or any other Credit Document; (b) immediately following the consummation of a Borrower Purchase, any Loans that are the subject of such Borrower Purchase shall be forgiven by Borrower and shall be cancelled and no longer outstanding (and may not be resold by Borrower), for all purposes of this Agreement and all other Credit Documents, including, but not limited to (A) the making of, or the application of, any payments to the Lenders under this Agreement or any other Credit Document, (B) the making of any request, demand, authorization, direction, notice, consent or waiver under this Agreement or any other Credit Document or (C) the determination of Required Lenders, or for any similar or related purpose, under this Agreement or any other Credit Document; and (c) the parties hereto hereby agree that any Contribution or Borrower Purchase will not be a voluntary prepayment by Borrower for any purpose under this Agreement and the other Credit Documents, including, without limitation, the application of Section 5.3(a) and Section 14.8(a).

3.3 Acknowledgement. Each Lender acknowledges that (a) Affiliates of Borrower, including the Fund and/or entities controlled by the Fund that have complied with the definition of "Sponsor Affiliated Lender" may purchase Loans hereunder from Lenders from time to time on or after the Closing Date in an aggregate amount not to exceed the Sponsor Purchase Cap Amount, subject to the restrictions set forth in Section 14.6 and (b) other Affiliates of Borrower constituting Sponsor Affiliated Institutional Lenders may purchase Loans hereunder from Lenders from time to time on or after the Closing Date, subject to the restrictions set forth in Section 14.6 but not subject to the Sponsor Purchase Cap Amount or any other obligations described in the definition of "Sponsor Affiliated Lender."

SECTION 4. Fees; Commitments

4.1 Fees. (b) The Borrower agrees to pay to the Collateral Agent, for its own account, fees in the amounts and at the times set forth in the Engagement Letter.

4.2 [Intentionally Omitted].

4.3 Mandatory Termination of Commitments. (i) The Term Loan Commitments shall terminate at 5:00 p.m. (New York City time) on the Closing Date.

SECTION 5. Payments

5.1 Voluntary Prepayments. The Borrower shall have the right to prepay Term Loans, in each case, without premium or penalty except as set forth in subsection (b) below, in whole or in part from time to time on the following terms and conditions: (i) the Borrower shall give the Administrative Agent and at the Administrative Agent's Office written notice (or telephonic notice promptly confirmed in writing no later than 1:00 p.m. (New York City time)) of its intent to make such prepayment, the amount of such prepayment and (in the case of LIBOR Loans) the specific Borrowing(s) pursuant to which made, which notice shall be given by the Borrower no later than (x) in the case of a LIBOR Loans, 12:00 noon (New York City time) three Business Days prior to or (y) in the case of ABR Loans, 12:00 noon (New York City time) on, the date of

such prepayment and shall promptly be transmitted by the Administrative Agent to each of the Lenders; (ii) each partial prepayment of any Borrowing of Term Loans shall be in a multiple of $100,000 and in an aggregate principal amount of at least $1,000,000, provided that no partial prepayment of LIBOR Loans made pursuant to a single Borrowing shall reduce the outstanding LIBOR Loans made pursuant to such Borrowing to an amount less than the Minimum Borrowing Amount for LIBOR Loans and (iii) any prepayment of LIBOR Loans pursuant to this Section 5.1 on any day other than the last day of an Interest Period applicable thereto shall be subject to compliance by the Borrower with the applicable provisions of Section 2.11. Each prepayment in respect of any Term Loans pursuant to this Section 5.1 shall be applied to Term Loans in such manner as the Borrower may determine. At the Borrower's election in connection with any prepayment pursuant to this Section 5.1, such prepayment shall not be applied to any Term Loan of a Defaulting Lender.

5.2 Mandatory Prepayments. (a) Term Loan Prepayments. (i) After the Discharge of McJunkin Opco Term Obligations, on each occasion that a Prepayment Event occurs, the Borrower shall, within one Business Day after the occurrence of a Debt Incurrence Prepayment Event and within five Business Days after the occurrence of any other Prepayment Event (or, in the case of Deferred Net Cash Proceeds, within five Business Days after the Reinvestment Period relating to such Prepayment Event or 180 days thereafter, as applicable), prepay, in accordance with paragraph (c) below, the principal amount of Term Loans in an amount equal to 100% of the Net Cash Proceeds from such Prepayment Event. If the Stock or Stock Equivalents of any Restricted Subsidiary is sold or any Restricted Subsidiary is sold as a going concern on any date, the sale proceeds shall be allocated as follows: (x) that portion of the sale proceeds equal to the aggregate value of "Accounts" and "Cost" of "Inventory" (in each case, as defined in the McJunkin Opco Revolving Credit Agreement") shall be allocated to the Revolving Credit Collateral (as defined in the Intercreditor Agreement) of the Restricted Subsidiary so sold and shall be deemed to be proceeds thereof and (y) the balance of sale proceeds shall be allocated to the Collateral of the Restricted Subsidiaries so sold and shall be deemed to be proceeds thereof and applied pursuant to the foregoing sentence.

(ii) After the Discharge of McJunkin Opco Term Obligations, not later than the date that is ninety days after the last day of any fiscal year (commencing with and including the fiscal year ending December 31, 2007), the Borrower shall prepay, in accordance with paragraph (c) below, the principal of Term Loans in an amount equal to (x) 50% of Excess Cash Flow for such fiscal year, provided that (A) the percentage in this Section 5.2(a)(ii) shall be reduced to 25% if the Borrower's ratio of Consolidated Total Debt on the date of prepayment (prior to giving effect thereto) to Consolidated EBITDA for the most recent Test Period ended prior to such prepayment date is no greater than 2.50 to 1.00 but greater than 2.00 to 1.00 and (B) no payment of any Term Loans shall be required under this Section 5.2(a)(ii) if the Borrower's ratio of Consolidated Total Debt on the date of prepayment (prior to giving effect thereto) to Consolidated EBITDA for the most recent Test Period ended prior to such prepayment date is no greater than 2.00 to 1.00), minus (y) the principal amount of Term Loans voluntarily prepaid pursuant to Section 5.1 during such fiscal year.

(iii) On each occasion that a Qualified IPO occurs, the Borrower shall, within one Business Day after the occurrence thereof, prepay, in accordance with paragraph (c) below, the principal amount of Term Loans in an amount equal to 50% of the cash proceeds received

from such Qualified IPO, net of underwriting discounts and commissions and other reasonable costs and expenses associated therewith, including reasonable legal fees and expenses.

(b) Compliance with McJunkin Opco Term Loan Credit Agreement. Notwithstanding anything to the contrary, (A) no prepayments of Loans shall be required or permitted pursuant to Section 5.2(a)(i) or (ii) if dividends (as defined in the McJunkin Opco Credit Agreements) are not permitted to be made by McJunkin Opco pursuant to the McJunkin Opco Credit Agreements and (B) the amount of Net Cash Proceeds required to be applied toward prepayment of Loans pursuant to Section 5.2(a)(i) or (ii) shall be reduced on a dollar for dollar basis by amounts actually applied toward prepayment of McJunkin Opco Term Loans pursuant to Section 5.2(a)(i) or (ii) of the McJunkin Opco Term Loan Credit Agreement, as applicable.

(c) Application to Repayment Amounts. With respect to each prepayment of Term Loans required by Section 5.2(a), the Borrower will, not later than the date specified in Section 5.2(a) for making such prepayment, give the Administrative Agent telephonic notice (promptly confirmed in writing no later than 1:00 p.m. (New York City time)) requesting that the Administrative Agent provide notice of such prepayment to the applicable Term Loan Lenders.

(d) Application to Term Loans. With respect to prepayment of Term Loans required by Section 5.2(a), the Borrower may designate the Types of Loans that are to be prepaid and the specific Borrowing(s) pursuant to which made. In the absence of a designation by the Borrower as described in the preceding sentence, the Administrative Agent shall, subject to the above, make such designation in its reasonable discretion with a view, but no obligation, to minimize breakage costs owing under Section 2.11.

(e) LIBOR Interest Periods. In lieu of making any payment pursuant to this Section 5.2 in respect of any LIBOR Loan other than on the last day of the Interest Period therefor so long as no Event of Default shall have occurred and be continuing, the Borrower at its option may deposit with the Administrative Agent an amount equal to the amount of the LIBOR Loan to be prepaid and such LIBOR Loan shall be repaid on the last day of the Interest Period therefor in the required amount. Such deposit shall be held by the Administrative Agent in a corporate time deposit account established on terms reasonably satisfactory to the Administrative Agent, earning interest at the then-customary rate for accounts of such type. Such deposit shall constitute cash collateral for the Obligations, provided that the Borrower may at any time direct that such deposit be applied to make the applicable payment required pursuant to this Section 5.2.

(f) Minimum Amount. No prepayment shall be required pursuant to Section 5.2(a)(i) unless and until the amount at any time of Net Cash Proceeds from Prepayment Events required to be applied at or prior to such time pursuant to such Section and not yet applied at or prior to such time to prepay Term Loans pursuant to such Section exceeds (i) $5,000,000 for a single Prepayment Event or (ii) $10,000,000 in the aggregate for all such Prepayment Events (it being understood that (x) Net Cash Proceeds from Prepayment Events not applied toward prepayment of McJunkin Opco Term Loans pursuant to Section 5.2(a)(i) of the McJunkin Opco Term Loan Credit Agreement as a result of the operation of Section 5.2(f) of the McJunkin Opco Term Loan

Credit Agreement shall reduce the $10,000,000 basket in this clause (ii) on a dollar for dollar basis) and (y) only the portion of Net Cash Proceeds in excess of the $10,000,000 basket in this clause (ii) (as may be reduced pursuant to the preceding clause (x)) shall be required to prepay the Term Loans.

(g) Foreign Asset Sales. Notwithstanding any other provisions of this Section 5.2, (i) to the extent that any of or all the Net Cash Proceeds of a Casualty Event or any asset sale by a Restricted Foreign Subsidiary giving rise to an Asset Sale Prepayment Event (a "Foreign Asset Sale") or Excess Cash Flow are prohibited or delayed by applicable local law from being repatriated to the United States, the portion of such Net Cash Proceeds or Excess Cash Flow so affected will not be required to be applied to repay Term Loans at the times provided in this Section 5.2 but may be retained by the applicable Restricted Foreign Subsidiary so long, but only so long, as the applicable local law will not permit repatriation to the United States (the Borrower hereby agreeing to cause the applicable Restricted Foreign Subsidiary to promptly take all actions required by the applicable local law to permit such repatriation), and once such repatriation of any of such affected Net Cash Proceeds or Excess Cash Flow is permitted under the applicable local law, such repatriation will be immediately effected and such repatriated Net Cash Proceeds or Excess Cash Flow will be promptly (and in any event not later than two Business Days after such repatriation) applied (net of additional taxes payable or reserved against as a result thereof) to the repayment of the Term Loans pursuant to this Section 5.2 and (ii) to the extent that the Borrower has determined in good faith that repatriation of any of or all the Net Cash Proceeds of any Foreign Asset Sale or Excess Cash Flow would have an adverse tax or accounting consequence with respect to such Net Cash Proceeds or Excess Cash Flow, the Net Cash Proceeds or Excess Cash Flow so affected may be retained by the applicable Restricted Foreign Subsidiary, provided that, in the case of this clause (ii), on or before the date on which any Net Cash Proceeds or Excess Cash Flow so retained would otherwise have been required to be applied to reinvestments or prepayments pursuant to Section 5.2(a), (x) the Borrower applies an amount equal to such Net Cash Proceeds or Excess Cash Flow to such reinvestments or prepayments as if such Net Cash Proceeds or Excess Cash Flow had been received by the Borrower rather than such Restricted Foreign Subsidiary, less the amount of additional taxes that would have been payable or reserved against if such Net Cash Proceeds or Excess Cash Flow had been repatriated (or, if less, the Net Cash Proceeds or Excess Cash Flow that would be calculated if received by such Foreign Subsidiary) or (y) such Net Cash Proceeds or Excess Cash Flow are applied to the repayment of Indebtedness of a Restricted Foreign Subsidiary.

(h) Optional Waiver of Mandatory Prepayments. Notwithstanding the foregoing provisions of this Section 5.2, the Lenders shall have the right to waive by written notice to Borrower and the Administrative Agent on or before the date on which such mandatory prepayment would otherwise be required to be made hereunder the right to receive the amount of such mandatory prepayment of the Loans. If any Lender elects to waive the right to receive the amount of such mandatory prepayment, all of the amount that otherwise would have been applied to mandatorily prepay such Loans of such Lender shall be retained by Borrower for use at its discretion.

5.3 Method and Place of Payment . (a) Except as otherwise specifically provided herein, all payments under this Agreement shall be made by the Borrower, without set-off, counterclaim or deduction of any kind, to the Administrative Agent for the ratable account of

the Lenders entitled thereto, not later than 12:00 Noon (New York City time) on the date when due and shall be made in immediately available funds at the Administrative Agent's Office or at such other office as the Administrative Agent shall specify for such purpose by notice to the Borrower, it being understood that written or facsimile notice by the Borrower to the Administrative Agent to make a payment from the funds in the Borrower's account at the Administrative Agent's Office shall constitute the making of such payment to the extent of such funds held in such account. All repayments or prepayments of Loans (whether of principal, interest or otherwise) hereunder shall be made in Dollars. The Administrative Agent will thereafter cause to be distributed on the same day (if payment was actually received by the Administrative Agent prior to 2:00 p.m. (New York City time) on such day) like funds relating to the payment of principal or interest or Fees ratably to the Lenders entitled thereto.

(b) Any payments under this Agreement that are made later than 2:00 p.m. (New York City time) shall be deemed to have been made on the next succeeding Business Day. Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable during such extension at the applicable rate in effect immediately prior to such extension.

5.4 Net Payments. (a) Any and all payments made by or on behalf of the Borrower under this Agreement or any other Credit Document shall be made free and clear of, and without deduction or withholding for or on account of, any Indemnified Taxes; provided that if the Borrower shall be required by law to deduct or withhold any Indemnified Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions or withholdings applicable to additional sums payable under this Section 5.4) the Administrative Agent, the Collateral Agent, or any Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or withholdings been made, (ii) the Borrower shall make such deductions or withholdings and (iii) the Borrower shall pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law. Whenever any Indemnified Taxes are payable by the Borrower, as promptly as possible thereafter, the Borrower shall send to the Administrative Agent for its own account or for the account of such Lender, as the case may be, a certified copy of an original official receipt (or other evidence acceptable to such Lender, acting reasonably) received by the Borrower showing payment thereof.

(b) The Borrower shall pay and shall indemnify and hold harmless the Administrative Agent, the Collateral Agent, and each Lender with regard to any Other Taxes (whether or not such Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority).

(c) The Borrower shall indemnify and hold harmless the Administrative Agent, the Collateral Agent, and each Lender within 15 Business Days after written demand therefor, for the full amount of any Indemnified Taxes imposed on, or paid by, the Administrative Agent, the Collateral Agent, or such Lender as the case may be, on or with respect to any payment by or on account of any obligation of Borrower under this Agreement or under any other Credit

Document (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 5.4) and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified 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 by the Administrative Agent or the Collateral Agent on its own behalf or on behalf of a Lender shall be conclusive absent manifest error.

(d) Each Non-U.S. Lender making or acquiring a Loan to the Borrower shall:

(i) deliver to the Borrower and the Administrative Agent two copies of either (x) in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", United States Internal Revenue Service Form W-8BEN (together with a certificate representing that such Non-U.S. Lender is not a bank for purposes of Section 881(c) of the Code, is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of the Borrower and is not a controlled foreign corporation related to the Borrower (within the meaning of Section 864(d)(4) of the Code)), (y) Internal Revenue Service Form W-8BEN or Form W-8ECI, or (z) Internal Revenue Service Form W-8IMY (together with the forms and certificates described in clauses (x) and (y), as appropriate), in each case properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or reduced rate of, U.S. Federal withholding tax on payments by the Borrower under this Agreement; and

(ii) deliver to the Borrower and the Administrative Agent two further copies of any such form or certification (or any applicable successor form) on or before the date that any such form or certification expires or becomes obsolete and after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Borrower;

unless in any such case any Change in Law or other event has occurred prior to the date on which any such delivery would otherwise be required that renders any such form inapplicable or would prevent such Lender from duly completing and delivering any such form with respect to it and such Lender so advises the Borrower and the Administrative Agent. Each Person that shall become a Participant pursuant to Section 14.6 or a Lender pursuant to Section 14.6 shall, upon the effectiveness of the related transfer, be required to provide all the forms and statements required pursuant to this Section 5.4(d), provided that in the case of a Participant such Participant shall furnish all such required forms and statements to the Lender from which the related participation shall have been purchased.

(e) Each Lender that is entitled to an exemption from or reduction of non-U.S. withholding tax under the laws of the jurisdiction in which the Borrower is organized, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement or any other Credit Document by Borrower shall deliver to Borrower (with a copy to the Administrative Agent), as applicable, at the time or times prescribed by applicable law and reasonably requested by Borrower such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without such withholding or at such reduced rate, provided that such Lender is legally entitled to complete, execute and deliver such documentation, such documentation is necessary in order for such

exemption or reduction to apply and in such Lender's reasonable judgment the completion, execution or submission would not materially prejudice the legal position of the Lender. In addition, each Lender shall deliver such other documentation prescribed by applicable law and reasonably requested by the Borrower or the Administrative Agent (including an IRS Form W-8 or W-9) as will enable the Borrower or the Administrative Agent to determine whether such Lender is subject to United States backup withholding or information reporting requirements.

(f) If the Borrower determines in good faith that a reasonable basis exists for contesting any taxes for which indemnification has been demanded hereunder, the relevant Lender, the Administrative Agent or the Collateral Agent, as applicable, shall cooperate with the Borrower in a reasonable challenge of such taxes at the Borrower's expense if so requested by the Borrower. If any Lender, the Administrative Agent or the Collateral Agent, as applicable, receives a refund of a tax for which a payment has been made by the Borrower pursuant to this Agreement, which refund in the good faith judgment of such Lender, the Administrative Agent or the Collateral Agent, as the case may be, is attributable to such payment made by the Borrower, then the Lender, the Administrative Agent or the Collateral Agent, as the case may be, shall reimburse the Borrower for such amount (together with any interest received thereon) as the Lender, Administrative Agent or the Collateral Agent, as the case may be, determines to be the proportion of the refund as will leave it, after such reimbursement, in no better or worse position (taking into account expenses or any taxes imposed on the refund) than it would have been in if the payment had not been required. A Lender, the Administrative Agent or the Collateral Agent shall claim any refund that it determines is available to it, unless it concludes in its reasonable discretion that it would be adversely affected by making such a claim. The Borrower, upon the request of the Lender, the Administrative Agent or the Collateral Agent, as applicable, agrees to repay the amount paid over to the Borrower to the Lender, the Administrative Agent or the Collateral Agent, as applicable, in the event the Lender, the Administrative Agent or the Collateral Agent, as applicable, is required to repay the refund to the Governmental Authority. Neither the Lender, the Administrative Agent nor the Collateral Agent shall be obliged to disclose any information regarding its tax affairs or computations to the Borrower in connection with this paragraph (f) or any other provision of this Section 5.4.

(g) The agreements in this Section 5.4 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

5.5 Computations of Interest and Fees. (a) Interest on LIBOR Loans and, except as provided in the next succeeding sentence, ABR Loans shall be calculated on the basis of a 360-day year for the actual days elapsed. Interest on ABR Loans in respect of which the rate of interest is calculated on the basis of the Prime Rate and interest on overdue interest shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed.

(b) Fees shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed.

5.6 Limit on Rate of Interest.

(a) No Payment shall exceed Lawful Rate. Notwithstanding any other term of this Agreement, the Borrower shall not be obliged to pay any interest or other amounts under or in connection with this Agreement in excess of the amount or rate permitted under or consistent with any applicable law, rule or regulation.

(b) Payment at Highest Lawful Rate. If the Borrower is not obliged to make a payment which it would otherwise be required to make, as a result of Section 5.6(a), the Borrower shall make such payment to the maximum extent permitted by or consistent with applicable laws, rules and regulations.

(c) Adjustment if any Payment exceeds Lawful Rate. If any provision of this Agreement or any of the other Credit Documents would obligate the Borrower to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate which would be prohibited by any applicable law, rule or regulation, then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law, such adjustment to be effected, to the extent necessary, by reducing the amount or rate of interest required to be paid by the Borrower to the affected Lender under Section 2.8.

Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if any Lender shall have received from the Borrower an amount in excess of the maximum permitted by any applicable law, rule or regulation, then the Borrower shall be entitled, by notice in writing to the Administrative Agent to obtain reimbursement from that Lender in an amount equal to such excess, and pending such reimbursement, such amount shall be deemed to be an amount payable by that Lender to the Borrower.

SECTION 6. Conditions Precedent to Initial Borrowing

The initial Borrowing under this Agreement is subject to the satisfaction of the following conditions precedent, except as otherwise agreed between the Borrower and the Administrative Agent.

6.1 Credit Documents. The Administrative Agent shall have received:

(a) this Agreement, executed and delivered by a duly authorized officer of the Borrower and each Lender;

(b) the Pledge Agreement, executed and delivered by a duly authorized officer of Borrower; and

(c) the Security Agreement, executed and delivered by a duly authorized officer of Borrower.

6.2 Collateral. (a) All outstanding equity interests in whatever form of McJunkin Opco directly owned by or on behalf of Borrower and required to be pledged pursuant to the Pledge Agreement shall have been pledged pursuant thereto and the Collateral Agent shall have received all certificates (if any) representing securities pledged under the Pledge

Agreement to the extent certificated, accompanied by instruments of transfer and undated stock powers endorsed in blank.

(b) All Uniform Commercial Code financing statements, required by law or reasonably requested by the Collateral Agent to be filed to create the Liens intended to be created by the Security Agreement and perfect such Liens to the extent required by, and with the priority required by, the Security Agreement shall have been delivered to the Collateral Agent for filing.

(c) The Borrower shall deliver to the Collateral Agent a completed Perfection Certificate, executed and delivered by an Authorized Officer of the Borrower, together with all attachments contemplated thereby.

6.3 Legal Opinions. The Administrative Agent shall have received the executed legal opinion of Simpson Thacher & Bartlett LLP, special New York counsel to the Borrower, substantially in the form of Exhibit I. The Borrower and the Administrative Agent hereby instruct such counsel to deliver such legal opinions.

6.4 Equity Investments; Existing Indebtedness. After giving effect to the Dividend Transactions, the Borrower shall have no outstanding Indebtedness other than the Term Loans.

6.5 Closing Certificates. The Administrative Agent shall have received a certificate of Borrower, dated the Closing Date, substantially in the form of Exhibit J, with appropriate insertions, executed by the President or any Vice President and the Secretary or any Assistant Secretary of Borrower, and attaching the documents referred to in Section 6.6.

6.6 Organizational Documents; Incumbency. The Administrative Agent shall have received a copy of (a) each Organizational Document of Borrower certified, to the extent applicable, as of a recent date by the applicable Governmental Authority, (b) signature and incumbency certificates of the Authorized Officers of Borrower executing the Credit Documents; (c) resolutions of the Board of Directors or similar governing body of Borrower approving and authorizing the execution, delivery and performance of Credit Documents and the extensions of credit contemplated hereunder, certified as of the Closing Date by its secretary or an assistant secretary as being in full force and effect without modification or amendment and (d) a good standing certificate from the applicable Governmental Authority of Borrower's jurisdiction of incorporation, organization or formation.

6.7 Fees. The Co-Lead Arrangers and the Collateral Agent shall have received the fees to be received on the Closing Date set forth in the Engagement Letter and all expenses required to be paid by the Borrower pursuant to the Engagement Letter (including the reasonable fees, disbursements and other charges of counsel) for which invoices have been presented prior to the Closing Date shall have been paid.

6.8 Representations and Warranties. On the Closing Date, the representations and warranties made by the Borrower contained herein or in the other Credit Documents shall be true and correct in all material respects.

6.9 Solvency Certificate. On the Closing Date, Administrative Agent shall have received a certificate from an Authorized Officer of the Borrower, with appropriate attachments and demonstrating that after giving effect to the consummation of the Dividend Transactions, the Borrower on a consolidated basis with its Subsidiaries is Solvent.

6.10 Historical Financial Statements. Lenders shall have received the Historical Financial Statements.

6.11 Notice of Borrowing. The Administrative Agent shall have received a Notice of Borrowing (whether in writing or by telephone) meeting the requirements of Section 2.3.

6.12 No Default. At the time of the initial Borrowing and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing.

SECTION 7. [Intentionally Omitted.]

SECTION 8. Representations, Warranties and Agreements

In order to induce the Lenders to enter into this Agreement, to make the Loans as provided for herein, the Borrower (with respect to itself and its Subsidiaries) makes the following representations and warranties to, and agreements with, the Lenders, all of which shall survive the execution and delivery of this Agreement and the making of the Loans:

8.1 Corporate Status. The Borrower and each Material Subsidiary (a) is a duly organized and validly existing corporation or other entity in good standing under the laws of the jurisdiction of its organization and has the corporate or other organizational power and authority to own its property and assets and to transact the business in which it is engaged and (b) has duly qualified and is authorized to do business and is in good standing in all jurisdictions where it is required to be so qualified, except where the failure to be so qualified could not reasonably be expected to result in a Material Adverse Effect.

8.2 Corporate Power and Authority. Borrower has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Credit Documents and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Credit Documents. Borrower has duly executed and delivered each Credit Document and each such Credit Document constitutes the legal, valid and binding obligation of Borrower enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and subject to general principles of equity. Borrower is in compliance with all laws, orders, writs and injunctions except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

8.3 No Violation. Neither the execution, delivery or performance by Borrower of the Credit Documents nor compliance with the terms and provisions thereof nor the consummation of the other transactions contemplated hereby or thereby will (a) contravene any applicable provision of any material law, statute, rule, regulation, order, writ, injunction or decree of any court or governmental instrumentality, (b) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of

(or the obligation to create or impose) any Lien upon any of the property or assets of Borrower or any of the Restricted Subsidiaries (other than Liens created under the Credit Documents) pursuant to, the terms of any material indenture, loan agreement, lease agreement, mortgage, deed of trust, agreement or other material instrument to which Borrower or any of the Restricted Subsidiaries is a party or by which it or any of its property or assets is bound or (c) violate any provision of the certificate of incorporation, by-laws or other constitutional documents of Borrower or any of the Restricted Subsidiaries.

8.4 Litigation. There are no actions, suits or proceedings (including Environmental Claims) pending or, to the knowledge of the Borrower, threatened with respect to the Borrower or any of its Subsidiaries that could reasonably be expected to result in a Material Adverse Effect or a Material Adverse Change.

8.5 Margin Regulations. Neither Borrower nor any of its Subsidiaries is engaged principally, as one or more of its important activities, in the business of extending credit for the purpose of purchasing any "margin stock" as defined in Regulation U. Neither the making of any Loan hereunder nor the use of the proceeds thereof will violate the provisions of Regulation T, U or X of the Board.

8.6 Governmental Approvals. The execution, delivery and performance of any Credit Document does not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except for (i) such as have been obtained or made and are in full force and effect, (ii) filings and recordings in respect of the Liens created pursuant to the Security Documents and (iii) such licenses, approvals, authorizations or consents the failure to obtain or make could not reasonably be expected to have a Material Adverse Effect.

8.7 Investment Company Act. The Borrower is not an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

8.8 True and Complete Disclosure. (a) None of the factual information and data (taken as a whole) heretofore or contemporaneously furnished by or on behalf of the Borrower, any of the Subsidiaries or any of their respective authorized representatives in writing to the Administrative Agent and/or any Lender on or before the Closing Date (including (i) the Confidential Information Memorandum and (ii) all information contained in the Credit Documents) for purposes of or in connection with this Agreement or any transaction contemplated herein contained any untrue statement or omitted to state any material fact necessary to make such information and data (taken as a whole) not misleading at such time in light of the circumstances under which such information or data was furnished, it being understood and agreed that for purposes of this Section 8.8(a), such factual information and data shall not include projections and pro forma financial information.

(b) The projections and pro forma financial information contained in the information and data referred to in paragraph (a) above were based on good faith estimates and assumptions believed by such Persons to be reasonable at the time made, it being recognized by the Lenders that such projections as to future events are not to be viewed as

facts and that actual results during the period or periods covered by any such projections may differ from the projected results.

8.9 Financial Condition; Financial Statements. The (a) unaudited historical consolidated financial information of the Borrower and its Subsidiaries as set forth in the Confidential Information Memorandum, and (b) the Historical Financial Statements, in each case present or will, when provided, present fairly in all material respects the combined financial position of the Borrower and its Subsidiaries at the respective dates of said information, statements and results of operations for the respective periods covered thereby. The financial statements referred to in clause (b) of this Section 8.9 have been prepared in accordance with GAAP, consistently applied (except to the extent provided in the notes to said financial statements), and the audit reports accompanying such financial statements are not subject to any qualification as to the scope of the audit or the status of McJunkin Opco as a going concern. There has been no Material Adverse Change since December 31, 2007.

8.10 Tax Returns and Payments. The Borrower and each of the Subsidiaries has filed all federal income tax returns and all other material tax returns, domestic and foreign, required to be filed by it and has paid all income and other material Taxes payable by it that have become due, other than those (a) not yet delinquent or (b) contested in good faith as to which adequate reserves have been provided in accordance with GAAP and which could not reasonably be expected to result in a Material Adverse Effect. The Borrower and each of the Subsidiaries have paid, or have provided adequate reserves (in the good faith judgment of the management of the Borrower) in accordance with GAAP for the payment of, all material federal, state, provincial and foreign income taxes applicable for all prior fiscal years and for the current fiscal year to the Closing Date.

8.11 Compliance with ERISA. (a) Each Plan is in compliance with ERISA, the Code and any applicable Requirement of Law; no Reportable Event has occurred (or is reasonably likely to occur) with respect to any Plan; no Plan is insolvent or in reorganization (or is reasonably likely to be insolvent or in reorganization), and no written notice of any such insolvency or reorganization has been given to the Borrower, any Subsidiary or any ERISA Affiliate; no Plan (other than a multiemployer plan) has an accumulated or waived funding deficiency (or is reasonably likely to have such a deficiency); none of the Borrower, any Subsidiary or any ERISA Affiliate has incurred (or is reasonably likely expected to incur) any liability to or on account of a Plan pursuant to Section 409, 502(i), 502(l), 515, 4062, 4063, 4064, 4069, 4201 or 4204 of ERISA or Section 4971 or 4975 of the Code or has been notified in writing that it will incur any liability under any of the foregoing Sections with respect to any Plan; no proceedings have been instituted (or are reasonably likely to be instituted) to terminate or to reorganize any Plan or to appoint a trustee to administer any Plan, and no written notice of any such proceedings has been given to the Borrower, any Subsidiary or any ERISA Affiliate; and no lien imposed under the Code or ERISA on the assets of the Borrower or any Subsidiary or any ERISA Affiliate exists (or is reasonably likely to exist) nor has the Borrower, any Subsidiary or any ERISA Affiliate been notified in writing that such a lien will be imposed on the assets of the Borrower, any Subsidiary or any ERISA Affiliate on account of any Plan, except to the extent that a breach of any of the representations, warranties or agreements in this Section 8.11 would not result, individually or in the aggregate, in an amount of liability that would be reasonably likely to have a Material Adverse Effect. No

Plan (other than a multiemployer plan) has an Unfunded Current Liability that would, individually or when taken together with any other liabilities referenced in this Section 8.11, be reasonably likely to have a Material Adverse Effect. With respect to Plans that are multiemployer plans (as defined in Section 3(37) of ERISA), the representations and warranties in this Section 8.11(a), other than any made with respect to (i) liability under Section 4201 or 4204 of ERISA or (ii) liability for termination or reorganization of such Plans under ERISA, are made to the best knowledge of the Borrower.

(b) All Foreign Plans are in compliance with, and have been established, administered and operated in accordance with, the terms of such Foreign Plans and applicable law, except for any failure to so comply, establish, administer or operate the Foreign Plans as would not reasonably be expected to have a Material Adverse Effect. All contributions or other payments which are due with respect to each Foreign Plan have been made in full and there are no funding deficiencies thereunder, except to the extent any such events would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

8.12 Subsidiaries. Schedule 8.12 lists each Subsidiary of the Borrower (and the direct and indirect ownership interest of the Borrower therein), in each case existing on the Closing Date. To the knowledge of the Borrower, after due inquiry, each Material Subsidiary as of the Closing Date has been so designated on Schedule 8.12.

8.13 Intellectual Property. The Borrower and each of the Restricted Subsidiaries have obtained all intellectual property, free from burdensome restrictions, that are necessary for the operation of their respective businesses as currently conducted and as proposed to be conducted, except where the failure to obtain any such rights could not reasonably be expected to have a Material Adverse Effect.

8.14 Environmental Laws. (a) Except as could not reasonably be expected to have a Material Adverse Effect: (i) the Borrower and each of the Subsidiaries and all Real Estate are, and have been, in compliance with, and possess all permits, licenses and registrations required pursuant to, all Environmental Laws; (ii) neither the Borrower, nor any of the Subsidiaries is subject to any Environmental Claim or any other liability under any Environmental Law; (iii) the Borrower and its Subsidiaries are not conducting, or required to conduct, any investigation, removal, remedial or other corrective action pursuant to any Environmental Law at any location, including any Real Estate currently owned or leased by the Borrower or any of its Subsidiaries, and any real property to which the Borrower or any of its Subsidiaries may have sent Hazardous Materials; and (iv) no underground storage tank or related piping, or any impoundment or other disposal area containing Hazardous Materials is located at, on or under any Real Estate currently owned or leased by the Borrower or any of its Subsidiaries.

(b) Neither the Borrower, nor any of the Subsidiaries has treated, stored, transported, released or disposed or arranged for disposal or transport for disposal of Hazardous Materials at, on, under or from any currently or formerly owned or leased Real Estate or facility in a manner that could reasonably be expected to have a Material Adverse Effect.

8.15 Properties. The Borrower and each of the Subsidiaries have good and marketable title to or leasehold interest in all properties that are necessary for the operation of their respective businesses as currently conducted and as proposed to be conducted, free and clear of all Liens (other than any Liens permitted by this Agreement or the McJunkin Opco Revolving Credit Agreement) and except where the failure to have such good title could not reasonably be expected to have a Material Adverse Effect.

8.16 Solvency. On the Closing Date (after giving effect to the Dividend Transactions), immediately following the making of each Loan and after giving effect to the application of the proceeds of such Loans, the Borrower on a consolidated basis with its Subsidiaries will be Solvent.

SECTION 9. Affirmative Covenants

The Borrower hereby covenants and agrees that on the Closing Date and thereafter, until the Commitments have terminated and the Loans, together with interest, Fees and all other Obligations incurred hereunder, are paid in full:

9.1 Information Covenants. The Borrower will furnish to the Administrative Agent:

(a) Annual Financial Statements. As soon as available and in any event on or before the date on which such financial statements are required to be filed with the SEC (or, if such financial statements are not required to be filed with the SEC, on or before the date that is 105 days after the end of each such fiscal year), the consolidated balance sheet of McJunkin Opco and the other Restricted Subsidiaries (and, to the extent prepared, of Borrower and the Restricted Subsidiaries) as at the end of such fiscal year, and the related consolidated statement of operations and consolidated statement of cash flows for such fiscal year, setting forth comparative consolidated figures for the preceding fiscal year, and certified by independent certified public accountants of recognized national standing whose opinion shall not be qualified as to the scope of audit or as to the status of McJunkin Opco or any of the Material Subsidiaries (or group of Subsidiaries that together would constitute a Material Subsidiary) as a going concern, together in any event with a certificate of such accounting firm stating that in the course of its regular audit of the business of McJunkin Opco and the Material Subsidiaries, which audit was conducted in accordance with generally accepted auditing standards, such accounting firm has obtained no knowledge of any Default or Event of Default relating to Sections 10.1, 10.2 or 10.3 that has occurred and is continuing or, if in the opinion of such accounting firm such a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof which shall be certified by a Financial Officer of the Borrower.

(b) Quarterly Financial Statements. As soon as available and in any event on or before the date on which such financial statements are required to be filed with the SEC with respect to each of the first three quarterly accounting periods in each fiscal year of McJunkin Opco (or, if such financial statements are not required to be filed with the SEC, on or before the date that is sixty (60) days after the end of each such quarterly accounting period), the consolidated balance sheet of (i) McJunkin Opco and the other

Restricted Subsidiaries (and, to the extent prepared, Borrower and the Restricted Subsidiaries) and (ii) McJunkin Opco and its Subsidiaries (and, to the extent prepared, Borrower and its Restricted Subsidiaries), in each case as at the end of such quarterly period and the related consolidated statement of operations for such quarterly accounting period and for the elapsed portion of the fiscal year ended with the last day of such quarterly period, and the related consolidated statement of cash flows for the elapsed portion of the fiscal year ended with the last day of such quarterly period, and setting forth comparative consolidated figures for the related periods in the prior fiscal year or, in the case of such consolidated balance sheet, for the last day of the prior fiscal year, all of which shall be certified by a Financial Officer of the Borrower, subject to changes resulting from audit and normal year-end audit adjustments.

(c) Monthly Financial Statements. As soon as available and in any event on or before the date that is thirty (30) days after the end of each fiscal month of Borrower, the consolidated balance sheet of (i) McJunkin Opco and the other Restricted Subsidiaries (and, to the extent prepared, Borrower and the Restricted Subsidiaries) and (ii) McJunkin Opco and its Subsidiaries (and, to the extent prepared, Borrower and its Restricted Subsidiaries), in each case as at the end of such fiscal month and the related consolidated statement of operations for such fiscal month and for the elapsed portion of the fiscal year ended with the last day of such fiscal month, and the related consolidated statement of cash flows for the elapsed portion of the fiscal year ended with the last day of such fiscal month, and setting forth comparative consolidated figures for the related periods in the prior fiscal year or, in the case of such consolidated balance sheet, for the last day of the prior fiscal year, all of which shall be certified by a Financial Officer of the Borrower, subject to changes resulting from audit and normal year-end audit adjustments.

(d) Budgets. Not more than sixty (60) days after the commencement of each fiscal year of McJunkin Opco, a budget of McJunkin Opco in reasonable detail for such fiscal year as customarily prepared by management of McJunkin Opco for their internal use consistent in scope with the financial statements provided pursuant to Section 9.1(a), setting forth the principal assumptions upon which such budgets are based.

(e) Officer's Certificates. At the time of the delivery of the financial statements provided for in Sections 9.1(a) and (b), a certificate of an Authorized Officer of the Borrower to the effect that no Default or Event of Default exists or, if any Default or Event of Default does exist, specifying the nature and extent thereof, which certificate shall set forth (i) the calculations required to establish whether the Borrower and the Subsidiaries were in compliance with the provisions of Sections 10.1 and 10.2 as at the end of such fiscal year or period, as the case may be, (ii) a specification of any change in the identity of the Restricted Subsidiaries and Unrestricted Subsidiaries as at the end of such fiscal year or period, as the case may be, from the Restricted Subsidiaries and Unrestricted Subsidiaries, respectively, provided to the Lenders on the Closing Date or the most recent fiscal year or period, as the case may be, (iii) the amount of any Pro Forma Adjustment not previously set forth in a Pro Forma Adjustment Certificate or any change in the amount of a Pro Forma Adjustment set forth in any Pro Forma Adjustment Certificate previously provided and, in either case, in reasonable detail, the calculations and basis therefor. At the time of the delivery of the financial statements provided for in

Section 9.1(a), a certificate of an Authorized Officer of the Borrower setting forth the information required pursuant to Section 1(a) of the Perfection Certificate or confirming that there has been no change in such information since the Closing Date or the date of the most recent certificate delivered pursuant to this subsection (e)(ii), as the case may be.

(f) [Intentionally Omitted]

(g) [Intentionally Omitted]

(h) Notice of Default or Litigation. Promptly after an Authorized Officer of the Borrower or any of the Subsidiaries obtains knowledge thereof, notice of (i) the occurrence of any event that constitutes a Default or Event of Default, which notice shall specify the nature thereof, the period of existence thereof and what action the Borrower proposes to take with respect thereto and (ii) any litigation or governmental proceeding pending against the Borrower or any of the Subsidiaries that could reasonably be expected to result in a Material Adverse Effect or a Material Adverse Change.

(i) Environmental Matters. The Borrower will promptly advise the Administrative Agent in writing after obtaining knowledge of any one or more of the following environmental matters, unless such environmental matters could not, individually or when aggregated with all other such matters, be reasonably expected to result in a Material Adverse Effect:

(i) Any pending or threatened Environmental Claim against Borrower or any Restricted Subsidiary or any current or former Real Estate;

(ii) Any condition or occurrence on or otherwise related to any current or former Real Estate that (x) could reasonably be expected to result in noncompliance by Borrower or any Restricted Subsidiary with any applicable Environmental Law or (y) could reasonably be anticipated to form the basis of an Environmental Claim against Borrower or any Restricted Subsidiary or any current or former Real Estate;

(iii) Any condition or occurrence on or otherwise related to any current or former Real Estate that could reasonably be anticipated to cause such Real Estate to be subject to any restrictions on the ownership, occupancy, use or transferability of such Real Estate under any Environmental Law; and

(iv) The conduct or need to conduct of any investigation, or any removal, remedial or other corrective action in response to the actual or alleged presence, release or threatened release of any Hazardous Material on, at, under or from any current or former Real Estate or otherwise related to Environmental Law.

All such notices shall describe in reasonable detail the nature of the claim, investigation, condition, occurrence or removal or remedial action and the response thereto. The term “Real Estate” shall mean land, buildings and improvements owned or leased by Borrower

or any Restricted Subsidiary, but excluding all operating fixtures and equipment, whether or not incorporated into improvements.

(j) Other Information. Promptly upon filing thereof, copies of any filings (including on Form 10-K, 10-Q or 8-K) or registration statements with, and reports to, the SEC or any analogous Governmental Authority in any relevant jurisdiction by the Borrower or any of the Subsidiaries (other than amendments to any registration statement (to the extent such registration statement, in the form it becomes effective, is delivered to the Lenders and the Administrative Agent), exhibits to any registration statement and, if applicable, any registration statements on Form S-8) and copies of all financial statements, proxy statements, notices and reports that the Borrower or any of the Subsidiaries shall send to the holders of any publicly issued debt of the Borrower and/or any of the Subsidiaries in their capacity as such holders (in each case to the extent not theretofore delivered to the Lenders and the Administrative Agent pursuant to this Agreement) and, with reasonable promptness, such other information (financial or otherwise) as the Administrative Agent on its own behalf or on behalf of any Lender (acting through the Administrative Agent) may reasonably request in writing from time to time.

(k) Pro Forma Adjustment Certificate. Not later than any date on which financial statements are delivered with respect to any Test Period in which a Pro Forma Adjustment is made as a result of the consummation of the acquisition of any Acquired Entity or Business by the Borrower or any Restricted Subsidiary for which there shall be a Pro Forma Adjustment, a certificate of an Authorized Officer of the Borrower setting forth the amount of such Pro Forma Adjustment and, in reasonable detail, the calculations and basis therefor.

(l) Information Regarding Collateral. Not later than sixty (60) days following the occurrence of any change referred to in subclauses (i) through (iv) below, written notice of any change (i) in the legal name of Borrower, (ii) in the jurisdiction of organization or location of Borrower for purposes of the Uniform Commercial Code, (iii) in the identity or type of organization of Borrower or (iv) in the Federal Taxpayer Identification Number or organizational identification number of Borrower. The Borrower shall also promptly provide the Collateral Agent with certified Organizational Documents reflecting any of the changes described in the first sentence of this clause (1).

Notwithstanding the foregoing, the obligations in paragraphs (a) and (b) of this Section 9.1 may be satisfied with respect to financial information of McJunkin Opco and the Restricted Subsidiaries by furnishing (A) the applicable financial statements of any direct or indirect parent of McJunkin Opco or (B) the Borrower's (or any direct or indirect parent thereof's), as applicable, Form 10-K or 10-Q, as applicable, filed with the SEC; provided that, with respect to each of clauses (A) and (B) above, to the extent such information relates to a parent of the Borrower, such information is accompanied by consolidating information that explains in reasonable detail the differences between the information relating to such parent, on the one hand, and the information relating to McJunkin Opco and the Restricted Subsidiaries on a standalone basis, on the other hand.

9.2 Books, Records and Inspections. The Borrower will, and will cause each of the Subsidiaries to, permit officers and designated representatives of the Administrative Agents or the Required Lenders to visit and inspect any of the properties or assets of the Borrower and any such Subsidiary in whomsoever's possession to the extent that it is within such party's control to permit such inspection, and to examine the books and records of the Borrower and any such Subsidiary and discuss the affairs, finances and accounts of the Borrower and of any such Subsidiary with, and be advised as to the same by, its and their officers and independent accountants, all at such reasonable times and intervals and to such reasonable extent as the Administrative Agents or the Required Lenders may desire; provided that, excluding any such visits and inspections during the continuation of an Event of Default, only the Administrative Agent (or any of their respective representatives or independent contractors) on behalf of the Required Lenders may exercise rights of the Administrative Agent and the Lenders under this Section 9.2 and the Administrative Agent shall not exercise such rights more often than two times during any calendar year absent the existence of an Event of Default and only one such time shall be at the Borrower's expense; provided further that when an Event of Default exists, the Administrative Agent (or any of its representatives or independent contractors) or any representative of the Required Lenders may do any of the foregoing at the expense of the Borrower at any time during normal business hours and upon reasonable advance notice. The Administrative Agent and the Required Lenders shall give the Borrower the opportunity to participate in any discussions with the Borrower's independent public accountants.

9.3 Maintenance of Insurance. The Borrower will, and will cause each of the Material Subsidiaries to, at all times maintain in full force and effect, with insurance companies that the Borrower believes (in the good faith judgment of the management of the Borrower) are financially sound and responsible at the time the relevant coverage is placed or renewed, insurance in at least such amounts (after giving effect to any self-insurance which the Borrower believes (in the good faith judgment of management of the Borrower) is reasonable and prudent in light of the size and nature of its business) and against at least such risks (and with such risk retentions) as the Borrower believes (in the good faith judgment of management of the Borrower) is reasonable and prudent in light of the size and nature of its business; and will furnish to the Administrative Agent (for deliver to the Lenders), upon written request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried. Each such policy of insurance shall (i) name Collateral Agent, on behalf of Secured Parties as an additional insured thereunder as its interests may appear and (ii) in the case of each casualty insurance policy, contain a loss payable clause or endorsement reasonably satisfactory in form and substance to Collateral Agent, that names Collateral Agent, on behalf of Lenders as the loss payee thereunder and provides for at least thirty days' prior written notice to Collateral Agent of any modification or cancellation of such policy.

9.4 Payment of Taxes. Borrower and each Restricted Subsidiary will pay and discharge, and will cause each of the Subsidiaries to pay and discharge, all material taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which material penalties attach thereto, and all lawful material claims that, if unpaid, could reasonably be expected to become a material Lien upon any properties of Borrower or any of the Restricted Subsidiaries, provided that neither Borrower nor any Restricted Subsidiary shall be required to pay any such tax, assessment, charge, levy or claim that is being contested in good faith and by proper proceedings if it has

maintained adequate reserves (in the good faith judgment of the management of the Borrower) with respect thereto in accordance with GAAP and the failure to pay could not reasonably be expected to result in a Material Adverse Effect.

9.5 Consolidated Corporate Franchises. The Borrower will do, and will cause each Material Subsidiary to do, or cause to be done, all things necessary to preserve and keep in full force and effect its existence, corporate rights and authority, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect; provided, however, that the Borrower and its Subsidiaries may consummate any transaction permitted under Sections 10.3, 10.4 or 10.5 of the McJunkin Opco Credit Agreements.

9.6 Compliance with Statutes, Regulations, etc. The Borrower will, and will cause each Subsidiary to, comply with all applicable laws, rules, regulations and orders applicable to it or its property, including all governmental approvals or authorizations required to conduct its business, and to maintain all such governmental approvals or authorizations in full force and effect, in each case except where the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

9.7 ERISA. Promptly after the Borrower or any Subsidiary or any ERISA Affiliate knows or has reason to know of the occurrence of any of the following events that, individually or in the aggregate (including in the aggregate such events previously disclosed or exempt from disclosure hereunder, to the extent the liability therefor remains outstanding), would be reasonably likely to have a Material Adverse Effect, the Borrower will deliver to each of the Lenders a certificate of an Authorized Officer or any other senior officer of the Borrower setting forth details as to such occurrence and the action, if any, that the Borrower, such Subsidiary or such ERISA Affiliate is required or proposes to take, together with any notices (required, proposed or otherwise) given to or filed with or by the Borrower, such Subsidiary, such ERISA Affiliate, the PBGC, a Plan participant (other than notices relating to an individual participant's benefits) or the Plan administrator with respect thereto: that a Reportable Event has occurred; that an accumulated funding deficiency has been incurred or an application is to be made to the Secretary of the Treasury for a waiver or modification of the minimum funding standard (including any required installment payments) or an extension of any amortization period under Section 412 of the Code with respect to a Plan; that a Plan having an Unfunded Current Liability has been or is to be terminated, reorganized, partitioned or declared insolvent under Title IV of ERISA (including the giving of written notice thereof); that a Plan has an Unfunded Current Liability that has or will result in a lien under ERISA or the Code; that proceedings will be or have been instituted to terminate a Plan having an Unfunded Current Liability (including the giving of written notice thereof); that a proceeding has been instituted against the Borrower, a Subsidiary or an ERISA Affiliate pursuant to Section 515 of ERISA to collect a delinquent contribution to a Plan; that the PBGC has notified the Borrower, any Subsidiary or any ERISA Affiliate of its intention to appoint a trustee to administer any Plan; that the Borrower, any Subsidiary or any ERISA Affiliate has failed to make a required installment or other payment pursuant to Section 412 of the Code with respect to a Plan; or that the Borrower, any Subsidiary or any ERISA Affiliate has incurred or will incur (or has been notified in writing that it will incur) any liability (including any contingent or secondary liability) to or on account of a Plan pursuant to Section 409, 502(i), 502(l), 515, 4062, 4063, 4064, 4069, 4201 or 4204 of ERISA or Section 4971 or 4975 of the Code.

9.8 Maintenance of Properties. The Borrower will, and will cause each of the Restricted Subsidiaries to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, except to the extent that the failure to do so could reasonably be expected to have a Material Adverse Effect.

9.9 Transactions with Affiliates. The Borrower will conduct, and cause each of the Restricted Subsidiaries to conduct, all transactions with any of its Affiliates (other than the Borrower or the Restricted Subsidiaries) on terms that are substantially as favorable to the Borrower or such Restricted Subsidiary as it would obtain in a comparable arm's-length transaction with a Person that is not an Affiliate, provided that the foregoing restrictions shall not apply to (a) the payment of customary fees to the Sponsor for management, consulting and financial services rendered to the Borrower and the Subsidiaries and customary investment banking fees paid to the Sponsor for services rendered to the Borrower and the Subsidiaries in connection with divestitures, acquisitions, financings and other transactions, (b) transactions permitted by Section 10.6 of the McJunkin Opco Credit Agreements or Section 10.4 hereof, (c) Dividend Transaction Expenses, (d) the issuance of Stock or Stock Equivalents of the Borrower pursuant to arrangements described in clause (f) of this Section 9.9, (e) loans and other transactions by the Borrower and the Restricted Subsidiaries to the extent permitted under Section 10 of the McJunkin Opco Credit Agreements and Section 10.4 hereof, (f) employment and severance arrangements between the Borrower and the Restricted Subsidiaries and their respective officers and employees in the ordinary course of business, (g) payments by the Borrower (and any direct or indirect parent thereof) and the Restricted Subsidiaries pursuant to the tax sharing agreements among the Borrower (and any such parent) and the Restricted Subsidiaries on customary terms to the extent attributable to the ownership or operation of the Borrower and the Restricted Subsidiaries, (h) the payment of customary fees and reasonable out of pocket costs to, and indemnities provided on behalf of, directors, managers, consultants, officers and employees of the Borrower and the Restricted Subsidiaries in the ordinary course of business to the extent attributable to the ownership or operation of the Borrower and the Restricted Subsidiaries, (i) transactions pursuant to permitted agreements in existence on the Closing Date and set forth on Schedule 9.9 or any amendment thereto to the extent such an amendment is not adverse, taken as a whole, to the Lenders in any material respect, and (j) customary payments by the Borrower and any Restricted Subsidiaries to the Sponsor made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities (including in connection with acquisitions or divestitures), which payments are approved by the majority of the members of the board of directors or a majority of the disinterested members of the board of directors of the Borrower (or any direct or indirect parent thereof), in good faith.

9.10 End of Fiscal Years; Fiscal Quarters. The Borrower will, for financial reporting purposes, cause (a) each of its, and each of its Subsidiaries', fiscal years to end on December 31 of each year and (b) each of its, and each of its Subsidiaries', fiscal quarters to end on dates consistent with such fiscal year-end and the Borrower's past practice; provided, however, that the Borrower may, upon written notice to the Administrative Agent, change the financial reporting convention specified above to any other financial reporting convention reasonably acceptable to the Administrative Agent, in which case the Borrower and the Administrative Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary in order to reflect such change in financial reporting.

9.11 [Intentionally Omitted].

9.12 [Intentionally Omitted]

9.13 Use of Proceeds. The Borrower will use the proceeds of all Term Loans made on the Closing Date to effect the Special Equity Dividend.

9.14 [Intentionally Omitted].

9.15 [Intentionally Omitted].

9.16 [Intentionally Omitted].

9.17 Further Assurances. (a) The Borrower 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), which may be required under any applicable law, or which the Collateral Agent or the Required Lenders may reasonably request, in order to grant, preserve, protect and perfect the validity and priority of the security interests created or intended to be created by the Security Documents, all at the expense of the Borrower.

(b) The Borrower agrees that it will, or will cause its relevant Subsidiaries to, complete each of the actions described on Schedule 9.17(b) as soon as commercially reasonable and by no later than the date set forth in Schedule 9.17(b) with respect to such action or such later date as the Administrative Agent may reasonably agree.

SECTION 10. Negative Covenants

The Borrower (for itself and each of its Restricted Subsidiaries) hereby covenants and agrees that on the Closing Date and thereafter, until the Commitments have terminated and the Loans, together with interest, Fees and all other Obligations incurred hereunder, are paid in full:

10.1 Consolidated Total Debt to Consolidated EBITDA Ratio

The Borrower will not permit the Consolidated Total Debt to Consolidated EBITDA Ratio for any Test Period ending during any period set forth below to be greater than the ratio set forth below opposite such period:

Period	Ratio
June 30, 2008	4.75:1.00
September 30, 2008	4.75:1.00
December 31, 2008	4.75:1.00
March 31, 2009	4.00:1.00
June 30, 2009	4.00:1.00
September 30, 2009	4.00:1.00
December 31, 2009	4.00:1.00

Period	Ratio
March 31, 2010	3.25:1.00
June 30, 2010	3.25:1.00
September 30, 2010	3.25:1.00
December 31, 2010	3.25:1.00
March 31, 2011	3.00:1.00
June 30, 2011	3.00:1.00
September 30, 2011	3.00:1.00
December 31, 2011	3.00:1.00
March 31, 2012	3.00:1.00
June 30, 2012	3.00:1.00
September 30, 2012	3.00:1.00
December 31, 2012	3.00:1.00
March 31, 2013	3.00:1.00
June 30, 2013	3.00:1.00
September 30, 2013	3.00:1.00
December 31, 2013	3.00:1.00

10.2 Consolidated EBITDA to Consolidated Interest Expense Ratio.

The Borrower will not permit the Consolidated EBITDA to Consolidated Interest Expense Ratio for any Test Period ending during any period set forth below to be less than the ratio set forth below opposite such period:

Period	Ratio
June 30, 2008	2.50:1.00
September 30, 2008	2.50:1.00
December 31, 2008	2.50:1.00
March 31, 2009	2.75:1.00
June 30, 2009	2.75:1.00
September 30, 2009	2.75:1.00
December 31, 2009	2.75:1.00
March 31, 2010	2.75:1.00
June 30, 2010	2.75:1.00
September 30, 2010	2.75:1.00
December 31, 2010	2.75:1.00
March 31, 2011	2.75:1.00
June 30, 2011	2.75:1.00
September 30, 2011	2.75:1.00
December 31, 2011	2.75:1.00
March 31, 2012	3.00:1.00
June 30, 2012	3.00:1.00
September 30, 2012	3.00:1.00
December 31, 2012	3.00:1.00
March 31, 2013	3.00:1.00
June 30, 2013	3.00:1.00
September 30, 2013	3.00:1.00
December 31, 2013	3.00:1.00

10.3 Capital Expenditures:

The Borrower will not, and will not permit any of its Restricted Subsidiaries to, make, or be committed to make, Capital Expenditures which in the aggregate in any Fiscal Year set forth below exceed the amount set forth below for such Fiscal Year:

Fiscal Year	Amount
2008	$30,000,000
2009	$30,000,000
2010	$30,000,000
2011	$30,000,000
2012	$30,000,000

The amount of permitted Capital Expenditures set forth above in respect of any Fiscal Year commencing with Fiscal Year 2009 shall be increased by 100% of the amount of unused permitted Capital Expenditures for the immediately preceding Fiscal Year (such amount, a "carry-forward amount") without giving effect to any carry-forward amount that was added in such preceding Fiscal Year and assuming any such carry-forward amount is utilized first.

10.4 Permitted Activities of Borrower. Borrower shall not (a) incur, directly or indirectly, any Indebtedness or any other obligation or liability whatsoever other than (i) Indebtedness and obligations under this Agreement and the other Credit Documents, (ii) Guarantee Obligations in respect of Indebtedness or other obligations or liabilities of McJunkin Opco or any Restricted Subsidiary permitted to be incurred pursuant to the terms of the McJunkin Opco Credit Agreements, and (iii) Indebtedness in respect of unsecured Hedging Agreements; (b) create or suffer to exist any Lien upon any property or assets now owned or hereafter acquired by it other than the Liens created under the Security Documents to which it is a party or nonconsensual Liens imposed by operation of law; and (c) engage in any business or activity or own any assets other than (i) the Stock and Stock Equivalents of McJunkin Opco and those incidental to its ownership of the Stock and Stock Equivalents of McJunkin Opco; (ii) additional Investments in McJunkin Opco in an amount not to exceed the net cash proceeds of any equity contribution to, or equity issuance by, McJunkin Opco and any amount retained by Borrower pursuant to Section 5.2(h); (iii) activities required to be taken to consummate any IPO; (iv) any transaction that Borrower is permitted to enter into or consummate under this Section 10.4, (v) performing its obligations and activities incidental thereto under the Credit Documents; (vi) Investments constituting Permitted Investments; (vii) making Borrower Purchases in compliance with Section 3; (viii) making the Special Equity Dividend; (ix) (A) redeeming in whole or in part any of its Stock or Stock Equivalents for another class of its Stock or Stock Equivalents or with proceeds from substantially concurrent equity contributions or issuances of new Stock or Stock Equivalents, provided that such new Stock or Stock Equivalents contain terms and provisions at least as advantageous to the Lenders in all respects material to their interests as those contained in the Stock or Stock Equivalents redeemed thereby; (B) it may (or may make dividends, distributions or any other return of capital to permit any direct or indirect parent thereof to) repurchase shares of its (or such parent's) Stock or Stock Equivalents held by

officers, directors and employees of the Borrower and its Subsidiaries, so long as such repurchase is pursuant to, and in accordance with the terms of, management and/or employee stock plans, stock subscription agreements or shareholder agreements; and (C) making other dividends, distribution or any other return of capital with the proceeds of dividends, distribution or any other return of capital received from McJunkin Opco in compliance with the terms of the McJunkin Opco Loan Documents (it being understood that if the McJunkin Opco Loan Documents are no longer in effect, then Borrower shall be permitted to make other dividends, distributions or any other return of capital with the proceeds of dividends, distributions or any other return of capital received from McJunkin Opco, in each case to the extent such dividend, distribution or other return of capital would have been permitted to be made by McJunkin Opco under the McJunkin Opco Term Loan Credit Agreement) or for amounts retained by Borrower pursuant to Section 5.2(h); and (x) create or acquire any Subsidiary or make or own any Investment in any Person other than McJunkin Opco.

SECTION 11. Events of Default

Upon the occurrence of any of the following specified events (each an "Event of Default"):

11.1 Payments. The Borrower shall (a) default in the payment when due of any principal of the Loans or (b) default, and such default shall continue for five or more days, in the payment when due of any interest or stamping fees on the Loans or any Fees or of any other amounts owing hereunder or under any other Credit Document; or

11.2 Representations, etc. Any representation, warranty or statement made or deemed made by Borrower herein or in any Security Document or any certificate, statement, report or other document delivered or required to be delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made; or

11.3 Covenants. Borrower or any Restricted Subsidiary shall:

(a) default in the due performance or observance by it of any term, covenant or agreement contained in Section 9.1(h) or Section 10; or

(b) default in the due performance or observance by it of any term, covenant or agreement (other than those referred to in Section 11.1 or 11.2 or clause (a) of this Section 11.3) contained in this Agreement, any Security Document or the Engagement Letter and such default shall continue unremedied for a period of at least thirty (30) days after receipt of written notice by the Borrower from the Administrative Agent or the Required Lenders; or

11.4 Default Under Other Agreements (a) The Borrower or any of the Restricted Subsidiaries shall (i) default in any payment with respect to any Indebtedness (other than the Obligations) in excess of $15,000,000 in the aggregate, for the Borrower and such Restricted Subsidiaries, beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created or (ii) default in the observance or performance of any agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or

condition exist (other than, with respect to Indebtedness consisting of any Hedge Agreements, termination events or equivalent events pursuant to the terms of such Hedge Agreements), the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, any such Indebtedness to become due prior to its stated maturity; or (b) without limiting the provisions of clause (a) above, any such Indebtedness shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment or as a mandatory prepayment (and, with respect to Indebtedness consisting of any Hedge Agreements, other than due to a termination event or equivalent event pursuant to the terms of such Hedge Agreements), prior to the stated maturity thereof; or

11.5 Bankruptcy, etc. The Borrower or any Specified Subsidiary shall commence a voluntary case, proceeding or action concerning itself under (a) Title 11 of the United States Code entitled "Bankruptcy," or (b) in the case of any Foreign Subsidiary that is a Specified Subsidiary, any domestic or foreign law relating to bankruptcy, judicial management, insolvency reorganization or relief of debtors legislation of its jurisdiction of incorporation, in each case as now or hereafter in effect, or any successor thereto (collectively, the "Bankruptcy Code"); or an involuntary case, proceeding or action is commenced against the Borrower or any Specified Subsidiary and the petition is not controverted within 10 days after commencement of the case, proceeding or action; or an involuntary case, proceeding or action is commenced against the Borrower or any Specified Subsidiary and the petition is not dismissed within 60 days after commencement of the case, proceeding or action; or a custodian (as defined in the Bankruptcy Code), judicial manager, receiver, receiver manager, trustee or similar person is appointed for, or takes charge of, all or substantially all of the property of the Borrower or any Specified Subsidiary; or the Borrower or any Specified Subsidiary commences any other proceeding or action under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Borrower or any Specified Subsidiary; or there is commenced against the Borrower or any Specified Subsidiary any such proceeding or action that remains undismissed for a period of 60 days; or the Borrower or any Specified Subsidiary is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding or action is entered; or the Borrower or any Specified Subsidiary suffers any appointment of any custodian receiver, receiver manager, trustee or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of 60 days; or the Borrower or any Specified Subsidiary makes a general assignment for the benefit of creditors; or any corporate action is taken by the Borrower or any Specified Subsidiary for the purpose of effecting any of the foregoing; or

11.6 ERISA. (a) Any Plan shall fail to satisfy the minimum funding standard required for any plan year or part thereof or a waiver of such standard or extension of any amortization period is sought or granted under Section 412 of the Code; any Plan is or shall have been terminated or is the subject of termination proceedings under ERISA (including the giving of written notice thereof); an event shall have occurred or a condition shall exist in either case entitling the PBGC to terminate any Plan or to appoint a trustee to administer any Plan (including the giving of written notice thereof); any Plan shall have an accumulated funding deficiency (whether or not waived); the Borrower or any Subsidiary or any ERISA Affiliate has incurred or is likely to incur a liability to or on account of a Plan under Section 409,

502(i), 502(l), 515, 4062, 4063, 4064, 4069, 4201 or 4204 of ERISA or Section 4971 or 4975 of the Code (including the giving of written notice thereof); (b) there could result from any event or events set forth in clause (a) of this Section 11.6 the imposition of a lien, the granting of a security interest, or a liability, or the reasonable likelihood of incurring a lien, security interest or liability; and (c) such lien, security interest or liability will or would be reasonably likely to have a Material Adverse Effect; or

11.7 [Intentionally Omitted].

11.8 Pledge Agreement. The Pledge Agreement or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof or as a result of acts or omissions of the Collateral Agent or any Lender) or Borrower shall deny or disaffirm in writing its obligations under the Pledge Agreement; or

11.9 Security Agreement. The Security Agreement or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof or as a result of acts or omissions of the Collateral Agent or any Lender) or Borrower shall deny or disaffirm in writing any of its obligations under the Security Agreement; or

11.10 [Intentionally Omitted].

11.11 Judgments. One or more judgments or decrees shall be entered against the Borrower or any of the Restricted Subsidiaries involving a liability of $15,000,000 or more in the aggregate for all such judgments and decrees for the Borrower and the Restricted Subsidiaries (to the extent not paid or fully covered by insurance provided by a carrier not disputing coverage) and any such judgments or decrees shall not have been satisfied, vacated, discharged or stayed or bonded pending appeal within 60 days from the entry thereof; or

11.12 Change of Control. A Change of Control shall occur;

then, (1) upon the occurrence of any Event of Default described in Section 11.5, automatically, and (2) upon the occurrence of any other Event of Default, at the request of (or with the consent of) Required Lenders, upon notice to the Borrower by Administrative Agent, (A) each of the following shall immediately become due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by Borrower: (I) the unpaid principal amount of and accrued interest on the Loans, and (II) all other Obligations; (B) Administrative Agent may cause Collateral Agent to enforce any and all Liens and security interests created pursuant to Security Documents.

SECTION 12. Investors' Right to Cure. Notwithstanding anything to the contrary contained in Section 11.3(a), in the event that the Borrower fails to comply with the requirement of the covenant set forth in Section 10.1, until the expiration of the tenth day after the date on which Section 9.1 Financials with respect to the Test Period in which the covenant set forth in such Section is being measured are required to be delivered pursuant to Section 9.1, any of the Investors shall have the right to make a direct or indirect equity investment in the Borrower or any Restricted Subsidiary in cash (the "Cure Right"), and upon the receipt by such Person of net cash proceeds pursuant to the exercise of the Cure Right (including through the capital contribution of any such Net Cash proceeds to such person, the "Cure Amount"), the

covenant set forth in such Section shall be recalculated, giving effect to a pro forma increase to Consolidated EBITDA for such Test Period in an amount equal to such net cash proceeds; provided that such pro forma adjustment to Consolidated EBITDA shall be given solely for the purpose of determining the existence of a Default or an Event of Default under the covenant set forth in such Section with respect to any Test Period that includes the fiscal quarter for which such Cure Right was exercised and not for any other purpose under any Credit Document.

If, after the exercise of the Cure Right and the recalculations pursuant to the preceding paragraph, the Borrower shall then be in compliance with the requirements of the covenant set forth in Section 10.1 during such Test Period (including for purposes of Section 7.1), the Borrower shall be deemed to have satisfied the requirements of such covenant as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable Default or Event of Default under Section 11.3 that had occurred shall be deemed cured; provided that (i) in each Test Period there shall be at least one fiscal quarter in which no Cure Right is exercised and (ii) with respect to any exercise of the Cure Right, the Cure Amount shall be no greater than the amount required to cause the Borrower to be in compliance with the covenant set forth in Section 10.1.

In the event that any of the Investors elect to exercise a Cure Right (as defined in the McJunkin Opco Term Loan Credit Agreement) (such Cure Right, a "McJunkin Opco Cure Right") pursuant to the McJunkin Opco Term Loan Credit Agreement and the Borrower is in compliance with the requirement of covenant set forth in Section 10.1 without giving effect to the Cure Amount (as defined in the McJunkin Opco Term Loan Credit Agreement) (such Cure Amount, the "McJunkin Opco Cure Amount") of such McJunkin Opco Cure Right, then the exercise of such McJunkin Opco Cure Right shall not be deemed an exercise of a Cure Right under this Agreement.

In the event that any of the Investors elect to exercise both a Cure Right pursuant to this Section 12.1 and a McJunkin Cure Right pursuant to the McJunkin Opco Term Loan Credit Agreement, then the McJunkin Cure Amount of such McJunkin Cure Right shall be deemed to be the Cure Amount of such Cure Right and such deemed Cure Amount shall not breach clause (ii) of the proviso in the second paragraph of this Section 12.

SECTION 13. The Administrative Agent

13.1 Appointment. (a) Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Credit Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Administrative Agent. The

provisions of this Section 13 are solely for the benefit of the Agents, any sub-agent and the Lenders and Borrower shall not have any rights as a third party beneficiary of any of the provisions hereof. In performing its functions and duties hereunder, each Agent shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Borrower or any of its Subsidiaries.

(b) The Administrative Agent and each Lender hereby irrevocably designate and appoint the Collateral Agent as its agent under this Agreement and the other Credit Documents, and the Administrative Agent and each Lender irrevocably authorize the Collateral Agent, in such capacity, (i) to take such action on their behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Collateral Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto and (ii) to enter into any and all of the Security Documents (including, for the avoidance of doubt, the Intercreditor Agreement) together with such other documents as shall be necessary to give effect to (x) the ranking and priority of Indebtedness contemplated by the Intercreditor Agreement and (y) the Collateral contemplated by the other Security Documents, on its behalf. For the avoidance of doubt, each Lender agrees to be bound by the terms of the Intercreditor Agreement to the same extent as if it were a party thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Collateral Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with the Administrative Agent, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Collateral Agent.

(c) The Syndication Agent, in its capacity as such, shall not have any obligations, duties or responsibilities under this Agreement but shall be entitled to all benefits of this Section 13.

13.2 Delegation of Duties. Administrative Agent may perform any and all of its duties and exercise its rights and powers under this Agreement or under any other Credit Document by or through any one or more sub-agents appointed by Administrative Agent. 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 Affiliates. The exculpatory, indemnification and other provisions of this Section 13.2 and of Section 13.7 shall apply to any of the Affiliates of Administrative 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**.** All of the rights, benefits, and privileges (including the exculpatory and indemnification provisions) of this Section 13 and Section 14.5 shall apply to any such sub-agent and to the Affiliates of any such sub-agent, and shall apply to their respective activities as sub-agent as if such sub-agent and Affiliates were named herein. Notwithstanding anything herein to the contrary, with respect to each sub-agent appointed by the Administrative Agent, (i) such sub-agent shall be a third party beneficiary under this Agreement with respect to all such rights, benefits and privileges (including exculpatory rights and rights to indemnification) and shall have all of the rights and benefits of a third party beneficiary, including an independent right of action to enforce such rights, benefits and privileges (including exculpatory rights and rights to

indemnification) directly, without the consent or joinder of any other Person, against any or all of the Borrower and the Lenders, (ii) such rights, benefits and privileges (including exculpatory rights and rights to indemnification) shall not be modified or amended without the consent of such sub-agent, and (iii) such sub-agent shall only have obligations to Administrative Agent and not to Borrower, Lender or any other Person and neither Borrower nor any Lender or any other Person shall have any rights, directly or indirectly, as a third party beneficiary or otherwise, against such sub-agent**.**

13.3 General Immunity. (a) No Responsibility for Certain Matters. No Agent shall be responsible to any Lender for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency hereof or any other Credit Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by any Agent to Lenders or by or on behalf of Borrower, or for the financial condition or business affairs of Borrower, nor shall any Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Credit Documents or as to the use of the proceeds of the Loans or as to the existence or possible existence of any Event of Default or Default or to make any disclosures with respect to the foregoing other than to the extent required under this Agreement. Anything contained herein to the contrary notwithstanding, Administrative Agent shall not have any liability arising from confirmations of the amount of outstanding Loans or the component amount thereof.

(b) Exculpatory Provisions. No Agent nor any of its officers, partners, directors, employees or agents shall be liable to Lenders for any action taken or omitted by any Agent under or in connection with any of the Credit Documents except to the extent caused by such Agent's gross negligence or willful misconduct. Each Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or any of the other Credit Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until such Agent shall have received instructions in respect thereof from Required Lenders (or such other Lenders as may be required to give such instructions under Section 14.1) and, upon receipt of such instructions from Required Lenders (or such other Lenders, as the case may be), such Agent shall be entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions. Without prejudice to the generality of the foregoing, (i) each Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons and shall be entitled to rely and shall be protected in relying on opinions and judgments of attorneys (who may be attorneys for Borrower and its Subsidiaries), accountants, experts and other professional advisors selected by it; and (ii) no Lender shall have any right of action whatsoever against any Agent as a result of such Agent acting or (where so instructed) refraining from acting hereunder or any of the other Credit Documents in accordance with the instructions of Required Lenders (or such other Lenders as may be required to give such instructions under Section 14.1)

13.4 Reliance by Agents. The Administrative Agent and the Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice,

consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent or the Collateral Agent. The Administrative Agent may deem and treat the Lender specified in the Register with respect to any amount owing hereunder as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent and the Collateral Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent and the Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Credit Documents in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

13.5 Notice of Default. Neither the Administrative Agent nor the Collateral Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless it has received notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, it shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required 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 or Event of Default as it shall deem advisable in the best interests of the Lenders (except to the extent that this Agreement requires that such action be taken only with the approval of the Required Lenders or each of the Lenders, as applicable).

13.6 Non-Reliance on Administrative Agent, Collateral Agent and Other Lenders. Each Lender expressly acknowledges that neither the Administrative Agent nor the Collateral Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent or the Collateral Agent hereinafter taken, including any review of the affairs of the Borrower, shall be deemed to constitute any representation or warranty by the Administrative Agent or the Collateral Agent to any Lender. Each Lender represents to the Administrative Agent and the Collateral Agent that it has, independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent, the Collateral Agent 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 analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Credit Documents, and to make

such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrower. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, neither the Administrative Agent nor the Collateral Agent shall have any duty or responsibility to provide any Lender with any credit or other information concerning the business, assets, operations, properties, financial condition, prospects or creditworthiness of the Borrower that may come into the possession of the Administrative Agent or the Collateral Agent any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliate.

13.7 Indemnification. The Lenders agree to indemnify the Administrative Agent and the Collateral Agent and any sub-agent thereof, each in its capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective portions of the Total Credit Exposure in effect on the date on which indemnification is sought (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with their respective portions of the Total Credit Exposure in effect immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs (including legal fees and costs), expenses or disbursements of any kind whatsoever that may at any time (including at any time following the payment of the Loans) be imposed on, incurred by or asserted against the Administrative Agent or the Collateral Agent or such sub-agent in any way relating to or arising out of, the Commitments, this Agreement, any of the other Credit Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent or the Collateral Agent or such sub-agent under or in connection with any of the foregoing, provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's or the Collateral Agent's or such sub-agent's gross negligence or willful misconduct. The agreements in this Section 13.7 shall survive the payment of the Loans and all other amounts payable hereunder.

13.8 Agents in their Individual Capacity. The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, any Agent or any sub-agent thereof in its individual capacity as a Lender hereunder. With respect to its participation in the Loans and the Letters of Credit, each Agent and any sub-agent thereof shall have the same rights and powers hereunder as any other Lender and may exercise the same as if it were not performing the duties and functions delegated to it hereunder, and the term "Lender" shall, unless the context clearly otherwise indicates, include each Agent or any sub-agent thereof in its individual capacity. Any Agent or any sub-agent thereof and its respective Affiliates may accept deposits from, lend money to, own securities of, and generally engage in any kind of banking, trust, financial advisory or other business with Borrower or any of its Affiliates as if it were not performing the duties specified herein, and may accept fees and other consideration from the Borrower for services in connection herewith and otherwise without having to account for the same to Lenders.

13.9 Successor Agents. The Administrative Agent may resign as Administrative Agent and the Collateral Agent may resign as Collateral Agent upon 20 days' prior written notice to the

Lenders and the Borrower. If the Administrative Agent shall resign as Administrative Agent or the Collateral Agent shall resign as Collateral Agent under this Agreement and the other Credit Documents, then the Required Lenders shall appoint from among the Lenders a successor Administrative Agent or successor Collateral Agent, as applicable, which successor agent in each case, shall be approved by the Borrower (which approval shall not be unreasonably withheld) so long as no Default or Event of Default is continuing, whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent or the Collateral Agent, as the case may be, and the term "Administrative Agent" or "Collateral Agent", as the case may be, shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's or Collateral Agent's rights, powers and duties as Administrative Agent or Collateral Agent, as the case may be, shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or Collateral Agent, as the case may be, or any of the parties to this Agreement or any holders of the Loans. After any retiring Administrative Agent's or Collateral Agent's resignation as Administrative Agent or Collateral Agent, as the case may be, the provisions of this Section 13 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent or Collateral Agent under this Agreement and the other Credit Documents.

13.10 Withholding Tax. To the extent required by any applicable law, the Administrative Agent may withhold from any interest payment to any Lender an amount equivalent to any applicable withholding tax. If the Internal Revenue Service or any authority of the United States or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason), such Lender shall indemnify the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by the Borrower and without limiting the obligation of the Borrower to do so) fully for all amounts paid, directly or indirectly, by the Administrative Agent as tax or otherwise, including penalties and interest, together with all expenses incurred, including legal expenses, allocated staff costs and any out of pocket expenses.

13.11 REPORTS AND FINANCIAL STATEMENTS; DISCLAIMER BY LENDERS. By signing this Agreement, each Lender:

(a) is deemed to have requested that the Agents furnish such Lender, promptly after it becomes available, (i) a copy of all financial statements to be delivered by the Borrower hereunder, (ii) a copy of any notice of Default or Event of Default received by such Agent and (iii) a copy of each Report;

(b) expressly agrees and acknowledges that no Agent (i) makes any representation or warranty as to the accuracy of any Report, or (ii) shall be liable for any information contained in any Report;

(c) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that the Agent or other party performing any audit or examination will inspect only specific information regarding the Borrower and will rely significantly upon the Borrower's books and records, as well as on representations of the Borrower's personnel;

(d) agrees to keep all Reports confidential in accordance with Section 14.16; and

without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold the Agents and any such other Person or Lender preparing a Report harmless from any action the indemnifying Lender may take or conclusion the indemnifying Lender may reach or draw from any Report in connection with any loans or other credit accommodations that the indemnifying Lender has made or may make to the Borrower, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a loan or loans of the Borrower; and (ii) to pay and protect, and indemnify, defend, and hold the Agents and any such other Person or Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including reasonable costs of counsel) incurred by the Agents and any such other Lender preparing a Report as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

SECTION 14. Miscellaneous

14.1 Amendments and Waivers. Neither this Agreement nor any other Credit Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 14.1. The Required Lenders may, or, with the written consent of the Required Lenders, the Administrative Agent may, from time to time, (a) enter into with Borrower written amendments, supplements or modifications hereto and to the other Credit Documents for the purpose of adding any provisions to this Agreement or the other Credit Documents or changing in any manner the rights of the Lenders or of the Borrower hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Credit Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall directly (i) forgive or reduce any portion of any Loan or extend the final scheduled maturity date of any Loan or reduce the stated rate (it being understood that only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrower to pay interest at the "default rate" or amend Section 2.8(c)), or forgive or reduce any portion, or extend the date for the payment, of any interest or fee payable hereunder (other than as a result of waiving the applicability of any post-default increase in interest rates), or extend the final expiration date of any Lender's Commitment, or increase the aggregate amount of the Commitments of any Lender, or amend or modify any provisions of Section 5.3(a) (with respect to the ratable allocation of any payments only), 2.4 (with respect to the ratable disbursement of funds), 3 and 14.8(a), in each case without the written consent of each Lender directly and adversely affected thereby, or (ii) amend, modify or waive any provision of this Section 14.1 or

reduce the percentages specified in the definitions of the term "Required Lenders" or consent to the assignment or transfer by the Borrower of its rights and obligations under any Credit Document to which it is a party, in each case without the written consent of each Lender directly and adversely affected thereby, or (iii) amend, modify or waive any provision of Section 13 without the written consent of the then-current Administrative Agent, or, (iv) release all or substantially all of the Collateral under the Security Agreement or the Pledge Agreement without the prior written consent of each Lender, or (v) amend Section 2.9 so as to permit Interest Period intervals greater than six months without regard to availability to Lenders, without the written consent of each Lender directly and adversely affected thereby; or (vi) amend, modify or waive any provisions hereof relating to the Administrative Agent in a manner that directly and adversely affects it rights and obligations hereunder without the written consent of the Administrative Agent; or (x) amend, modify or waive any provisions hereof relating to the Collateral Agent in a manner that directly and adversely affects it rights and obligations hereunder without the written consent of the Collateral Agent. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the affected Lenders and shall be binding upon the Borrower, such Lenders, the Administrative Agent and all future holders of the affected Loans. In the case of any waiver, the Borrower, the Lenders and the Administrative Agent shall be restored to their former positions and rights hereunder and under the other Credit Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing, it being understood that no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender (it being understood that any Commitments or Loans held or deemed held by any Defaulting Lender shall be excluded for a vote of the Lenders hereunder requiring any consent of the Lenders).

Notwithstanding the foregoing, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Credit Documents with the Term Loans and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and other definitions related to such new Term Loans.

In addition, notwithstanding the foregoing, this Agreement may be amended with the written consent of the Administrative Agent, the Borrower and the Lenders providing the relevant Replacement Term Loans (as defined below) to permit the refinancing of all outstanding Term Loans ("Refinanced Term Loans") with a replacement term loan tranche ("Replacement Term Loans") hereunder; provided that (a) the aggregate principal amount of such Replacement Term Loans shall not exceed the aggregate principal amount of such Refinanced Term Loans, (b) the Applicable Margin for such Replacement Term Loans shall not be higher than the Applicable Margin for such Refinanced Term Loans, (c) the weighted average life to maturity of such Replacement Term Loans shall not be shorter than the weighted average life to maturity of such

Refinanced Term Loans at the time of such refinancing (except to the extent of nominal amortization for periods where amortization has been eliminated as a result of prepayment of the applicable Term Loans) and (d) all other terms applicable to such Replacement Term Loans shall be substantially identical to, or less favorable to the Lenders providing such Replacement Term Loans than those applicable to such Refinanced Term Loans, except to the extent necessary to provide for covenants and other terms applicable to any period after the latest final maturity of the Term Loans in effect immediately prior to such refinancing.

14.2 Notices. Unless otherwise expressly provided herein, all notices and other communications provided for hereunder or under any other Credit Document shall be in writing (including by facsimile transmission). All such written notices shall be mailed, faxed or delivered to the applicable address, facsimile number or electronic mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(a) if to the Borrower or the Administrative Agent, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 14.2 or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties; and

(b) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the Borrower or the Administrative Agent.

All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, three (3) Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail, when delivered; provided that notices and other communications to the Administrative Agent or the Lenders pursuant to Sections 2.3, 2.6, 2.9, and 5.1 shall not be effective until received.

14.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent, the Collateral Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Credit Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

14.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Credit Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans hereunder.

14.5 Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Agents for all their reasonable and documented out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Credit Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees, disbursements and other charges of Latham & Watkins LLP, one local counsel in each relevant local jurisdiction and such additional counsel to the extent consented to by the Borrower, (b) to pay or reimburse each Lender, and Agent for all its reasonable and documented costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Credit Documents and any such other documents, including the reasonable fees, disbursements and other charges of one counsel to the Administrative Agent, Collateral Agent and the other Agents (unless there is an actual or perceived conflict of interest in which case each such Person may retain its own counsel), (c) to pay, indemnify, and hold harmless each Lender, and Agent from, any and all recording and filing fees and (d) to pay, indemnify, and hold harmless each Lender, and Agent and their respective directors, officers, employees, trustees, investment advisors and agents from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, including reasonable and documented fees, disbursements and other charges of one primary counsel and one local counsel in each relevant jurisdiction to such indemnified Persons (unless there is an actual or perceived conflict of interest or the availability of different claims or defenses in which case each such Person may retain its own counsel), related to the Dividend Transactions or with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Credit Documents and any such other documents, including, without limitation, any of the foregoing relating to the violation of, noncompliance with or liability under, any Environmental Law or to any actual or alleged presence, release or threatened release of Hazardous Materials or any other Environmental Claims involving or attributable to the operations of the Borrower, any of its Subsidiaries or any of the Real Estate (all the foregoing in this clause (d), collectively, the "indemnified liabilities"), provided that the Borrower shall have no obligation hereunder to the Administrative Agent or any Lender nor any of their Related Parties with respect to indemnified liabilities to the extent attributable to the bad faith, gross negligence or willful misconduct of, or material breach of the Credit Documents by, the party to be indemnified or any of its Related Parties. All amounts payable under this Section 14.5 shall be paid within ten (10) Business Days of receipt by the Borrower of an invoice relating thereto setting forth such expense in reasonable detail. No Person indemnified under this Section 14.5 shall be liable for any special, indirect, consequential or punitive damages relating to this Agreement or any other Credit Document or arising out of its activities in connection herewith or therewith. The agreements in this Section 14.5 shall survive repayment of the Loans and all other amounts payable hereunder

14.6 Successors and Assigns; Participations and Assignments(a) . (a) 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 (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower or without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 14.6. Nothing in this

Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section 14.6), pledges to the extent provided in paragraph (d) of this Section 14.6 and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent of:

(A) the Borrower (which consent shall not be unreasonably withheld or delayed; provided that it being understood that, without limitation, the Borrower shall have the right to withhold its consent to any assignment if, in order for such assignment to comply with applicable law, the Borrower would be required to obtain the consent of, or make any filing or registration with, any Governmental Authority), provided that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund (unless increased costs would result therefrom at any time when no Event of Default under Section 11.1 or Section 11.5 is continuing) or, if an Event of Default under Section 11.1 or Section 11.5 has occurred and is continuing, any other assignee;

(B) the Administrative Agent (which consent shall not be unreasonably withheld or delayed); provided that no consent of the Administrative Agent shall be required for an assignment to a Lender, an Affiliate of a Lender, or an Approved Fund, or, in the case of assignments in connection with the initial syndication of Commitments and Loans only, the Co-Lead Arrangers.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, or assignments in connection with the initial syndication of Commitments and Loans (in amounts, and to such Persons, as previously agreed between the Borrower and the Co-Lead Arrangers), the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than $1,000,000, and increments of $1,000,000 in excess thereof, unless each of the Borrower and the Administrative Agent otherwise consents (which consents shall not be unreasonably withheld or delayed), provided that no such consent of the Borrower shall be required if an Event of Default

under Section 11.1 or Section 11.5 has occurred and is continuing; provided, further, that contemporaneous assignments to a single assignee made by Affiliates of Lenders and related Approved Funds or by a single assignor made to Affiliates or related Approved Funds shall be aggregated for purposes of meeting the minimum assignment amount requirements stated above;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500, provided that only one such fee shall be payable in the event of simultaneous assignments to or from two or more Approved Funds;

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire in a form approved by the Administrative Agent (the "Administrative Questionnaire");

(E) neither Sponsor nor any Affiliate of Borrower or Sponsor other than any Sponsor Affiliated Lender or Sponsor Affiliated Institutional Lender may be a permitted assignee (and Administrative Agent shall not consent to any such other Person); and

(F) the Assignment and Acceptance with respect to each assignment involving a Sponsor Affiliated Lender or a Sponsor Affiliated Institutional Lender shall include the provisions described in the definitions thereof; and

(G) the Assignment and Acceptance with respect to each Borrower Purchase and each Sponsor Purchase shall include a representation that Borrower or Sponsor Affiliated Lender shall comply with the provisions of Section 3 hereof.

For the purpose of this Section 14.6(b), the term "Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course and that is administered, advised or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers, advises or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(v) of this Section 14.6, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning

Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.10, 2.11, 5.4 and 14.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 14.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section 14.6.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower shall maintain at the Administrative Agent's Office a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans, each Lender pursuant to the terms hereof from time to time (the "Register"). Further, the Register shall contain the name and address of the Administrative Agent and the lending office through which each such Person acts under this Agreement. The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender (with respect to any entry relating to such Lender's Loans) at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section 14.6, and any written consent to such assignment required by paragraph (b) of this Section 14.6, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register.

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (each, a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it), provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent, and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement or any other Credit Document, provided that such agreement or instrument may provide

that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 14.1 under subsections (i) and (iv) that affects such Participant. Subject to paragraph (c)(ii) of this Section 14.6, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.10, 2.11 and 5.4 to the same extent as if it were a Lender (subject to the requirements of those Sections) and had acquired its interest by assignment pursuant to paragraph (b) of this Section 14.6. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 14.8(b) as though it were a Lender, provided such Participant agrees to be subject to Section 14.8(a) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.10 or 5.4 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent (which consent shall not be unreasonably withheld).

(d) Any Lender may, without the consent of the Borrower or the Administrative Agent, 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, and this Section 14.6 shall not apply to any such pledge or assignment of a security interest, provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto. In order to facilitate such pledge or assignment, the Borrower hereby agrees that, upon request of any Lender at any time and from time to time after the Borrower has made its initial borrowing hereunder, the Borrower shall provide to such Lender, at the Borrower's own expense, a promissory note, substantially in the form of Exhibit L evidencing the Term Loans, respectively, owing to such Lender.

(e) Subject to Section 14.16, the Borrower authorizes each Lender to disclose to any Participant, secured creditor of such Lender or assignee (each, a "Transferee") and any prospective Transferee any and all financial information in such Lender's possession concerning the Borrower and its Affiliates that has been delivered to such Lender by or on behalf of the Borrower and its Affiliates pursuant to this Agreement or which has been delivered to such Lender by or on behalf of the Borrower and its Affiliates in connection with such Lender's credit evaluation of the Borrower and its Affiliates prior to becoming a party to this Agreement.

14.7 Replacements of Lenders under Certain Circumstances(a) . (a) The Borrower shall be permitted to replace any Lender that (a) requests reimbursement for amounts owing pursuant to Section 2.10, 3.5 or 5.4, (b) is affected in the manner described in Section 2.10(a)(iii) and as a result thereof any of the actions described in such Section is required to be taken or (c) becomes a Defaulting Lender, with a replacement bank or other financial institution, provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Event of Default shall have occurred and be continuing at the time of such replacement, (iii) the Borrower shall repay (or the replacement bank or institution shall purchase, at par) all Loans and other amounts (other than any disputed amounts), pursuant to Section 2.10, 2.11 or 5.4, as

the case may be) owing to such replaced Lender prior to the date of replacement, (iv) the replacement bank or institution, if not already a Lender, and the terms and conditions of such replacement, shall be reasonably satisfactory to the Administrative Agent, (v) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 14.6 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein) and (vi) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

(b) If any Lender (such Lender, a "Non-Consenting Lender") has failed to consent to a proposed amendment, waiver, discharge or termination which pursuant to the terms of Section 14.1 requires the consent of all of the Lenders affected and with respect to which the Required Lenders shall have granted their consent, then provided no Event of Default then exists, the Borrower shall have the right (unless such Non-Consenting Lender grants such consent) to replace such Non-Consenting Lender by requiring such Non-Consenting Lender to assign its Loans, and its Commitments hereunder to one or more assignees reasonably acceptable to the Administrative Agent, provided that: (a) all Obligations of the Borrower owing to such Non-Consenting Lender being replaced shall be paid in full to such Non-Consenting Lender concurrently with such assignment, (b) the replacement Lender shall purchase the foregoing by paying to such Non-Consenting Lender a price equal to the principal amount thereof plus accrued and unpaid interest thereon and (c) the replacement Lender shall grant such consent. In connection with any such assignment, the Borrower, Administrative Agent, such Non-Consenting Lender and the replacement Lender shall otherwise comply with Section 14.6; provided, that the Borrower or replacement Lender shall be obligated to pay the registration and processing fee referred to therein.

14.8 Adjustments; Set-off(a) . (a) If any Lender (a "benefited Lender") shall at any time receive any payment of all or part of its Loans, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 11.5, or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Loans, or interest thereon, such benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Loan, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such benefited Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. For the avoidance of doubt, the parties hereto agree that the provisions of this Section 14.8(a) shall not be construed to apply to (i) any payment made by Borrower pursuant to and in accordance with Section 3 of this Agreement and (ii) any payment obtained by any Lender as consideration for the assignment or sale of a participation in any of its Loans or other Obligations owed to it.

(b) After the occurrence and during the continuance of an Event of Default, in addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the

Borrower to the extent permitted by applicable law, subject to the consent of the Administrative Agent (such consent not to be unreasonably withheld) upon any amount becoming due and payable by the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the Borrower. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such set-off and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application.

14.9 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), 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 Borrower and the Administrative Agent.

14.10 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.

14.11 Integration. This Agreement and the other Credit Documents represent the agreement of the Borrower, the Collateral Agent, the Administrative Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Borrower, the Administrative Agent, the Collateral Agent or any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents.

14.12 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.

14.13 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 and the other Credit Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-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 may 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 set forth on Schedule 14.2 at such other address of which the Administrative Agent shall have been notified pursuant to Section 14.2;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right 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 14.13 any special, exemplary, punitive or consequential damages.

14.14 Acknowledgments. The Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Credit Documents;

(b) neither the Administrative Agent nor the Collateral Agent nor any Lender has any fiduciary relationship with or duty to the Borrower arising out of or in connection with this Agreement or any of the other Credit Documents, and the relationship between Administrative Agent, the Collateral Agent and Lenders, on one hand, and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Borrower and the Lenders.

14.15 **WAIVERS OF JURY TRIAL**. THE BORROWER, EACH AGENT AND EACH LENDER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

14.16 Confidentiality. The Administrative Agent and each Lender shall hold all non-public information furnished by or on behalf of the Borrower in connection with such Lender's evaluation of whether to become a Lender hereunder or obtained by such Lender or the Administrative Agent pursuant to the requirements of this Agreement ("Confidential Information"), confidential in accordance with its customary procedure for handling confidential information of this nature and (in the case of a Lender that is a bank) in accordance with safe and sound banking practices and in any event may (i) make disclosure as required or requested by any governmental agency or representative thereof or pursuant to legal process or to such Lender's or the Administrative Agent's attorneys, professional advisors or independent auditors

or Affiliates, provided that unless specifically prohibited by applicable law or court order, each Lender and the Administrative Agent shall notify the Borrower of any request by any governmental agency or representative thereof (other than any such request in connection with an examination of the financial condition of such Lender by such governmental agency or other routine examinations of such Lender by such governmental agency) for disclosure of any such non-public information prior to disclosure of such information, and provided, further, that in no event shall any Lender or the Administrative Agent be obligated or required to return any materials furnished by the Borrower or any Subsidiary of the Borrower, (ii) make disclosures of such information reasonably required by any bona fide or potential assignee, transferee or participant in connection with the contemplated assignment, transfer or participation by such Lender of any Loans or any participations therein or by any pledgees referred to in Section 14.16(d) or by direct or indirect contractual counterparties (or the professional advisors thereto) in Hedge Agreements (provided, such assignees, transferees, participants, pledgees, counterparties and advisors are advised of and agree to be bound by provisions that in substance are the equivalent to those in this Section 14.16), (iii) make disclosure of such information reasonably required by any lender or other Person providing financing to such Lender (provided such lenders or other Persons are advised of the confidential nature of such information and agree to keep such information confidential on terms consistent with this Section 14.16), and (iv) make disclosure to any rating agency, provided that, prior to any disclosure, such rating agency shall undertake in writing to preserve the confidentiality of any Confidential Information received by it from any of the Agents or any Lender.

14.17 Direct Website Communications.

(a) (i) The Borrower may, at its option, provide to the Administrative Agent any information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to the Credit Documents, including, without limitation, all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (A) relates to a request for a new, or a conversion of an existing, borrowing or other extension of credit (including any election of an interest rate or interest period relating thereto), (B) relates to the payment of any principal or other amount due under the Credit Agreement prior to the scheduled date therefor, (C) provides notice of any default or event of default under the Credit Agreement or (D) is required to be delivered to satisfy any condition precedent to the effectiveness of the Credit Agreement and/or any borrowing or other extension of credit thereunder (all such non-excluded communications being referred to herein collectively as "Communications"), by transmitting the Communications in an electronic/soft medium in a format reasonably acceptable to the Administrative Agent to lpgloans@lehman.com or such other email address as disclosed in writing to the Borrower. Nothing in this Section 14.17 shall prejudice the right of the Borrower, the Administrative Agent or any Lender to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document.

(ii) The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above

shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Credit Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Credit Documents. Each Lender agrees (A) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and (B) that the foregoing notice may be sent to such e-mail address.

(b) The Borrower further agrees that the Administrative Agent may make the Communications available to the Lenders by posting the Communications on Intralinks or a substantially similar electronic transmission system (the "Platform"), so long as the access to such Platform is limited (i) to the Agents and the Lenders and (ii) remains subject the confidentiality requirements set forth in Section 14.16.

(c) The Platform is provided "as is" and "as available." The Agent Parties do not warrant the accuracy or completeness of the Communications, or the adequacy of the platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by the Agent Parties in connection with the Communications or the platform. In no event shall the Administrative Agent, the Collateral Agent or any of its affiliates or any of their respective officers, directors, employees, agents, advisors or representatives (collectively, "Agent Parties") have any liability to the Borrower, any Lender or any other person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Communications through the internet, except to the extent the liability of any Agent Party resulted from such Agent Party's (or any of its Related Parties) gross negligence, bad faith or willful misconduct or material breach of the Credit Documents.

(d) The Borrower and each Lender acknowledge that certain of the Lenders may be "public-side" Lenders (Lenders that do not wish to receive material non-public information with respect to the Borrower, its Subsidiaries or their securities) and, if documents or notices required to be delivered pursuant to the Credit Documents or otherwise are being distributed through the Platform, any document or notice that the Borrower has indicated contains only publicly available information with respect to the Borrower may be posted on that portion of the Platform designated for such public-side Lenders. If the Borrower has not indicated whether a document or notice delivered contains only publicly available information, the Administrative Agent shall post such document or notice solely on that portion of the Platform designated for Lenders who wish to receive material nonpublic information with respect to the Borrower, its Subsidiaries and their securities. Notwithstanding the foregoing, the Borrower shall be under no obligation under this Section 14.17 (d) to indicate any document or notice as containing only publicly available information.

14.18 USA Patriot Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act.

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

MCJUNKIN RED MAN HOLDING CORPORATION

By: /s/ CRAIG KETCHUM
Name: Craig Ketchum
Title: Chief Executive

LEHMAN COMMERCIAL PAPER INC., as Administrative Agent and as Collateral Agent

By: /s/ LAURIE PERPER
Name: Laurie Perper
Title: Managing Director

GOLDMAN SACHS CREDIT PARTNERS L.P.,
as Co-Lead Arranger, Joint Bookrunner and Syndication Agent

By: /s/ BRUCE MENDELSOHN
Name: Bruce H. Mendelsohn
Title:

By: _____
Name:
Title:

LEHMAN BROTHERS INC., as Co-Lead Arranger and Joint Bookrunner

By: /s/ LAURIE PERPER
Name: Laurie Perper
Title: Managing Director

LEHMAN BROTHERS COMMERCIAL BANK, as a Lender

By: /s/ DARREN S. LANE
Name: Darren S. Lane
Title: Operations Officer

GOLDMAN SACHS CREDIT PARTNERS L.P.,
as a Lender

By: /s/ BRUCE MENDELSOHN
Name: BRUCE H. MENDELSOHN
Title: AUTHORIZED SIGNATORY

By: _____
Name:
Title:

SCHEDULE 1.1(C) COMMITMENTS OF LENDERS

Lender	Commitment Amount	
LEHMAN BROTHERS COMMERCIAL BANK	$	157,500,000
GOLDMAN SACHS CREDIT PARTNERS L.P.	$	292,500,000
	Total: $	**450,000,000**

SCHEDULE 1.1(D) — EXCLUDED SUBSIDIARIES

McJunkin Receivables Corporation
Red Man Pipe & Supply International, Ltd.

SCHEDULE 1.1(E) — COST SAVINGS

NOT APPLICABLE.

SCHEDULE 8.12 SUBSIDIARIES

Name	Owner	Type	Material Subsidiary (Y/N)
McJunkin Red Man Corporation (f/k/a McJunkin Corporation)	McJunkin Red Man Holding Corporation	corporation	Y
MRM West Virginia Management Company	McJunkin Red Man Corporation (f/k/a McJunkin Corporation)	corporation	N
MRM Oklahoma Management LLC	McJunkin Red Man Corporation (f/k/a McJunkin Corporation)	limited liability company	N
McJunkin Appalachian Oilfield Supply Company	McJunkin Red Man Corporation (f/k/a McJunkin Corporation)	corporation	Y
McJunkin Nigeria Limited	McJunkin Red Man Corporation (f/k/a McJunkin Corporation)	corporation	N
McJunkin Development Corporation	McJunkin Red Man Corporation (f/k/a McJunkin Corporation)	corporation	N
McJunkin-Puerto Rico Corporation	McJunkin Red Man Corporation (f/k/a McJunkin Corporation)	corporation	N
McJunkin Receivables Corporation	McJunkin Red Man Corporation (f/k/a McJunkin Corporation)	corporation	N
McJunkin-West Africa Corporation	McJunkin Red Man Corporation (f/k/a McJunkin Corporation)	corporation	N
Milton Oil & Gas Company	McJunkin Red Man Corporation (f/k/a McJunkin Corporation)	corporation	N
Greenbrier Petroleum Corporation	Milton Oil & Gas Company	corporation	N
Ruffner Realty Company	McJunkin Red Man Corporation (f/k/a McJunkin Corporation)	corporation	N
Midway-Tristate Corporation	McJunkin Appalachian Oilfield Supply Company	corporation	Y
West Oklahoma PVF Company	McJunkin Red Man Corporation (f/k/a McJunkin Corporation)	corporation	Y
McJunkin de Angola, Lda	McJunkin — West Africa Corporation (49%)/McJunkin Development Corporation (51%)	limited liability company	N
Red Man Pipe & Supply Co.	West Oklahoma PVF Company	corporation	Y
Wesco Acquisition Partners, Inc.	Red Man Pipe & Supply Co.	corporation	N
Red Man Pipe and Supply Canada, Ltd.	Red Man Pipe & Supply Co.	corporation	Y
Midfield Supply ULC	Red Man Pipe and Supply Canada, Ltd.	corporation	Y
Midfield Supply USA, Ltd.	Midfield Supply ULC	corporation	N
Mega Production Testing Inc.	Midfield Supply ULC	corporation	N
Northern Boreal Supply Ltd.	Midfield Supply ULC	corporation	N
Red Man Pipe & Supply International, Ltd.	Red Man Pipe & Supply Co.	corporation	N
Hagan Oilfield Supply Ltd.	Midfield Supply ULC	corporation	N
1048025 Alberta Ltd.	Midfield Supply ULC	corporation	N
1236564 Alberta Ltd.	Midfield Supply ULC	corporation	N

SCHEDULE 9.9 — CLOSING DATE AFFILIATE TRANSACTIONS

NONE.

SCHEDULE 9.17(B) POST CLOSING ITEMS

1. The Borrower shall deliver to the Collateral Agent within five (5) Business Days after the Closing Date an original share certificate for 100 shares of McJunkin Red Man Corporation issued in favor of McJunkin Red Man Holding Corporation and, to the extent the stock power delivered to the Collateral Agent on the Closing Date does not accurately describe such share certificates, an executed stock power with respect to such share certificate.

2. Concurrently with the delivery of the share certificate described in paragraph 1 above, the Borrower shall deliver to the Collateral Agent an updated Perfection Certificate and Schedule 1 to the Pledge Agreement to reflect the new certificate number, in form and substance reasonably acceptable to Collateral Agent.

Exhibit 10.7

TERM LOAN PLEDGE AGREEMENT

TERM LOAN PLEDGE AGREEMENT (this "Agreement") dated as of May 22, 2008 between McJunkin Red Man Holding Corporation, a Delaware corporation (the "Pledgor" or "Borrower"), and Lehman Commercial Paper Inc., as Collateral Agent (in such capacity, the "Collateral Agent") under the Credit Agreement (as defined below) for the benefit of the Secured Parties (as defined below).

W I T N E S S E T H:

WHEREAS, the Borrower is party to the Term Loan Credit Agreement dated as of May 22, 2008 (as the same may be amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the "Credit Agreement") among the Borrower, the lending institutions from time to time party thereto (the "Lenders"), Lehman Commercial Paper Inc., as Administrative Agent and as Collateral Agent, pursuant to which (1) the Lenders have severally agreed to make Loans to the Borrower upon the terms and subject to the conditions set forth therein, and (2) one or more Lenders or affiliates of Lenders may from time to time enter into Hedge Agreements with the Borrower (the items in clauses (1) and (2) collectively, the "Extensions of Credit");

WHEREAS, the proceeds of the Extensions of Credit will be used to enable the Borrower to fund a dividend to the Investors;

WHEREAS, Pledgor acknowledges that it will derive substantial direct and indirect benefit from the making of the Extensions of Credit;

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective Extensions of Credit to the Borrower under the Credit Agreement that the Borrower shall have executed and delivered this Agreement to the Collateral Agent for the ratable benefit of the Secured Parties;

WHEREAS, (a) Pledgor is the legal and beneficial owner of the Equity Interests (as defined below) described in Schedule 1 hereto and issued by the entities named therein (such Equity Interests hereunder, the "Pledged Shares"), and (b) Pledgor is the legal and beneficial owner of the Indebtedness (the "Pledged Debt") described in Schedule 1 hereto and issued by the entities named therein.

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent, the Collateral Agent, the Syndication Agent, and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective Extensions of Credit to the Borrower under the Credit Agreement and to induce one or more Lenders or affiliates of Lenders to enter into Hedge Agreements with the Borrower, the Pledgor hereby agrees with the Collateral Agent, for the benefit of the Secured Parties, as follows:

SECTION 1. Defined Terms.

(a) Unless otherwise defined herein, all capitalized terms used herein (including the preamble and recitals hereto) and not otherwise defined herein shall have the meanings given to them in the Credit Agreement or, if not defined therein, in the UCC.

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

"Agreement" shall have the meaning assigned to such term in the preamble hereto.

"Borrower" shall have the meaning assigned to such term in the preamble hereto.

"Collateral" shall have the meaning provided in Section 2 hereof.

"Collateral Agent" shall have the meaning assigned to such term in the preamble hereto.

"Credit Agreement" shall have the meaning assigned to such term in the recitals hereto.

"Equity Interests" shall mean, collectively, Stock and Stock Equivalents.

"Extensions of Credit" shall have the meaning assigned to such term in the recitals hereto.

"Lender Counterparty" means each Lender or any Affiliate of a Lender that is a counterparty to a Hedge Agreement (including any Person that ceases to be a Lender (or any Affiliate thereof) (a) on the date such Lender becomes a party to the Credit Agreement or (b) as of the date such Hedge Agreement was entered into**.**

"Lenders" shall have the meaning assigned to such term in the recitals hereto.

"Obligations" shall mean the collective reference to (i) the due and punctual payment of (x) the principal of and premium, if any, and interest at the applicable rate provided in the Credit Agreement (including interest at the contract rate applicable upon default accrued or accruing after the commencement of any proceeding, under the Bankruptcy Code or any applicable provision of comparable state or foreign law, whether or not such interest is an allowed claim in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (y) each payment required to be made by Borrower under the Credit Agreement, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral, and (z) all other monetary obligations, including fees, costs, payments for early termination of Hedge Agreements, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any proceeding under the Bankruptcy Code or any applicable provision of comparable state or foreign law, whether or not such interest is an allowed claim in such proceeding), of Borrower to any of the Secured Parties under the Credit Agreement and any other Credit Documents, (ii) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Borrower under or pursuant to the Credit Agreement and the other Credit Documents and (iii) the due and punctual payment and performance of all obligations of the Borrowr under each Hedge Agreement that

(x) is in effect on the Closing Date with a counterparty that is a Lender or an affiliate of a Lender as of the Closing Date or (y) is entered into after the Closing Date with any counterparty that is a Lender or an affiliate of a Lender at the time such Hedge Agreement is entered into.

"Pledged Debt" shall have the meaning assigned to such term in the recitals hereto.

"Pledged Shares" shall have the meaning assigned to such term in the recitals hereto.

"Pledgor" shall have the meaning assigned to such term in the preamble hereto.

"Proceeds" shall mean: (i) all "proceeds" as defined in Article 9 of the UCC and (ii) whatever is receivable or received when Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary, including proceeds of any indemnity or guarantee payable to Pledgor or the Collateral Agent from time to time with respect to any of the Collateral.

"Secured Parties" shall mean, collectively, (i) the Lenders, (ii) the Administrative Agent, (iii) the Collateral Agent, (iv) the Syndication Agent, (v) each Lender Counterparty party to a Hedge Agreement the obligations under which constitute Obligations, (vi) the beneficiaries of each indemnification obligation undertaken by the Borrower under the Credit Documents and (vii) any successors, indorsees, transferees and assigns of each of the foregoing.

"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 Collateral Agent's and the Secured Parties' 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.

(c) References to "Lenders" in this Agreement shall be deemed to include affiliates of Lenders that may from time to time enter into Hedge Agreements with the Borrower.

(d) 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, and Section references are to Sections of this Agreement unless otherwise specified. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation."

(e) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

SECTION 2. Grant of Security. Pledgor hereby transfers, assigns and pledges to the Collateral Agent, for the ratable benefit of the Secured Parties, and grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest in and continuing lien on all of Pledgor's right, title and interest in, to and under the following, whether now owned or existing or at any time hereafter acquired or existing or arising (collectively, the "Collateral"):

(a) the Pledged Shares held by Pledgor and the certificates representing such Pledged Shares and any interest of Pledgor in the entries on the books or records of the issuer of such Pledged Shares or on the books or records of any financial intermediary pertaining to such Pledged Shares and all dividends, cash, warrants, rights, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Shares;

(b) the Pledged Debt and the instruments evidencing the Pledged Debt owed to Pledgor, and all interest, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Pledged Debt; and

(c) to the extent not covered by clauses (a) and (b) above, respectively, all Proceeds of any or all of the foregoing Collateral.

SECTION 3. Security for Obligations This Agreement secures the payment of all the Obligations. Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts that constitute part of the Obligations and would be owed to the Collateral Agent or the Secured Parties under the Credit Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving Pledgor.

SECTION 4. Delivery of the Collateral All original stock certificates or instruments, if any, representing or evidencing the Collateral shall be promptly delivered to and held by or on behalf of the Collateral Agent pursuant hereto and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Collateral Agent. The Collateral Agent shall have the right, at any time after the occurrence and during the continuance of an Event of Default and with notice to the relevant Pledgor, to transfer to or to register in the name of the Collateral Agent or any of its nominees any or all of the Pledged Shares. Each delivery of Collateral shall be accompanied by a schedule describing the securities theretofore and then being pledged hereunder, which shall be attached hereto as part of Schedule 1 and made a part hereof; provided that the failure to deliver or attach any such schedule hereto shall not affect the validity of such pledge of such securities; provided, further, that the failure by the Collateral Agent to attach any schedule so delivered shall not constitute a Default or Event of Default hereunder or under any other Credit Document . Each schedule so delivered shall supersede any prior schedules so delivered.

SECTION 5. Representations and Warranties. Pledgor represents and warrants to the Collateral Agent and each other Secured Party as follows:

(a) Schedule 1 hereto (i) correctly represents as of the Closing Date (A) the issuer, the certificate number, the Pledgor and the record and beneficial owner, the number and class and the percentage of the issued and outstanding Equity Interests of such class of all Pledged Shares and (B) the issuer, the initial principal amount, the Pledgor and holder, date of issuance and maturity date of all Pledged Debt, and (ii) together with the comparable schedule to each supplement hereto, accurately and completely describes all Equity Interests, debt securities and

promissory notes required to be pledged hereunder. Except as set forth on Schedule 1, the Pledged Shares represent all (or 65% in the case of pledges of Foreign Subsidiaries) of the issued and outstanding Equity Interests of each class of Equity Interests in the issuer on the Closing Date.

(b) Pledgor is the legal and beneficial owner of the Collateral pledged or assigned by Pledgor hereunder, free and clear of any Lien, except for the Lien created by this Agreement.

(c) As of the Closing Date, the Pledged Shares pledged by Pledgor hereunder have been duly authorized and validly issued and, in the case of Pledged Shares issued by a corporation, are fully paid and non-assessable.

(d) As of the Closing Date, all of the Pledged Debt, to the knowledge of Pledgor only with respect to Pledged Debt owed by an issuer, has been duly authorized, authenticated or issued, and delivered, and is the legal, valid and binding obligation of the issuers thereof and is not in default.

(e) The execution and delivery by Pledgor of this Agreement and the pledge of the Collateral pledged by Pledgor hereunder pursuant hereto create a legal, valid and enforceable security interest in such Collateral and, upon the earlier of (i) delivery of such Collateral to the Collateral Agent in the State of New York or (ii) the filing of all UCC financing statements naming Pledgor as "debtor" and the Collateral Agent as "secured party" and describing the Collateral in the filing offices set forth opposite Pledgor's name on Schedule 5(e) hereto, shall constitute a fully perfected Lien on and first priority security interest in the Collateral, securing the payment of the Obligations, in favor of the Collateral Agent for the benefit of the Secured Parties, except as enforceability thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and subject to general principles of equity.

(f) Pledgor has full power, authority and legal right to pledge all the Collateral pledged by Pledgor pursuant to this Agreement, and this Agreement constitutes a legal, valid and binding obligation of Pledgor, enforceable in accordance with its terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and subject to general principles of equity.

SECTION 6. Certification of Limited Liability Company and Limited Partnership Interests. The Equity Interests in any Person that is organized as a limited liability company or limited partnership and pledged hereunder shall be represented by a certificate and in the organizational documents of such Person, the Pledgor shall cause the issuer of such interests to elect to treat such interests as a "security" within the meaning of Article 8 of the UCC of its jurisdiction of organization or formation, as applicable, by including in its organizational documents language substantially similar to the following and, accordingly, such interests shall be governed by Article 8 of the UCC:

"The Partnership/Company hereby irrevocably elects that all membership interests in the Partnership/Company shall be securities governed by Article 8 of the Uniform Commercial Code of [jurisdiction of organization or formation, as applicable]. Each certificate evidencing partnership/membership interests in the Partnership/Company shall bear the following legend:

“This certificate evidences an interest in [name of Partnership/LLC] and shall be a security for purposes of Article 8 of the Uniform Commercial Code.” No change to this provision shall be effective until all outstanding certificates have been surrendered for cancellation and any new certificates thereafter issued shall not bear the foregoing legend.”

SECTION 7. Further Assurances. Pledgor agrees that at any time and from time to time, at the expense of Pledgor, it will promptly execute or otherwise authorize the filing of any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), which may be required under any applicable law, or which the Collateral Agent or the Administrative Agent may reasonably request, in order (x) to perfect and protect any pledge, assignment or security interest granted or purported to be granted hereby (including the priority thereof) or (y) to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral.

SECTION 8. Voting Rights; Dividends and Distributions; Etc. (a) So long as no Event of Default shall have occurred and be continuing:

(i) Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Collateral or any part thereof for any purpose not prohibited by the terms of this Agreement or the other Credit Documents.

(ii) The Collateral Agent shall execute and deliver (or cause to be executed and delivered) to Pledgor all such proxies and other instruments as Pledgor may reasonably request for the purpose of enabling Pledgor to exercise the voting and other rights that it is entitled to exercise pursuant to paragraph (i) above.

(b) Subject to paragraph (c) below, Pledgor shall be entitled to receive and retain and use, free and clear of the Lien created by this Agreement, any and all dividends, distributions, principal and interest made or paid in respect of the Collateral to the extent permitted by the Credit Agreement, as applicable; provided, however, that any and all noncash dividends, interest, principal or other distributions that would constitute Pledged Shares or Pledged Debt, whether resulting from a subdivision, combination or reclassification of the outstanding Equity Interests of the issuer of any Pledged Shares or received in exchange for Pledged Shares or Pledged Debt or any part thereof, or in redemption thereof, or as a result of any merger, consolidation, acquisition or other exchange of assets to which such issuer may be a party or otherwise, shall be, and shall be forthwith delivered to the Collateral Agent to hold as, Collateral and shall, if received by Pledgor, be received in trust for the benefit of the Collateral Agent, be segregated from the other property or funds of Pledgor and be forthwith delivered to the Collateral Agent as Collateral in the same form as so received (with any necessary indorsement).

(c) Upon written notice to a Pledgor by the Collateral Agent following the occurrence and during the continuance of an Event of Default,

(i) all rights of Pledgor to exercise or refrain from exercising the voting and other consensual rights that it would otherwise be entitled to exercise pursuant to Section 8(a)(i) shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall thereupon have the sole right to exercise or refrain from exercising such voting and other consensual rights during the continuance of such Event of Default, provided that, unless otherwise directed by the Required Lenders, the Collateral Agent shall have the right from time to time following the occurrence and during the continuance of an Event of Default to permit the Pledgor to exercise such rights. When no Events of Default are continuing and the Borrower has delivered to the Collateral Agent a certificate to that effect, or after all Events of Default have been cured or waived pursuant to Section 12 or Section 14.1 of the Credit Agreement, as applicable, Pledgor shall have the right to exercise the voting and consensual rights that Pledgor would otherwise be entitled to exercise pursuant to the terms of Section 8(a)(i) (and the obligations of the Collateral Agent under Section 8(a)(ii) shall be reinstated);

(ii) all rights of Pledgor to receive the dividends, distributions and principal and interest payments that Pledgor would otherwise be authorized to receive and retain pursuant to Section 8(b) shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall thereupon have the sole right to receive and hold as Collateral such dividends, distributions and principal and interest payments during the continuance of such Event of Default. When no Events of Default are continuing and the Borrower has delivered to the Collateral Agent a certificate to that effect, or after all Events of Default have been cured or waived pursuant to Section 12 or Section 14.1 of the Credit Agreement, as applicable, the Collateral Agent shall repay to Pledgor (without interest) all dividends, distributions and principal and interest payments that Pledgor would otherwise be permitted to receive, retain and use pursuant to the terms of Section 8(b);

(iii) all dividends, distributions and principal and interest payments that are received by Pledgor contrary to the provisions of Section 8(b) shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other property or funds of Pledgor and shall forthwith be delivered to the Collateral Agent as Collateral in the same form as so received (with any necessary indorsements); and

(iv) in order to permit the Collateral Agent to receive all dividends, distributions and principal and interest payments to which it may be entitled under Section 8(b) above, to exercise the voting and other consensual rights that it may be entitled to exercise pursuant to Section 8(c)(i) above, and to receive all dividends, distributions and principal and interest payments that it may be entitled to under Sections 8(c)(ii) and (c)(iii) above, Pledgor shall from time to time execute and deliver to the

Collateral Agent appropriate proxies, dividend payment orders and other instruments as the Collateral Agent may reasonably request in writing.

SECTION 9. Transfers and Other Liens; Additional Collateral; Etc. Pledgor shall:

(a) not (i) except as permitted by the Credit Agreement sell or otherwise dispose of, or grant any option or warrant with respect to, any of the Collateral or (ii) create or suffer to exist any consensual Lien upon or with respect to any of the Collateral, except for the Lien created by this Agreement, provided that in the event Pledgor sells or otherwise disposes of assets as permitted by the Credit Agreement, and such assets are or include any of the Collateral, the Collateral Agent shall release such Collateral to Pledgor free and clear of the Lien created by this Agreement concurrently with the consummation of such sale; and

(b) defend its and the Collateral Agent's title or interest in and to all the Collateral (and in the Proceeds thereof) against any and all Liens (other than the Lien created by this Agreement), however arising, and any and all Persons whomsoever.

SECTION 10. Collateral Agent Appointed Attorney-in-Fact. Pledgor hereby appoints, which appointment is irrevocable and coupled with an interest, the Collateral Agent as Pledgor's attorney-in-fact, with full authority in the place and stead of Pledgor and in the name of Pledgor or otherwise, to take any action and to execute any instrument, in each case after the occurrence and during the continuance of an Event of Default, that the Collateral Agent may deem reasonably necessary or advisable to accomplish the purposes of this Agreement, including to receive, indorse and collect all instruments made payable to Pledgor representing any dividend, distribution or principal or interest payment in respect of the Collateral or any part thereof and to give full discharge for the same.

SECTION 11. The Collateral Agent's Duties. The powers conferred on the Collateral Agent hereunder are solely to protect its interest and the interests of the Secured Parties in the Collateral and shall not impose any duty upon the Collateral Agent or any other Secured Party to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Collateral, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Pledged Shares, whether or not the Collateral Agent or any other Secured Party has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property.

SECTION 12. Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Collateral 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 upon default under the UCC (whether or not the UCC applies to the affected Collateral) or other applicable law or in equity and also may, with notice to the relevant Grantor,

sell the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange broker's board or at any of the Collateral Agent's offices or elsewhere, for cash, 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 Collateral 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 Collateral 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 Pledgor, and Pledgor 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 rule of law or statute now existing or hereafter enacted. The Collateral Agent or any other Secured Party shall have the right upon any such public sale and, to the extent permitted by law, upon any such private sale, to purchase all or any part of the Collateral so sold, and the Collateral Agent or such other Secured Party may pay the purchase price by crediting the amount thereof against the Obligations. Pledgor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to Pledgor 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 Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral 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, Pledgor hereby waives any claim against the Collateral 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 Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree.

(b) The Collateral Agent shall apply the proceeds of any collection or sale of the Collateral at any time after receipt as follows:

(i) first, to the payment of all reasonable and documented costs and expenses incurred by the Collateral Agent in connection with such collection or sale or otherwise in connection with this Agreement, the other Credit Documents or any of the Obligations, including all court costs and the reasonable fees and expenses of its agents and legal counsel, the repayment of all advances made by the Collateral Agent hereunder or under any other Credit Document on behalf of Pledgor and any other reasonable and documented costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Credit Document;

(ii) second, to the Secured Parties, an amount equal to all Obligations owing to them on the date of any such distribution, and, if such moneys shall be insufficient to pay such amounts in full, then ratably (without priority of

any one over any other) to such Secured Parties in proportion to the unpaid amounts thereof; and

(iii) third, any surplus then remaining shall be paid to the Pledgor or its successors or assigns or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

(c) Upon any sale of the Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral 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 Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

(d) The Collateral Agent may exercise any and all rights and remedies of Pledgor in respect of the Collateral.

(e) All payments received by Pledgor in respect of the Collateral after the occurrence and during the continuance of an Event of Default shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other property or funds of Pledgor and shall be forthwith delivered to the Collateral Agent as Collateral in the same form as so received (with any necessary indorsement).

SECTION 13. Amendments, etc. with Respect to the Obligations; Waiver of Rights. Pledgor shall remain obligated hereunder notwithstanding that, without any reservation of rights against Pledgor and without notice to or further assent by Pledgor, (a) any demand for payment of any of the Obligations made by the Collateral Agent or any other Secured Party may be rescinded by such party and any of the Obligations continued, (b) the 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 Collateral Agent or any other Secured Party, (c) the Credit Agreement, the other Credit Documents and any other documents executed and delivered in connection therewith and the Hedge Agreements and any other documents executed and delivered in connection therewith and any documents entered into with the applicable Administrative Agent or the Collateral Agent or any of its respective affiliates in connection with treasury, depositary or cash management services or in connection with any automated clearinghouse transfer of funds may be amended, modified, supplemented or terminated, in whole or in part, as the applicable Administrative Agent (or the Required Lenders, as the case may be, or, in the case of any Hedge Agreement or documents entered into with the applicable Collateral Agent or any of its respective affiliates in connection with treasury, depositary or cash management services or in connection with any automated clearinghouse transfer of funds, the party thereto) may deem advisable from time to time, and (d) any collateral security, guarantee or right of offset at any time held by the Collateral Agent or any other Secured Party for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Collateral Agent nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Agreement or any property subject thereto. When

making any demand hereunder against Pledgor, the Collateral Agent or any other Secured Party may, but shall be under no obligation to, make a similar demand any other person, and any failure by the Collateral Agent or any other Secured Party to make any such demand or to collect any payments from any other person or any release of any other person shall not relieve Pledgor in respect of which a demand or collection is not made or Pledgor 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 Collateral Agent or any other Secured Party against Pledgor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

SECTION 14. Continuing Security Interest; Assignments Under the Credit Agreement; Release. (a) This Agreement shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon Pledgor and the successors and assigns thereof, and shall inure to the benefit of the Collateral Agent and the other Secured Parties and their respective successors, indorsees, transferees and assigns until all the Obligations (other than any contingent indemnity obligations not then due) under the Credit Documents shall have been satisfied by payment in full, and the Commitments shall be terminated, notwithstanding that from time to time during the term of the Credit Agreement and any Hedge Agreement the Borrower may be free from any obligations.

(b) [Intentionally Omitted.]

(c) Upon any sale or other transfer by Pledgor of any Collateral that is permitted under the Credit Agreement or upon the effectiveness of any written consent to the release of the security interest granted hereby in any Collateral pursuant to Section 14.1 of the Credit Agreement, the obligations of Pledgor with respect to such Collateral shall be automatically released and such Collateral sold free and clear of the Lien and security interests created hereby.

(d) In connection with any termination or release pursuant to the foregoing paragraph (a) or (c), the Collateral Agent shall execute and deliver to Pledgor or authorize the filing of, at Pledgor's expense, all documents that Pledgor shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 14 shall be without recourse to or warranty by the Collateral Agent.

SECTION 15. Reinstatement. Pledgor further agrees that, if any payment made by Borrower or other Person and applied to the 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 Secured Party to the Borrower, its estate, trustee, receiver or any other party, including Pledgor, under any bankruptcy law, state, federal or foreign law, common law or equitable cause, then, to the extent of such payment or repayment, any Lien 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 Lien granted hereby or other Collateral securing such liability hereunder shall have been released or terminated by virtue of such cancellation or surrender), such Lien 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 Lien or other Collateral securing the obligations of Pledgor in respect of the amount of such payment.

SECTION 16. Notices. All notices, requests and demands pursuant hereto shall be made in accordance with Section 14.2 of the Credit Agreement. All communications and notices hereunder to Pledgor shall be given to it in care of the Borrower at the Borrower's address set forth in Section 14.2 of the Credit Agreement.

SECTION 17. 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), 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 Collateral Agent and the Borrower.

SECTION 18. 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.

SECTION 19. Integration. This Agreement together with the other Credit Documents represents the agreement of the Pledgor with respect to the subject matter hereof and there are no promises, undertakings, representations or warranties by the Collateral Agent or any other Secured Party relative to the subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents.

SECTION 20. Amendments in Writing; No Waiver; Cumulative Remedies. (a) 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 affected Pledgor and the Collateral Agent in accordance with Section 14.1 of the Credit Agreement.

(b) Neither the Collateral Agent nor any other Secured Party shall by any act (except by a written instrument pursuant to Section 20(a) hereof), 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. No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or any other Secured Party, 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 Collateral Agent or any other Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Collateral Agent or such other Secured Party would otherwise have on any future occasion.

(c) 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 law.

SECTION 21. 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.

SECTION 22. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of Pledgor and shall inure to the benefit of the Collateral Agent and the other Secured Parties and their respective successors and assigns, except that no Pledgor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent.

SECTION 23. **WAIVER OF JURY TRIAL. EACH PARTY HERETO 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.**

SECTION 24. Submission to Jurisdiction; Waivers. Each party hereto irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Credit Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-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 may 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 16 or at such other address of which the Collateral Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right of any other party hereto (or any Secured Party) to effect service of process in any other manner permitted by law or shall limit the right of any party hereto (or any Secured Party) 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 24 any special, exemplary, punitive or consequential damages.

SECTION 25. **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 LAWS OF THE STATE OF NEW YORK.**

SECTION 26. [Intentionally Omitted]

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 day and year first above written.

MCJUNKIN RED MAN HOLDING CORPORATION,
as Pledgor

By: /s/ CRAIG KETCHUM
Name: Craig Ketchum
Title: Chief Executive Officer and President

Lehman Commercial Paper Inc., as Collateral Agent

By: /s/ LAURIE PERPER
Name: Laurie Perper
Title: Managing Director

Exhibit 10.8

TERM LOAN SECURITY AGREEMENT

THIS TERM LOAN SECURITY AGREEMENT dated as of May 22, 2008 between McJunkin Red Man Holding Corporation, a Delaware corporation (the "Grantor" or "Borrower")and Lehman Commercial Paper Inc., as Collateral Agent (in such capacity, the "Collateral Agent") under the Credit Agreement (as defined below) for the benefit of the Secured Parties (as defined below).

W I T N E S S E T H:

WHEREAS, the Borrower is party to the Term Loan Credit Agreement, dated as of May 22, 2008 (as the same may be amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the "Credit Agreement"), among the Borrower, the lending institutions from time to time party thereto (the "Lenders"), Lehman Commercial Paper Inc., as Administrative Agent and as Collateral Agent, pursuant to which (1) the Lenders have severally agreed to make Loans to the Borrower upon the terms and subject to the conditions set forth therein, and (2) one or more Lenders or affiliates of Lenders may from time to time enter into Hedge Agreements with the Borrower (the items in clauses (1) and (2) collectively, the "Extensions of Credit");

WHEREAS, the proceeds of the Extensions of Credit will be used to enable the Borrower to fund a dividend to the Investors;

WHEREAS, the Grantor acknowledges that it will derive substantial direct and indirect benefit from the making of the Extensions of Credit; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective Extensions of Credit to the Borrower under the Credit Agreement that the Grantor shall have executed and delivered this Agreement to the Collateral Agent for the ratable benefit of the Secured Parties;

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent, the Collateral Agent, the Syndication Agent, and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective Extensions of Credit to the Borrower under the Credit Agreement and to induce one or more Lenders or affiliates of Lenders to enter into Hedge Agreements with the Borrower, the Grantor hereby agrees with the Collateral Agent for the benefit of the Secured Parties, as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, all capitalized terms used herein (including the preamble and recitals hereto) and not otherwise defined herein shall have the meanings given to them in the Credit Agreement or, if not defined therein, in the UCC.

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

"Agreement" shall have the meaning assigned to such term in the preamble hereto.

"Borrower" shall have the meaning assigned to such term in the preamble hereto.

"Collateral" shall have the meaning provided in Section 2 hereof.

"Collateral Agent" shall have the meaning assigned to such term in the preamble hereto.

"Collateral Account" shall mean any collateral account established by the Collateral Agent as provided in Section 5.1 or Section 5.3.

"Collateral Agent" shall have the meaning provided in the preamble hereto.

"Control" shall mean (i) in the case of each Deposit Account, "control," as such term is defined in Section 9-104 of the UCC, and (ii) in the case of any Security Entitlement, "control," as such term is defined in Section 8-106 of the UCC.

"Control Agreements" shall mean, collectively, Deposit Account Control Agreements and the Securities Account Control Agreements.

"Copyright License" shall mean any written agreement, now or hereafter in effect, naming the Grantor as licensor or licensee, granting any right to any third party under any copyright now or hereafter owned by the Grantor (including all Copyrights) or that the Grantor otherwise has the right to license, or granting any right to the Grantor under any copyright now or hereafter owned by any third party, and all rights of the Grantor under any such agreement, including those listed on Schedule I (as such schedule may be amended or supplemented from time to time).

"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, any other country or any 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, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office.

"Copyrights" shall mean all copyrights now owned or hereafter acquired by the Grantor, including those listed on Schedule II (as such schedule may be amended or supplemented from time to time).

"Credit Agreement" shall have the meaning assigned to such term in the recitals hereto.

"Deposit Account Control Agreement" shall mean an agreement that is reasonably satisfactory to the Collateral Agent establishing Control in favor of the Collateral Agent with respect to any Deposit Account.

"Deposit Accounts" shall mean, collectively, with respect to each Pledgor, (i) all "deposit accounts" as such term is defined in Article 9 of the UCC and in any event shall include all accounts and sub-accounts relating to any of the foregoing accounts and (ii) all cash, funds, checks, notes and instruments from time to time on deposit in any of the accounts or sub-accounts described in clause (i) of this definition.

"Equipment" shall mean all "equipment," as such term is defined in Article 9 of the UCC, now or hereafter owned by the Grantor or to which the Grantor has rights and, in any event, shall include all machinery, equipment, computers, furnishings, appliances, fixtures, tools and vehicles (in each case, regardless of whether characterized as equipment under the UCC) now or hereafter owned by the Grantor or to which the Grantor has rights and any and all Proceeds, accessions, additions, substitutions and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto; but excluding equipment to the extent it is subject to a Lien permitted by the Credit Agreement and the terms of the Indebtedness securing such Lien prohibit assignment of, or granting of a security interest in, the Grantor's rights and interests therein (other than to the extent that any such prohibition would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law), provided, that immediately upon the repayment of all Indebtedness secured by such Lien, the Grantor shall be deemed to have granted a Security Interest in all the rights and interests with respect to such equipment.

"Extensions of Credit" shall have the meaning assigned to such term in the recitals hereto.

"General Intangibles" shall mean all "general intangibles" as such term is defined in Article 9 of the UCC, including "payment intangibles" also as such term is defined in Article 9 of the UCC, and, in any event, including with respect to the Grantor, all contracts, agreements, instruments and indentures in any form, and portions thereof, to which the Grantor is a party or under which the Grantor has any right, title or interest or to which the Grantor or any property of the Grantor is subject, as the same may from time to time be amended, supplemented or otherwise modified, including (a) all rights of the Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (b) all rights of the Grantor to receive proceeds of any insurance, indemnity, warranty or guarantee with respect thereto, (c) all claims of the Grantor for damages arising out of any breach of or default thereunder and (d) all rights of the 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, in each case to the extent the grant by the Grantor of a Security Interest pursuant to this Agreement in its right, title and interest in any such contract, agreement, instrument or indenture (i) is not prohibited by such contract, agreement, instrument or indenture without the consent of any other party thereto, (ii) would not give any other party to any such contract, agreement, instrument or indenture the right to terminate its obligations thereunder or (iii) is permitted with consent if all necessary consents to such grant of a Security Interest have been obtained from the other parties thereto (other than to the extent that any such prohibition referred to in clauses (i), (ii) and (iii) would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law) (it being understood that the foregoing shall not be deemed to obligate the Grantor to obtain such consents), provided that the foregoing limitation shall not affect, limit, restrict or impair the grant by the Grantor of a Security Interest pursuant to this Agreement in any Account or any money or other amounts due or to become due under any such contract, agreement, instrument or indenture.

"Grantor" shall have the meaning assigned to such term in the recitals hereto.

"Intellectual Property" shall mean all of the following now owned or hereafter acquired by the Grantor: rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws, including the Trade Secrets, the Copyrights, the Patents, the Trademarks and the Licenses and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom, in each case to the extent the grant by the Grantor of a Security Interest pursuant to this Agreement in any such rights, priorities and privileges relating to intellectual property (i) is not prohibited by any contract, agreement or other instrument governing such rights, priorities and privileges without the consent of any other party thereto, (ii) would not give any other party to any such contract, agreement or other instrument the right to terminate its obligations thereunder or (iii) is permitted with consent if all necessary consents to such grant of a Security Interest have been obtained from the relevant parties (other than to the extent that any such prohibition referred to in clauses (i), (ii) and (iii) would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law) (it being understood that the foregoing shall not be deemed to obligate the Grantor to obtain such consents).

"Investment Property" shall mean all Securities (whether certificated or uncertificated), Security Entitlements, Securities Accounts, Commodity Contracts and Commodity Accounts of the Grantor (other than as pledged pursuant to the Pledge Agreements), whether now or hereafter acquired by the Grantor, in each case to the extent the grant by a Grantor of a Security Interest therein pursuant to this Agreement in its right, title and interest in any such Investment Property (i) is not prohibited by any

contract, agreement, instrument or indenture governing such Investment Property without the consent of any other party thereto, (ii) would not give any other party to any such contract, agreement, instrument or indenture the right to terminate its obligations thereunder or (iii) is permitted with consent if all necessary consents to such grant of a Security Interest have been obtained from the other parties thereto (other than to the extent that any such prohibition referred to in clauses (i), (ii) and (iii) would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law) (it being understood that the foregoing shall not be deemed to obligate the Grantor to obtain such consents).

"Lender Counterparty" means each Lender or any Affiliate of a Lender that is a counterparty to a Hedge Agreement (including any Person that ceases to be a Lender (or any Affiliate thereof) (a) on the date such Lender becomes a party to the Credit Agreement or (b) as of the date such Hedge Agreement was entered into.

"License" shall mean any Patent License, Trademark License, Copyright License or other license or sublicense to which the Grantor is a party.

"Obligations" shall mean the collective reference to (i) the due and punctual payment of (x) the principal of and premium, if any, and interest at the applicable rate provided in the Credit Agreement (including interest at the contract rate applicable upon default accrued or accruing after the commencement of any proceeding, under the Bankruptcy Code or any applicable provision of comparable state or foreign law, whether or not such interest is an allowed claim in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (y) each payment required to be made by Borrower under the Credit Agreement, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral, and (z) all other monetary obligations, including fees, costs, payments for early termination of Hedge Agreements, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any proceeding under the Bankruptcy Code or any applicable provision of comparable state or foreign law, whether or not such interest is an allowed claim in such proceeding), of Borrower to any of the Secured Parties under the Credit Agreement and any other Credit Documents, (ii) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Borrower under or pursuant to the Credit Agreement and the other Credit Documents, and (iv) the due and punctual payment and performance of all obligations of the Borrower under each Hedge Agreement that (x) is in effect on the Closing Date with a counterparty that is a Lender or an affiliate of a Lender as of the Closing Date or (y) is entered into after the Closing Date with any counterparty that is a Lender or an affiliate of a Lender at the time such Hedge Agreement is entered into.

"Patent License" shall mean any written agreement, now or hereafter in effect, naming the Grantor as licensor or licensee, granting to any third party any right to

make, use or sell any invention on which a patent, now or hereafter owned by the Grantor (including all Patents) or that the Grantor otherwise has the right to license, is in existence, or granting to the Grantor any right to make, use or sell any invention on which a patent, now or hereafter owned by any third party, is in existence, and all rights of the Grantor under any such agreement, including those listed on Schedule III (as such schedule may be amended or supplemented from time to time).

"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 or group of countries, 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, reexaminations or extensions thereof, all rights corresponding thereto throughout the world and all inventions and improvements disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

"Patents" shall mean all patents now owned or hereafter acquired by the Grantor, including those listed on Schedule IV (as such schedule may be amended or supplemented from time to time).

"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 possession 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 Collateral 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 the Grantor or licensed under a Trademark License or injury to the goodwill associated with or symbolized by any Trademark now or hereafter owned by the Grantor, (iii) past, present or future breach of any License and (iv) past, present or future infringement of any Copyright now or hereafter owned by the Grantor or licensed under a Copyright License and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Secured Parties" shall mean, collectively, (i) the Lenders, (ii) the Administrative Agent, (iii) the Collateral Agent, (iv) the Syndication Agent, (v) each Lender Counterparty party to a Hedge Agreement the obligations under which constitute

Obligations, (vi) the beneficiaries of each indemnification obligation undertaken by the Borrower under the Credit Agreement or any document executed pursuant thereto and (vii) any successors, indorsees, transferees and assigns of each of the foregoing.

"Securities Account Control Agreement" shall mean an agreement that is reasonably satisfactory to the Collateral Agent establishing Control in favor of the Collateral Agent with respect to any Securities Account.

"Security Interest" shall have the meaning provided in Section 2 hereof.

"Trade Secrets" shall mean all information used or useful arising from the business including all goodwill, trade secrets, trade secret rights, know-how, customer lists, processes of production, ideas, confidential business information, techniques, processes, formulas and all other proprietary information.

"Trademark License" shall mean any written agreement, now or hereafter in effect, naming the Grantor as licensor or licensee, granting to any third party any right to use any trademark now or hereafter owned by the Grantor (including any Trademark) or that the Grantor otherwise has the right to license, or granting to the Grantor any right to use any trademark now or hereafter owned by any third party, and all rights of the Grantor under any such agreement, including those listed on Schedule V (as such schedule may be amended or supplemented from time to time).

"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, Internet domain 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.

"Trademarks" shall mean all trademarks now owned or hereafter acquired by the Grantor, including those listed on Schedule VI (as such schedule may be amended or supplemented from time to time); provided that any "intent to use" Trademark applications for which a "Statement of Use" or "Amendment to Allege Use" has not been filed (but only until such statement is filed) are excluded from this definition.

"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

Collateral Agent's and the Secured Parties' 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.

(c) The words "hereof", "herein", "hereto" 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, and Section, subsection, clause and Schedule references are to this Security Agreement unless otherwise specified. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation."

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

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

(f) References to "Lenders" in this Agreement shall be deemed to include Affiliates of any Lender that may from time to time enter into Hedge Agreements with the Borrower.

2. Grant of Security Interest.

(a) The Grantor hereby bargains, sells, conveys, assigns, sets over, mortgages, pledges, hypothecates and transfers to the Collateral Agent, for the ratable benefit of the Secured Parties, and grants to the Collateral Agent, for the ratable benefit of the Secured Parties a lien on and continuing security interest in (the "Security Interest"), all of its right, title and interest in, to and under all of the following property now owned 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 Obligations:

(i) all Accounts;

(ii) all Chattel Paper;

(iii) all Commercial Tort Claims, if any;

(iv) all Documents;

(v) all Equipment;

(vi) all General Intangibles;

(vii) all Instruments;

(viii) all Intellectual Property;

(ix) all Inventory;

(x) all Investment Property;

(xi) all Letters of Credit and Letter-of-Credit Rights;

(xii) all Money;

(xiii) all Supporting Obligations;

(xiv) all Collateral Accounts;

(xv) all books and records pertaining to the Collateral; and

(xvi) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing.

(b) The Grantor hereby irrevocably authorizes the Collateral Agent and its Affiliates, counsel and other representatives, at any time and from time to time, to file or record financing statements, amendments to financing statements and, with notice to the Borrower, other filing or recording documents or instruments with respect to the Collateral in such form and in such offices as the Collateral Agent reasonably determines appropriate to perfect the Security Interests of the Collateral Agent under this Agreement, and such financing statements and amendments may describe the Collateral covered thereby as "all assets" or "all personal property" or words of similar effect, whether now owned or hereafter acquired. The Grantor hereby also authorizes the Collateral Agent and its Affiliates, counsel and other representatives, at any time and from time to time, to file continuation statements with respect to previously filed financing statements. 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 Collateral Agent.

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

The Collateral Agent is further authorized to file with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office in any other country) such documents as may be necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interests granted by the Grantor hereunder, without the signature of the

Grantor, and naming the Grantor or the Grantors as debtors and the Collateral Agent, as the case may be, as secured party.

This Agreement secures the payment of all the Obligations. Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts that constitute part of the Obligations and would be owed to the Collateral Agent or the Secured Parties under the Credit Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Grantor.

The Security Interests are granted as security only and shall not subject the Collateral Agent or any other Secured Party 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 Collateral Agent and each other Secured Party that:

3.1 Title; No Other Liens. Except for (a) the Security Interest granted to the Collateral Agent for the ratable benefit of the Secured Parties pursuant to this Agreement, (b) the Liens permitted by the Credit Agreement and (c) any Liens securing Indebtedness which is no longer outstanding or any Liens with respect to commitments to lend which have been terminated, the Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. No security agreement, financing statement or other public notice with respect to all or any part of the Collateral that evidences a Lien securing any material Indebtedness is on file or of record in any public office, except such as (i) have been filed in favor of the Collateral Agent for the ratable benefit of the Secured Parties pursuant to this Agreement or (ii) are permitted by the Credit Agreement.

3.2 Perfected First Priority Liens. (a) This Agreement is effective to create in favor of the Collateral Agent, for its benefit and for the benefit of the Secured Parties, legal, valid and enforceable Security Interests in the Collateral, subject to the effects of bankruptcy, insolvency or similar laws affecting creditors' rights generally and general equitable principles.

(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 Security Interests in the Collateral (as to which perfection may be obtained by the filings or other actions described in clause (A), (B), or (C) of this paragraph in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, as collateral security for the Obligations, upon (A) the filing of all financing statements, in each case, naming the Grantor as "debtor" and the Collateral Agent as "secured party" and describing the Collateral in the filing offices specified in Schedule 3.2(b), (B) delivery to Collateral Agent (or its bailee) of all Instruments, Chattel Paper, Certificated Securities

and Negotiable Documents, in each case, properly endorsed for transfer or in blank, and (C) completion of the filing and recording of fully executed agreements in the form hereof (or a supplement hereto) and containing a description of all Collateral constituting Patents and Trademarks in the United States Patent and Trademark Office (or any successor office) within the three month period (commencing as of the date hereof) or, with respect to all Collateral constituting Patents and registered Trademarks acquired after the date hereof, within three months thereafter, and all Collateral constituting registered Copyrights in the United States Copyright Office (or a successor office) within the one month period (commencing as of the date hereof) or, with respect to all Collateral constituting Copyrights acquired after the date hereof, within one month thereafter pursuant to 35 USC § 261, and 15 USC § 1060, or 17 USC § 205 and the regulations thereunder, and otherwise as may be required pursuant to the laws of any other necessary jurisdiction to the extent that a security interest may be perfected by such filings and recordings, and (ii) are prior to all other Liens on the Collateral other than Liens permitted pursuant to Section 10.2 of the Credit Agreement.

(c) Notwithstanding anything to the contrary herein, no Grantor shall be required to perfect the Security Interests granted by this Agreement (including Security Interests in cash, cash accounts and Investment Property) by any means other than (i) filings pursuant to the UCC of the relevant state(s), (ii) filings approved by United States government offices with respect to Intellectual Property or (iii) delivery to the Collateral Agent (or its bailee) to be held in its possession of all Collateral consisting of Instruments, Certificated Securities or Negotiable Documents.

(d) It is understood and agreed that the Security Interests in cash and Investment Property created hereunder shall not prevent the Grantors from using such assets in the ordinary course of their respective businesses, subject to the provisions of the Control Agreements with respect to such cash and Investment Property.

4. Covenants.

The Grantor hereby covenants and agrees with the Collateral Agent and the Secured Parties that, from and after the date of this Agreement until the Obligations under the Credit Documents are paid in full and the Commitments are terminated:

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 3.1 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 Collateral 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 Collateral 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)(C)), which may be required under any applicable law, or which the Collateral Agent or the Required 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 Collateral 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 UCC in effect in any jurisdiction with respect to the Security Interests created hereby and all applicable documents required under Section 3.2(b)(C), all at the expense of the Grantor.

(d) Notwithstanding anything in this Section 4.1 to the contrary, with respect to any assets acquired by the Grantor after the date hereof that are required by the Credit Agreement to be subject to the Lien created hereby, the relevant Grantor after the acquisition thereof shall promptly take all actions required by the Credit Agreement or this Section 4.1.

4.2 Changes in Locations, Name, etc. The Grantor will furnish to the Collateral Agent prompt written notice of any change (i) in its legal name, (ii) in its jurisdiction of organization or location for purposes of the UCC, (iii) in its identity or type of organization or corporate structure or (iv) in its Federal Taxpayer Identification Number or organizational identification number. The Grantor agrees promptly to provide the Collateral Agent with certified organizational documents reflecting any of the changes described in the first sentence of this paragraph. The Grantor also agrees promptly to notify the Collateral Agent if any material portion of the Collateral is damaged or destroyed.

4.3 Notices. The Grantor will advise the Collateral Agent and the Lenders promptly, in reasonable detail, of any Lien of which it has knowledge (other than the Security Interests created hereby or Liens permitted under the Credit Agreement) on any of the Collateral which would adversely affect, in any material respect, the ability of the Collateral Agent to exercise any of its remedies hereunder.

5. Remedial Provisions.

5.1 Certain Matters Relating to Accounts. (a) At any time after the occurrence and during the continuance of an Event of Default and after giving reasonable notice to the Borrower and any other relevant Grantor, the Administrative Agent shall have the right, but not the obligation, to instruct the Collateral Agent to (and upon such instruction, the Collateral Agent shall) make test verifications of the Accounts in any manner and through any medium that such Agent reasonably considers advisable, and the Grantor shall furnish all such assistance and information as such Agent may require in connection with such test verifications. Such Agent shall have

the absolute right to share any information it gains from such inspection or verification with any Secured Party.

(b) The Collateral Agent hereby authorizes the Grantor to collect the Grantor's Accounts and the Collateral Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If required in writing by the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Accounts, when collected by the Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by the Grantor in the exact form received, duly endorsed by the Grantor to the Collateral Agent if required, in a Collateral Account maintained under the sole dominion and control of and on terms and conditions reasonably satisfactory to the Collateral Agent, subject to withdrawal by the Collateral Agent for the account of the Secured Parties only as provided in Section 5.5, and (ii) until so turned over, shall be held by the Grantor in trust for the Collateral Agent and the Secured Parties, segregated from other funds of the 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.

(c) At the Collateral Agent's request at any time after the occurrence and during the continuance of an Event of Default, the Grantor shall deliver to the Collateral 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.

(d) Upon the occurrence and during the continuance of an Event of Default, a 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 Collateral Agent shall have instructed the Grantors not to grant or make any such extension, credit, discount, compromise or settlement under any circumstances during the continuance of such Event of Default.

(e) At the direction of the Collateral Agent, upon the occurrence and during the continuance of an Event of Default, the Grantor shall grant to the Collateral Agent to the extent assignable, an irrevocable, non-exclusive, fully paid-up, royalty-free, worldwide license to use, assign, license or sublicense any of the Intellectual Property now owned or hereafter acquired by the Grantor. 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 thereof.

5.2 Communications with Borrower; Grantors Remain Liable. (a) The Collateral 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 notice to the relevant Grantor of its intent to do so, communicate with obligors under the Accounts to verify with them to the Collateral Agent's satisfaction the existence,

amount and terms of any Accounts. The Collateral Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party.

(b) Upon the written request of the Collateral 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 Collateral Agent for the ratable benefit of the Secured Parties and that payments in respect thereof shall be made directly to the Collateral 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 Collateral Agent nor any Secured Party 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 Collateral Agent or any Secured Party of any payment relating thereto, nor shall the Collateral Agent or any Secured Party 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 Collateral Agent. In addition to the rights of the Collateral Agent and the Secured Parties specified in Section 5.1 with respect to payments of Accounts, if an Event of Default shall occur and be continuing and the Collateral Agent so requires by notice in writing to the relevant Grantor (it being understood that the exercise of remedies by the Secured Parties in connection with an Event of Default under Section 11.5 of the Credit Agreement shall be deemed to constitute a request by the Collateral 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 Collateral Agent and the Secured Parties, segregated from other funds of the Grantor, and shall, forthwith upon receipt by the Grantor, be turned over to the Collateral Agent in the exact form received by the Grantor (duly endorsed by the Grantor to the Collateral Agent, if required). All Proceeds received by the Collateral Agent hereunder shall be held by the Collateral Agent in a Collateral Account maintained under its dominion and control and on terms and conditions reasonably satisfactory to the Collateral Agent. All Proceeds while held by the Collateral Agent in a Collateral Account (or by the Grantor in trust for the Collateral Agent and the Secured Parties) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 5.4.

5.4 Application of Proceeds. The Collateral 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 as follows:

(a) first, to the payment of all reasonable and documented costs and expenses incurred by the Collateral Agent in connection with such collection or sale or otherwise in connection with this Agreement, the other Credit Documents or any of the Obligations, including all court costs and the reasonable fees and expenses of its agents and legal counsel, the repayment of all advances made by the Collateral Agent hereunder or under any other Credit Document on behalf of the Grantor and any other reasonable and documented costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Credit Document;

(b) second, to the Secured Parties, an amount equal to all Obligations owing to them on the date of any distribution, and, if such moneys shall be insufficient to pay such amounts in full, then ratably (without priority of any one over any other) to such Secured Parties in proportion to the unpaid amounts thereof; and

(c) third, any surplus then remaining shall be paid to the Grantors or their successors or assigns or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Upon any sale of the Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral 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 Collateral 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 Collateral 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 law and also may with notice to the relevant 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 Collateral Agent or any Lender 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 Collateral 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 Collateral 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 rule of law or statute now existing or hereafter enacted. The Collateral Agent and any Secured Party 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 Collateral Agent or such Secured Party may, subject to (x) the satisfaction in full in cash of all payments due pursuant to Section 5.4(a) hereof and (y) the satisfaction of the Obligations in accordance with the priorities set forth in Section 5.4 hereof, pay the purchase price by crediting the amount thereof against the 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 Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral 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 Collateral 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 Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree. The Grantor further agrees, at the Collateral Agent's request, to assemble the Collateral and make it available to the Collateral Agent, at places which the Collateral Agent shall reasonably select, whether at the Grantor's premises or elsewhere. The Collateral 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 Obligations and the fees and disbursements of any attorneys employed by the Collateral Agent or any Secured Party to collect such deficiency.

5.7 Amendments, etc. with Respect to the Obligations; Waiver of Rights. 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 Obligations made by the Collateral Agent or any other Secured Party may be rescinded by such party and any of the Obligations continued, (b) the 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 Collateral Agent or any other Secured Party, (c) the Credit Agreement, the other Credit Documents and any other documents executed and delivered in connection therewith and the Hedge Agreements and any other documents executed and delivered in

connection therewith and any documents entered into with the applicable Administrative Agent or the Collateral Agent or any of its respective affiliates in connection with treasury, depositary or cash management services or in connection with any automated clearinghouse transfer of funds may be amended, modified, supplemented or terminated, in whole or in part, as the applicable Administrative Agent (or the Required Lenders, as the case may be, or, in the case of any Hedge Agreement or documents entered into with the applicable Administrative Agent or any of its respective affiliates in connection with treasury, depositary or cash management services or in connection with any automated clearinghouse transfer of funds, the party thereto) may deem advisable from time to time, and (d) any collateral security, guarantee or right of offset at any time held by the Collateral Agent or any other Secured Party for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Collateral Agent nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Agreement or any property subject thereto. When making any demand hereunder against the Grantor, the Collateral Agent or any other Secured Party may, but shall be under no obligation to, make a similar demand on any other person, and any failure by the Collateral Agent or any other Secured Party to make any such demand or to collect any payments from 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 Collateral Agent or any other Secured Party against the Grantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

5.8 [Intentionally Omitted.]

6. The Collateral Agent.

6.1 Collateral Agent's Appointment as Attorneys-in-Fact, etc. (a) The Grantor hereby appoints, which appointment is irrevocable and coupled with an interest, effective upon and during the occurrence of an Event of Default, the Collateral 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 which 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 Collateral Agent the power and right, on behalf of the Grantor, either in the Collateral Agent's name or in the name of the Grantor or otherwise, without assent by the Grantor, to do any or all of the following, in each case after and during the occurrence of an Event of Default and after written notice by the Collateral 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 Collateral 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 and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Collateral Agent may request to evidence the Collateral Agent's and the Secured Parties' 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 Liens 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) obtain and adjust insurance required to be maintained by the Grantor or paid to the Collateral Agent pursuant to Section 9.3 of the Credit Agreement;

(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 Collateral Agent or as the Collateral 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, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, 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 (not to be unreasonably withheld or delayed) 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 Collateral Agent may deem appropriate (with the Grantor's consent (not to be unreasonably withheld or delayed) 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 Copyright, Patent or Trademark (along with the goodwill of the business to which any such Copyright, Patent or Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Collateral 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 Collateral Agent were the absolute owner thereof for all purposes, and do, at the Collateral Agent's option and the Grantor's expense, at any time, or from time to time, all acts and things that the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's and the Secured Parties' 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 Collateral 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 Collateral 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 Collateral 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 on any category of past due ABR Loans under the Credit Agreement, from the date of payment by the Collateral Agent to the date reimbursed by the relevant Grantor, shall be payable by the Grantor to the Collateral 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 Collateral Agent. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property. Neither the Collateral Agent, any Secured Party nor any of their respective officers, directors, employees or agents 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 Collateral Agent and the Secured Parties hereunder are solely to protect the Collateral Agent's and the Secured Parties' interests in the Collateral and shall not impose any duty upon the Collateral Agent or any Secured Party to exercise any such powers. The Collateral Agent and the Secured Parties 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 officers, directors, employees or agents 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 Collateral Agent. The Grantor acknowledges that the rights and responsibilities of the Collateral Agent under this Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral 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 Collateral Agent and the Secured Parties, 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 Collateral Agent and the Grantors, the Collateral Agent shall be conclusively presumed to be acting as agent for the applicable Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

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

6.5 Continuing Security Interest; Assignments Under the Credit Agreement; Release. (a) 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 Collateral Agent and the other Secured Parties and their respective successors, indorsees, transferees and assigns until all Obligations under the Credit Documents (other than any contingent indemnity obligations not then due) and the obligations of the Grantor under this Agreement shall have been satisfied by payment in full, the Commitments shall be terminated and no Letters of Credit shall be outstanding, notwithstanding that from time

to time during the term of the Credit Agreement and any Hedge Agreement the Borrower may be free from any Obligations.

(b) The Grantor shall automatically be released from its obligations hereunder and the Security Interest in the Collateral of the Grantor shall be automatically released upon the consummation of any transaction permitted under the Credit Agreement.

(c) Upon any sale or other transfer by the Grantor of any Collateral that is permitted under the Credit Agreement or upon the effectiveness of any written consent to the release of the Security Interest granted hereby in any Collateral pursuant to Section 14.1 of the Credit Agreement, the Security Interest in such Collateral shall be automatically released and such Collateral sold free and clear of the Lien and Security Interests created hereby.

(d) In connection with any termination or release pursuant to paragraph (a), (b) or (c), the Collateral Agent shall execute and deliver to the Grantor, at the Grantor's expense, all documents that the Grantor shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 6.5 shall be without recourse to or warranty by the Collateral Agent.

6.6 Reinstatement. The Grantor further agrees that, if any payment made by the Borrower or other Person and applied to the 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 Secured Party to the Borrower, 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 Lien 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 Lien granted hereby or other Collateral securing such liability hereunder shall have been released or terminated by virtue of such cancellation or surrender), such Lien 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 Lien or other Collateral securing the obligations of the Grantor in respect of the amount of such payment.

7. Collateral Agent As Agent.

(a) Lehman Commercial Paper Inc. has been appointed to act as the Collateral Agent under the Credit Agreement, by the Lenders under the Credit Agreement and, by their acceptance of the benefits hereof, the other Secured Parties. The Collateral Agent shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including the release or substitution of Collateral), solely in accordance with this Agreement and the Credit Agreement, provided that the Collateral

Agent shall exercise, or refrain from exercising, any remedies provided for in Section 5 in accordance with the instructions of Required Lenders. In furtherance of the foregoing provisions of this Section 7(a), each Secured Party, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Collateral hereunder, it being understood and agreed by such Secured Party that all rights and remedies hereunder may be exercised solely by the Collateral Agent for the ratable benefit of the applicable Lenders and Secured Parties in accordance with the terms of this Section 7(a).

(b) The Collateral Agent shall at all times be the same Person that is the Collateral Agent under the Credit Agreement. Written notice of resignation by the Collateral Agent pursuant to Section 13.9 of the Credit Agreement shall also constitute notice of resignation as Collateral Agent under this Agreement; removal of the Collateral Agent shall also constitute removal under this Agreement; and appointment of a Collateral Agent pursuant to Section 13.9 of the Credit Agreement shall also constitute appointment of a successor Collateral Agent under this Agreement. Upon the acceptance of any appointment as Collateral Agent under Section 13.9 of the Credit Agreement by a successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Collateral Agent under this Agreement, and the retiring or removed Collateral Agent under this Agreement shall promptly (i) transfer to such successor Collateral Agent all sums, securities and other items of Collateral held hereunder, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Collateral Agent under this Agreement, and (ii) execute and deliver to such successor Collateral Agent or otherwise authorize the filing of such amendments to financing statements and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Collateral Agent of the Security Interests created hereunder, whereupon such retiring or removed Collateral Agent shall be discharged from its duties and obligations under this Agreement. After any retiring or removed Collateral Agent's resignation or removal hereunder as Collateral Agent, the provisions of this Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was Collateral Agent hereunder.

(c) The Collateral Agent shall not be deemed to have any duty whatsoever with respect to any Secured Party that is a counterparty to a Hedge Agreement the obligations under which constitute Obligations, unless it shall have received written notice in form and substance satisfactory to the Collateral Agent from a Grantor or any such Secured Party as to the existence and terms of the applicable Hedge Agreement.

8. Miscellaneous.

8.1 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 affected Grantor and the Collateral Agent in accordance with Section 14.1 of the Credit Agreement.

8.2 Notices. All notices, requests and demands pursuant hereto shall be made in accordance with Section 14.2 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 set forth in Section 14.2 of the Credit Agreement.

8.3 No Waiver by Course of Conduct; Cumulative Remedies. Neither the Collateral Agent nor any Secured Party shall by any act (except by a written instrument pursuant to Section 8.1), 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. No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or any other Secured Party, 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 Collateral Agent or any other Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Collateral Agent or such other Secured Party 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 law.

8.4 Enforcement Expenses; Indemnification. (a) The Grantor agrees to pay any and all expenses (including all reasonable fees and disbursements of counsel) that may be paid or incurred by any Secured Party in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, the Grantor under this Agreement.

(b) The Grantor agrees to pay, and to save the Collateral Agent and the Secured Parties harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) The Grantor agrees to pay, and to save the Collateral Agent and the Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent a Borrower would be required to do so pursuant to Section 12.5 of the Credit Agreement.

(d) The agreements in this Section 8.4 shall survive repayment of the Obligations and all other amounts payable under the Credit Agreement and the other Credit Documents.

8.5 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 no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent except pursuant to a transaction permitted by the Credit Agreement.

8.6 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), 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 Collateral Agent and the Borrower.

8.7 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.

8.8 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.

8.9 Integration. This Agreement together with the other Credit Documents represents the agreement of each of the Grantors with respect to the subject matter hereof and there are no promises, undertakings, representations or warranties by the Collateral Agent or any other Secured Party relative to the subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents.

8.10 **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 LAWS OF THE STATE OF NEW YORK.**

8.11 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 and the other Credit Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-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 may 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 8.2 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 Secured Party) to effect service of process in any other manner permitted by law or shall limit the right of any party hereto (or any Secured Party) 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 8.11 any special, exemplary, punitive or consequential damages.

8.12 Acknowledgments. Each party hereto hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Credit Documents to which it is a party;

(b) neither the Collateral Agent nor any other Secured Party has any fiduciary relationship with or duty to the Grantor arising out of or in connection with this Agreement or any of the other Credit Documents, and the relationship between the Grantors, on the one hand, and the Collateral Agent and the other Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders and any other Secured Party or among the Grantors and the Lenders and any other Secured Party.

8.13 [Intentionally Omitted].

8.14 **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.**

9. [Intentionally Omitted.]

[Signature Pages Follow]

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

MCJUNKIN RED MAN HOLDING CORPORATION,
as Grantor

By: /s/ CRAIG KETCHUM
Name: Craig Ketchum
Title: Chief Executive Officer and President

Lehman Commercial Paper Inc., as
Collateral Agent

By: /s/ LAURIE PERPER
Name: Laurie Perper
Title: Managing Director

Exhibit 10.9

Execution Copy

MIDFIELD SUPPLY ULC,

as Borrower

LOAN AND SECURITY AGREEMENT

Dated as of November 2, 2006

CDN$150,000,000

BANK OF AMERICA, N.A. (acting through its Canada branch),

and

CERTAIN FINANCIAL INSTITUTIONS FROM TIME TO TIME OR AT ANY TIME NAMED HEREIN AS LENDERS,

as Lenders

BANK OF AMERICA, N.A. (acting through its Canada branch),

as Agent

TABLE OF CONTENTS

LIST OF EXHIBITS AND SCHEDULES

Exhibit A	Revolver Note
Exhibit B	Intentionally Deleted
Exhibit C	Assignment and Acceptance
Exhibit D	Assignment Notice
Exhibit E	Borrowing Base Certificate
Exhibit F	Notice of Continuation/Conversion
Exhibit G	Compliance Certificate
Exhibit H	Notice of Borrowing
Schedule 1.1	Commitments of Lenders
Schedule 8.5	Dominion Accounts
Schedule 8.6.1	Business Locations
Schedule 9.1.4	Names and Capital Structure
Schedule 9.1.5	Former Names and Companies
Schedule 9.1.12	Patents, Trademarks, Copyrights and Licenses
Schedule 9.1.15	Environmental Matters
Schedule 9.1.16	Restrictive Agreements
Schedule 9.1.17	Litigation
Schedule 9.1.19	Pension Compliance
Schedule 9.1.21	Labour Contracts
Schedule 9.1.29	Real Estate
Schedule 10.2.2	Existing Liens
Schedule 10.2.4	Distributions
Schedule 10.2.17	Existing Affiliate Transactions

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT is dated as of November 2, 2006, among **MIDFIELD SUPPLY ULC,** an unlimited liability company incorporated under the laws of Alberta (the "Borrower"), Mega Production Testing Inc., as guarantor, the financial institutions party to this Agreement from time to time as lenders (collectively, the "Lenders") and **BANK OF AMERICA,** N.A. (acting through its Canada branch), as agent for the Lenders (the "Agent").

RECITALS:

Borrower has requested that Lenders make available a credit facility, to be used by Borrower to finance its working capital needs, capital expenditure needs and general corporate purposes and to refinance its existing debt. Lenders are willing to provide such credit facility on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for valuable consideration hereby acknowledged, the parties agree as follows:

SECTION 1 DEFINITIONS; RULES OF CONSTRUCTION

1.1 Definitions.

As used herein, the following terms have the meanings set forth below:

331562 — 331562 Alberta Ltd.

331562 Debt — (i) the loan, in the principal amount of $2,000,000, currently owing and made in favour of TSS Tubular & Sales and Service Ltd. by 331562, and (ii) the obligation of TSS Tubular & Sales and Service Ltd. to pay to 331562 an amount equal to 51% of the net revenues of TSS Tubular & Sales and Service Ltd. for the period commencing on May 1, 2006 and ending at midnight on August 31, 2006, which amount shall not exceed the aggregate amount of $900,000 and which payment shall be made on or before December 31, 2006; and which loan and obligation to pay shall become a loan and obligation of the Borrower following completion of the Obligor 2006 Amalgamation.

331562 Estoppel Agreement — an estoppel agreement among the Agent, 331562 and the Borrower dated as of the date hereof on terms and conditions satisfactory to the Agent.

331562 Reserve — an amount equal to all outstanding indebtedness of the Borrower under the 331562 Debt.

Account — means all of the Borrower's now owned or hereafter acquired or arising accounts as defined in the PPSA, including any rights to payment for the sale or lease of goods or rendition of services, whether or not they have been earned by performance.

Account Debtor — a Person who is obligated under an Account, Chattel Paper or General Intangible.

Acquisition — any transaction, or any series of related transactions, consummated on or after the Closing Date, by which an Obligor directly or indirectly (a) acquires debt of another Person, (b) acquires any ongoing business or all or substantially all of the assets of any Person engaged in any ongoing business, whether through a purchase of assets, a merger/amalgamation or otherwise, (c) acquires control of Equity Interests of a Person engaged in an ongoing business representing more than 50% of the ordinary voting power for the election of directors or other governing position if the business affairs of such Person are managed by a board of directors or other governing body or (d) acquires control of more than 50% of the Equity Interests in any partnership, joint venture, limited liability company, unlimited liability company, business trust or other Person engaged in an ongoing business that is not managed by a board of directors or other governing body.

Adjusted EBITDA — for the period then calculated, means, EBITDA plus Bonuses, to the extent deducted in calculating EBITDA, plus the EPSPs, to the extent deducted in calculating EBITDA.

Affiliate — with respect to any Person, another Person (a) who directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such first Person; (b) who beneficially owns 10% or more of the voting securities or any class of Equity Interests of such first Person; (c) at least 10% of whose voting securities or any class of Equity Interests is beneficially owned, directly or indirectly, by such first Person; or (d) who is an officer, director, partner or managing member of such first Person. “Control” means the possession, directly or indirectly, of the power to direct or cause direction of the management and policies of a Person, whether through ownership of Equity Interests, by contract or otherwise.

Agent — Agent in its capacity as agent for the Lenders and in its capacity as collateral agent for the Secured Parties under the Security Documents, together with any successor in that capacity appointed pursuant to Section 12.8.

Agent Indemnitees — Agent and its officers, directors, employees, Affiliates, agents, mandataries and attorneys.

Agent Professionals — attorneys, accountants, appraisers, auditors, business valuation experts, environmental engineers or consultants, turnaround consultants, and other professionals and experts retained by Agent.

Agreement — this Loan and Security Agreement and all Exhibits and Schedules thereto.

Allocable Amount — as defined in Section 14.7.

Anti-Terrorism Laws — any laws relating to terrorism or money laundering, including, without limitation, the Patriot Act and the Proceeds of Crime Act.

Applicable Law — all laws, rules, regulations and governmental guidelines applicable to the Person, conduct, transaction, agreement or matter in question, including all applicable statutory law, common law and equitable principles, and all provisions of constitutions, treaties, statutes, rules, regulations, orders and decrees of Governmental Authorities.

Applicable Margin — with respect to any Type of Loan, the margin set forth below, as determined by the Average Daily Availability of the Borrower for the last Fiscal Quarter:

Level	Average Daily Availability for previous Fiscal Quarter	Prime Rate Loans	BA Equivalent Loans
I	<$30,000,000	0.25%	1.75%
II	≥$30,000,000 and <$60,000,000	0.0%	1.50%
III	≥$60,000,000	0.0%	1.25%

Until the later of (a) May 1, 2007, or (b) the first Business Day of the calendar month immediately preceding the date of receipt by the Agent of the Borrower's Compliance Certificate for the Fiscal Quarter ended March 31, 2007, the margins shall be determined as if Level II were applicable. Thereafter, the margins shall be subject to increase or decrease upon receipt by Agent, pursuant to Section 10.1.2, of the financial statements and corresponding Compliance Certificate for the last Fiscal Quarter, which change shall be effective on the first Business Day of the calendar month immediately preceding the date of receipt by the Agent of such Compliance Certificate for such Fiscal Quarter. If Borrower shall fail to deliver a Compliance Certificate by the date required pursuant to Section 10.1.2, then effective as of the date such Compliance Certificate becomes delinquent, the Applicable Margin shall be determined as if Level I were applicable, such automatic adjustment to remain in effect until the first Business Day of the calendar month immediately preceding receipt by the Agent of the requisite Compliance Certificate.

Asset Disposition — a sale, lease, license, consignment, transfer, alienation or other disposition of Property of an Obligor, including a disposition of Property in connection with a sale-leaseback transaction or synthetic lease.

Assignment and Acceptance — an assignment agreement between a Lender and Eligible Assignee and accepted by Agent, in the form of Exhibit C.

ATB Financial — Alberta Treasury Branches.

ATB Financial Debt — a fixed asset revolving term loan facility to be made by ATB Financial in favour of the Borrower and its Subsidiaries, in the aggregate amount of $15,000,000 (the "ATB Principal"), and to be secured by the Borrower's Real Estate and fixed assets only, the whole in form and in substance and on terms and conditions satisfactory to the Agent. At all times after the execution of the ATB Financial Debt, and for so long as any Commitments or Obligations are outstanding, each Obligor shall not, and shall cause each Subsidiary not to, agree to the increase of the principal amount of the ATB Financial Debt in excess of the ATB Principal, nor agree to the increase of any interest rates or any fees, premiums, commissions or other payments except as provided for in the initial ATB Financial Debt or make any covenants and terms more restrictive than those provided for in the initial ATB Financial Debt, unless the Agent's prior written consent, in its discretion, has been obtained in each such case.

ATB Intelcreditor Agreement — an Intercreditor Agreement among the Agent, ATB Financial and the Borrower to be executed concurrently with the execution of the ATB Financial Debt in form and in substance and on terms and conditions satisfactory to the Agent (such terms and conditions to include, *inter alia*, standstill provisions and grant to Agent of a licence to use the Equipment in an enforcement scenario).

ATB Principal — as defined in the definition of ATB Financial Debt.

Availability — determined as of any date, the amount that Borrower is entitled to borrow as Revolver Loans, being the Borrowing Base minus the principal balance of all Revolver Loans.

Availability Reserve — the sum (without duplication) of (a) the Rent and Charges Reserve; (b) the LC Reserve; (c) the aggregate amount of liabilities secured by Liens upon Collateral that are senior to Agent's Liens (but imposition of any such reserve shall not waive an Event of Default arising therefrom); (d) the Priority Payable Reserve, (e) the 331562 Reserve, and (f) such additional reserves, in such amounts and with respect to such matters, as Agent in its discretion may elect to impose from time to time.

Average Daily Availability — the amount obtained by adding the difference between the Borrowing Base and the aggregate unpaid balance of the Revolver Loans and Swingline Loans owing by Borrower to Agent and Lenders at the end of each day during the period in question and by dividing such sum by the number of days in such period; provided, however, that for purposes of determining "Average Daily Availability" as such term is used in the definition of "Applicable Margin" of this Agreement, "Borrowing Base" shall be determined without regard to clause (a) of the definition of "Borrowing Base".

BA Equivalent Loan -each set of BA Equivalent Revolver Loans having a common length and commencement of Interest Period.

BA Equivalent Rate — for the Interest Period of each BA Equivalent Loan, the rate of interest per annum equal to the annual rates applicable to Canadian Dollar Bankers' Acceptances having an identical or comparable term as the proposed BA Equivalent Loan displayed and identified as such on the display referred to as the "CDOR Page" (or any display substituted therefor) of Reuter Monitor Money Rates Service as at approximately 10:00 A.M. Eastern time on such day (or, if such day is not a Business Day, as of 10:00 A.M. Eastern time on the immediately preceding Business Day), plus five (5) basis points, provided that if such rates do not appear on the CDOR Page at such time on such date, the rate for such date will be the annual discount rate (rounded upward to the nearest whole multiple of 1/100 of 1%) as of 10:00 A.M. Eastern time on such day at which a Canadian chartered bank listed on Schedule 1 of the *Bank Act* (Canada) as selected by Agent is then offering to purchase Canadian Dollar Bankers' Acceptances accepted by it having such specified term (or a term as closely as possible comparable to such specified term), plus five (5) basis points.

BA Equivalent Revolver Loan — a Revolver Loan, in Canadian Dollars, that bears interest at a rate determined by reference to the BA Equivalent Rate.

Bank — Bank of America, N.A. (acting through its Canada branch) or any successor or assign thereof.

Bank of America Indemnitees — Bank and all of its present and future officers, directors, employees, Affiliates, agents, mandataries and attorneys.

Bank Product — any of the following products, services or facilities extended to Borrower or Canadian Subsidiary by Bank, any Lender or any of its Affiliates: (a) Cash Management Services; (b) products under Hedging Agreements; (c) commercial credit card and merchant card services; and (d) leases and other banking products or services as may be requested by Borrower or Canadian Subsidiary, other than Letters of Credit; provided, however, that for any of the foregoing to be included as an "Obligation" for purposes of a distribution under Section 5.5.1, the applicable Secured Party and Obligor must have previously provided written notice to Agent of (i) the existence of such Bank Product, (ii) the maximum dollar amount of obligations arising thereunder ("Bank Product Amount"), and (iii) the methodology to be used by such parties in determining the Bank Product Debt owing from time to time. The Bank Product Amount may be changed from time to time upon written notice to Agent by the Secured Party and Obligor. No Bank Product Amount may be established or increased at any time that a Default or Event of Default exists.

Bank Product Amount — as defined in the definition of Bank Product.

Bank Product Debt — Debt and other obligations of an Obligor relating to Bank Products.

Bankruptcy Code — Title 11 of the United States Code (or any successor statute), as amended from time to time, and includes all regulations thereunder.

BIA — *The Bankruptcy and Insolvency Act* (Canada) (or any successor statute), as amended from time to time, and includes all regulations thereunder.

Board of Governors — the Board of Governors of the Federal Reserve System.

Bonuses — bonuses payable by the Borrower to its employees in respect of the Borrower's then most recently ended Fiscal Year, which bonuses are calculated in accordance with the Shareholders Agreement (such calculations being so set forth on Schedule 10.2.4); provided, however, that the Borrower may make a one time bonus payment, for the Fiscal Year 2006, to its former employees, who are no longer employees as a result of the sale of the Nusco manufacturing business in June of 2006.

Borrowed Money — with respect to any Obligor, without duplication, its (a) Debt that (i) arises from the lending of money by any Person to such Obligor, (ii) is evidenced by notes, drafts, bonds, debentures, credit documents or similar instruments, (iii) accrues interest or is a type upon which interest charges are customarily paid (excluding trade payables owing in the Ordinary Course of Business), or (iv) was issued or assumed as full or partial payment for Property; (b) Capital Leases; (c) reimbursement obligations with respect to letters of credit; and (d) guaranties of any Debt of the foregoing types owing by another Person.

Borrowing — a group of Loans of one Type that are made on the same day or are converted into Loans of one Type on the same day.

Borrowing Base — on any date of determination, an amount equal to the lesser of (a) the aggregate amount of Revolver Commitments, minus the LC Reserve; and (b) the sum of up to

85% of the Value of Eligible Accounts, plus the lessor of (i) the sum of up to 60% of the Value of Eligible Inventory, and (ii) $80,000,000, minus the Availability Reserve.

Borrowing Base Certificate — a certificate, in the form of Exhibit E, in form and substance satisfactory to Agent, by which Borrower certifies calculation of the Borrowing Base.

Business Day — (a) any day excluding Saturday, Sunday and any other day on which banks are permitted to be closed under the laws of the Province of Ontario or the Province of Quebec.

Capital Adequacy Regulation — any law, rule, regulation, guideline, request or directive of any central bank or other Governmental Authority, whether or not having the force of law, regarding capital adequacy of a bank or any Person controlling a bank.

Capital Expenditures — all liabilities incurred, expenditures made or payments due (whether or not made) by Borrower or Subsidiary for the acquisition of any fixed assets, or any improvements, replacements, substitutions or additions thereto with a useful life of more than one year, including the principal portion of Capital Leases.

Capital Lease — any lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

Cash Collateral — cash, and any interest or other income earned thereon, that is delivered to Agent to Cash Collateralize any Obligations.

Cash Collateral Account — a demand deposit, money market or other account established by Agent at such financial institution as Agent may select in its discretion, which account shall be subject to Agent's Liens for the benefit of Secured Parties.

Cash Collateralize — the delivery of cash to Agent, as security for the payment of Obligations, in an amount equal to (a) with respect to LC Obligations, 105% of the aggregate LC Obligations, and (b) with respect to any inchoate or contingent Obligations (including Obligations arising under Bank Products), Agent's good faith estimate of the amount due or to become due, including all fees and other amounts relating to such Obligations. "Cash Collateralization" has a correlative meaning.

Cash Equivalents — (a) marketable obligations issued or unconditionally guaranteed by, and backed by the full faith and credit of, the Canadian or United States government, maturing within 12 months of the date of acquisition; (b) certificates of deposit, guaranteed investment certificates, time deposits and bankers' acceptances maturing within 12 months of the date of acquisition, and overnight bank deposits, in each case which are issued by a commercial bank organized under the laws of Canada or the United States or any province, state or district thereof, rated A-1 (or better) by S&P or P-1 (or better) by Moody's at the time of acquisition, and (unless issued by a Lender) not subject to offset rights; (c) repurchase obligations with a term of not more than 30 days for underlying investments of the types described in clauses (a) and (b) entered into with any bank meeting the qualifications specified in clause (b); (d) commercial paper rated A-1 (or better) by S&P or P-1 (or better) by Moody's, and maturing within nine months of the date of acquisition; and (e) shares of any money market fund that has substantially

all of its assets invested continuously in the types of investments referred to above, has net assets of at least $500,000,000 and has the highest rating obtainable from either Moody's or S&P.

Cash Management Services — any services provided from time to time by Bank or any of its Affiliates to Borrower or a Canadian Subsidiary in connection with operating, collections, payroll, trust, or other depository or disbursement accounts, including automatic clearinghouse, controlled disbursement, depository, electronic funds transfer, information reporting, lockbox, stop payment, overdraft and/or wire transfer services.

CCAA — *Companies' Creditors Arrangement Act* (Canada), (or any successor statute), as amended from time to time, and includes all regulations thereunder.

CERCLA — the *Comprehensive Environmental Response Compensation and Liability Act* (42 U.S.C. § 9601 et seq.), (or any successor statute), as amended from time to time, and includes all regulations thereunder.

Change of Control — (a) Red Man Pipe & Supply Canada Ltd. ceases to own and control, beneficially and of record, directly or indirectly, 51% of the voting Equity Interests in Borrower; (b) a change in the majority of directors of Borrower, unless approved by the then majority of directors; or (c) all or substantially all of Borrower's assets are sold or transferred.

Chattel Paper — as defined in the PPSA.

Civil Code— the *Civil Code* (Quebec) (or any successor statute), as amended from time to time, and includes all regulations thereunder.

Claims — all liabilities, obligations, losses, damages, penalties, judgments, actions, suites, proceedings, awards, costs and expenses of any kind (including remedial response costs, reasonable attorneys' fees and Extraordinary Expenses) at any time (including after Full Payment of the Obligations, resignation or replacement of Agent, or replacement of any Lender) incurred by or asserted against any Indemnitee in any way relating to (a) any Loan Documents or transactions relating thereto, (b) any action taken or omitted to be taken by any Indemnitee in connection with any Loan Documents, (c) the existence, perfection, opposability or enforcement of any Liens, or realization upon any Collateral, (d) exercise of any rights or remedies under any Loan Documents or Applicable Law, or (e) failure by any Obligor to perform or observe any terms of any Loan Document, in each case including all costs and expenses relating to any investigation, litigation, arbitration or other proceeding (including an Insolvency Proceeding or appellate proceedings), whether or not the applicable Indemnitee is a party thereto.

Class R Note — unsecured subordinated demand promissory note, classified as the Class R Note, dated as of June 15, 2005, issued to Red Man Pipe Canada by the Borrower in the amount of $37,283,833, bearing interest at the rate of 12% per annum (which interest is payable annually in the month of April).

Closing Date — as defined in Section 6.1.

Closing Date Debt Repayments — The repayment of the existing indebtedness owing to ATB Financial, HSBC Bank Canada, Royal Bank of Canada and NPS Ventures Ltd., and the partial repayments of the shareholder loans owing to each of Red Man Pipe Canada and Midfield

Holdings, all as more particularly set forth in a letter of direction executed by the Borrower to the Agent and dated the date hereof.

Code — the *Internal Revenue Code* of 1986, as amended from time to time and includes all regulations thereunder.

Collateral — all Property described in Section 7.1, all Property described in any Security Documents as security for any Obligations, and all other Property that now or hereafter secures (or is intended to secure) any Obligations.

Commitment — for any Lender, the aggregate amount of such Lender's Revolver Commitment. "Commitments" means the aggregate amount of all Revolver Commitments.

Commitment Reduction Amount — as defined in Section 2.1.7.

Commitment Reduction Date — as defined in Section 2.1.7.

Commitment Reduction Notice — as defined in Section 2.1.7.

Commitment Termination Date — the earliest to occur of (a) the Revolver Termination Date; (b) the date on which Borrower terminates the Revolver Commitments pursuant to Section 2.1.4; or (c) the date on which the Revolver Commitments are terminated pursuant to Section 11.2.

Compliance Certificate — a certificate, in the form of Exhibit G, by which Borrower certifies compliance with Sections 10.2.3 and 10.3 and calculate the applicable Level for the Applicable Margin.

Contaminant — means any waste, pollutant, hazardous substance, toxic substance, hazardous waste, special waste, petroleum or petroleum-derived substance or waste, asbestos in any form or condition, polychlorinated biphenyls ("PCBs"), or any hazardous or toxic constituent of any such substance or waste.

Contingent Obligation — any obligation of a Person arising from a guarantee, surety, indemnity or other assurance of payment or performance of any Debt, lease, dividend or other obligation ("primary obligations") of another obligor ("primary obligor") in any manner, whether directly or indirectly, including any obligation of such Person under any (a) guarantee, surety, endorsement, co-making or sale with recourse of an obligation of a primary obligor; (b) obligation to make take-or-pay or similar payments regardless of nonperformance by any other party to an agreement; and (c) arrangement (i) to purchase any primary obligation or security therefor, (ii) to supply funds for the purchase or payment of any primary obligation, (iii) to maintain or assure working capital, equity capital, net worth or solvency of the primary obligor, (iv) to purchase Property or services for the purpose of assuring the ability of the primary obligor to perform a primary obligation, or (v) otherwise to assure or hold harmless the holder of any primary obligation against loss in respect thereof. The amount of any Contingent Obligation shall be deemed to be the stated or determinable amount of the primary obligation (or, if less, the maximum amount for which such Person may be liable under the instrument evidencing the Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability with respect thereto.

CWA — the *Clean Water Act* (33 U.S.C. §§ 1251 et seq.) (or any successor statute), as amended from time to time, and includes all regulations thereunder.

Debt — with respect to any Person, without duplication, (a) all items that would be included as liabilities on a balance sheet in accordance with GAAP, including, without limitation, Capital Leases, but excluding trade payables incurred and being paid in the Ordinary Course of Business; (b) all Contingent Obligations; (c) all reimbursement obligations in connection with letters of credit issued for the account of such Person; and (d) in the case of Borrower, the Obligations. The Debt of a Person shall include any recourse Debt of any partnership in which such Person is a general partner or joint venturer.

Default — an event or condition that, with the lapse of time or giving of notice, would constitute an Event of Default.

Default Rate — for any Obligation (including, to the extent permitted by law, interest not paid when due), 2% plus the interest rate otherwise applicable thereto.

Deposit Account — includes any bank account (with deposit functions) maintained or held with any financial institution.

Distribution — any declaration or payment of a distribution, interest or dividend on any Equity Interest (other than payment-in-kind); any distribution, advance or repayment of Debt to a holder of Equity Interests; or any purchase, redemption, or other acquisition or retirement for value of any Equity Interest.

Dollars or Canadian Dollars or "$" — the lawful currency of Canada.

Dominion Account — a special account established by each Obligor at Bank, over which Agent has exclusive access and control for withdrawal purposes.

EBITDA — determined on a consolidated basis for Borrower and Subsidiaries, net income, calculated before interest expense, provision for income taxes, depreciation and amortization expense, gains or losses arising from the sale of capital assets, gains arising from the write-up of assets, and any extraordinary gains (in each case, to the extent included in determining net income).

Eligible Account — an Account owing to an Obligor that arises in the Ordinary Course of Business from the sale of goods, or rendition of services, is payable in Dollars or U.S. Dollars and is deemed by Agent, in its discretion, to be an Eligible Account. Without limiting the foregoing, no Account shall be an Eligible Account if:

(a) it is unpaid for more than 90 days after the original invoice date; provided, however, that in the case of Accounts owing by the Account Debtor known as Paramount Resources Ltd., it is unpaid for more than 120 days after the original invoice date;

(b) 30% or more of the Accounts owing by the Account Debtor are not Eligible Accounts under clause (a) of this definition or otherwise ineligible hereunder;

(c) when aggregated with other Accounts owing by the Account Debtor, it exceeds 20% of the aggregate Eligible Accounts (or such higher percentage as Agent may establish for the Account Debtor from time to time);

(d) it does not conform with a covenant or representation herein;

(e) it is owing by a creditor or supplier, or is otherwise subject to a potential offset, compensation, counterclaim, dispute, deduction, discount, recoupment, reserve, defense, chargeback, contra, credit or allowance (but ineligibility shall be limited to the amount thereof);

(f) an Insolvency Proceeding has been commenced by or against the Account Debtor; or the Account Debtor has failed, has suspended or ceased doing business, is liquidating, dissolving or winding up its affairs, or is not Solvent or, in the case of an individual, death or judicial declaration of incompetency;

(g) the Account Debtor is organized or has its principal chief executive or registered offices or assets outside the United States or Canada;

(h) it is owing by a Government Authority, unless (i) the Account Debtor is the United States or any department, agency or instrumentality thereof and the Account has been assigned to Agent in compliance with the Assignment of Claims Act or (ii) the Account Debtor is the government of Canada and the Account has been assigned to Agent in compliance with the *Financial Administration Act* (Canada);

(i) it is not subject to a duly perfected, opposable and first priority Lien in favour of Agent, or is subject to any other Lien, or the Agent's right or ability to obtain direct payment to the Agent of the proceeds of such Account, is governed by any federal, state or provincial statutory requirements other than those of the UCC, the PPSA or the Civil Code;

(j) the goods giving rise to it have not been delivered to and accepted by the Account Debtor, the services giving rise to it have not been accepted by the Account Debtor, or it otherwise does not represent a final sale;

(k) it is evidenced by Chattel Paper or an Instrument of any kind, or has been reduced to judgment;

(l) its payment has been extended, the Account Debtor has made a partial payment, or it arises from a sale on a cash-on-delivery basis;

(m) it arises from a sale to an Affiliate, or from a sale on a bill-and-hold, pre-bill, guaranteed sale, sale or return, sale on approval, consignment, conditional sale or other repurchase or return basis;

(n) it represents a progress billing or retainage;

(o) it represents an Account belonging to an Account Debtor where an Obligor has suspended any further sales to such Account Debtor;

(p) it includes a billing for interest, fees or late charges, but ineligibility shall be limited to the extent thereof;

(q) with respect to which the Account Debtor is located in any state of the United States or province of Canada which requires the filing of a Notice of Business Activities Report or registration or licencing to carry on business or similar report, registration or licencing in order to permit an Obligor to seek judicial enforcement in such state of the United States or province of Canada of payment of such Account, unless an Obligor has qualified to do business in such province or state or has filed a Notice of Business Activities Report or registration or licencing to carry on business or equivalent report, registration or licencing for the then current year;

(r) it arises from a retail sale to a Person who is purchasing for personal, family or household purposes; or

(s) such Account is determined by the Agent in its discretion to be ineligible for any other reason.

In calculating delinquent portions of Accounts under clauses (a) and (b), credit balances more than 90 days old will be excluded (provided, however, that, in the case of Paramount Resources Ltd., credit balances more than 120 days old will be excluded). If any Account at any time ceases to be an Eligible Account, then such Account shall promptly be excluded from the calculation of Eligible Accounts.

Eligible Assignee — a Canadian based Affiliate of a Lender each of which is resident in Canada or is deemed to be resident in Canada for purposes of Part XIII of the ITA; (ii) any other financial institution approved by Agent and Borrower (which approval by Borrower shall not be unreasonably withheld or delayed, and shall be deemed given if no objection is made within two Business Days after notice of the proposed assignment), that is organized under the laws of Canada or any province, has total assets in excess of $5 billion, extends asset-based lending facilities in its ordinary course of business, whose becoming an assignee would not constitute a prohibited transaction under Applicable Law and who is resident in Canada or is deemed to be resident in Canada for purposes of Part XIII of the ITA; and (iii) during any Event of Default, any Person acceptable to Agent in its discretion.

Eligible Inventory — Inventory owned by an Obligor that Agent, in its discretion, deems to be Eligible Inventory. Without limiting the foregoing, no Inventory shall be Eligible Inventory unless it:

(a) is finished goods, and not raw materials, work-in-process, packaging or shipping materials, labels, samples, display items, bags, replacement parts, spare parts or manufacturing supplies;

(b) is not held on consignment, nor subject to any deposit or downpayment;

(c) is in new and saleable condition and is not damaged, defective, shopworn or otherwise unfit for sale;

(d) is not slow-moving, obsolete or unmerchantable, and does not constitute returned or repossessed goods;

(e) meets all standards imposed by any Governmental Authority, and does not constitute hazardous materials under any Environmental Law;

(f) conforms with the covenants and representations herein;

(g) is owned by an Obligor and is maintained or stored at a location of an Obligor subject to paragraphs (i), (j) and (k) of this definition of Eligible Inventory;

(h) is subject to Agent's duly perfected, opposable and first priority Lien, and no other Lien;

(i) is not located on leased premises unless the lessor has delivered a Lien Waiver or an appropriate Rent and Charges Reserve at the Agent's discretion has been established;

(j) is not in the possession of a warehouseman, processor, repairman, mechanic, shipper, freight forwarder or other Person, unless such Person has delivered a Lien Waiver;

(k) is not consigned to any Person, provided, however, that Inventory in Canada or the continental United States, on consignment by an Obligor to a Person, shall be considered Eligible Inventory if (i) Obligor has filed a financing statement against such Person in respect of such Inventory (insuring a first ranking Lien against such Inventory), (ii) Obligor has assigned the foregoing financing statement to Agent, (iii) such Person has delivered a consignee's consent letter in form and substance satisfactory to the Agent, and (iv) the Inventory would otherwise constitute Eligible Inventory hereunder;

(l) is within the continental United States or Canada and is not in transit except between locations of an Obligor;

(l) is not subject to any warehouse receipt or negotiable Document;

(m) is not subject to any License or other arrangement that restricts an Obligor's or Agent's right to dispose of such Inventory, unless Agent has received an appropriate Lien Waiver or consent to sub-license in form and substance satisfactory to Agent; and

(n) such Inventory is not determined by the Agent in its discretion to be ineligible for any other reason.

If any Inventory at any time ceases to be Eligible Inventory, such Inventory shall promptly be excluded from the calculation of Eligible Inventory.

Enforcement Action — any action to enforce any Obligations or Loan Documents or to realize upon any Collateral (whether by judicial action, self-help, notification of Account Debtors, exercise of setoff, compensation or recoupment, or otherwise).

Environmental Laws — all Applicable Laws (including all programs, permits, authorizations, consents, registrations, approvals, ordinances, judgments, injunctions, notices and guidance promulgated by regulatory agencies or other Governmental Authorities), relating to public health (but excluding occupational safety and health, to the extent regulated by OSHA) or

the protection or pollution of the environment, including the *Environmental Protection Act* (Canada), CERCLA and CWA.

Environmental Notice — a notice (whether written or oral) from any Governmental Authority or other Person of any possible noncompliance with, investigation of a possible violation of, litigation relating to, or potential fine or liability under any Environmental Law, or with respect to any Environmental Release, environmental pollution or hazardous materials, including any complaint, summons, citation, order, claim, demand or request for correction, remediation or otherwise.

Environmental Release — means a release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of a Contaminant into the indoor or outdoor environment or into or out of any Real Estate or other property, including the movement of Contaminants through or in the air, soil, surface water, groundwater or Real Estate or other property or a release as defined in CERCLA or under any other Environmental Law.

EPSPs — means The Employee Profit Sharing Plan distributions made in accordance with the Shareholders Agreement which are, for greater certainty, (a) the EPSP first allocation which is an amount equal to the interest payable by the Borrower on the Class R Note in each fiscal year multiplied by the common stock ownership ratio of the number of shares held by Midfield Holdings, in the Borrower, divided by the number of shares held by Red Man Pipe Canada, in the Borrower, outstanding during the Fiscal Year, and (b) the EPSP second allocation which is an amount equal to taxable earnings of the Borrower before deduction of the EPSP second allocation in each Fiscal Year multiplied by the common stock ownership ratio of the number of shares held by Midfield Holdings, in the Borrower, divided by the total number of shares of the Borrower outstanding during the Fiscal Year.

Equipment — as defined in the PPSA, including all tools, machinery, apparatus, equipment, fittings, furniture, fixtures, motor vehicles and other tangible (corporeal) personal (movable) Property (other than Inventory), and all parts, accessories and special tools therefor, and accessions thereto.

Equity Interest — the interest of any (a) shareholder in corporation or company, (b) partner in a partnership (whether general, limited, special, limited liability or joint venture), (c) member in a limited liability company or unlimited liability company, or (d) other Person having any other form of equity security or ownership interest.

Equivalent Amount — on any date, the amount of Dollars into which an amount of U.S. Dollars may be converted or the amount of U.S. Dollars into which an amount of Dollars may be converted, in either case, at the Bank's spot buying rate in Toronto, Canada as at approximately 12:00 p.m. (Eastern time) on such date.

ERISA — the Employee Retirement Income Security Act of 1974 (or any successor statute), as amended from time to time, and includes all regulations thereunder.

Europump — Europump Systems Inc.

Europump Loan — an unsecured loan, in the aggregate principal amount of $5,500,000, made in favour of Europump by, and currently owing to, the Borrower.

Event of Default — as defined in Section 11.

Excluded Taxes — with respect to the Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of an Obligor 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 jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office or domicile is located and (b) any branch profits taxes imposed by the United States, Canada or any similar tax imposed by any other jurisdiction in which an Obligor is located.

Extraordinary Expenses — all costs, expenses or advances that Agent may incur during a Default or Event of Default, or during the pendency of an Insolvency Proceeding of an Obligor, including those relating to (a) any audit, inspection, repossession, storage, repair, appraisal, insurance, manufacture, preparation or advertising for sale, sale, collection, or other preservation of or realization upon any Collateral; (b) any action, arbitration or other proceeding (whether instituted by or against Agent, any Lender, any Obligor, any representative of creditors of an Obligor or any other Person) in any way relating to any Collateral (including the validity, perfection, opposability, priority or avoidability of Agent's Liens with respect to any Collateral), Loan Documents or Obligations, including any lender liability or other Claims; (c) the exercise, protection or enforcement of any rights or remedies of Agent in, or the monitoring of, any Insolvency Proceeding; (d) settlement or satisfaction of any taxes, charges or Liens with respect to any Collateral; (e) any Enforcement Action; (f) negotiation and documentation of any modification, waiver, workout, restructuring or forbearance with respect to any Loan Documents or Obligations; or (g) Protective Advances. Such costs, expenses and advances include transfer fees, taxes, storage fees, insurance costs, permit fees, utility reservation and standby fees, legal fees, appraisal fees, brokers' fees and commissions, auctioneers' fees and commissions, accountants' fees, environmental study fees, wages and salaries paid to employees of any Obligor or independent contractors in liquidating any Collateral, and travel expenses.

Fee Letter — the fee letter agreement between Agent, Bank and Borrower.

Fiscal Quarter — each period of three months, commencing on the first day of a Fiscal Year.

Fiscal Year — the fiscal year of Borrower and Subsidiaries for accounting and tax purposes, ending on October 31st of each year.

Fixed Charge Coverage Ratio — the ratio, determined and calculated on a consolidated basis for Borrower and Subsidiaries and on a rolling historical twelve month basis, of (a) Adjusted EBITDA, to (b) Fixed Charges.

Fixed Charges — the sum, when actually paid in the period, of interest expense, principal payments on Borrowed Money (other than the Revolving Loans and Closing Date Debt Repayments), income taxes, Capital Expenditures (except those financed with Borrowed Money other than Revolver Loans), Bonuses and Net Distributions less income taxes, EPSPs or other Distributions paid by Borrower relating to the one time gain resulting from the sale of the Nusco manufacturing business in June of 2006, provided, that, the Agent has provided its consent to the amount of such charges being applied.

Foreign Lender — with respect to the Borrower, any Lender that is organized under the laws of a jurisdiction other than the laws of Canada.

Foreign Plan — any employee benefit plan, pension plan or arrangement maintained or contributed to by any Person that is not subject to the laws of Canada, or any employee benefit plan or arrangement mandated by a government other than Canada for employees of any Person.

FSCO — the Financial Services Commission of Ontario and any Person succeeding to the functions thereof and includes the Superintendent under such statute and any other Governmental Authority empowered or created by the PBA.

Full Payment — with respect to any Obligations, (a) the full and indefeasible cash payment thereof, including any interest, fees and other charges accruing during an Insolvency Proceeding (whether or not allowed in the proceeding); (b) if such Obligations are LC Obligations or inchoate or contingent in nature, Cash Collateralization thereof (or delivery of a standby letter of credit acceptable to Agent in its discretion, in the amount of required Cash Collateral); and (c) a release of any Claims of Obligors against Agent, Lenders and Issuing Bank arising on or before the payment date. No Loans shall be deemed to have been paid in full until all Commitments related to such Loans have expired or been terminated.

GAAP — generally accepted accounting principles and practices in effect at such time in Canada as recognized by the Canadian Institute of Chartered Accountants which are applicable to the circumstances.

General Intangibles — including "Intangibles" as defined in the PPSA and including choses in action, causes of action, company or other business records, inventions, blueprints, designs, patents, patent applications, trademarks, trademark applications, trade names, trade secrets, service marks, goodwill, brand names, copyrights, registrations, licenses, franchises, customer lists, permits, tax refund claims, computer programs, operational manuals, internet addresses and domain names, insurance refunds and premium rebates, all rights to indemnification, and all other intangible and incorporeal Property of any kind.

General Security Agreements — the general security agreements executed by each Obligor in favour of the Agent dated the date hereof in form and substance satisfactory to the Agent.

Goods — as defined in the PPSA.

Governmental Approvals — all authorizations, consents, approvals, licenses and exemptions of, registrations and filings with, and required reports to, all Governmental Authorities.

Governmental Authority — any federal, provincial, territorial, state, municipal, foreign or other governmental department, agency, commission, board, bureau, court, tribunal, instrumentality, political subdivision, or other entity or officer exercising executive, legislative, judicial, regulatory or administrative functions for or pertaining to any government or court, and any corporation, Crown corporation or other entity owned or controlled, through stock or capital in each case whether associated with Canada, the United States, a province, state, district or territory thereof, or a foreign entity or government.

Guarantee — (i) the guarantee, as set out in Section 14 hereof, and (ii) each guarantee or surety agreement executed by a Guarantor in favour of Agent.

Guaranteed Obligations — as defined in Section 14.

Guarantors — Mega Production Testing Inc. and each other Person who guarantees payment or performance of any Obligations.

Hedging Agreement — an agreement relating to any swap, cap, floor, collar, option, forward, cross right or obligation, or combination thereof or similar transaction, with respect to interest rate, foreign exchange, currency, commodity, credit or equity risk.

Indemnified Taxes — all Taxes (including Other Taxes) other than Excluded Taxes.

Indemnitees — Agent Indemnitees, Lender Indemnitees, Issuing Bank Indemnitees and Bank Indemnitees.

Insolvency Proceeding — (i) The filing by or against an Obligor of a request, proposal, notice of intent to file a proposal, proceeding, action or petition for liquidation, reorganization, arrangement, adjustment of debts, adjudication as a bankrupt, winding-up, or other relief under the bankruptcy, insolvency, restructuring, liquidation, winding up, corporate or similar laws of Canada, the United States, any province, state or territory thereof, or any foreign jurisdiction, now or hereafter in effect; (ii) the making of any general assignment by an Obligor for the benefit of creditors; (iii) the appointment of a receiver, trustee, monitor, custodian, liquidator, administrator, interim receiver, monitor or trustee or other official for an Obligor or for any of the assets of an Obligor, including, without limitation, the appointment of or taking possession by a "trustee" under the BIA or "custodian, " as defined in the Bankruptcy Code; (iv) the institution by or against an Obligor of any other type of insolvency, liquidation, bankruptcy, winding up or reorganization proceeding (under the laws of Canada, including applicable corporate statutes, the BIA and the CCAA) or of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against, or winding up of affairs of, an Obligor; (v) the sale, assignment, or transfer of all or any material part of the assets of an Obligor; (vi) the nonpayment generally by an Obligor of its debts as they become due; or (vii) the cessation of the business of an Obligor as a going concern;

Instrument — as defined in the PPSA.

Intellectual Property — all intellectual and similar Property of a Person, including inventions, designs, patents, patent applications, copyrights, trademarks, service marks, trade names, trade secrets, confidential or proprietary information, customer lists, know-how, software and databases; all embodiments or fixations thereof and all related documentation, registrations and franchises; all books and records describing or used in connection with the foregoing; and all licenses or other rights to use any of the foregoing.

Intellectual Property Claim — any claim or assertion (whether in writing, by suit or otherwise) that Borrower's or Subsidiary's ownership, use, marketing, sale or distribution of any Inventory, Equipment, Intellectual Property or other Property violates another Person's Intellectual Property.

Interest Period — as defined in Section 3.1.3.

Inventory — as defined in the PPSA, including all goods and other corporeal movable Property intended for sale, lease, display or demonstration; all work in process; and all raw materials, and other materials and supplies of any kind that are or could be used in connection with the manufacture, transformation, printing, packing, shipping, advertising, sale, lease or furnishing of such goods or Property, or otherwise used or consumed in an Obligor's business or enterprise, in providing a service or otherwise (but excluding Equipment).

Investment — any acquisition of all or substantially all assets of a Person; any acquisition of record or beneficial ownership of any Equity Interests of a Person; or any advance or capital contribution to or other investment in a Person.

Investment Property — all of an Obligor's right, title and interest in and to any and all: (a) securities whether certificated or uncertificated; (b) securities entitlements; (c) securities accounts; (d) commodity contracts; and (e) commodity accounts.

Issuing Bank — Bank or an Affiliate of Bank.

Issuing Bank Indemnitees — Issuing Bank and its officers, directors, employees, Affiliates, agents, mandataries and attorneys.

ITA — the *Income Tax Act* (Canada) (or any successor statute), as amended from time to time, and includes all regulations thereunder.

LC Application — an application by Borrower to Issuing Bank for issuance of a Letter of Credit, in form and substance satisfactory to Issuing Bank.

LC Conditions — the following conditions necessary for issuance of a Letter of Credit: (a) each of the conditions set forth in Section 6; (b) after giving effect to such issuance, total LC Obligations do not exceed the Letter of Credit Subline, no Overadvance exists and, if no Revolver Loans are outstanding, the LC Obligations do not exceed the Borrowing Base (without giving effect to the LC Reserve for purposes of this calculation); (c) the expiration date of such Letter of Credit is (i) no more than 365 days from issuance, in the case of standby Letters of Credit, (ii) no more than 120 days from issuance, in the case of documentary Letters of Credit, and (iii) at least 20 Business Days prior to the Revolver Termination Date; (d) the Letter of Credit and payments thereunder are denominated in Dollars or U.S. Dollars; and (e) the form of the proposed Letter of Credit is satisfactory to Agent and Issuing Bank in their discretion.

LC Documents — all documents, instruments and agreements (including LC Requests and LC Applications) delivered by Borrower or any other Person to Issuing Bank or Agent in connection with issuance, amendment or renewal of, or payment under, any Letter of Credit.

LC Obligations — the sum (without duplication) of (a) all amounts owing by Borrowers for any drawings under Letters of Credit; (b) the aggregate undrawn amount of all outstanding Letters of Credit (which amount shall include, for Letters of Credit denominated in U.S. Dollars, the Equivalent Amount thereof in Dollars); and (c) all fees and other amounts owing with respect to Letters of Credit.

LC Request — a request for issuance of a Letter of Credit, to be provided by Borrower to Issuing Bank, in form satisfactory to Agent and Issuing Bank.

LC Reserve — the aggregate of all LC Obligations.

Lender Indemnitees — Lenders and their officers, directors, employees, Affiliates, agents, mandataries and attorneys.

Lenders — as defined in the preamble to this Agreement, including Agent in its capacity as a provider of Swingline Loans and any other Person who hereafter becomes a "Lender" pursuant to an Assignment and Acceptance, and their respective successors, and any one of them a "Lender".

Letter of Credit — any standby or documentary letter of credit issued by Issuing Bank in Dollars or U.S. Dollars for the account of Borrower, or any indemnity, guarantee, exposure transmittal memorandum or similar form of credit support issued by Agent or Issuing Bank for the benefit of an Obligor (for the account of the Borrower).

Letter of Credit Subline — $10,000,000, or the Equivalent Amount thereof in U.S. Dollars.

Leverage Ratio — the ratio, determined as of the end of any calendar month, of (a) Borrowed Money (other than Contingent Obligations of the Obligors) as of the last day of such calendar month less the Shareholders' Notes and the Class R Note outstanding, to (b) Adjusted EBITDA for the rolling historical twelve month period then ending.

License — any license or agreement under which an Obligor is authorized to use Intellectual Property in connection with any manufacture, marketing, distribution, transformation or disposition of Collateral, any use of Property or any other conduct of its business.

Licensor — any Person from whom an Obligor obtains the right to use any Intellectual Property.

Lien — any Person's interest (choate or inchoate) in Property securing an obligation owed to, or a claim by, such Person, whether such interest is based on common law, statute or contract, including liens, assignments, assignments by way of security, security interests, pledges, hypothecations, statutory trusts, reservations, rights of retention, privileges, garnishment rights, deemed trusts, exceptions, encroachments, easements, rights-of-way, servitudes, covenants, conditions, restrictions, leases, and other title exceptions and encumbrances affecting Property.

Lien Waiver — an agreement, in form and substance satisfactory to Agent, by which (a) for any material Collateral located on leased premises, the lessor waives or subordinates any Lien it may have on the Collateral, and agrees to permit Agent to enter upon the premises and remove the Collateral or to use the premises to store or dispose of the Collateral; (b) for any Collateral held by a warehouseman, processor, shipper or freight forwarder, such Person waives or subordinates any Lien it may have on the Collateral, agrees to hold any Documents in its possession relating to the Collateral as agent for Agent, and agrees to deliver the Collateral to Agent upon request; (c) for any Collateral held by a repairman, mechanic or bailee, such Person acknowledges Agent's Lien, waives or subordinates any Lien it may have on the Collateral, and agrees to deliver the Collateral to Agent upon request; and (d) for any Collateral subject to a

Licensor's Intellectual Property rights, the Licensor grants to Agent the right, vis-à-vis such Licensor, to enforce Agent's Liens with respect to the Collateral, including the right to dispose of it with the benefit of the Intellectual Property, whether or not a default exists under any applicable License.

Loan — a Revolver Loan.

Loan Account — the loan account established by each Lender on its books pursuant to Section 5.7.

Loan Documents — this Agreement, Other Agreements and Security Documents.

Loan Year — each year of 365 or 366 days, as applicable, commencing on the Closing Date and on each anniversary of the Closing Date.

Margin Stock — as defined in Regulation U of the Board of Governors.

Material Adverse Effect — the effect of any event or circumstance that, taken alone or in conjunction with other events or circumstances, (a) has or could be reasonably expected to have a material adverse effect on the business, operations, Properties, prospects or condition (financial or otherwise) of any Obligor, on the value of any material Collateral, on the enforceability of any Loan Documents, or on the validity or priority or opposability of Agent's Liens on any Collateral; (b) impairs the ability of any Obligor to perform any obligations under the Loan Documents, including repayment of any Obligations; or (c) otherwise impairs the ability of Agent or any Lender to enforce or collect any Obligations or to realize upon any Collateral.

Material Contract — any agreement or arrangement to which Borrower or Subsidiary is party (other than the Loan Documents) (a) that is deemed to be a material contract under any securities law applicable to such Obligor, including the Securities Act of 1933, (b) for which breach, termination, resiliation, nonperformance or failure to renew could reasonably be expected to have a Material Adverse Effect, or (c) that relates to Subordinated Debt, or Debt in an aggregate amount of $250,000 or more.

Midfield Holdings — Midfield Holdings (Alberta) Ltd., a Person holding Equity Interests in the Borrower.

Moody's — Moody's Investors Service, Inc., and its successors.

Multiemployer Plan — any employee benefit plan or arrangement described in Section 4001(a)(3) of the ERISA that is maintained or contributed to by any Obligor or Subsidiary.

Net Distributions — the sum, when actually paid in the period, of EPSPs, dividends and any other such Distributions (excluding Bonuses and interest on the Shareholders' Notes and the Class R Note) made by the Borrower (all as more particularly set forth on Schedule 10.2.4) less Shareholder Reinvestments actually made at the time of such Distributions being made.

Net Proceeds — with respect to an Asset Disposition, proceeds (including, when received, any deferred or escrowed payments) received by Borrower or Subsidiary in cash from such disposition, net of (a) reasonable and customary costs and expenses actually incurred in

connection therewith, including legal fees and sales commissions; (b) amounts applied to repayment of Debt secured by a Permitted Lien senior to Agent's Liens on Collateral sold; (c) transfer or similar taxes; and (d) reserves for indemnities, until such reserves are no longer needed.

Notes — each Revolver Note or other promissory note, as required by any Lender, executed by Borrower to evidence any Obligations.

Notice of Borrowing — a Notice of Borrowing to be provided by a Senior Officer of Borrower to request the funding of Borrowing of Revolver Loans, in each case in the form of Exhibit H.

Notice of Conversion/Continuation — a Notice of Conversion/Continuation to be provided by a Senior Officer of Borrower to request a conversion or continuation of any Prime Rate Loans as BA Equivalent Loans, in the form of Exhibit F.

Obligations — all (a) principal of and premium, if any, on the Loans, (b) the LC Obligations and other liabilities and obligations of Obligors with respect to Letters of Credit, (c) interest, expenses, fees and other sums payable by Obligors under Loan Documents, (d) liabilities and obligations of Obligors under any indemnity for Claims, (e) Extraordinary Expenses, (f) Bank Product Debt, (g) the Guaranteed Obligations, and (h) other Debts, obligations, covenants, duties and liabilities of any kind owing by Obligors pursuant to the Loan Documents, whether now existing or hereafter arising, whether evidenced by a note or other writing, whether or not allowed in any Insolvency Proceeding (including any interest that accrues after the commencement of any case or proceedings by or against the Borrower under any debtor relief law (including the BIA and the CCAA)), whether arising from an extension of credit, issuance of a letter of credit, acceptance, loan, guarantee, covenant, indemnification or otherwise, and whether direct or indirect, absolute or contingent, due or to become due, primary or secondary, or joint or several.

Obligor — Borrower, Guarantor, or other Person that is liable for payment of any Obligations or that has granted a Lien in favour of Agent on its assets to secure any Obligations.

Obligor 2006 Amalgamation — the series of amalgamations to be completed on November 1, 2006, in the following order:

(a) Firstly, the amalgamation of Jac-Brie Holdings Ltd. with its wholly owned subsidiary, Joe's Supply Ltd. under the name Joe's Supply Ltd. ("New Joe's Supply Ltd.");

(b) Secondly, the amalgamation of 365465 Alberta Ltd. with its wholly owned subsidiary, TSS Tubular Sales & Service Ltd. under the name TSS Tubular Sale & Service Ltd. ("New TSS Tubular Ltd.");

(c) Thirdly, the amalgamation of Nusco Pipe and Supply ULC with its wholly owned subsidiaries, Brittania Industries Inc. and New TSS Tubular Ltd. under the name Nusco Pipe and Supply ULC ("New Nusco ULC"); and

(d) Fourthly, the amalgamation of Midfield Supply ULC with its wholly owned subsidiaries, Boost Energy Systems Inc., New Joe's Supply Ltd., and New Nusco ULC under the name Midfield Supply ULC to create the Borrower.

Ordinary Course of Business — the ordinary course of business of Borrower or Subsidiary, consistent with past practices and undertaken in good faith.

Organic Documents — with respect to any Person, its charter, certificate or articles of incorporation, articles of amalgamation, articles of amendment, certificates or articles of constitution, letters patent, certificates and articles of continuation, bylaws, articles of organization, limited liability agreement, operating agreement, members agreement, shareholders agreement, partnership agreement, limited partnership agreement, certificate of partnership, memoranda of association, certificate of formation, voting trust agreement, or similar agreement or instrument governing the formation or operation of such Person.

OSHA — the Occupational Safety and Hazard Act of 1970 (or any successor statute), as amended from time to time, and includes all regulations thereunder.

Other Agreements — each Note; LC Document; Fee Letter; Lien Waiver; ATB Intercreditor Agreement, Shareholder Subordination Agreements, 331562 Estoppel Agreement, Borrowing Base Certificate, Compliance Certificate, financial statement or report delivered hereunder; or other document, instrument or agreement (other than this Agreement or a Security Document) now or hereafter delivered by an Obligor or other Person to Agent or a Lender in connection with any transactions relating hereto or any other Loan Document.

Other Taxes — 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 Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Loan and Security Agreement or any other Loan Document.

Overadvance — as defined in Section 2.1.5.

Overadvance Loan — a Prime Rate Revolver Loan made when an Overadvance exists or is caused by the funding thereof.

Overdraft Loan — as defined in Section 3.4.

Participant — as defined in Section 13.2.

Patriot Act — the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56, 115 Stat. 272 (2001) (or any successor statute), as amended from time to time, and includes all regulations thereunder.

Payment Item — each check, draft or other item of payment payable to Borrower, including those constituting proceeds of any Collateral.

PBA — *Pensions Benefit Act* (Ontario) or similar legislation of any other federal or provincial jurisdiction (or any successor statute), as amended from time to time, and includes all regulations thereunder.

PBGF — the Pension Benefit Guarantee Fund of Ontario or any Governmental Authority of any other jurisdiction exercising similar functions in respect of any Plan or Foreign Plan of an Obligor and any Governmental Authority succeeding to the functions thereof.

Pension Event — (a) the whole or partial withdrawal of an Obligor or any of its Subsidiaries from a Plan or Foreign Plan during a plan year; or (b) the filing of a notice of interest to terminate in whole or in part a Plan or Foreign Plan or the treatment of a Plan or Foreign Plan amendment as a termination of partial termination; or (c) the institution of proceedings by any Governmental Authority to terminate in whole or in part or have a trustee appointed to administer a Plan or Foreign Plan; or (d) any other event or condition which might constitute grounds for the termination of, winding up or partial termination of winding up or the appointment of trustee to administer, any Plan or Foreign Plan.

Permitted Asset Disposition — as long as no Default or Event of Default exists and all Net Proceeds are remitted to Agent, an Asset Disposition that is (a) a sale of Inventory in the Ordinary Course of Business; (b) a disposition of Equipment in the Ordinary Course of Business; (c) a disposition of Inventory that is obsolete, unmerchantable or otherwise unsalable in the Ordinary Course of Business; (d) termination of lease of a real (immovable) or personal (movable) Property that is not necessary for the Ordinary Course of Business, could not reasonably be expected to have a Material Adverse Effect and does not result from an Obligor's default; or (e) approved in writing by Agent and Required Lenders.

Permitted Contingent Obligations — Contingent Obligations (a) arising from endorsements of Payment Items for collection or deposit in the Ordinary Course of Business; (b) arising from Hedging Agreements permitted hereunder; (c) existing on the Closing Date, and any extension or renewal thereof that does not increase the amount of such Contingent Obligation when extended or renewed; (d) incurred in the Ordinary Course of Business with respect to surety, appeal or performance bonds, or other similar obligations; (e) arising from customary indemnification obligations in favour of purchasers in connection with dispositions of Equipment permitted hereunder; (f) arising under the Loan Documents; or (g) in an aggregate amount of $250,000 or less at any time.

Permitted Lien — as defined in Section 10.2.2.

Permitted Purchase Money Debt — Purchase Money Debt of Borrower and Subsidiaries that is unsecured or secured only by a Purchase Money Lien, as long as the aggregate amount does not exceed $500,000 at any time and its incurrence does not violate Section 10.2.3.

Person — any individual, corporation, limited liability company, unlimited liability company, partnership, limited liability partnership, joint venture, joint stock company, land trust, business trust, unincorporated organization, Governmental Authority or other entity.

Plan — an employee pension benefit plan or pension plan that is covered by the Applicable Laws of any jurisdiction in Canada including the PBA and the ITA or subject to minimum funding standards and that is either (a) maintained or sponsored by Borrower or Subsidiary for

employees or (b) maintained pursuant to a collective bargaining agreement, or other arrangement under which more than one employer makes contributions and to which Borrower or Subsidiary is making or accruing an obligation to make contributions or has within the preceding five years made or accrued such contributions.

PPSA — the *Personal Property Security Act* (Ontario) (or any successor statute) or similar legislation (including, without limitation, the Civil Code) of any other jurisdiction, the laws of which are required by such legislation to be applied in connection with the issue, perfection, effect of perfection, enforcement, enforceability, opposability, validity or effect of security interests or other applicable Lien.

Prime Rate — the rate of interest publicly announced from time to time by the Bank as its reference rate of interest for loans made in Canadian Dollars and designated as its "prime" rate. The Prime Rate is a rate set by Bank based upon various factors, including Bank's costs and desired return, general economic conditions and other factors and is used as a reference point for pricing some loans. Any change in the prime rate announced by the Bank shall take effect at the opening of business on the day specified in the public announcement of such change. Each interest rate based on the Prime Rate hereunder, shall be adjusted simultaneously with any change in the Prime Rate. In the event that the Bank (including any successor or assignor) does not at any time publicly announce a prime rate, the "Prime Rate" shall mean the "prime rate" publicly announced by a Schedule 1 chartered bank in Canada selected by the Bank.

Prime Rate Loan — any Loan that bears interest based on the Prime Rate.

Prime Rate Revolver Loan — a Revolver Loan that bears interest based on the Prime Rate.

Priority Payable Reserve — reserves established in the good faith credit discretion of the Agent for amounts secured by any Liens, choate or inchoate, which rank or are capable of ranking in priority to the Agent's and/or Lenders' Liens and/or for amounts which may represent costs relating to the enforcement of the Agent's Liens including, without limitation, in the good faith credit discretion of the Agent, any such amounts due and not paid for vacation pay, amounts due and not paid under any legislation relating to workers' compensation or to employment insurance, all amounts deducted or withheld and not paid and remitted when due under the ITA, amounts currently or past due and not paid for realty, municipal or similar taxes (to the extent impacting personal or moveable property) and all amounts currently or past due and not contributed, remitted or paid to any Plan or under the Canada Pension Plan, the PBA or any similar legislation.

Pro Rata — with respect to any Lender, a percentage (expressed as a decimal, rounded to the ninth decimal place) determined (a) while Revolver Commitments are outstanding, by dividing the amount of such Lender's Revolver Commitment by the aggregate amount of all Revolver Commitments; and (b) at any other time, by dividing the amount of such Lender's Loans and LC Obligations by the aggregate amount of all outstanding Loans and LC Obligations.

Proceeds of Crime Act — *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (or any successor statute), as amended from time to time, and includes all regulations thereunder.

Properly Contested — with respect to any obligation of an Obligor, (a) the obligation is subject to a bona fide dispute regarding amount or the Obligor's liability to pay; (b) the obligation is being properly contested in good faith by appropriate proceedings promptly instituted and diligently pursued; (c) appropriate reserves have been established in accordance with GAAP; (d) non-payment could not have a Material Adverse Effect, nor result in forfeiture or sale of any assets of the Obligor; (e) no Lien is imposed on assets of the Obligor, unless bonded and stayed to the satisfaction of Agent; and (f) if the obligation results from entry of a judgment or other order, such judgment or order is stayed pending appeal or other judicial review.

Property — any interest in any kind of property or asset, whether real (immovable), personal (movable) or mixed, or tangible (corporeal) or intangible (incorporeal).

Protective Advances — as defined in Section 2.1.6.

Purchase Money Debt — (a) Debt (other than the Obligations) for payment of any of the purchase price of fixed assets; (b) Debt (other than the Obligations) incurred within 10 days before or after acquisition of any fixed assets, for the purpose of financing any of the purchase price thereof; and (c) any renewals, extensions or refinancings (but not increases) thereof, or constitution of a vendor's hypothec under the Civil Code.

Purchase Money Lien — a Lien that secures Purchase Money Debt, encumbering only the fixed assets acquired with such Debt and constituting a Capital Lease or a purchase money security interest under the PPSA or the UCC, as applicable.

RCRA — the *Resource Conservation and Recovery Act* (42 U.S.C. §§ 6991-6991i) (or any successor statute), as amended from time to time, and includes all regulations thereunder.

Real Estate — (a) all lands, tenements, hereditaments, real (immovable) Property and any estate, right, title or interest therein, rights of way, easements, licenses, rights, options and privileges appurtenant or appertaining thereto, now owned or hereafter acquired, and all beneficial interest therein and thereto, together with all buildings, erections, structures, improvements, fixed plant, fixed machinery, fixed equipment and other fixtures now or hereafter constructed or placed thereon or used in connection therewith, and (b) all leasehold, sub-leasehold, license, concession, tenancy, occupancy or other such right, title and interest now or hereafter acquired, together with all buildings, improvements, erections, structures, fixed plant, fixed machinery, fixed equipment and other fixtures now or hereafter constructed or placed thereon and all its right, title and interest in and to the agreements relating thereto and all benefits, powers, covenants and advantages derived therefrom.

Red Man Pipe Canada — Red Man Pipe and Supply Canada Ltd., a Person holding Equity Interests in the Borrower.

Reimbursement Date — as defined in Section 2.2.2.

Rent and Charges Reserve — the aggregate of (a) all past due rent and other amounts owing by an Obligor to any landlord, warehouseman, processor, repairman, mechanic, shipper, freight forwarder or other Person who possesses any Collateral or could assert a Lien on any

Collateral; and (b) a reserve at least equal to three months rent and other charges that could be payable to any such Person, unless it has executed a Lien Waiver.

Report — as defined in Section 12.2.3.

Reportable Event — any event set forth in Section 4043(b) of ERISA.

Required Lenders — Lenders (subject to Section 4.2) having Commitments in excess of 50% of the aggregate Commitments.

Reserve Percentage — the reserve percentage (expressed as a decimal, rounded upward to the nearest 1/8th of 1%) applicable to member banks under regulations issued from time to time by the Board of Governors for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities").

Restricted Investment — any Investment by Borrower or Subsidiary, other than (a) Investments in Subsidiaries to the extent existing on the Closing Date; (b) Cash Equivalents that are subject to Agent's Lien and control, pursuant to documentation in form and substance satisfactory to Agent; and (c) loans and advances permitted under Section 10.2.7.

Restrictive Agreement — an agreement (other than a Loan Document) that conditions or restricts the right of Borrower, Subsidiary or other Obligor to incur or repay Borrowed Money, to grant Liens on any assets, to declare or make Distributions, to modify, extend or renew any agreement evidencing Borrowed Money, or to repay any intercompany Debt.

Revolver Commitment — for any Lender, its obligation to make Revolver Loans and to participate in LC Obligations, up to the maximum principal amount shown on Schedule 1.1, or as specified hereafter in the most recent Assignment and Acceptance to which it is a party. "Revolver Commitments" means the aggregate amount of such commitments of all Lenders.

Revolver Loan — a loan made pursuant to Section 2.1, and any Swingline Loan, Overadvance Loan or Protective Advance.

Revolver Note — a promissory note to be executed by Borrower in favour of a Lender, if required by such Lender, in form and substance satisfactory to Agent, which shall be in the amount of such Lender's Revolver Commitment and shall evidence the Revolver Loans made by such Lender.

Revolver Termination Date — November 2, 2010.

Royalties — all royalties, fees, expense reimbursement and other amounts payable by an Obligor under a License.

S&P — Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors.

Section 427 Security — (a) Agreement as to Powers, (b) Application for Credit and Promise to Give Bills of Lading, Warehouse Receipts or Security, (c) Special Security in Respect

of Specified Property and (d) Notice of Intention to Give Security, all as executed by the Borrower in favour of the Agent in form and substance satisfactory to the Agent.

Secured Parties — Agent, Issuing Bank, Lenders and providers of Bank Products, and any one of them a "Secured Party".

Security Documents — the Guarantees, Deposit Account Control Agreements, Section 427 Security, the General Security Agreements and all other documents, instruments and agreements now or hereafter securing (or given with the intent to secure) any Obligations.

Senior Officer — the chairman of the board, president, chief executive officer, treasurer or chief financial officer of Borrower or, if the context requires, an Obligor.

Settlement Report — a report delivered by Agent to Lenders summarizing the Revolver Loans and participations in LC Obligations outstanding as of a given settlement date, allocated to Lenders on a Pro Rata basis in accordance with their Revolver Commitments.

Shareholder Reinvestments — the annual loans (required pursuant to the Shareholders Agreement) to be made to the Borrower by each of the Persons having an Equity Interest in the Borrower in the amounts calculated and set forth in the Shareholders Agreement and further detailed in Schedule 10.2.4.

Shareholders Agreement — the shareholders agreement among the Borrower, Red Man Pipe & Supply Canada Ltd. and Midfield Holdings dated as of June 15, 2005, as amended by a Shareholders Amending Agreement among the same parties dated as of December 28, 2005.

Shareholders' Notes — collectively (a) the unsecured demand promissory note, dated as of June 15, 2005, issued to Red Man Pipe Canada by the Borrower in the amount of $9,855,750, bearing interest at 8% per annum (which interest is payable annually in the month of January); (b) the unsecured demand promissory note dated as of April 25, 2006, issued to Red Man Pipe Canada by the Borrower in the amount of $14,818,915, bearing interest at 8% per annum (which interest is payable annually in the month of January); (c) the unsecured demand promissory note dated as of April 25, 2006, issued to Midfield Holdings by the Borrower in the amount of $31,389,499, bearing interest at 8% per annum (which interest is payable annually in the month of January); and (d) shall include all promissory notes issued to any shareholder of, or Person holding an Equity Interest in, the Borrower during the term of this Agreement.

Shareholder Subordination Agreement — the Subordination Agreements of even date herewith, between Red Man Pipe Canada and Midfield Holdings, respectively, and Agent, relating to the Shareholders' Notes and the Class R Note.

Solvent — as to any Person, such Person (a) owns Property whose fair salable value is greater than the amount required to pay all of its debts (including contingent, subordinated, unmatured and unliquidated liabilities); (b) owns Property whose present fair salable value (as defined below) is greater than the probable total liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) of such Person as they become absolute and matured; (c) is able to pay all of its debts as they mature; (d) has capital that is not unreasonably small for its business and is sufficient to carry on its business and transactions and all business and transactions in which it is about to engage; (e) is not "insolvent" within the meaning of Section

101(32) of the Bankruptcy Code and is not an 'insolvent person' within the meaning of such term in the BIA, as applicable;; and (f) has not incurred (by way of assumption or otherwise) any obligations or liabilities (contingent or otherwise) under any Loan Documents, or made any conveyance in connection therewith, with actual intent to hinder, delay or defraud either present or future creditors of such Person or any of its Affiliates. "Fair salable value" means the amount that could be obtained for assets within a reasonable time, either through collection or through sale under ordinary selling conditions by a capable and diligent seller to an interested buyer who is willing (but under no compulsion) to purchase.

Statutory Reserves — the percentage (expressed as a decimal) established by the Board of Governors as the then stated maximum rate for all reserves (including those imposed by Regulation D of the Board of Governors, all basic, emergency, supplemental or other marginal reserve requirements, and any transitional adjustments or other scheduled changes in reserve requirements) applicable to any member bank of the Federal Reserve System in respect of Eurocurrency Liabilities (or any successor category of liabilities under Regulation D).

Subordinated Debt — Debt incurred by an Obligor that is expressly subordinate and junior in right of payment to Full Payment of all Obligations, and is on terms (including maturity, interest, fees, repayment, covenants and subordination) satisfactory to Agent.

Subordination Agreement — a subordination agreement, in favour of the Agent and the Lenders, in form and substance satisfactory to Agent, whereby the holder of Subordinated Debt subordinates such Debt to the Obligations and disclaims any Liens on the Collateral.

Subsidiary — any Person at least 50% of whose voting securities or Equity Interests is owned or controlled by another Person (including indirect ownership or control by such Person, through other Persons, in which such Person directly or indirectly owns or controls 50% of the voting securities or Equity Interests). Unless the context otherwise clearly requires, references herein to a "subsidiary" refer to a Subsidiary of the Borrower.

Swingline Loan — any Borrowing of Loans funded with Agent's funds.

Taxes — any taxes, levies, imposts, duties, fees, assessments, deductions, withholdings or other charges of whatever nature, including income, receipts, excise, property, sales, use, transfer, license, payroll, withholding, social security, franchise, intangibles, stamp or recording taxes imposed by any Governmental Authority, and all interest, penalties and similar liabilities relating thereto.

Transferee — any actual or potential Eligible Assignee, Participant or other Person acquiring an interest in any Obligations.

Type — any type of a Loan (i.e. Prime Rate Loan or BA Equivalent Loan) that has the same interest option and, in the case of BA Equivalent Loans, the same Interest Period.

UCC — the Uniform Commercial Code as in effect in the State of Texas or, when the laws of any other jurisdiction govern the perfection or enforcement of any Lien, the Uniform Commercial Code of such jurisdiction.

Unfunded Pension Liability — at a point in time, the excess of a Plan's benefit liabilities, over the current value of that Plan's assets, determined in accordance with the assumptions used for funding the Plan pursuant to applicable laws for the applicable plan year and includes any unfunded liability or solvency deficiency as determined for the purposes of the PBA.

U.S. Dollars or U.S.$ or United States Dollars — the lawful currency of the United States of America.

Upstream Payment — a Distribution by a Subsidiary of Borrower to Borrower.

Value — (a) for Inventory, its value determined on the basis of the lower of cost or market, calculated on a first-in, first out basis or weighted average cost basis; and (b) for an Account, its face amount, net of any returns, rebates, discounts (calculated on the shortest terms), credits, allowances or Taxes (including sales, excise or other taxes) that have been or could be claimed by the Account Debtor or any other Person.

1.2 Accounting Terms.

Under the Loan Documents (except as otherwise specified herein), all accounting terms shall be interpreted, all accounting determinations shall be made, and all financial statements shall be prepared, in accordance with GAAP applied on a basis consistent with the most recent audited financial statements of Borrower delivered to Agent before the Closing Date and using the same inventory valuation method as used in such financial statements, except for any change required or permitted by GAAP if Borrower's chartered accountants concur in such change, the change is disclosed to Agent, and Section 10.3 is amended in a manner satisfactory to Required Lenders to take into account the effects of the change.

1.3 Certain Matters of Construction.

The terms "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision. Any pronoun used shall be deemed to cover all genders. In the computation of periods of time from a specified date to a later specified date, "from" means "from and including," and "to" and "until" each mean "to but excluding." The terms "including" and "include" shall mean "including, without limitation" and, for purposes of each Loan Document, the parties agree that the rule of *ejusdem generis* shall not be applicable to limit any provision. Section titles appear as a matter of convenience only and shall not affect the interpretation of any Loan Document. All references to (a) laws or statutes include all related rules, regulations, interpretations, amendments and successor provisions; (b) any document, instrument or agreement include any amendments, waivers and other modifications, extensions or renewals (to the extent permitted by the Loan Documents); (c) any section mean, unless the context otherwise requires, a section of this Agreement; (d) any exhibits or schedules mean, unless the context otherwise requires, exhibits and schedules attached hereto, which are hereby incorporated by reference; (e) any Person include successors and assigns; (f) time of day mean time of day at Agent's notice address under Section 15.3.1; or (g) discretion of Agent, Issuing Bank or any Lender mean the sole and absolute discretion of such Person. All calculations of Value, fundings of Loans, issuances of Letters of Credit and payments of Obligations shall be in Dollars and, unless the context otherwise requires, all determinations (including calculations of Borrowing Base and financial covenants) made from time to time under the Loan Documents shall be made in light of the

circumstances existing at such time. Borrowing Base calculations shall be consistent with historical methods of valuation and calculation, and otherwise satisfactory to Agent (and not necessarily calculated in accordance with GAAP). Borrower shall have the burden of establishing any alleged negligence, misconduct or lack of good faith by Agent, Issuing Bank or any Lender under any Loan Documents. No provision of any Loan Documents shall be construed against any party by reason of such party having, or being deemed to have, drafted the provision. Whenever the phrase "to the best of Borrower's knowledge" or words of similar import are used in any Loan Documents, it means actual knowledge of a Senior Officer, or knowledge that a Senior Officer would have obtained if he or she had engaged in good faith and diligent performance of his or her duties, including reasonably specific inquiries of employees or agents and a good faith attempt to ascertain the matter to which such phrase relates. For purposes of any Collateral located in the Province of Quebec or charged by any deed of hypothec (or any other Loan Document) and for all other purposes pursuant to which the interpretation or construction of a Loan Document may be subject to the laws of the Province of Quebec or a court or tribunal exercising jurisdiction in the Province of Quebec, (q) "personal property" shall be deemed to include "movable property", (r) "real property" shall be deemed to include "immovable property", (s) "tangible property" shall be deemed to include "corporeal property", (t) "intangible property" shall be deemed to include "incorporeal property", (u) "security interest" and "mortgage" shall be deemed to include a "hypothec", (v) all references to filing, registering or recording under the UCC or the PPSA shall be deemed to include publication under the Civil Code of Quebec, (w) all references to "perfection" of or "perfected" Liens shall be deemed to include a reference to the "opposability" of such Liens to third parties, (x) any "right of offset", "right of setoff" or similar expression shall be deemed to include a "right of compensation", (y) "goods" shall be deemed to include "corporeal movable property" other than chattel paper, documents of title, instruments, money and securities, and (z) an "agent" shall be deemed to include a "mandatary".

1.4 Interest Calculations and Payments

Unless otherwise stated (as with the case of the unused line fee and the LC facility fees, which shall be calculated at an interest per annum based on a year of three hundred and sixty (360) days), wherever in this Agreement reference is made to a rate of interest "per annum" or a similar expression is used, such interest will be calculated on the basis of a calendar year of three hundred and sixty-five (365) days or three hundred and sixty-six (366) days, as the case may be. Calculations of interest shall be made using the nominal rate method of calculation, and will not be calculated using the effective rate method of calculation or on any other basis that gives effect to the principle of deemed reinvestment of interest. All payments of interest to be made hereunder will be paid both before and after maturity and before and after default and/or judgment, if any, until payment thereof, and interest will accrue on overdue interest, if any.

1.5 Interest Act (Canada)

For the purposes of this Agreement, whenever interest to be paid hereunder is to be calculated on the basis of a year of three hundred and sixty (360) days, as in the case of the unused line fee and the LC facility fees, or any other period of time that is less than a calendar year, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year

in which the same is to be ascertained and divided by either three hundred and sixty (360) or such other period of time, as the case may be.

1.6 Equivalent Amount

For the purpose of determining compliance with covenant and default limitations set forth in the Agreement, amounts expressed in U.S. Dollars shall be measured by aggregating the Equivalent Amount of the applicable items denominated in U.S. Dollars with the items in Canadian Dollars.

SECTION 2 CREDIT FACILITIES

2.1 **Revolver Commitment.**

2.1.1 Revolver Loans.

Each Lender agrees, severally on a Pro Rata basis up to its Revolver Commitment, on the terms set forth herein, to make Revolver Loans to Borrower from time to time through the Commitment Termination Date. The Revolver Loans may be repaid and reborrowed as provided herein. In no event shall Lenders have any obligation to honour a request for a Revolver Loan in excess of Availability.

2.1.2 Revolver Notes.

The Revolver Loans made by each Lender and interest accruing thereon shall be evidenced by the records of Agent and such Lender. At the request of any Lender, Borrower shall deliver a Revolver Note to such Lender.

2.1.3 Use of Proceeds.

The proceeds of Revolver Loans shall be used by Borrower solely (a) to satisfy existing Debt; (b) to pay fees and transaction expenses associated with the closing of this credit facility; (c) to pay Obligations in accordance with this Agreement; and (d) for working capital and other lawful general corporate purposes of Borrower, including those set out in the recitals to this Agreement.

2.1.4 Voluntary Termination of Revolver Commitments.

The Revolver Commitments shall terminate on the Revolver Termination Date, unless sooner terminated in accordance with this Agreement. Upon at least 90 days prior written notice to Agent at any time after the first Loan Year, Borrower may, at its option, terminate, without premium or penalty, the Revolver Commitments and this credit facility. Any notice of termination given by Borrower shall be irrevocable. On the termination date, Borrower shall make Full Payment of all Obligations.

2.1.5 Overadvances.

If the aggregate Revolver Loans exceed the Borrowing Base (“Overadvance”) or the aggregate Revolver Commitments at any time, the excess amount shall be payable by Borrower on demand by Agent, but all such Revolver Loans shall nevertheless constitute Obligations

secured by the Collateral and entitled to all benefits of the Loan Documents. Unless its authority has been revoked in writing by Required Lenders, Agent may require Lenders to honour requests for Overadvance Loans and to forbear from requiring Borrower to cure an Overadvance, (a) when no other Event of Default is known to Agent, as long as (i) the Overadvance does not continue for more than 30 consecutive days (and no Overadvance may exist for at least five consecutive days thereafter before further Overadvance Loans are required), and (ii) the Overadvance is not known by Agent to exceed $10,000,000; and (b) regardless of whether an Event of Default exists, if Agent discovers an Overadvance not previously known by it to exist, as long as from the date of such discovery the Overadvance does not continue for more than 30 consecutive days. In no event shall Overadvance Loans be required that would cause the outstanding Revolver Loans and LC Obligations to exceed the aggregate Revolver Commitments. Any funding of an Overadvance Loan or sufferance of an Overadvance shall not constitute a waiver by Agent or Lenders of the Event of Default caused thereby. In no event shall Borrower or other Obligor be deemed a beneficiary of this Section nor authorized to enforce any of its terms.

2.1.6 Protective Advances.

Agent shall be authorized, in its discretion, at any time that a Default or Event of Default exists or any conditions in Section 6 are not satisfied, and without regard to the aggregate Commitments, to make Prime Rate Revolver Loans ("Protective Advances") (a) if Agent deems such Loans necessary or desirable to preserve or protect any Collateral, or to enhance the collectibility or repayment of Obligations; or (b) to pay any other amounts chargeable to Obligors under any Loan Documents, including costs, fees and expenses. All Protective Advances shall be Obligations, secured by the Collateral, and shall be treated for all purposes as Extraordinary Expenses. Each Lender shall participate in each Protective Advance on a Pro Rata basis. Required Lenders may at any time revoke Agent's authorization to make further Protective Advances by written notice to Agent. Absent such revocation, Agent's determination that funding of a Protective Advance is appropriate shall be conclusive.

2.1.7 Decrease in Revolver Commitments.

Notwithstanding anything to the contrary contained in this Agreement, so long as no Default or Event of Default has occurred and is continuing or would occur as a result thereof, and subject to the terms and conditions of this Section 2.1.7, Borrower shall have the right (which may be exercised only once during the term of this Agreement) after the Closing Date and before the end of the Commitment Termination Date, upon not less than thirty (30) Business Days' prior written notice to Agent (such written notice being herein referred to as a "Commitment Reduction Notice"), to reduce, without premium or penalty, on the date specified in the Commitment Reduction Notice (the "Commitment Reduction Date") the amount of the Commitments by an amount equal to $25,000,000 (the "Commitment Reduction Amount"); provided, however, that in no event shall the amount of the Commitments be reduced to an amount less than $125,000,000. Subject to the preceding sentence, on the Commitment Reduction Date, (i) the Commitments shall be reduced by the Commitment Reduction Amount and each Lender's Commitment shall be reduced by such Lender's Pro Rata share of the Commitments, and (ii) Borrower shall pay to Agent, in immediately available funds, for application to the Loans owed to relevant Lenders, the dollar amount necessary so that after giving effect to Commitment Reduction Amount the outstanding Loans and Letters of Credit do

not exceed the Commitments; provided, however, any such reduction is subject to the following additional conditions being satisfied in form and substance satisfactory to Agent and its counsel: (a) Borrower shall have delivered to Agent an Amended and Restated Revolver Note, payable to the order of the relevant Lender, reflecting the reduced Commitment of such Lender, duly executed by Borrower; and (b) Borrower shall have delivered to Agent an amendment to this Agreement evidencing this Commitment Reduction Amount, duly executed by Borrower, with Agent being hereby authorized by each Lender to execute such an amendment on behalf of such Lender.

2.2 Letter of Credit Facility.

2.2.1 Issuance of Letters of Credit.

Issuing Bank agrees to issue Letters of Credit from time to time until 30 days prior to the Revolver Termination Date (or until the Commitment Termination Date, if earlier), on the terms set forth herein, including the following:

(a) Borrower acknowledges that Issuing Bank's willingness to issue any Letter of Credit is conditioned upon Issuing Bank's receipt of a LC Application with respect to the requested Letter of Credit, as well as such other instruments and agreements as Issuing Bank may customarily require for issuance of a letter of credit of similar type and amount. Issuing Bank shall have no obligation to issue any Letter of Credit unless (i) Issuing Bank receives a LC Request and LC Application at least three Business Days prior to the requested date of issuance; and (ii) each LC Condition is satisfied. If Issuing Bank receives written notice from a Lender at least one Business Day before issuance of a Letter of Credit that any LC Condition has not been satisfied, Issuing Bank shall have no obligation to issue the requested Letter of Credit (or any other) until such notice is withdrawn in writing by that Lender or until Required Lenders have waived such condition in accordance with this Agreement. Prior to receipt of any such notice, Issuing Bank shall not be deemed to have knowledge of any failure of LC Conditions.

(b) Letters of Credit may be requested by Borrower only (i) to support obligations of Borrower incurred in the Ordinary Course of Business; or (ii) for other purposes as Agent and Lenders may approve from time to time in writing. The renewal or extension of any Letter of Credit shall be treated as the issuance of a new Letter of Credit, except that delivery of a new LC Application shall be required at the discretion of Issuing Bank.

(c) Borrower assumes all risks of the acts, omissions or misuses of any Letter of Credit by the beneficiary. In connection with issuance of any Letter of Credit, none of Agent, Issuing Bank or any Lender shall be responsible for the existence, character, quality, quantity, condition, packing, value or delivery of any goods purported to be represented by any Documents; any differences or variation in the character, quality, quantity, condition, packing, value or delivery of any goods from that expressed in any Documents; the form, validity, sufficiency, accuracy, genuineness or legal effect of any Documents or of any endorsements thereon; the time, place, manner or order in which

shipment of goods is made; partial or incomplete shipment of, or failure to ship, any goods referred to in a Letter of Credit or Documents; any deviation from instructions, delay, default or fraud by any shipper or other Person in connection with any goods, shipment or delivery; any breach of contract between a shipper or vendor and Borrower; errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex, telecopy, e-mail, telephone or otherwise; errors in interpretation of technical terms; the misapplication by a beneficiary of any Letter of Credit or the proceeds thereof; or any consequences arising from causes beyond the control of Issuing Bank, Agent or any Lender, including any act or omission of a Governmental Authority. The rights and remedies of Issuing Bank under the Loan Documents shall be cumulative. Issuing Bank shall be fully subrogated to the rights and remedies of each beneficiary whose claims against Borrower are discharged with proceeds of any Letter of Credit.

(d) In connection with its administration of and enforcement of rights or remedies under any Letters of Credit or LC Documents, Issuing Bank shall be entitled to act, and shall be fully protected in acting, upon any certification, notice or other communication in whatever form believed by Issuing Bank, in good faith, to be genuine and correct and to have been signed, sent or made by a proper Person. Issuing Bank may consult with and employ legal counsel, accountants and other experts to advise it concerning its obligations, rights and remedies, and shall be entitled to act upon, and shall be fully protected in any action taken in good faith reliance upon, any advice given by such experts. Issuing Bank may employ agents and attorneys in connection with any matter relating to Letters of Credit or LC Documents, and shall not be liable for the negligence or misconduct of any such agents or attorneys selected with reasonable care.

2.2.2 Reimbursement; Participations.

(a) If Issuing Bank honours any request for payment under a Letter of Credit, Borrower shall pay to Issuing Bank, on the same day ("Reimbursement Date"), the amount paid by Issuing Bank under such Letter of Credit, together with interest at the interest rate for Prime Rate Revolver Loans from the Reimbursement Date until payment by Borrower. The obligation of Borrower to reimburse Issuing Bank for any payment made under a Letter of Credit shall be absolute, unconditional and irrevocable, and shall be paid without regard to any lack of validity or enforceability of any Letter of Credit or the existence of any claim, setoff, defense or other right that Borrower may have at any time against the beneficiary. Whether or not Borrower submits a Notice of Borrowing, Borrower shall be deemed to have requested a Borrowing of Prime Rate Revolver Loans, in an amount necessary to pay all amounts due Issuing Bank on any Reimbursement Date and each Lender agrees to fund its Pro Rata share of such Borrowing whether or not the Commitments have terminated, an Overadvance exists or is created thereby, or the conditions in Section 6 are satisfied. The amount of any request for payment under a Letter of Credit denominated in a currency other than Dollars

shall be converted into Dollars at the Agent's spot buying rate in Toronto at approximately 12:00 p.m. (Eastern time) on the date of such drawing/request for payment.

(b) Upon issuance of a Letter of Credit, each Lender shall be deemed to have irrevocably and unconditionally purchased from Issuing Bank, without recourse or warranty, an undivided Pro Rata interest and participation in all LC Obligations relating to the Letter of Credit. If Issuing Bank makes any payment under a Letter of Credit and Borrower does not reimburse such payment on the Reimbursement Date, Agent shall promptly notify Lenders and each Lender shall promptly (within one Business Day) and unconditionally pay to Agent, for the benefit of Issuing Bank, the Lender's Pro Rata share of such payment. Upon request by a Lender, Issuing Bank shall furnish copies of any Letters of Credit and LC Documents in its possession at such time.

(c) The obligation of each Lender to make payments to Agent for the account of Issuing Bank in connection with Issuing Bank's payment under a Letter of Credit shall be absolute, unconditional and irrevocable, not subject to any counterclaim, setoff, compensation, qualification or exception whatsoever, and shall be made in accordance with this Agreement under all circumstances, irrespective of any lack of validity or unenforceability of any Loan Documents; any draft, certificate or other document presented under a Letter of Credit having been determined to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or the existence of any setoff, compensation or defense that any Obligor may have with respect to any Obligations. Issuing Bank does not assume any responsibility for any failure or delay in performance or any breach by Borrower or other Person of any obligations under any LC Documents. Issuing Bank does not make to Lenders any express or implied warranty, representation or guarantee with respect to the Collateral, LC Documents or any Obligor. Issuing Bank shall not be responsible to any Lender for any recitals, statements, information, representations or warranties contained in, or for the execution, validity, genuineness, effectiveness or enforceability of any LC Documents; the validity, genuineness, enforceability, collectibility, value or sufficiency of any Collateral or the perfection of any Lien therein; or the assets, liabilities, financial condition, results of operations, business, creditworthiness or legal status of any Obligor.

(d) No Issuing Bank Indemnitee shall be liable to any Lender or other Person for any action taken or omitted to be taken in connection with any LC Documents except as a result of its actual gross negligence or wilful misconduct. Issuing Bank shall not have any liability to any Lender if Issuing Bank refrains from any action under any Letter of Credit or LC Documents until it receives written instructions from Required Lenders.

2.2.3 Cash Collateral.

If any LC Obligations, whether or not then due or payable, shall for any reason be outstanding at any time (a) that an Event of Default exists, (b) that Availability is less than zero, (c) after the Commitment Termination Date, or (d) within 20 Business Days prior to the Revolver Termination Date, then Borrower shall, at Issuing Bank's or Agent's request, Cash Collateralize all outstanding LC Obligations. If Borrower fails to Cash Collateralize the outstanding LC Obligations as required herein, Lenders may (and shall upon direction of Agent) advance, as Revolver Loans, the amount of the Cash Collateral required (whether or not the Commitments have terminated, an Overadvance exists, or the conditions in Section 6 are satisfied).

SECTION 3 INTEREST, FEES AND CHARGES

3.1 Interest.

3.1.1 Rates and Payment of Interest.

(a) The Obligations shall bear interest (i) if a Prime Rate Loan, at the Prime Rate in effect from time to time, plus the Applicable Margin for Prime Rate Revolver Loans; (ii) if a BA Equivalent Loan, at the BA Equivalent Rate for the applicable Interest Period, plus the Applicable Margin for BA Equivalent Revolver Loans; and (iii) if any other Obligation (including, to the extent permitted by law, interest not paid when due), at the Prime Rate in effect from time to time, plus the Applicable Margin for Prime Rate Revolver Loans. Interest shall accrue from the date the Loan is advanced or the Obligation is incurred or payable, until paid by Borrower. If a Loan is repaid on the same day made, one day's interest shall accrue.

(b) During any Default or Event of Default, if Agent or Required Lenders in their discretion so elect, Obligations shall bear interest at the Default Rate. Borrower acknowledges that the cost and expense to Agent and each Lender due to a Default or an Event of Default are difficult to ascertain and that the Default Rate is a fair and reasonable estimate to compensate Agent and Lenders for such added cost and expense.

(c) Interest accrued on the Loans shall be due and payable in arrears, (i) on the first day of each month and, for any BA Equivalent Loan, the last day of its Interest Period; and (ii) on the Commitment Termination Date. Interest accrued on any other Obligations shall be due and payable as provided in the Loan Documents and, if no payment date is specified, shall be due and payable on demand. Notwithstanding the foregoing, interest accrued at the Default Rate shall be due and payable on demand.

3.1.2 Application of BA Equivalent Rate to Outstanding Loans.

(a) Borrower may on any Business Day, subject to delivery of a Notice of Conversion/Continuation, elect to convert any portion of the Prime Rate Loans to, or to continue any BA Equivalent Loan at the end of its Interest

Period as, a BA Equivalent Loan. During any Default or Event of Default, Agent may (and shall at the direction of Required Lenders) declare that no Loan may be made, converted or continued as a BA Equivalent Loan.

(b) Whenever Borrower desires to convert or continue Loans as BA Equivalent Loans, Borrower shall give Agent a Notice of Conversion/Continuation, no later than 12:00 p.m. (Eastern time) at least three Business Days before the requested conversion or continuation date. Promptly after receiving any such notice, Agent shall notify each Lender thereof. Each Notice of Conversion/Continuation shall be irrevocable, and shall specify the aggregate principal amount of Loans to be converted or continued, the conversion or continuation date (which shall be a Business Day), and the duration of the Interest Period (which shall be deemed to be one month if not specified). If, upon the expiration of any Interest Period in respect of any BA Equivalent Loans, Borrower shall have failed to deliver a Notice of Conversion/Continuation, it shall be deemed to have elected to convert such Loans into Prime Rate Loans.

3.1.3 Interest Periods.

In connection with the making, conversion or continuation of any BA Equivalent Loans, Borrower shall select an interest period ("Interest Period") to apply, which interest period shall be one, two, three or six months; provided, however, that:

(a) the Interest Period shall commence on the date the Loan is made or continued as, or converted into, a BA Equivalent Loan, and shall expire on the numerically corresponding day in the calendar month at its end;

(b) if any Interest Period commences on a day for which there is no corresponding day in the calendar month at its end or if such corresponding day falls after the last Business Day of such month, then the Interest Period shall expire on the last Business Day of such month; and if any Interest Period would expire on a day that is not a Business Day, the period shall expire on the next Business Day; and

(c) no Interest Period shall extend beyond the Revolver Termination Date.

3.1.4 Interest Rate Not Ascertainable.

If Agent shall determine that on any date for determining BA Equivalent Rate, adequate and fair means do not exist for ascertaining such rates on the basis provided herein, then Agent shall immediately notify Borrower of such determination. Until Agent notifies Borrower that such circumstance no longer exists, the obligation of Lenders to make further BA Equivalent Loans shall be suspended, and no further Loans may be converted into or continued as BA Equivalent Loans, as applicable.

3.2 Fees.

3.2.1 Unused Line Fee.

Borrower shall pay to Agent, for the Pro Rata benefit of Lenders, a fee equal to the (a) (i) 0.25% (if the outstanding amount of all Borrowings under this Agreement, for the immediately preceding Fiscal Quarter, are greater than 50% of the Revolver Commitments), or (ii) 0.375% (if the outstanding amount of all Borrowings under this Agreement, for the immediately preceding Fiscal Quarter, are equal to or less than 50% of the Revolver Commitments) times (b) the amount by which the Revolver Commitments exceed the average daily balance of Loans during any month. Such fee shall be payable in arrears, on the first day of each month and on the Commitment Termination Date.

The Agent shall pay to each Lender, on or before the third Business Day of each month and on the Commitment Termination Date, the foregoing unused line fee based on each Lender's Revolver Commitment and each Lender's respective Pro Rata share of the Revolver Loans during the applicable month.

3.2.2 LC Facility Fees.

Borrower shall pay (a) to Agent, for the Pro Rata benefit of Lenders, a fee equal to the Applicable Margin in effect for BA Equivalent Revolver Loans times the average daily stated amount of Letters of Credit (which amount shall include, for Letters of Credit denominated in U.S. Dollars, the Equivalent Amount thereof in Dollars), which fee shall be payable monthly in arrears, on the first day of each month; (b) Borrower shall pay to Issuing Bank, for its own account, a fronting fee equal to 0.125% per annum of the stated amount of each Letter of Credit issued, which fee shall be payable monthly in arrears, on the first day of each month; and (c) Borrower shall pay to Issuing Bank, for its own account, all customary charges associated with the issuance, amending, negotiating, payment, processing, transfer and administration of Letters of Credit, which charges shall be paid as and when incurred. During an Event of Default, the fee payable under clause (a) shall be increased by 2% per annum.

3.2.3 Closing Fee.

Borrower shall pay to Agent, for the Pro Rata benefit of the Lenders, a closing fee of $295,000, which shall be paid concurrently with the funding of the initial Loans hereunder.

3.2.4 Administrative Fees.

In consideration of Agent's administration of the Loans hereunder, Borrower shall pay to Agent, for its own account, the fees described in the Fee Letter.

3.3 Computation of Interest, Fees, Yield Protection.

In addition to Section 1.4 hereof or as otherwise set forth herein, interest, as well as fees and other charges calculated on a per annum basis, shall be computed for the actual days elapsed, based on a year of 365 or 366 days, as the case may be.

Each determination by Agent of any interest, fees or interest rate hereunder shall be final, conclusive and binding for all purposes, absent manifest error. All fees shall be fully earned when due and shall not be subject to rebate or refund, nor subject to proration except as specifically provided herein. All fees payable under Section 3.2 and in the Fee Letter are compensation for services and are not, and shall not be deemed to be, interest or any other charge for the use, forbearance or detention of money. A certificate, calculated in accordance with the terms of this Agreement, as to amounts payable by Borrower under Section 3.6, 3.7, 3.9 or 5.8, submitted to Borrower by Agent or the affected Lender, as applicable, shall be final, conclusive and binding for all purposes, absent manifest error.

3.4 Overdraft Loans.

In respect of the accounts of an Obligor opened and maintained with the Bank, whenever a cheque or other item is presented for payment against such account in an amount greater than the then available balance in such account (an "Overdraft Loan"), such presentation shall be deemed to constitute a Notice of Borrowing for a Loan on the date of such notice in the amount of such Overdraft Loan (or the Equivalent Amount thereof), bearing interest by reference to the Prime Rate Revolving Loan.

3.5 Illegality.

Notwithstanding anything to the contrary herein, if (a) any change in any law or interpretation thereof by any Governmental Authority makes it unlawful for a Lender to make or maintain a BA Equivalent Loan or to maintain any Commitment with respect to BA Equivalent Loans or (b) a Lender determines that the making or continuance of a BA Equivalent Loan has become impracticable as a result of a circumstance that adversely affects the determination of the BA Equivalent Rate, then such Lender shall give notice thereof to Agent and Borrower and may (i) declare that BA Equivalent Loans, as applicable, will not thereafter be made by such Lender, whereupon any request for a BA Equivalent Loan, from such Lender shall be deemed to be a request for a Prime Rate Loan, as applicable, unless such Lender's declaration has been withdrawn (and it shall be withdrawn promptly upon cessation of the circumstances described in clause (a) or (b) above); and/or (ii) require that all outstanding BA Equivalent Loans, as applicable, made by such Lender be converted to Prime Rate Loan, as applicable, immediately, in which event all outstanding BA Equivalent Loans, as applicable, of such Lender shall be immediately converted to Prime Rate Loans.

3.6 Increased Costs.

If, by reason of (a) the introduction of or any change (including any change by way of imposition or increase of Statutory Reserves or other reserve requirements) in any law or interpretation thereof, or (b) the compliance with any guideline or request from any Governmental Authority or other Person exercising control over banks or financial institutions generally (whether or not having the force of law):

(i) a Lender shall be subject to any Tax with respect to any BA Equivalent Loan or Letter of Credit or its obligation to make BA Equivalent Loans, issue Letters of Credit or participate in LC Obligations, or a change shall result in the basis of taxation of any payment to a Lender with respect to its BA Equivalent Loans, or its obligation to make BA Equivalent Loans,

issue Letters of Credit or participate in LC Obligations (except for Excluded Taxes); or

(ii) any reserve (including any imposed by the Board of Governors or any other Governmental Authority), special deposits or similar requirement against assets of, deposits with or for the account of, or credit extended by, a Lender shall be imposed or deemed applicable, or any other condition affecting a Lender's BA Equivalent Loans or obligation to make BA Equivalent Loans, issue Letters of Credit or participate in LC Obligations shall be imposed on such Lender;

and as a result there shall be an increase in the cost to such Lender of agreeing to make or making, funding or maintaining, BA Equivalent Loans, Letters of Credit or participations in LC Obligations, or there shall be a reduction in the amount receivable by such Lender, then the Lender shall promptly notify Borrower and Agent of such event, and Borrower shall, within five days following demand therefor, pay such Lender the amount of such increased costs or reduced amounts.

If a Lender determines that, because of circumstances described above or any other circumstances arising hereafter affecting such Lender or the Lender's position in any market, BA Equivalent Rate or the Applicable Margin applicable thereto, as applicable, will not adequately and fairly reflect the cost to such Lender of funding BA Equivalent Loans, issuing Letters of Credit or participating in LC Obligations, then (A) the Lender shall promptly notify Borrower and Agent of such event; (B) such Lender's obligation to make BA Equivalent Loans, issue Letters of Credit or participate in LC Obligations shall be immediately suspended, until each condition giving rise to such suspension no longer exists; and (C) such Lender shall make a Prime Rate Loan as part of any requested Borrowing of BA Equivalent Loans, as applicable, which Prime Rate Loan shall, for all purposes, be considered part of such Borrowing.

3.7 Capital Adequacy.

If a Lender determines that any introduction of or any change in a Capital Adequacy Regulation, any change in the interpretation or administration of a Capital Adequacy Regulation by a Governmental Authority charged with interpretation or administration thereof, or any compliance by such Lender or any Person controlling such Lender with a Capital Adequacy Regulation, increases the amount of capital required or expected to be maintained by such Lender or Person (taking into consideration its capital adequacy policies and desired return on capital) as a consequence of such Lender's Commitments, Loans, participations in LC Obligations or other obligations under the Loan Documents, then Borrower shall, within five days following demand therefor, pay such Lender an amount sufficient to compensate for such increase. A Lender's demand for payment shall set forth the nature of the occurrence giving rise to such compensation and a calculation of the amount to be paid. In determining such amount, the Lender may use any reasonable averaging and attribution method.

3.8 Mitigation.

Each Lender agrees that, upon becoming aware that it is subject to Section 3.5, 3.6, 3.7 or 5.8, it will take reasonable measures to reduce Borrower's obligations under such Sections, including funding or maintaining its Commitments or Loans through another office, as long as

use of such measures would not adversely affect the Lender's Commitments, Loans, business or interests, and would not be inconsistent with any internal policy or applicable legal or regulatory restriction.

3.9 Funding Losses.

If for any reason (other than default by a Lender) (a) any Borrowing of, or conversion to or continuation of, a BA Equivalent Loan does not occur on the date specified therefor in a Notice of Borrowing or Notice of Conversion/Continuation (whether or not withdrawn), (b) any repayment or conversion of a BA Equivalent Loan occurs on a day other than the end of its Interest Period, or (c) Borrower fail to repay a BA Equivalent Loan when required hereunder, then Borrower shall pay to Agent its customary administrative charge and to each Lender all losses and expenses that it sustains as a consequence thereof, including any loss or expense arising from liquidation or redeployment of funds or from fees payable to terminate deposits of matching funds. Lenders shall not be required to purchase Dollar deposits in any Dollar market (offshore or otherwise) to fund any BA Equivalent Loan, but the provisions hereof shall be deemed to apply as if each Lender had purchased such deposits to fund its BA Equivalent Loans.

3.10 Maximum Interest.

In no event shall interest, charges or other amounts that are contracted for, charged or received by Agent and Lenders pursuant to any Loan Documents and that are deemed interest under Applicable Law ("interest") exceed the highest rate permissible under Applicable Law ("maximum rate"). If, in any month, any interest rate, absent the foregoing limitation, would have exceeded the maximum rate, then the interest rate for that month shall be the maximum rate and, if in a future month, that interest rate would otherwise be less than the maximum rate, then the rate shall remain at the maximum rate until the amount of interest actually paid equals the amount of interest which would have accrued if it had not been limited by the maximum rate. If, upon Full Payment of the Obligations, the total amount of interest actually paid under the Loan Documents is less than the total amount of interest that would, but for this Section, have accrued under the Loan Documents, then Borrower shall, to the extent permitted by Applicable Law, pay to Agent, for the account of Lenders, (a) the lesser of (i) the amount of interest that would have been charged if the maximum rate had been in effect at all times, or (ii) the amount of interest that would have accrued had the interest rate otherwise set forth in the Loan Documents been in effect, minus (b) the amount of interest actually paid under the Loan Documents. If a court of competent jurisdiction determines that Agent or any Lender has received interest in excess of the maximum amount allowed under Applicable Law, such excess shall be deemed received on account of, and shall automatically be applied to reduce, Obligations other than interest (regardless of any erroneous application thereof by Agent or any Lender), and upon Full Payment of the Obligations, any balance shall be refunded to Borrower. In determining whether any excess interest has been charged or received by Agent or any Lender, all interest at any time charged or received from Borrower in connection with the Loan Documents shall, to the extent permitted by Applicable Law, be amortized, prorated, allocated and spread in equal parts throughout the full term of the Obligations.

SECTION 4 LOAN ADMINISTRATION

4.1 Manner of Borrowing and Funding Revolver Loans.

4.1.1 Notice of Borrowing.

(a) Whenever Borrower desires funding of a Borrowing of Revolver Loans, Borrower shall give Agent a Notice of Borrowing. Such notice must be received by Agent no later than 12:00 p.m. (Eastern time) (i) on the Business Day of the requested funding date, in the case of Prime Rate Loans, and (ii) at least three Business Days prior to the requested funding date, in the case of BA Equivalent Loans. Notices received after 12:00 p.m. (Eastern time) shall be deemed received on the next Business Day. Each Notice of Borrowing shall be irrevocable and shall specify (A) the principal amount of the Borrowing, (B) the requested funding date (which must be a Business Day), (C) whether the Borrowing is to be made as Prime Rate Loans or BA Equivalent Loans, and (D) in the case of BA Equivalent Loans, the duration of the applicable Interest Period (which shall be deemed to be one month if not specified).

(b) Unless payment is otherwise timely made by Borrower, the becoming due of any Obligations (whether principal, interest, fees or other charges, including Extraordinary Expenses, LC Obligations, Cash Collateral and Bank Product Debt) shall be deemed to be a request for Prime Rate Loans, on the due date, in the amount of such Obligations. The proceeds of such Loans shall be disbursed as direct payment of the relevant Obligation.

(c) If Borrower establishes a controlled disbursement account with Agent or any Affiliate of Agent, then the presentation for payment of any cheque or other item of payment drawn on such account at a time when there are insufficient funds to cover it shall be deemed to be a request for Prime Rate Loans, on the date of such presentation, in the amount of the cheque and items presented for payment. The proceeds of such Revolver Loans may be disbursed directly to the controlled disbursement account or other appropriate account.

4.1.2 Fundings by Lenders.

Each Lender shall timely honour its Revolver Commitment by funding its Pro Rata share of each Borrowing of Revolver Loans that is properly requested hereunder. Except for Borrowings to be made as Swingline Loans, Agent shall endeavour to notify Lenders of each Notice of Borrowing (or deemed request for a Borrowing) by 12:00 p.m. (Eastern time) on the proposed funding date for Prime Rate Loans or by 3:00 p.m. (Eastern time) at least three Business Days before any proposed funding of BA Equivalent Loans. Each Lender shall fund to Agent such Lender's Pro Rata share of the Borrowing to the account specified by Agent in immediately available funds not later than 2:00 p.m. (Eastern time) on the requested funding date, unless Agent's notice is received after the times provided above, in which event each Lender shall fund its Pro Rata share by 12:00 p.m. (Eastern time) on the next Business Day. Subject to its receipt of such amounts from Lenders, Agent shall disburse the proceeds of the Revolver Loans as directed by Borrower. Unless Agent shall have received (in sufficient time to

act) written notice from a Lender that it does not intend to fund its Pro Rata share of a Borrowing, Agent may assume that such Lender has deposited or promptly will deposit its share with Agent, and Agent may disburse a corresponding amount to Borrower. If a Lender's share of any Borrowing is not in fact received by Agent, then Borrower agrees to repay to Agent on demand the amount of such share, together with interest thereon from the date disbursed until repaid, at the rate applicable to such Borrowing.

4.1.3 Swingline Loans; Settlement.

(a) Agent may, but shall not be obligated to, advance Swingline Loans to Borrower out of Agent's own funds, up to an aggregate outstanding amount of $15,000,000, unless the funding is specifically required to be made by all Lenders hereunder. Each Swingline Loan shall constitute a Revolver Loan for all purposes, except that payments thereon shall be made to Agent for its own account. The obligation of Borrower to repay Swingline Loans shall be evidenced by the records of Agent and need not be evidenced by any promissory note.

(b) To facilitate administration of the Revolver Loans, Lenders and Agent agree (which agreement is solely among them, and not for the benefit of or enforceable by Borrower) that settlement among them with respect to Revolver Loans (other than Swingline Loans) may take place periodically on a date determined from time to time by Agent, which shall occur at least once every five Business Days. On each settlement date, settlement shall be made with each Lender in accordance with the Settlement Report delivered by Agent to Lenders. Between settlement dates, Agent may in its discretion apply payments on Revolver Loans to Swingline Loans, regardless of any designation by Borrower or any provision herein to the contrary. Each Lender's obligation to make settlements with Agent is absolute and unconditional, without offset, compensation, counterclaim or other defense, and whether or not the Commitments have terminated, an Overadvance exists, or the conditions in Section 6 are satisfied.

4.1.4 Notices.

Borrower authorizes Agent and Lenders to extend, convert or continue Loans, effect selections of interest rates, and transfer funds to or on behalf of Borrower based on telephonic or e-mailed instructions. Borrower shall confirm each such request by prompt delivery to Agent of a Notice of Borrowing or Notice of Conversion/Continuation, if applicable, but if it differs in any material respect from the action taken by Agent or Lenders, the records of Agent and Lenders shall govern. Neither Agent nor any Lender shall have any liability for any loss suffered by Borrower as a result of Agent or any Lender acting upon its understanding of telephonic or e-mailed instructions from a person believed in good faith by Agent or any Lender to be a person authorized to give such instructions on Borrower's behalf.

4.2 Defaulting Lender.

If a Lender fails to make any payment to Agent that is required hereunder, Agent may (but shall not be required to), in its discretion, retain payments that would otherwise be made to

such defaulting Lender hereunder, apply the payments to such Lender's defaulted obligations or readvance the funds to Borrower in accordance with this Agreement. The failure of any Lender to fund a Loan or to make a payment in respect of a LC Obligation shall not relieve any other Lender of its obligations hereunder, and no Lender shall be responsible for default by another Lender. Lenders and Agent agree (which agreement is solely among them, and not for the benefit of or enforceable by Borrower) that, solely for purposes of determining a defaulting Lender's right to vote on matters relating to the Loan Documents and to share in payments, fees and Collateral proceeds thereunder, a defaulting Lender shall not be deemed to be a "Lender" until all its defaulted obligations have been cured.

4.3 Number and Amount of BA Equivalent Loans; Determination of Rate.

For ease of administration, all BA Equivalent Revolver Loans having the same length and beginning date of their Interest Periods shall be aggregated together, and such Loans shall be allocated among Lenders on a Pro Rata basis. No more than three (3) aggregated BA Equivalent Loans may be outstanding at any time, and each aggregate BA Equivalent Loan when made, continued or converted shall be in a minimum amount of $1,000,000, or an increment of $100,000, in excess thereof. Upon determining BA Equivalent Rate for any Interest Period requested by Borrower, Agent shall promptly notify Borrower thereof by telephone or electronically and, if requested by Borrower, shall confirm any telephonic notice in writing.

4.4 Effect of Termination.

On the effective date of any termination of the Commitments, all Obligations shall be immediately due and payable. All undertakings of the Obligors contained in the Loan Documents shall survive any termination, and Agent shall retain its Liens in the Collateral and all of its rights and remedies under the Loan Documents until Full Payment of the Obligations. Notwithstanding Full Payment of the Obligations, Agent shall not be required to terminate its Liens in any Collateral unless, with respect to any damages Agent may incur as a result of the dishonour or return of Payment Items applied to Obligations, Agent receives (a) a written agreement, executed by the Obligors and any Person whose advances are used in whole or in part to satisfy the Obligations, indemnifying Agent and Lenders from any such damages; or (b) such Cash Collateral as Agent, in its discretion, deems necessary to protect against any such damages. The provisions of Sections 2.2, 3.6, 3.7, 3.9, 5.4, 5.8, 12, 15.2 and this Section, and the obligation of each Obligor and Lender with respect to each indemnity given by it in any Loan Document, shall survive Full Payment of the Obligations and any release relating to this credit facility.

SECTION 5 PAYMENTS

5.1 General Payment Provisions.

All payments of Obligations shall be made in Dollars, without offset, compensation, counterclaim or defense of any kind, free of (and without deduction for) any Taxes, and in immediately available funds, not later than 12:00 p.m. (Eastern time) on the due date. Any payment after such time shall be deemed made on the next Business Day. Obligors may, at the time of payment, specify to Agent the Obligations to which such payment is to be applied, but Agent shall in all events retain the right to apply such payment in such manner as Agent, subject to the provisions hereof, may determine to be appropriate. If any payment under the Loan

Documents shall be stated to be due on a day other than a Business Day, the due date shall be extended to the next Business Day and such extension of time shall be included in any computation of interest and fees. Any payment of a BA Equivalent Loan prior to the end of its Interest Period shall be accompanied by all amounts due under Section 3.9. Any prepayment of Loans shall be applied first to Prime Rate Loans and then to BA Equivalent Loans.

5.2 Repayment of Revolver Loans.

Revolver Loans shall be due and payable in full on the Revolver Termination Date, unless payment is sooner required hereunder. Revolver Loans may be prepaid from time to time, without penalty or premium. Notwithstanding anything herein to the contrary, (i) if an Overadvance exists, Borrower shall, on the sooner of Agent's demand or the first Business Day after Borrower has knowledge thereof, repay the outstanding Revolver Loans in an amount sufficient to reduce the principal balance of Revolver Loans to the Borrowing Base.

5.3 Payment of Other Obligations.

Obligations other than Loans, including LC Obligations and Extraordinary Expenses, shall be paid by Obligors as provided in the Loan Documents or, if no payment date is specified, on demand.

5.4 Marshalling; Payments Set Aside.

None of Agent or Lenders shall be under any obligation to marshal any assets in favour of any Obligor or against any Obligations. If any Obligor makes a payment to Agent or Lenders, or if Agent or any Lender receives payment from the proceeds of Collateral, exercise of setoff, compensation or otherwise, and such payment is subsequently invalidated or required to be repaid to a trustee, receiver or any other Person, then the Obligations originally intended to be satisfied, and all Liens, rights and remedies therefor, shall be revived and continued in full force and effect as if such payment had not been received and any enforcement, setoff or compensation had not occurred.

5.5 Post-Default Allocation of Payments.

5.5.1 Allocation.

Notwithstanding anything herein to the contrary, during an Event of Default, monies to be applied to the Obligations, whether arising from payments by Obligors, realization on Collateral, setoff, compensation or otherwise, shall be allocated as follows:

(a) first, to all costs and expenses, including Extraordinary Expenses, owing to Agent;

(b) second, to all amounts owing to Agent on Swingline Loans or Protective Advances;

(c) third, to all amounts owing to Issuing Bank on LC Obligations;

(d) fourth, to all Obligations constituting fees owing to Agent and owing to Lenders (on a Pro Rata basis), (excluding amounts relating to Bank Products);

(e) fifth, to all Obligations constituting interest owing to Agent and owing to the Lenders (on a Pro Rata basis), (excluding amounts relating to Bank Products);

(f) sixth, to provide Cash Collateral for outstanding Letters of Credit;

(g) seventh, to all other Obligations owing to Agent, and owing to the Lenders (on a Pro Rata basis), other than Bank Product Debt;

(h) eighth, to Bank Product Debt in respect of Bank Products provided by the Agent or an Affiliate of the Agent; and

(i) last, to Bank Product Debt in respect of Bank Products provided by any other Lender or an Affiliate of any other Lender.

Amounts shall be applied to each category of Obligations set forth above until Full Payment thereof and then to the next category. If amounts are insufficient to satisfy a category, they shall be applied on a pro rata basis among the Obligations in the category. Amounts distributed with respect to any Bank Product Debt shall be the lesser of the applicable Bank Product Amount last reported to Agent or the actual Bank Product Debt as calculated by the methodology reported to Agent for determining the amount due. Agent shall have no obligation to calculate the amount to be distributed with respect to any Bank Product Debt, but may rely upon written notice of the amount (setting forth a reasonably detailed calculation) from the Secured Party. In the absence of such notice, Agent may assume the amount to be distributed is the Bank Product Amount last reported to it. The allocations and applications of payments set forth in this Section are solely to determine the rights and priorities of Agent and Lenders as among themselves, and may be changed by agreement among them without the consent of any Obligor. This Section is not for the benefit of or enforceable by any Obligor.

5.5.2 Erroneous Application.

Agent shall not be liable for any application of amounts made by it in good faith and, if any such application is subsequently determined to have been made in error, the sole recourse of any Lender or other Person to which such amount should have been made shall be to recover the amount from the Person that actually received it (and, if such amount was received by any Lender, such Lender hereby agrees to return it).

5.6 Application of Payments.

Borrower and each applicable Obligor irrevocably waives the right to direct the application of any payments or Collateral proceeds, and agrees that Agent shall have the continuing, exclusive right to apply and reapply same against the Obligations, in such manner as Agent deems advisable, notwithstanding any entry by Agent in its records. If, as a result of Agent’s receipt of Payment Items or proceeds of Collateral, a credit balance exists, the balance shall not accrue interest in favour of Borrower and shall be made available to Borrower as long as no Default or Event of Default exists.

5.7 Loan Account; Account Stated.

5.7.1 Loan Account.

Agent shall maintain in accordance with its usual and customary practices an account or accounts ("Loan Account") evidencing the Debt of Borrower resulting from each Loan or issuance of a Letter of Credit from time to time. Any failure of Agent to record anything in the Loan Account, or any error in doing so, shall not limit or otherwise affect the obligation of Borrower to pay any amount owing hereunder. Agent may maintain a single Loan Account in the name of Borrower.

5.7.2 Entries Binding.

Entries made in the Loan Account shall constitute presumptive evidence of the information contained therein. If any information contained in the Loan Account is provided to or inspected by any Person, then such information shall be conclusive and binding on such Person for all purposes absent manifest error, except to the extent such Person notifies Agent in writing within 30 days after receipt or inspection that specific information is subject to dispute.

5.8 Taxes.

5.8.1 Payments Free of Taxes.

Any and all payments by or on account of any obligation of Obligors hereunder or under any other Loan Document shall be made free and clear of and without deduction or withholding for any Indemnified Taxes, provided that if an Obligor shall be required by applicable law to deduct or withhold any Indemnified Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to additional sums payable under this Section) the Agent or Lenders, as the case may be, receives an amount equal to the sum it would have received had no such deductions or withholdings been made; (ii) Obligors shall make such deductions or withholdings; and (iii) Obligors shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law.

5.8.2 Payment of Other Taxes by Obligors.

Without limiting the provisions of Section 5.8.1, Obligors shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

5.8.3 Indemnification by Obligors.

Obligors shall indemnify the Agent and each Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Agent or Lender, as the case may be, and any penalties, interest, additions to tax and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified 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 an Obligor by a Lender (with a copy to the

Agent), or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

5.8.4 Evidence of Payments.

As soon as practicable after any payment of Indemnified Taxes by an Obligor to a Governmental Authority, Obligors shall deliver to the 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 Agent.

5.8.5 Authorized Foreign Banks.

In addition to the provisions of Section 5.8, in respect of amounts paid or credited by or on account of an Obligor to or for the benefit of a particular Lender that is an "authorized foreign bank" for purposes of the ITA, the obligations under this Section 5.8 to pay an additional amount shall apply where the particular Lender is liable for Tax under Part XIII of the ITA in respect of such payment, even if such Obligor is not required under the ITA to deduct or withhold an amount in respect of Taxes on such payment and this Section 5.8 shall apply, *mutatis mutandis*, as if such Obligor was required to withhold an amount in respect of such Taxes.

SECTION 6 CONDITIONS PRECEDENT

6.1 Conditions Precedent to Initial Loans.

In addition to the conditions set forth in Section 6.2, Lenders shall not be required to fund any requested Loan, issue any Letter of Credit, or otherwise extend credit to Borrower hereunder, until the date ("Closing Date") that each of the following conditions has been satisfied:

(a) Notes shall have been executed by Borrower and delivered to each Lender that requests issuance of a Note. Each other Loan Document shall have been duly executed and delivered to Agent by each of the signatories thereto, and each Obligor shall be in compliance with all terms thereof.

(b) Agent shall have received all PPSA and other Lien searches and other evidence satisfactory to Agent that such Liens are the only Liens upon the Collateral, except Permitted Liens.

(c) The Agent shall have received:

(i) acknowledgment copies of proper financing or filing statements, publications or recordations, duly filed on or before the Closing Date under the PPSA of all jurisdictions that the Agent may deem necessary or desirable in order to perfect the Agent's Lien; and

(ii) duly executed "Termination Statements" and such other instruments, in form and substance satisfactory to the Agent, as shall be necessary to terminate and discharge and satisfy all Liens on the Property of the Obligors (except Permitted Liens).

(d) Agent shall have received (i) the Shareholder Subordination Agreement, and (ii) the 331562 Estoppel Agreement.

(e) Agent shall have received duly executed agreements establishing each Dominion Account, in form and substance satisfactory to Agent.

(f) Agent shall have received certificates, in form and substance satisfactory to it, from a knowledgeable Senior Officer of each Obligor certifying that, after giving effect to the initial Loans and transactions hereunder, (i) such Obligor is Solvent; (ii) no Default or Event of Default exists; (iii) the representations and warranties set forth in Section 9 are true and correct; and (iv) such Obligor has complied with all agreements and conditions to be satisfied by it under the Loan Documents.

(g) Agent shall have received a certificate of a duly authorized officer of each Obligor, certifying (i) that attached copies of such Obligor's Organic Documents are true and complete, and in full force and effect, without amendment except as shown, (ii) that an attached copy of resolutions authorizing execution and delivery of the Loan Documents is true and complete, and that such resolutions are in full force and effect, were duly adopted, have not been amended, modified or revoked, and constitute all resolutions adopted with respect to this credit facility, and (iii) to the title, name and signature of each Person authorized to sign the Loan Documents. Agent may conclusively rely on this certificate until it is otherwise notified by the applicable Obligor in writing.

(h) Agent shall have received, in form and substance satisfactory to it, consignee's consent letters from the Persons who are consignees of Obligor Inventory and the requisite assignment of PPSA filings in favour of the Agent reflecting the Agent's security in the consigned Inventory of the Obligors.

(i) Agent shall have received a written opinion of Fleming LLP as well as any local counsel to Obligors or Agent, in form and substance satisfactory to Agent.

(j) Agent shall have received copies of the charter documents of each Obligor, certified as appropriate by the provincial ministry or Secretary of State or another official of such Obligor's jurisdiction of organization. Agent shall have received compliance certificates, certificates of status, certificates d'attestation and good standing certificates for each Obligor, issued by the appropriate official of such Obligor's jurisdiction of organization and each jurisdiction where such Obligor's conduct of business or ownership of Property necessitates qualification.

(k) Agent shall have received copies of policies or certificates of insurance and binders of Insurance for the insurance policies carried by Obligors with requisite loss payable endorsements, all in compliance with the Loan Documents and in form and substance satisfactory to the Agent.

(l) Agent shall have completed its legal due diligence of Obligors, with results satisfactory to Agent. No material adverse change, in the opinion of the Agent, (i) in the financial condition of any Obligor, (ii) in the quality, quantity or value of any Collateral, (iii) in each Obligor's business prospects or its results from operations, or (iv) in each of the Obligor's liabilities, shall have occurred since July 31, 2006.

(m) Since July 31, 2006, to the Closing Date, there shall have been no material adverse change or material disruption in the financial, banking or capital markets which could reasonably be expected to have a Material Adverse Effect on the Loans.

(n) The Revolver Commitments, and the allocation of same among a syndicate of lenders acceptable to the Agent, shall have been arranged and completed.

(o) Agent shall have received a Borrowing Base Certificate prepared as of September 30, 2006. Upon giving effect to the initial funding of Loans and issuance of Letters of Credit, and the payment by Borrower of all fees and expenses incurred in connection herewith as well as any payables stretched beyond their customary payment practices, Availability shall be at least $20,000,000.

(p) The Borrower shall have paid all fees and expenses of the Agent and Lenders, including as provided in the Fee Letter and hereunder, and all attorney costs and audit costs incurred in connection with any of the Loan Documents and the transactions contemplated thereby to the extent invoiced.

(q) The Agent shall have received evidence satisfactory to the Agent that the terms of this Agreement and the other Loan Documents are not in violation of or contrary to the provisions of any other document to which Borrower or any Subsidiary is a party or by which they are bound.

(r) There shall exist no action, suit, investigation, litigation, or proceeding pending or threatened in any court or before any arbitrator or governmental authority that in Lenders' good faith credit discretion (a) could reasonably be expected to have a Material Adverse Effect or impair Obligors' ability to perform their obligations under the Loan Agreement, or (b) could reasonably be expected to materially and adversely affect the Obligations or the transactions contemplated thereby.

(s) Agent shall have reviewed and confirmed their satisfaction with the instruments/debt documents evidencing the Debt of and any other creditors not being paid out and discharged on or prior to the Closing Date.

(t) The Agent shall have received evidence satisfactory to it that each Obligor shall have obtained all governmental and third party consents and approvals as Agent may consider necessary or appropriate in connection with this Agreement and the transactions contemplated thereby.

(u) The Agent shall have received evidence that the Obligor 2006 Amalgamation has occurred, on terms and conditions satisfactory to the Agent.

(v) All proceedings taken in connection with the execution of this Agreement, all other Loan Documents and all documents and papers relating thereto shall be satisfactory in form, scope, and substance to the Agent and the Lenders.

The acceptance by the Borrower of any Loans made or Letters of Credit issued on the Closing Date shall be deemed to be a representation and warranty made by the Borrower to the effect that all of the conditions precedent to the making of such Loans or the issuance of such Letters of Credit have been satisfied, with the same effect as delivery to the Agent and the Lenders of a certificate signed by a Responsible Officer of the Borrower, dated the Closing Date, to such effect.

Execution and delivery to the Agent by a Lender of a counterpart of this Agreement or by an Assignment and Acceptance shall be deemed confirmation by such Lender that (i) all conditions precedent in this Section 6.1 have been fulfilled to the satisfaction of such Lender, (ii) the decision of such Lender to execute and deliver to the Agent an executed counterpart of this Agreement was made by such Lender independently and without reliance on the Agent or any other Lender as to the satisfaction of any condition precedent set forth in this Section 6.1, and (iii) all documents sent to such Lender for approval, consent, or satisfaction were acceptable to such Lender.

6.2 Conditions Precedent to All Credit Extensions.

Agent, Issuing Bank and Lenders shall not be required to fund any Loans, arrange for issuance of any Letters of Credit or grant any other accommodation to or for the benefit of Borrower, unless the following conditions are satisfied:

(a) No Default or Event of Default shall exist at the time of, or result from, such funding, issuance or grant;

(b) The representations and warranties of each Obligor in the Loan Documents shall be true and correct on the date of, and upon giving effect to, such funding, issuance or grant (except for representations and warranties that expressly relate to an earlier date);

(c) All conditions precedent in any other Loan Document shall be satisfied;

(d) No event shall have occurred or circumstance exist that has or could reasonably be expected to have a Material Adverse Effect; and

(e) With respect to issuance of a Letter of Credit, the LC Conditions shall be satisfied.

Each request (or deemed request) by Borrower for funding of a Loan, issuance of a Letter of Credit or grant of an accommodation shall constitute a representation by Borrower that the foregoing conditions are satisfied on the date of such request and on the date of such funding, issuance or grant. As an additional condition to any funding, issuance or grant, Agent shall have

received such other information, documents, instruments and agreements as it deems appropriate in connection therewith.

6.3 Limited Waiver of Conditions Precedent.

If Agent, Issuing Bank or Lenders fund any Loans, arrange for issuance of any Letters of Credit or grant any other accommodation when any conditions precedent are not satisfied (regardless of whether the lack of satisfaction was known or unknown at the time), it shall not operate as a waiver of (a) the right of Agent, Issuing Bank and Lenders to insist upon satisfaction of all conditions precedent with respect to any subsequent funding, issuance or grant; nor (b) any Default or Event of Default due to such failure of conditions or otherwise.

SECTION 7 COLLATERAL

7.1 Grant of Security Interest.

To secure the prompt payment and performance of all Obligations, each Obligor hereby grants to Agent, for the benefit of Secured Parties, a continuing security interest in and Lien upon all personal Property (save and exclusive solely of Equipment) of Obligors, including all of the following Property, whether now owned or hereafter acquired, and wherever located:

(a) all Accounts;

(b) all Chattel Paper, including electronic chattel paper;

(c) all Deposit Accounts and Dominion Accounts;

(d) all General Intangibles, including Intellectual Property;

(e) all Goods, including Inventory but excluding Equipment;

(f) all Instruments;

(g) all Investment Property;

(h) all monies, whether or not in the possession or under the control of Agent, a Lender, or a bailee or Affiliate of Agent or a Lender, including any Cash Collateral;

(i) all accessions to, substitutions for, and all replacements, products, and cash and non-cash proceeds of the foregoing, including proceeds of and unearned premiums with respect to insurance policies, and claims against any Person for loss, damage or destruction of any Collateral; and

(j) all books and records (including customer lists, files, correspondence, tapes, computer programs, print-outs and computer records) pertaining to the foregoing.

7.2 Lien on Deposit Accounts/Dominion Accounts; Cash Collateral.

7.2.1 Deposit Accounts/Dominion Accounts.

(a) To further secure the prompt payment and performance of all Obligations, each Obligor hereby grants to Agent, for the benefit of Secured Parties, a continuing security interest in and Lien upon all of Obligors' right, title and interest in and to each Deposit Account and Dominion Account of such Obligor and any deposits or other sums at any time credited to any such Deposit Account and Dominion Account, including any sums in any blocked or lockbox accounts or in any accounts into which such sums are swept. For greater certainty, Obligors hereby agree that, unless otherwise agreed to by Agent, they will not maintain any Deposit Accounts, other than Dominion Accounts with the Bank.

(b) Each Obligor authorizes and directs Bank to deliver to Agent, on a daily basis, all balances in the Dominion Accounts maintained by such Obligor with such depository for application to the Obligations then outstanding. Each Obligor irrevocably appoints Agent as such Obligor's attorney to collect such balances to the extent any such delivery is not so made.

7.2.2 Cash Collateral.

Any Cash Collateral may be invested, in Agent's discretion, in Cash Equivalents, but Agent shall have no duty to do so, regardless of any agreement, understanding or course of dealing with Borrower, and shall have no responsibility for any investment or loss. Borrower hereby grants to Agent, for the benefit of Secured Parties, a security interest in all Cash Collateral held from time to time and all proceeds thereof, as security for the Obligations, whether such Cash Collateral is held in the Cash Collateral Account or elsewhere. Agent may apply Cash Collateral to the payment of any Obligations, in such order as Agent may elect, as they become due and payable. The Cash Collateral Account and all Cash Collateral shall be under the sole dominion and control of Agent. No Borrower or other Person claiming through or on behalf of Borrower shall have any right to any Cash Collateral, until Full Payment of all Obligations.

7.3 Other Collateral.

7.3.1 Certain After-Acquired Collateral.

Obligors shall promptly notify Agent in writing if, after the Closing Date, any Obligor obtains any interest in any Collateral consisting of Deposit Accounts, Chattel Paper, documents, Instruments, Intellectual Property or Investment Property and, upon Agent's request, shall promptly execute such documents and take such actions as Agent deems appropriate to effect Agent's duly perfected, opposable and first priority Lien upon such Collateral, subject to Permitted Liens, including obtaining any appropriate possession, control agreement or Lien Waiver. If any Collateral is in the possession of a third party, at Agent's request, Obligors shall obtain an acknowledgment that such third party holds the Collateral for the benefit of Agent.

7.4 No Assumption of Liability.

The Lien on Collateral granted hereunder is given as security only and shall not subject Agent or any Lender to, or in any way modify, any obligation or liability of Obligors relating to any Collateral.

7.5 Further Assurances.

Promptly upon request, Obligors shall deliver such instruments, assignments, title certificates, or other documents or agreements, and shall take such actions, as Agent deems appropriate under Applicable Law to evidence or perfect or render opposable its Lien on any Collateral, or otherwise to give effect to the intent of this Agreement. Each Obligor authorizes Agent to file any financing statements or other application of publication that indicates the Collateral as "all present and after acquired personal property" or "the universality of all present and future movable property" of such Obligor, or words to similar effect, and ratifies any action taken by Agent before the Closing Date to effect or perfect or render opposable its Lien on any Collateral.

SECTION 8 COLLATERAL ADMINISTRATION

8.1 Borrowing Base Certificates.

By the twentieth day of each month (or with such other frequency as Agent may require, from time to time, acting in their sole discretion), Borrower shall deliver to Agent (and Agent shall promptly deliver same to Lenders) a Borrowing Base Certificate prepared as of the close of business of the previous month, and at such other times as Agent may request. All calculations of Availability in any Borrowing Base Certificate shall originally be made by Borrower and certified by a Senior Officer, provided that Agent may from time to time review and adjust any such calculation (a) to reflect its reasonable estimate of declines in value of any Collateral, due to collections received in the Dominion Account or otherwise; and (b) to the extent the calculation is not made in accordance with this Agreement or does not accurately reflect the Availability Reserve.

8.2 Administration of Accounts.

8.2.1 Records and Schedules of Accounts.

Each Obligor shall keep accurate and complete records of its Accounts, including all payments and collections thereon, and shall submit to Agent, on such periodic basis as Agent may request, a sales and collections report, in form satisfactory to Agent. Each Obligor shall also provide to Agent, on or before the 20th day of each month, a detailed aged trial balance of all Accounts as of the end of the preceding month, specifying each Account's Account Debtor name, amount, invoice date and due date, showing any discount, allowance, credit, authorized return or dispute, and including such proof of delivery, copies of invoices and invoice registers, copies of related documents, repayment histories, status reports and other information as Agent may request (including the addresses for each Account Debtor). If Accounts in an aggregate face amount of $100,000 or more cease to be Eligible Accounts, Borrower or applicable Obligor shall notify Agent of such occurrence promptly (and in any event within one Business Day) after Borrower or applicable Obligor has knowledge thereof.

8.2.2 Taxes.

If an Account of an Obligor includes a charge for any Taxes, Agent is authorized, in its discretion, to pay the amount thereof to the proper taxing authority for the account of Borrower and to charge Borrower therefor; provided, however, that neither Agent nor Lenders shall be liable for any Taxes that may be due from Obligor or with respect to any Collateral.

8.2.3 Account Verification.

Whether or not a Default or Event of Default exists, Agent shall have the right at any time, in the name of Agent, any designee of Agent or any Obligor to verify the validity, amount or any other matter relating to any Accounts of Obligors by mail, telephone or otherwise. Obligors shall cooperate fully with Agent in an effort to facilitate and promptly conclude any such verification process.

8.2.4 Maintenance of Dominion Account.

Obligors shall maintain Dominion Accounts pursuant to lockbox or other arrangements acceptable to Agent with Bank. Obligors shall obtain an agreement (in form and substance satisfactory to Agent) from Bank, establishing Agent's control over and Lien in the Dominion Account, requiring immediate deposit of all remittances received in the Dominion Account, and waiving offset and compensation rights of such servicer against any funds in the Dominion Account, except offset or compensation rights for customary administrative charges. Neither Agent nor Lenders assume any responsibility to Obligors for any Dominion Account, including any claim of accord and satisfaction or release with respect to any Payment Items accepted by servicer.

8.2.5 Proceeds of Collateral.

Obligors shall request in writing and otherwise take all reasonable steps to ensure that all payments on Accounts or otherwise relating to Collateral are made directly to a Dominion Account. If any Obligor or Subsidiary receives cash or Payment Items with respect to any Collateral, it shall hold same in trust for Agent and promptly (not later than the next Business Day) deposit same into a Dominion Account.

8.3 Administration of Inventory.

8.3.1 Records and Reports of Inventory.

Each Obligor shall keep accurate and complete records of its Inventory and shall submit to Agent, on or before the 20th day of each month, or as frequent as the Agent may request, inventory reports in form satisfactory to Agent. Agent may participate in and observe each inventory count.

8.3.2 Returns of Inventory.

No Obligor shall return any Inventory to a supplier, vendor or other Person, whether for cash, credit or otherwise, unless (a) such return is in the Ordinary Course of Business; (b) no Default, Event of Default or Overadvance exists or would result therefrom; (c) Agent is promptly

notified if the aggregate Value of all Inventory returned in any month exceeds $100,000; and (d) any payment received by an Obligor for a return is promptly remitted to Agent for application to the Obligations.

8.3.3 Acquisition, Sale and Maintenance.

No Obligor shall acquire or accept any Inventory on consignment or approval, and shall take all steps to assure that all Inventory is produced in accordance with Applicable Law. No Obligor shall sell any Inventory on consignment (unless the conditions in respect of such Inventory, set forth in paragraph (i) of the definition of Eligible Inventory, are met to the satisfaction of the Agent) or approval or any other basis under which the customer may return or require Obligors to repurchase such Inventory. Obligors shall use, store and maintain all Inventory with reasonable care and caution, in accordance with applicable standards of any insurance and in conformity with all Applicable Law, and shall make current rent payments (within applicable grace periods provided for in leases) at all locations where any Collateral is located.

8.4 Administration of Equipment and Real Estate.

8.4.1 Records and Schedules of Equipment and Real Estate.

Each Obligor shall keep accurate and complete records of its Equipment, including kind, quality, quantity, cost, acquisitions and dispositions thereof, and shall submit to Agent, on such periodic basis as Agent may request, a current schedule thereof, in form satisfactory to Agent. Promptly upon request, Obligors shall deliver to Agent evidence of their ownership or interests in any Real Estate and Equipment.

8.4.2 Dispositions of Equipment.

No Obligor shall sell, lease or otherwise dispose of or alienate any Equipment or Real Estate, without the prior written consent of Agent, other than (a) a Permitted Asset Disposition, and (b) Equipment or Real Estate pledged as security for the ATB Financial Debt (as long as the Net Proceeds of such dispositions are used to acquire replacement Equipment or Real Estate or to pay or pre-pay amounts owing under the ATB Financial Debt or as otherwise permitted by the ATB Financial Debt documents).

8.5 Administration of Deposit Accounts.

Schedule 8.5 sets forth all Dominion Accounts maintained by Obligors. Each Obligor shall take all actions necessary to establish Agent’s control of each such Dominion Account. Each Obligor shall be the sole account holder of each Dominion Account and shall not allow any other Person (other than Agent) to have control over a Dominion Account or any Property deposited therein. Each Obligor shall not open any Deposit Account or Dominion Account without the consent of Agent.

8.6 General Provisions.

8.6.1 Location of Collateral.

All tangible (corporeal) items of Collateral, other than Inventory in transit, shall at all times be kept by Obligors at the business locations set forth in Schedule 8.6.1, except that Obligors may (a) make sales or other dispositions of Collateral in accordance with Section 10.2.6; and (b) move Collateral to another location in Canada, as applicable, upon 30 Business Days prior written notice to Agent.

8.6.2 Insurance of Collateral; Condemnation Proceeds.

(a) Each Obligor shall maintain insurance with respect to the Collateral, covering casualty, hazard, public liability, theft, malicious mischief, and such other risks, in such amounts, with such endorsements, and with such insurers (rated A+ or better by A.M. Best Rating Guide) as are satisfactory to Agent. All proceeds under each policy shall be payable to Agent. From time to time upon request, Obligors shall deliver to Agent the originals or certified copies of its insurance policies and updated flood plain searches. Unless Agent shall agree otherwise, each policy shall include satisfactory endorsements (i) showing Agent as sole loss payee, first mortgagee or additional insured, as appropriate; (ii) requiring 30 days prior written notice to Agent in the event of cancellation of the policy for any reason whatsoever; and (iii) specifying that the interest of Agent shall not be impaired or invalidated by any act or neglect of any Obligor or the owner of the Property, nor by the occupation of the premises for purposes more hazardous than are permitted by the policy. If any Obligor fails to provide and pay for such insurance, Agent may, at its option, but shall not be required to, procure the insurance and charge Obligors therefor. Each Obligor agrees to deliver to Agent, promptly as rendered, copies of all reports made to insurance companies. While no Event of Default exists, Obligors may settle, adjust or compromise any insurance claim, as long as the proceeds are delivered to Agent. If an Event of Default exists, only Agent shall be authorized to settle, adjust and compromise such claims.

(b) Any proceeds of insurance (other than proceeds from workers' compensation or D&O insurance) and any awards arising from condemnation of any Collateral shall be paid to Agent. Any such proceeds or awards that relate to Inventory shall be applied to payment of the Revolver Loans, and then to any other Obligations outstanding.

8.6.3 Protection of Collateral.

All expenses of protecting, storing, warehousing, insuring, handling, maintaining and shipping any Collateral, all Taxes payable with respect to any Collateral (including any sale thereof), and all other payments required to be made by Agent to any Person to realize upon any Collateral, shall be borne and paid by Obligors. Agent shall not be liable or responsible in any way for the safekeeping of any Collateral, for any loss or damage thereto (except for reasonable care in its custody while Collateral is in Agent's actual possession), for any diminution in the

value thereof, or for any act or default of any warehouseman, carrier, forwarding agency or other Person whatsoever, but the same shall be at Obligors' sole risk.

8.6.4 Defense of Title to Collateral.

Each Obligor shall at all times defend its title to Collateral and Agent's Liens therein against all Persons, claims and demands whatsoever, except Permitted Liens.

8.7 Power of Attorney.

Each Obligor hereby irrevocably constitutes and appoints Agent (and all Persons designated by Agent) as such Obligor's true and lawful attorney (and agent-in-fact) for the purposes provided in this Section. Agent, or Agent's designee, may, without notice and in either its or an Obligor's name, but at the cost and expense of Obligors:

(a) Endorse an Obligor's name on any Payment Item or other proceeds of Collateral (including proceeds of insurance) that come into Agent's possession or control; and

(b) During an Event of Default, (i) notify any Account Debtors of the assignment of their Accounts or to set-up or render opposable any Lien in respect thereof, demand and enforce payment of Accounts, by legal proceedings or otherwise, and generally exercise any rights and remedies with respect to Accounts; (ii) settle, adjust, modify, compromise, discharge or release any Accounts or other Collateral, or any legal proceedings brought to collect Accounts or Collateral; (iii) sell or assign any Accounts and other Collateral upon such terms, for such amounts and at such times as Agent deems advisable; (iv) take control, in any manner, of any proceeds of Collateral; (v) prepare, file and sign in Obligor's name to a proof of claim or other document in a bankruptcy of an Account Debtor, or to any notice, assignment or satisfaction of Lien or similar document; (vi) receive, open and dispose of mail addressed to an Obligor, and notify postal authorities to change the address for delivery thereof to such address as Agent may designate; (vii) endorse any Chattel Paper, Document, Instrument, invoice, freight bill, bill of lading, or similar document or agreement relating to any Accounts, Inventory or other Collateral; (viii) use an Obligor's stationery and sign its name to verifications of Accounts and notices to Account Debtors; (ix) use the information recorded on or contained in any data processing equipment and computer hardware and software relating to any Collateral; (x) make and adjust claims under policies of insurance; (xi) take any action as may be necessary or appropriate to obtain payment under any letter of credit or banker's acceptance for which an Obligor is a beneficiary; and (xii) take all other actions as Agent deems appropriate to fulfill any Obligor's obligations under the Loan Documents.

SECTION 9 REPRESENTATIONS AND WARRANTIES

9.1 General Representations and Warranties.

To induce Agent and Lenders to enter into this Agreement and to make available the Commitments, Loans and Letters of Credit, each Obligor represents and warrants that:

9.1.1 Organization and Qualification.

Each Obligor and Subsidiary is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Each Obligor and Subsidiary is duly qualified, authorized to do business and in good standing as a foreign corporation in each jurisdiction where failure to be so qualified could reasonably be expected to have a Material Adverse Effect.

9.1.2 Power and Authority.

Each Obligor is duly authorized to execute, deliver and perform its Loan Documents. The execution, delivery and performance of the Loan Documents have been duly authorized by all necessary action, and do not (a) require any consent or approval of any holders of Equity Interests of any Obligor, other than those already obtained; (b) contravene the Organic Documents of any Obligor; (c) violate or cause a default under any Applicable Law or Material Contract; or (d) result in or require the imposition of any Lien (other than Permitted Liens) on any Property of any Obligor.

9.1.3 Enforceability.

Each Loan Document is a legal, valid and binding obligation of each Obligor party thereto, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

9.1.4 Capital Structure.

Schedule 9.1.4 shows, for each Obligor and Subsidiary, its name, its jurisdiction of organization, its authorized and issued Equity Interests, the holders of its Equity Interests and all direct or indirect holders of such holders, and all agreements binding on such holders with respect to their Equity Interests. Each Obligor has good title to its Equity Interests in its Subsidiaries, subject only to Agent's Lien, and all such Equity Interests are duly issued, fully paid and non-assessable. There are no outstanding options to purchase, warrants, subscription rights, agreements to issue or sell, convertible interests, phantom rights or powers of attorney relating to any Equity Interests of any Obligor or Subsidiary other than (i) Red Man Pipe Canada's call right to purchase the voting Equity Interests of the Borrower held by Midfield Holdings (which call right may be exercised between May 13th and November 13th of 2008), and (ii) Midfield Holdings' options to purchase non-voting Equity Interests of the Borrower.

9.1.5 Corporate Names; Locations.

During the five years preceding the Closing Date, except as shown on Schedule 9.1.5, no Obligor or Subsidiary has been known as or used any corporate, fictitious or trade names, has

been the surviving corporation of a merger, amalgamation or combination, or has acquired any substantial part of the assets of any Person. The chief executive offices and other places of business of Obligors and Subsidiaries are shown on Schedule 8.6.1. During the five years preceding the Closing Date, no Obligor or Subsidiary has had any other office or place of business.

9.1.6 Title to Properties; Priority of Liens.

Each Obligor and Subsidiary has good and marketable title to (or valid leasehold interests in) all of its Real Estate, and good title to all of its personal (movable) Property, including all Property reflected in any financial statements delivered to Agent or Lenders, in each case free of Liens except Permitted Liens. Each Obligor and Subsidiary has paid and discharged all lawful claims that, if unpaid, could become a Lien on its Properties, other than Permitted Liens. All Liens of Agent in the Collateral are duly perfected, opposable and first priority Liens, subject only to Permitted Liens that are expressly allowed to have priority over Agent's Liens.

9.1.7 Accounts.

Agent may rely, in determining which Accounts are Eligible Accounts, on all statements and representations made by Borrower with respect thereto. Borrower warrants, with respect to each Account at the time it is shown as an Eligible Account in a Borrowing Base Certificate, that:

(a) it is genuine and in all respects what it purports to be, and is not evidenced by a judgment;

(b) it arises out of a completed, bona fide sale and delivery of goods or rendition of services in the Ordinary Course of Business, and substantially in accordance with any purchase order, contract or other document relating thereto;

(c) it is for a sum certain, maturing as stated in the invoice covering such sale or rendition of services, a copy of which has been furnished or is available to Agent on request;

(d) it is not subject to any offset, compensation, Lien (other than Agent's Lien), deduction, defense, dispute, counterclaim or other adverse condition except as arising in the Ordinary Course of Business and disclosed to Agent; and it is absolutely owing by the Account Debtor, without contingency in any respect;

(e) no purchase order, agreement, document or Applicable Law restricts assignment of the Account to Agent (regardless of whether, under the UCC, the PPSA or the Civil Code, the restriction is ineffective);

(f) no extension, compromise, settlement, modification, credit, deduction or return has been authorized with respect to the Account, except discounts or allowances granted in the Ordinary Course of Business for prompt payment that are reflected on the face of the invoice related thereto and in the reports submitted to Agent hereunder; and

(g) to the best of Borrower's knowledge, (i) there are no facts or circumstances that are reasonably likely to impair the enforceability or collectibility of such Account; (ii) the Account Debtor had the capacity to contract when the Account arose, continues to meet the applicable Borrower's customary credit standards, is Solvent, is not contemplating or subject to an Insolvency Proceeding, and has not failed, or suspended or ceased doing business; and (iii) there are no proceedings or actions threatened or pending against any Account Debtor that could reasonably be expected to have a material adverse effect on the Account Debtor's financial condition.

9.1.8 Financial Statements.

The consolidated and consolidating balance sheets, and related statements of income, cash flow and shareholder's equity, of Obligors and Subsidiaries that have been and are hereafter delivered to Agent and Lenders, are prepared in accordance with GAAP, and fairly present the financial positions and results of operations of Obligors and Subsidiaries at the dates and for the periods indicated. All projections delivered from time to time to Agent and Lenders have been prepared in good faith, based on reasonable assumptions in light of the circumstances at such time. Since July 31, 2006 there has been no change in the condition, financial or otherwise, of any Obligor or Subsidiary that could reasonably be expected to have a Material Adverse Effect. No financial statement delivered to Agent or Lenders at any time contains any untrue statement of a material fact, nor fails to disclose any material fact necessary to make such statement not materially misleading. Each Obligor and Subsidiary is Solvent.

9.1.9 Surety Obligations.

No Obligor or Subsidiary is obligated as guarantor, surety or indemnitor under any bond or other contract that assures payment or performance of any obligation of any Person, except as permitted hereunder.

9.1.10 Taxes.

Each Obligor and Subsidiary has filed all federal, provincial, territorial, state and local tax returns and other reports that it is required by law to file, and has paid, or made provision for the payment of, all Taxes upon it, its income and its Properties that are due and payable, except to the extent being Properly Contested. The provision for Taxes on the books of each Obligor and Subsidiary is adequate for all years not closed by applicable statutes, and for its current Fiscal Year.

9.1.11 Brokers.

There are no brokerage commissions, finder's fees or investment banking fees payable in connection with any transactions contemplated by the Loan Documents.

9.1.12 Intellectual Property.

Each Obligor and Subsidiary owns or has the lawful right to use all Intellectual Property necessary for the conduct of its business, without conflict with any rights of others. There is no pending or, to any Obligor's knowledge, threatened Intellectual Property Claim with respect to

any Obligor, any Subsidiary or any of their Property (including any Intellectual Property). Except as disclosed on Schedule 9.1.12, no Obligor or Subsidiary pays or owes any Royalty or other compensation to any Person with respect to any Intellectual Property. All Intellectual Property owned, used or licensed by, or otherwise subject to any interests of, any Obligor or Subsidiary is shown on Schedule 9.1.12.

9.1.13 Governmental Approvals.

Each Obligor and Subsidiary has, is in compliance with, and is in good standing with respect to, all Governmental Approvals necessary to conduct its business and to own, lease and operate its Properties. All necessary import, export or other licenses, permits or certificates for the import or handling of any goods or other Collateral have been procured and are in effect, and Obligors and Subsidiaries have complied with all foreign and domestic laws with respect to the shipment and importation of any goods or Collateral, except where noncompliance could not reasonably be expected to have a Material Adverse Effect.

9.1.14 Compliance with Laws.

Each Obligor and Subsidiary has duly complied, and its Properties and business operations are in compliance, in all material respects with all Applicable Law, except where noncompliance could not reasonably be expected to have a Material Adverse Effect. There have been no citations, notices or orders of material noncompliance issued to any Obligor or Subsidiary under any Applicable Law.

9.1.15 Compliance with Environmental Laws.

Except as disclosed on Schedule 9.1.15, no Obligor's or Subsidiary's past or present operations, Real Estate or other Properties are subject to any federal, provincial, territorial, state or local investigation to determine whether any remedial action is needed to address any environmental pollution, hazardous material or environmental clean-up. No Obligor or Subsidiary has received any Environmental Notice. No Obligor or Subsidiary has any contingent liability with respect to any Environmental Release, environmental pollution or hazardous material on any Real Estate now or previously owned, leased or operated by it. The representations and warranties contained in the Environmental Agreement are true and correct on the Closing Date.

9.1.16 Burdensome Contracts.

No Obligor or Subsidiary is a party or subject to any contract, agreement or charter restriction that could reasonably be expected to have a Material Adverse Effect. No Obligor or Subsidiary is party or subject to any Restrictive Agreement, except as shown on Schedule 9.1.16, none of which prohibit the execution or delivery of any Loan Documents by an Obligor nor the performance by an Obligor of any obligations thereunder.

9.1.17 Litigation.

Except as shown on Schedule 9.1.17, there are no actions, suits, proceedings or investigations pending or, to any Obligor's knowledge, threatened against any Obligor or Subsidiary, or any of their businesses, operations, Properties, prospects or conditions, that (a)

relate to any Loan Documents or transactions contemplated thereby; or (b) could reasonably be expected to have a Material Adverse Effect if determined adversely to any Obligor or Subsidiary. No Obligor or Subsidiary is in default with respect to any order, injunction or judgment of any Governmental Authority.

9.1.18 No Defaults.

No event or circumstance has occurred or exists that constitutes a Default or Event of Default. No Obligor or Subsidiary is in default, and no event or circumstance has occurred or exists that with the passage of time or giving of notice would constitute a default, under any Material Contract or in the payment of any Borrowed Money. There is no basis upon which any party (other than Borrower or Subsidiary) could terminate a Material Contract prior to its scheduled termination date.

9.1.19 Pension Compliance.

Except as otherwise disclosed in Schedule 9.1.19:

(a) Each Plan is in compliance in all material respects with all applicable laws and the terms of such Plans. Each of the Obligor's and each of its Subsidiaries' Plans are duly registered where required by, and are in compliance and good standing in all material respects under, all applicable laws, acts, statutes, regulations, orders, directives and agreements, including, without limitation, the ITA and the PBA, any successor legislation thereto, and other applicable laws of any jurisdiction. Each Obligor has made all required contributions to any Plan when due, and no application for or taking of a funding waiver or an extension of any amortization period has been made with respect to any Plan.

(b) There are no pending or, to the best knowledge of Obligors, threatened claims, actions or lawsuits, or action by any Governmental Authority or any Plan administrator or trustee, with respect to any Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect. There has been no prohibited transaction or breach of the fiduciary responsibility rules with respect to any Plan or any breach by the Borrower of any other laws, rules, regulations or terms of any Plans or any whole or partial termination or wind up of any Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No Pension Event has occurred during the last 5 years, or is reasonably expected to occur; (ii) no Plan has any Unfunded Pension Liability; and (iii) No Obligor has incurred during the last 5 years, or reasonably expects to incur, any liability under applicable laws with respect to any Plan (other than premiums due and not delinquent).

(d) No Lien on any property of an Obligor has arisen in respect of any Plan (except inchoate Liens for premiums and contributions not due and delinquent).

(e) No Obligor or Subsidiary has any Multiemployer Plan or Foreign Plan. Each Obligor and Subsidiary is in full compliance with the requirements of all Applicable Laws, including ERISA, relating to each Multiemployer Plan and Foreign Plan. No fact or situation exists that could reasonably be expected to result in a Material Adverse Effect in connection with any Multiemployer Plan or Foreign Plan. No Obligor or Subsidiary has any withdrawal liability in connection with a Multiemployer Plan or Foreign Plan. All employer and employee contributions to Foreign Plans, to the extent required by law or the terms of such plans, have been made or accrued in accordance with normal accounting principles. The fair market value of the assets of each funded Foreign Plan, the liability of each insurer for any Foreign Plan funded through insurance and/or the book reserve established for each Foreign Plan, together with any accrued contributions, are sufficient to provide the accrued benefit obligations of all participants in such plans according to the actuarial assumptions and valuations most recently used to account for such obligations in accordance with applicable generally accepted accounting principles. Each Foreign Plan required to be registered has been registered and is maintained in good standing with all applicable regulatory authorities.

9.1.20 Workers' Compensation.

Each Obligor does not have any unpaid workers' compensation or like obligations except as are being incurred and paid on a current basis in the Ordinary Course of Business, and there are no proceedings, claims, actions, orders or investigations of any Governmental Authority relating to worker's compensation outstanding, pending or threatened relating to them or any of their employees or former employees which could reasonably be expected to give rise to a Material Adverse Effect.

9.1.21 Trade Relations.

There exists no actual or threatened termination, resiliation, limitation or modification of any business relationship between any Obligor or Subsidiary and any customer or supplier, or any group of customers or suppliers, who individually or in the aggregate are material to the business of any Obligor or Subsidiary. There exists no condition or circumstance that could reasonably be expected to impair the ability of any Obligor or Subsidiary to conduct its business at any time hereafter in substantially the same manner as conducted on the Closing Date.

9.1.22 Labour Relations.

Except as described on Schedule 9.1.21, no Obligor or Subsidiary is party to or bound by any collective bargaining agreement, management agreement or consulting agreement. There are no material grievances, disputes or controversies with any union or other organization of any Obligor's or Subsidiary's employees, or, to any Obligor's knowledge, any asserted or threatened strikes, work stoppages or demands for collective bargaining.

9.1.23 Payable Practices.

No Obligor or Subsidiary has made any material change in its historical accounts payable practices from those in effect on the Closing Date.

9.1.24 Not a Regulated Entity.

No Obligor is (a) an "investment company" or a "person directly or indirectly controlled by or acting on behalf of an investment company" within the meaning of the Investment Company Act of 1940; (b) a "holding company," a "subsidiary company" of a "holding company," or an "affiliate" of either, within the meaning of the Public Utility Holding Company Act of 1935; or (c) subject to regulation under the Federal Power Act, the Interstate Commerce Act, any public utilities code or any other Applicable Law regarding its authority to incur Debt.

9.1.25 Margin Stock.

No Obligor or Subsidiary is engaged, principally or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No Loan proceeds or Letters of Credit will be used by Obligors to purchase or carry, or to reduce or refinance any Debt incurred to purchase or carry, any Margin Stock or for any related purpose governed by Regulations T, U or X of the Board of Governors.

9.1.26 Foreign Plan Assets.

No Obligor is an entity deemed to hold "plan assets" within the meaning of 29 C.F.R. §2510.3-101 of any "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA or any "plan" (within the meaning of Section 4975 of the Code), and neither the execution of this Agreement nor the funding of any Loans gives rise to a prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code or under any other Applicable Laws in respect of Foreign Plans.

9.1.27 Solvency.

Each Obligor is Solvent prior to and after giving effect to the making of the Revolving Loans to be made on the Closing Date and the issuance of the Letters of Credit to be issued on the Closing Date and the execution and delivery of all Loan Documents, and shall remain Solvent during the term of this Agreement.

9.1.28 Inactive Subsidiaries

Worldwide Matrix Inc. (i) does not carry on any business whatsoever, (ii) does not own any Inventory, Accounts or any other personal or moveable property and assets, and (iii) has not granted a Lien to any Person and no Person otherwise has a Lien against it or its personal and moveable property and assets.

9.1.29 Real Estate

(a) (a) Except as advised in writing to the Agent, no investigation or proceeding of any Governmental Authority is pending against the Real Estate or against an Obligor in respect of the Real Estate. No part of the Real Estate has been condemned, taken or expropriated by any Governmental Authority, federal, state, provincial, municipal or any other competent authority;

(b) Except as advised in writing to the Agent, all present uses in respect of the Real Estate may lawfully be continued and all permitted uses are satisfactory for the Obligors' current and intended purposes;

(c) All Obligor owned Real Estate is set forth in Schedule 9.1.29; and

(d) No Inventory is located at any leased Premises except as indicated in Schedule 8.6.1.

9.2 Complete Disclosure.

No Loan Document contains any untrue statement of a material fact, nor fails to disclose any material fact necessary to make the statements contained therein not materially misleading. There is no fact or circumstance that any Obligor has failed to disclose to Agent in writing that could reasonably be expected to have a Material Adverse Effect.

SECTION 10 COVENANTS AND CONTINUING AGREEMENTS

10.1 Affirmative Covenants.

For so long as any Commitments or Obligations are outstanding, each Obligor shall, and shall cause each Subsidiary to:

10.1.1 Inspections; Appraisals.

(a) Permit Agent from time to time, subject (except when a Default or Event of Default exists) to reasonable notice and normal business hours, to visit and inspect the Properties of any Obligor or Subsidiary, inspect, audit and make extracts from any Obligor's or Subsidiary's books and records, and discuss with its officers, employees, agents, mandataries, advisors and independent accountants such Obligor's or Subsidiary's business, financial condition, assets, prospects and results of operations. Lenders may participate in any such visit or inspection, at their own expense. Neither Agent nor any Lender shall have any duty to any Obligor to make any inspection, nor to share any results of any inspection, appraisal or report with any Obligor. To the extent any appraisal or other information is shared by Agent or a Lender with any Obligor, such Obligor acknowledges that it was prepared by Agent and Lenders for their purposes and Obligors shall not be entitled to rely upon it.

(b) Reimburse Agent for all charges, costs and expenses of Agent in connection with (i) examinations of any Obligor's books and records or any other financial or Collateral matters; and (ii) appraisals of Inventory. Subject to the foregoing, Obligors shall pay Agent's then standard charges, costs and expenses for each day that an employee of Agent or its Affiliates is engaged in any examination activities (the standard per diem, per individual, is US$850 (excluding costs and expenses)). This Section shall not be construed to limit Agent's right to conduct examinations or to obtain appraisals at any time in its discretion, nor to use third parties for such purposes.

10.1.2 Financial and Other Information.

Keep adequate records and books of account with respect to its business activities, in which proper entries are made in accordance with GAAP reflecting all financial transactions; and furnish to Agent and Lenders:

(a) as soon as available, and in any event within 120 days after the close of each Fiscal Year, balance sheets as of the end of such Fiscal Year and the related statements of income, cash flow and shareholders' equity for such Fiscal Year, on consolidated and consolidating bases for Obligors and Subsidiaries, which consolidated statements shall be audited and certified (without qualification as to scope, "going concern" or similar items) by a firm of independent chartered accountants of recognized standing selected by Borrower and acceptable to Agent, and shall set forth in comparative form corresponding figures for the preceding Fiscal Year and other information acceptable to Agent;

(b) as soon as available, and in any event within 30 days after the end of each calendar month), (i) unaudited balance sheets as of the end of such month and the related statements of income and cash flow for such month and for the portion of the Fiscal Year then elapsed, on consolidated and consolidating bases for Obligors and Subsidiaries, setting forth in comparative form corresponding figures for the preceding Fiscal Year and certified by the chief financial officer of Borrower as prepared in accordance with GAAP and fairly presenting the financial position and results of operations for such month and period, subject to normal year end adjustments and the absence of footnotes, (ii) a reconciliation of the detailed accounts receivable aged trial balance most recently delivered to Agent pursuant to the requirements of Section 8.2.1 to the accounts receivable balance provided in the unaudited balance sheet delivered pursuant to clause (i) above, (iii) a reconciliation of the detailed trade payable listing most recently delivered to Agent pursuant to the requirements of Section 10.1.2(f) to the trade payable balance provided in the unaudited balance sheet delivered pursuant to clause (i) above, and (iv) a reconciliation of the detailed inventory reports most recently delivered to Agent pursuant to the requirements of Section 8.3.1 to the inventory balance provided in the unaudited balance sheet delivered pursuant to clause (i) above;

(c) concurrently with delivery of financial statements under clauses (a) and (b) above, or more frequently if requested by Agent while a Default or Event of Default exists, a Compliance Certificate executed by the chief financial officer of Borrower;

(d) concurrently with delivery of financial statements under clause (a) above, copies of all management letters and other material reports submitted to Obligors by its accountant in connection with such financial statements;

(e) not later than ninety (90) days after the beginning of each Fiscal Year, projections of Obligors' consolidated balance sheets, results of operations, cash flow and Availability for the next Fiscal Year, month by month;

(f) on or before the 30th day of each month, or as frequent as the Agent may request, a listing of each Obligor's trade payables as of the end of the preceding month, specifying the trade creditor and balance due, all in form satisfactory to Agent;

(g) promptly after the sending or filing thereof, copies of any proxy statements, financial statements or reports that any Obligor has made generally available to its shareholders; copies of any regular, periodic and special reports or registration statements or prospectuses that any Obligor files with the Securities and Exchange Commission, any provincial securities commission (including the Ontario Securities Commission) or any other Governmental Authority, or any securities exchange; and copies of any press releases or other statements made available by an Obligor to the public concerning material changes to or developments in the business of such Obligor;

(h) promptly after the sending or filing thereof, copies of any annual report, valuation, notice on other filing to be filed in connection with each Plan or Foreign Plan, to the FSCO, the Canada Revenue Agency, or otherwise;

(i) upon request, or, in the event that such filing reflects a significant change with respect to the matters covered thereby, within five (5) Business Days after the filing thereof with the FSCO or any other Governmental Authority, as applicable, copies of the following: (i) each annual report filed with the FSCO or any other Governmental Authority with respect to each Plan and (ii) a copy of each other filing or notice filed with the FSCO or any other Governmental Authority with respect to each Plan by an Obligor;

(j) upon request, copies of each actuarial report for any Plan or Multi-Employer Plan and within five (5) Business Days after receipt thereof by an Obligor copies of any notices of the FSCO's or any other Governmental Authorities' intention to terminate a Plan or to have a third party appointed to administer such Plan or determination that a whole or partial termination has occurred in respect of any Plan or that any withdrawal liability exists in respect of any Plan; or (ii) any notice regarding the imposition of withdrawal liability;

(k) within fifteen (15) Business Days after the occurrence thereof: (i) any changes in the benefits of any existing Plan which increase the Obligors' annual costs with respect thereto by an amount in excess of $250,000, or the establishment of any new Plan or the commencement of contributions to any Plan to which the Obligors or any of their Subsidiaries was not previously contributing, in either case if the annual costs with respect thereto are in excess of $250,000, and (ii) any failure by the Obligors or any of their Subsidiaries to make a required instalment or any other required payment in respect of a Pension Plan on or before the due date for such instalment or payment or any other material breach or material default by the Obligors or any of their Subsidiaries under or in respect of any Plan or (iii) the occurrence of any event or condition which might constitute grounds for termination, or winding up of a Plan or which

might give rise to any Lien on any property of the Obligors or any of their Subsidiaries in respect of any Plan;

(l) At Agent's request, a copy of any tax return filed by an Obligor; and

(m) such other reports and information (financial or otherwise) as Agent may request from time to time in connection with any Collateral or any Obligor's, Subsidiary's or other Obligor's financial condition or business.

10.1.3 Notices.

Notify Agent and Lenders in writing, promptly after an Obligor's obtaining knowledge thereof, of any of the following that affects an Obligor: (a) the threat or commencement of any action, suit, proceeding or investigation, whether or not covered by insurance, if an adverse determination could have a Material Adverse Effect; (b) any pending or threatened labour dispute, strike or walkout, or the expiration of any material labour contract; (c) any default under or termination or resiliation of a Material Contract; (d) the existence of any Default or Event of Default; (e) any judgment in an amount exceeding $100,000; (f) the assertion of any Intellectual Property Claim, if an adverse resolution could have a Material Adverse Effect; (g) any violation or asserted violation of any Applicable Law (including ERISA, PBA, ITA, OSHA or any Environmental Laws), if an adverse resolution could have a Material Adverse Effect; (h) any Environmental Release by an Obligor or on any Property owned, leased or presently or previously occupied by an Obligor; or receipt of any Environmental Notice; (i) the discharge of or any withdrawal or resignation by Obligors' independent accountants; (j) any opening of a new office or place of business, at least 30 days prior to such opening; (k) any change in an Obligor's name, jurisdiction of organization, or form of organization, trade names under which an Obligor will sell Inventory or create Accounts, or to which instruments in payment of Accounts may be made payable, in each case at least thirty (30) days prior thereto (or in the case of trade names other than legal corporate names, promptly after such change); (l) within ten (10) Business Days after an Obligor knows or has reason to know, that a Pension Event has occurred in respect of any Plan and, when known, any action taken or threatened by the PBGF with respect thereto; or (m) any other event or circumstance which would reasonably be expected to have a Material Adverse Effect.

10.1.4 Landlord and Storage Agreements.

Upon request, provide Agent with copies of all existing agreements, and promptly after execution thereof provide Agent with copies of all future agreements, between an Obligor and any landlord, warehouseman, processor, shipper, bailee or other Person that owns any premises at which any Collateral may be kept or that otherwise may possess or handle any Collateral.

10.1.5 Compliance with Laws.

Comply with all Applicable Laws, including PBA, ERISA, Environmental Laws, OSHA, Anti-Terrorism Laws, and laws regarding collection and payment of Taxes, and maintain all Governmental Approvals necessary to the ownership of its Properties or conduct of its business, unless failure to comply (other than failure to comply with Anti-Terrorism Laws) or maintain could not reasonably be expected to have a Material Adverse Effect. Without limiting the generality of the foregoing, if any Environmental Release occurs at or on any Properties of

Borrower or Subsidiary, it shall act promptly and diligently to investigate and report to Agent and all appropriate Governmental Authorities the extent of, and to make appropriate remedial action to eliminate, such Environmental Release, whether or not directed to do so by any Governmental Authority.

10.1.6 Taxes.

Pay and discharge all Taxes prior to the date on which they become delinquent or penalties attach, unless such Taxes are being Properly Contested.

10.1.7 Insurance.

In addition to the insurance required hereunder with respect to Collateral, maintain insurance with insurers (rated A+ or better by Best Rating Guide) satisfactory to Agent, (a) with respect to the Properties and business of Obligors and Subsidiaries of such type (including product liability, workers' compensation, larceny, embezzlement, or other criminal misappropriation insurance), in such amounts, and with such coverages and deductibles as are customary for companies similarly situated, and (b) business interruption insurance in an amount consistent with customary practices in Obligors' industry, with deductibles satisfactory to Agent.

10.1.8 Licenses.

Keep each License affecting any Collateral (including the manufacture, distribution or disposition of Inventory) or any other material Property of Obligors and Subsidiaries in full force and effect; promptly notify Agent of any proposed modification to any such License, or entry into any new License, in each case at least 30 days prior to its effective date; pay all Royalties when due; and notify Agent of any default or breach asserted by any Person to have occurred under any License.

10.1.9 Future Subsidiaries.

Promptly notify Agent upon any Person becoming a Subsidiary and cause it to guarantee the Obligations in a manner satisfactory to Agent, and to execute and deliver such documents, instruments and agreements and to take such other actions as Agent shall require to evidence and perfect and render opposable a Lien in favour of Agent (for the benefit of Secured Parties) on all Property of such Person, including delivery of such legal opinions, in form and substance satisfactory to Agent, as it shall deem appropriate.

10.1.10 Maintenance of Property.

(a) Maintain all of its Property necessary and useful in its businesses in the ordinary course in good operating condition and repair, ordinary wear and tear excepted;

(b) To perform or cause to be performed all of its covenants and obligations contained in all Leases and keep all such Leases in good standing (unless and until terminated in the ordinary course of business); and

(c) Promptly notify the Agent of any fire or other casualty or any notice of expropriation, action or proceeding affecting the Real Estate or any part thereof immediately upon obtaining knowledge of the same.

10.1.11 Plans.

Cause each of its and its Subsidiaries' Plans to be duly registered and administered in all respects in material compliance with, as applicable, the PBA, the ITA and all other applicable laws (including regulations, orders and directives), and the terms of the Plans and any agreements relating thereto. Each Obligor shall ensure that it and its Subsidiaries: (a) has no Unfunded Pension Liability in respect of any Plan, including any Plan to be established and administered by it or them; (b) pay all amounts required to be paid by it or them in respect of such Plan when due; (c) has no Lien on any of its or their property that arises or exists in respect of any Plan except as disclosed in Schedule 9.1.19; (d) do not engage in a prohibited transaction or breach any applicable laws with respect to any Plan that could reasonably be expected to result in a Material Adverse Effect in respect of such Plan; (e) do not permit to occur or continue any Pension Event (other than a partial plan termination or the amalgamation of the Plans described in Schedule 9.1.19, in either case, provided that all representations and warranties in this Agreement continue to be true and correct in all material respects and the Obligors are and continue to be in compliance with all covenants and agreements in this Agreement); and (f) do not enter into any defined benefit Plan during the term of this Agreement.

10.1.12 Lien Waivers

Obligors shall use commercially reasonable best efforts to obtain Lien Waivers from (a) the lessors of premises to the Obligors where Obligor Inventory is located, and (b) such other Persons who are in the possession of Obligor Inventory as warehousemen, within 90 days of the Closing Date, failing which Agent shall (i) establish Rent and Charges Reserves for each leased location of an Obligor, and (ii) disallow, as Eligible Inventory, any Inventory at a warehouse location. For greater certainty, the eligibility criterion in the definition of Eligible Inventory (other than as provided for in this Section) continue to apply in respect of all locations of Inventory.

10.2 Negative Covenants.

For so long as any Commitments or Obligations are outstanding, each Obligor shall not, and shall cause each Subsidiary not to:

10.2.1 Permitted Debt.

Create, incur, guarantee or suffer to exist any Debt, except:

(a) the Obligations;

(b) ATB Financial Debt, provided same is subject to the ATB Intercreditor Agreement;

(c) The Shareholders' Notes and the Class R Note, provided same are subject to the Shareholders Subordination Agreement;

(d) 331562 Debt, provided same is subject to the 331562 Estoppel Agreement;

(e) Permitted Purchase Money Debt;

(f) Borrowed Money (other than the Obligations, ATB Financial Debt, the 331562 Debt, the Shareholders' Notes, the Class R Note and Permitted Purchase Money Debt), but only to the extent outstanding on the Closing Date and satisfactory to the Lenders, and not satisfied with proceeds of the initial Loans;

(g) Permitted Contingent Obligations;

(h) Debt that is not included in any of the preceding clauses of this Section, is not secured by a Lien and does not exceed $250,000 in the aggregate at any time; and

(i) Accounts payable and accrued liabilities arising in the Ordinary Course of Business.

10.2.2 Permitted Liens.

Create or suffer to exist any Lien upon any of its Property, except the following (collectively, "Permitted Liens"):

(a) Liens in favour of Agent;

(b) Purchase Money Liens securing Permitted Purchase Money Debt;

(c) Liens for Taxes not yet due or being Properly Contested;

(d) statutory Liens (other than Liens for Taxes or imposed under ERISA) arising in the Ordinary Course of Business, but only if (i) payment of the obligations secured thereby is not yet due or is being Properly Contested, and (ii) such Liens do not materially impair the value or use of the Property or materially impair operation of the business of any Obligor or Subsidiary;

(e) Liens incurred or deposits made in the Ordinary Course of Business to secure the performance of tenders, bids, leases, contracts (except those relating to Borrowed Money), statutory obligations and other similar obligations, or arising as a result of progress payments under government contracts, as long as such Liens are at all times junior to Agent's Liens;

(f) Liens arising by virtue of a judgment or judicial order against any Obligor or Subsidiary, or any Property of an Obligor or Subsidiary, as long as such Liens are (i) in existence for less than 20 consecutive days or being Properly Contested, and (ii) at all times junior to Agent's Liens;

(g) Liens which constitute easements, rights-of-way, servitudes, easements, rights-of-way, restrictions, covenants or other agreements of record, and other similar charges or encumbrances on Real Estate, that do not secure any

monetary obligation and do not interfere with the Ordinary Course of Business;

(h) normal and customary rights of setoff or compensation upon deposits in favour of depository institutions, and Liens of a collecting bank on Payment Items in the course of collection;

(i) Liens on Equipment and Real Estate in favour of ATB Financial securing the ATB Financial Debt and as permitted pursuant to the ATB Intercreditor Agreement;

(j) Liens on the Collateral in favour of 331562 securing the 331562 Debt and as permitted pursuant to the 331562 Estoppel Agreement; and

(k) existing Liens shown on Schedule 10.2.2.

10.2.3 Capital Expenditures.

Commencing Fiscal Year 2007, make Capital Expenditures in excess of $5,000,000 in the aggregate by all Obligors during any Fiscal Year; provided, however, that if the amount of Capital Expenditures permitted to be made in any Fiscal Year exceeds the amount actually made, up to $250,000 of such excess may be carried forward to the next Fiscal Year; provided, further, that the one time Capital Expenditure (limited to a maximum aggregate amount of $5,000,000) related to the purchase of the Lands at, and the building of a new facility on, 502 Fifth St. W., Nisku, Alberta, is hereby permitted and not subject to this Section.

10.2.4 Payments to Shareholders; Upstream Payments.

Make any Distributions or any payments to Persons having an Equity Interest in the Borrower, except Upstream Payments; or create or suffer to exist any encumbrance or restriction on the ability of a Subsidiary to make any Upstream Payment, except for restrictions under the Loan Documents, under Applicable Law or in effect on the Closing Date as shown on Schedule 9.1.16; provided, however, that Borrower may, (i) pay Bonuses and/or pay interest to Persons having an Equity Interest in the Borrower who are holders of Shareholders' Notes; provided, however, that no Default or Event of Default exists at the time of making such payments and no Default or Event of Default would occur as a consequence of the making of such payments, provided, further, that in the case of payments of interest on Shareholders' Notes, that the Persons holding such Shareholders' Notes have entered into a Shareholder Subordination Agreement, and (ii) during the period, in any calendar year, commencing April 15th and ending on June 15th of such calendar year, (A) make annual Net Distributions to the Persons holding an Equity Interest in the Borrower, and (B) pay interest to Red Man Pipe Canada on the Class R Note; provided, however, that any such annual Net Distributions and such payment of interest on the Class R Note made by the Borrower to the Persons holding an Equity Interest in the Borrower may only be made if (a) Borrower delivers a current Borrowing Base Certificate, five days prior to such annual Net Distribution and such payment of interest on the Class R Note (and not earlier), and (b) Borrower delivers a Compliance Certificate, five days prior to such annual Net Distribution and such payment of interest on the Class R Note (and not earlier), executed by a Senior Officer of the Borrower certifying and setting forth the following, (I) as at the date of the Compliance Certificate, the Borrower's Availability and the Obligors' compliance with

Sections 10.2.3, 10.3.1 and 10.3.2; (II) Availability (x) before the making of such annual Net Distribution and such payment of interest on the Class R Note is, for a trailing thirty (30) day period, an amount equal to the annual Net Distribution to be made plus the amount of such payment of interest on the Class R Note to be made plus $20,000,000, and (y) after the making or declaring of such Net Distribution and making of such payment of interest on the Class R Note, is greater than $20,000,000, and (III) no Default or Event of Default exists or would occur as a result of the declaring or making of such annual Net Distribution and such payment of interest on the Class R Note.

10.2.5 Restricted Investments.

Make any Restricted Investment.

10.2.6 Disposition of Assets.

Make any Asset Disposition, except a Permitted Asset Disposition, a disposition of Equipment under Section 8.4.2, or a transfer of Property by a Subsidiary or Obligor to Borrower.

10.2.7 Advances.

Make any loans or other advances of money to any Person, except (a) to Europump under the Europump Loan existing as of the Closing Date, provided that the aggregate principal amount of such Europump Loan does not exceed $5,500,000, provided further that, to the extent any payments are made and received by the Borrower or any Obligor under the Europump Loan, any such payments shall permanently reduce the outstanding aggregate principal amount owing under the Europump Loan, and provided further that Europump shall not be permitted to borrow from the Borrower or any other Obligor, and neither the Borrower nor any Obligor shall lend or advance to Europump, any further sums of money, (b) advances to an officer or employee for salary, travel expenses, commissions and similar items in the Ordinary Course of Business; (c) prepaid expenses and extensions of trade credit made in the Ordinary Course of Business; (d) deposits with financial institutions permitted hereunder; and (e) as long as no Default or Event of Default exists, intercompany loans by an Obligor to another Obligor.

10.2.8 Restrictions on Payment of Certain Debt.

Make any payments (whether voluntary or mandatory, or a prepayment, redemption, retirement, defeasance or acquisition) with respect to any (a) ATB Financial Debt or 331562 Debt, except to the extent permitted under the ATB Intercreditor Agreement or the 331562 Estoppel Agreement, respectively, (and a Senior Officer of Borrower shall certify to Agent, not less than five Business Days prior to the date of payment, that all conditions under such agreement have been satisfied); (b) Shareholders' Notes and the Class R Note, except for the Closing Date Debt Repayments or except as permitted pursuant to Section 10.2.4; or (c) Borrowed Money (other than the Obligations) prior to its due date under the agreements evidencing such Debt as in effect on the Closing Date (or as amended thereafter with the consent of Agent).

10.2.9 Fundamental Changes.

Amalgamate, merge, combine or consolidate with any Person, or liquidate, wind up its affairs or dissolve itself, in each case whether in a single transaction or in a series of related transactions, except for amalgamations, mergers or consolidations of a wholly-owned Subsidiary with another wholly-owned Subsidiary or into Borrower (on terms acceptable to the Agent); change its name or conduct business under any fictitious name; change its tax, charter or other organizational identification number; or change its form or state of organization.

10.2.10 Subsidiaries.

Form or acquire any Subsidiary after the Closing Date, except in accordance with Sections 10.1.9 and 10.2.5; or permit any existing Subsidiary to issue any additional Equity Interests.

10.2.11 Organic Documents.

Without the consent of the Agent, amend, modify or otherwise change any of its Organic Documents as in effect on the Closing Date.

10.2.12 Tax Consolidation.

File or consent to the filing of any consolidated income tax return with any Person other than Obligors and Subsidiaries.

10.2.13 Accounting Changes.

Make any material change in accounting treatment or reporting practices, except as required by GAAP and in accordance with Section 1.2; or change its Fiscal Year.

10.2.14 Restrictive Agreements.

Become a party to any Restrictive Agreement, except (a) a Restrictive Agreement as in effect on the Closing Date and shown on Schedule 9.1.16; (b) a Restrictive Agreement relating to secured Debt permitted hereunder, if such restrictions apply only to the collateral for such Debt; and (c) customary provisions in leases and other contracts restricting assignment thereof.

10.2.15 Conduct of Business.

Engage in any business, other than its business as conducted on the Closing Date and any activities incidental thereto.

10.2.16 Affiliate Transactions.

Enter into or be party to any transaction with an Affiliate, except (a) transactions contemplated by the Loan Documents; (b) payment of reasonable compensation to officers and employees for services actually rendered, and loans and advances permitted by Section 10.2.7; (c) payment of customary directors' fees and indemnities; (d) transactions solely among Obligors; (e) transactions with Affiliates that were consummated prior to the Closing Date, as shown on Schedule 10.2.17; and (f) transactions with Affiliates in the Ordinary Course of

Business, upon commercially fair and reasonable market terms fully disclosed to Agent and no less favourable than would be obtained in a comparable arm's-length transaction with a non-Affiliate.

10.2.17 Plans.

Become party to any Multiemployer Plan, Foreign Plan or defined benefit Plan, other than any in existence on the Closing Date.

10.2.18 Amendments to Subordinated Debt.

Amend, supplement or otherwise modify any document, instrument or agreement relating to any Subordinated Debt, the Shareholders' Notes or the Class R Note, if such modification (a) increases the principal balance of such Debt (other than the issuance of new Shareholders' Notes that are subject to the terms of a Shareholder Subordination Agreement), or increases any required payment of principal or interest; (b) accelerates the date on which any instalment of principal or any interest is due, or adds any additional redemption, put or prepayment provisions; (c) shortens the final maturity date or otherwise accelerates amortization; (d) increases the interest rate; (e) increases or adds any fees or charges; (f) modifies any covenant in a manner or adds any representation, covenant or default that is more onerous or restrictive in any material respect for Borrower or Subsidiary, or that is otherwise materially adverse to Borrower, any Subsidiary or Lenders; or (g) results in the Obligations not being fully benefited by the subordination provisions thereof.

10.2.19 Acquisitions.

Unless otherwise provided for herein, consummate any Acquisitions without the prior written consent of the Lenders.

10.2.20 Transactions Affecting Collateral or Obligations.

Enter into any transaction, of whatever nature or kind, solely or in conjunction with other transactions, which would be reasonably expected to have a Material Adverse Effect or cause a Default or an Event of Default.

10.2.21 Sale and Leaseback Transactions

Directly or indirectly, enter into any arrangement with any Person providing for the Borrower or any Subsidiary to lease or rent personal property that the Borrower or such Subsidiary has sold or will sell or otherwise transfer to such Person if the effect of such transaction would result in the incurrence of Debt by Borrower or any Subsidiary that is not permitted pursuant to Section 10.2.1.

10.2.22 Inactive Subsidiaries

Unless otherwise agreed to by the Agent, Worldwide Matrix Inc. shall not (i) carry on any business whatsoever, and (ii) own any Inventory, Accounts or any other personal or moveable property and assets.

10.2.23 IPSCO Distributor Agreement

Amend or terminate, without the prior written consent of the Agent, the Distributor Agreement dated December 15, 2005, between NUSCO Supply & Manufacturing ULC and IPSCO Inc.

10.3 Financial Covenants.

For so long as any Commitments or Obligations are outstanding, Borrower shall:

10.3.1 Leverage Ratio.

Maintain a Leverage Ratio not greater than 3.50 to 1.00 at the end of each calendar month.

10.3.2 Fixed Charge Coverage Ratio.

Maintain a Fixed Charge Coverage Ratio of at least 1.15 to 1.00 at the end of each calendar month.

SECTION 11 EVENTS OF DEFAULT; REMEDIES ON DEFAULT

11.1 Events of Default.

Each of the following shall be an "Event of Default" hereunder, if the same shall occur for any reason whatsoever, whether voluntary or involuntary, by operation of law or otherwise:

(a) Any Obligor fails to pay any Obligations when due (whether at stated maturity, on demand, upon acceleration or otherwise);

(b) Any representation, warranty or other written statement of any Obligor made in connection with any Loan Documents or transactions contemplated thereby is incorrect or misleading in any material respect when given;

(c) Any Obligor breaches or fail to perform any covenant contained in Section 7.2, 7.3, 7.5, 8.1, 8.2.4, 8.2.5, 8.6.2, 10.1.1, 10.1.2, 10.1.3(d), 10.1.7 or 10.3;

(d) Any Obligor breaches or fails to perform any other covenant contained in any Loan Documents, and such breach or failure is not cured within 15 days after a Senior Officer of such Obligor has knowledge thereof or receives notice thereof from Agent, whichever is sooner; provided, however, that such notice and opportunity to cure shall not apply if the breach or failure to perform is not capable of being cured within such period or is a wilful breach by an Obligor;

(e) Any Guarantor repudiates, terminates, revokes or attempts to revoke its Guarantee; any Obligor denies or contests the validity or enforceability of any Loan Documents or Obligations, or the perfection, opposability or priority of any Lien granted to Agent; or any Loan Document ceases to be in full force or effect for any reason (other than a waiver or release by Agent and Lenders);

(f) Any breach or default of an Obligor occurs under any document, instrument or agreement to which it is a party or by which it or any of its Properties is bound, relating to any Debt (other than the Obligations) in excess of $250,000 if the maturity of or any payment with respect to such Debt may be accelerated or demanded due to such breach;

(g) Any judgment or order for the payment of money is entered against an Obligor in an amount that exceeds, individually or cumulatively with all unsatisfied judgments or orders against all Obligors, $250,000 (net of any insurance coverage therefor acknowledged in writing by the insurer), unless a stay of enforcement of such judgment or order is in effect, by reason of a pending appeal or otherwise;

(h) Any loss, theft, damage or destruction occurs with respect to any Collateral if the amount not covered by insurance exceeds $100,000 (excluding any related deductible under insurance policies);

(i) Any Obligor is enjoined, restrained or in any way prevented by any Governmental Authority from conducting any material part of its business; any Obligor suffers the loss, revocation or termination of any material license, permit, lease or agreement necessary to its business; there is a cessation of any material part of an Obligor's business or enterprise for a material period of time; any material Collateral or Property of an Obligor is taken or impaired through condemnation; any Obligor agrees to or commences any liquidation, dissolution or winding up of its affairs; or any Obligor ceases to be Solvent;

(j) Any Insolvency Proceeding is commenced by any Obligor; an Insolvency Proceeding is commenced against any Obligor and such Obligor consents to the institution of the proceeding against it; the petition commencing the proceeding is not timely controverted by such Obligor; such petition is not dismissed within 30 days after its filing, or an order for relief is entered in the proceeding; a trustee, receiver, monitor or custodian (including an interim trustee or an interim receiver) is appointed to take possession of any substantial Property of or to operate any of the business of any Obligor; or any Obligor makes an offer of settlement, extension or composition to its unsecured creditors generally;

(k) A Reportable Event occurs that constitutes grounds for termination by the Pension Benefit Guaranty Corporation of any Multiemployer Plan or appointment of a trustee or receiver for any Multiemployer Plan; any Multiemployer Plan is terminated or any such trustee is requested or appointed; any Obligor is in "default" (as defined in Section 4219(c)(5) of ERISA) with respect to payments to a Multiemployer Plan resulting from any withdrawal therefrom; or any event similar to the foregoing occurs or exists with respect to a Foreign Plan;

(l) A Pension Event shall occur which, in Agent's determination, constitutes grounds for the termination under any applicable law, of any Plan or for the appointment by the appropriate Governmental Authority of a trustee for any

Plan, or if any Plan shall be terminated or any such trustee shall be requested or appointed, or if an Obligor or any of its Subsidiaries is in default with respect to payments to a Multiemployer Plan or Plan resulting from their complete or partial withdrawal from such Plan and any such event may reasonably be expected to have a Material Adverse Effect or any Lien arises (save for contribution amounts not yet due) in connection with any Plan;

(m) Any Obligor or any of its Senior Officers is criminally indicted or convicted for (i) a felony committed in the conduct of such Obligor's business, or (ii) any provincial, state or federal law (including the Controlled Substances Act, Money Laundering Control Act of 1986 and Illegal Exportation of War Materials Act) that could lead to forfeiture of any material Property or any Collateral;

(n) Any amendment is made to the Shareholders Agreement without the prior written consent of the Agent;

(o) A Change of Control occurs; or

(p) Any event occurs or condition exists that has a Material Adverse Effect.

11.2 Remedies upon Default.

If an Event of Default described in Section 11.1(j) occurs with respect to any Obligor, then to the extent permitted by Applicable Law, all Obligations shall become automatically due and payable and all Commitments shall terminate, without any action by Agent or notice of any kind. In addition, or if any other Event of Default exists, Agent may in its discretion (and shall upon written direction of Required Lenders) do any one or more of the following from time to time:

(a) declare any Obligations immediately due and payable, whereupon they shall be due and payable without diligence, presentment, demand, protest or notice of any kind, all of which are hereby waived by Obligors to the fullest extent permitted by law;

(b) terminate, reduce or condition any Commitment, or make any adjustment to the Borrowing Base;

(c) require Obligors to Cash Collateralize LC Obligations, Bank Product Debt and other Obligations that are contingent or not yet due and payable, and, if Obligors fail promptly to deposit such Cash Collateral, Agent may (and shall upon the direction of Required Lenders) advance the required Cash Collateral as Revolver Loans (whether or not an Overadvance exists or is created thereby, or the conditions in Section 6 are satisfied); and

(d) exercise any other rights or remedies afforded under any agreement, by law, at equity or otherwise, including the rights and remedies of a secured party under the UCC, PPSA, Civil Code, BIA or CCAA. Such rights and remedies include the rights to (i) take possession of any Collateral; (ii) require Obligors

to assemble Collateral, at Obligors' expense, and make it available to Agent at a place designated by Agent; (iii) enter any premises where Collateral is located and store Collateral on such premises until sold (and if the premises are owned or leased by an Obligor, Obligors agree not to charge for such storage); and (iv) sell or otherwise dispose of any Collateral in its then condition, or after any further manufacturing or processing thereof, at public or private sale, with such notice as may be required by Applicable Law, in lots or in bulk, at such locations, all as Agent, in its discretion, deems advisable. Each Obligor agrees that 10 days notice of any proposed sale or other disposition of Collateral by Agent shall be reasonable. Agent shall have the right to conduct such sales on any Obligor's premises, without charge, and such sales may be adjourned from time to time in accordance with Applicable Law. Agent shall have the right to sell, lease or otherwise dispose of any Collateral for cash, credit or any combination thereof, and Agent may purchase any Collateral at public or, if permitted by law, private sale and, in lieu of actual payment of the purchase price, may set off or compensate the amount of such price against the Obligations. After an Event of Default which is continuing, the Agent is hereby granted a licence to use, without charge, the Obligors' labels, patents, copyrights, name, trade secrets, trade names, trademarks, and advertising matter, or any similar property, in completing production of, advertising or selling any Collateral, and the Obligors' rights under all licences and all franchise agreements shall inure to the Agent's benefit for such purpose. The proceeds of sale shall be applied first to all expenses of sale, including legal fees, and then to the Obligations. The Agent will return any excess to the Borrower and the Borrower shall remain liable for any deficiency.

11.3 License.

Agent is hereby granted an irrevocable, non-exclusive license or other right to use, license or sub-license (without payment of royalty or other compensation to any Person) any or all Intellectual Property of Obligors, computer hardware and software, trade secrets, brochures, customer lists, promotional and advertising materials, labels, packaging materials and other Property, in advertising for sale, marketing, selling, collecting, completing manufacture of, or otherwise exercising any rights or remedies with respect to, any Collateral. Each Obligor's rights and interests under Intellectual Property shall inure to Agent's benefit.

11.4 Setoff.

Agent, Lenders and their Affiliates are each authorized by Obligor at any time during an Event of Default, without notice to Borrower or any other Person, to set off or compensate and to appropriate and apply any deposits (general or special), funds, claims, obligations, liabilities or other Debt at any time held or owing by Agent, any Lender or any such Affiliate to or for the account of any Obligor against any Obligations, whether or not demand for payment of such Obligation has been made, any Obligations have been declared due and payable, are then due, or are contingent or unmatured, or the Collateral or any guarantee or other security for the Obligations is adequate.

11.5 Remedies Cumulative; No Waiver.

11.5.1 Cumulative Rights.

All covenants, conditions, provisions, warranties, guaranties, indemnities and other undertakings of Obligors contained in the Loan Documents are cumulative and not in derogation or substitution of each other. In particular, the rights and remedies of Agent and Lenders are cumulative, may be exercised at any time and from time to time, concurrently or in any order, and shall not be exclusive of any other rights or remedies that Agent and Lenders may have, whether under any agreement, by law, at equity or otherwise.

11.5.2 Waivers.

The failure or delay of Agent or any Lender to require strict performance by Obligors with any terms of the Loan Documents, or to exercise any rights or remedies with respect to Collateral or otherwise, shall not operate as a waiver thereof nor as establishment of a course of dealing. All rights and remedies shall continue in full force and effect until Full Payment of all Obligations. No modification of any terms of any Loan Documents (including any waiver thereof) shall be effective, unless such modification is specifically provided in a writing directed to Obligors and executed by Agent or the requisite Lenders, and such modification shall be applicable only to the matter specified. No waiver of any Default or Event of Default shall constitute a waiver of any other Default or Event of Default that may exist at such time, unless expressly stated. If Agent or any Lender accepts performance by any Obligor under any Loan Documents in a manner other than that specified therein, or during any Default or Event of Default, or if Agent or any Lender shall delay or exercise any right or remedy under any Loan Documents, such acceptance, delay or exercise shall not operate to waive any Default or Event of Default nor to preclude exercise of any other right or remedy. It is expressly acknowledged by Borrower that any failure to satisfy a financial covenant on a measurement date shall not be cured or remedied by satisfaction of such covenant on a subsequent date.

SECTION 12 AGENT

12.1 Appointment; Authority and Duties of Agent.

12.1.1 Appointment and Authority.

Each Lender appoints and designates Bank as Agent hereunder. Agent may, and each Lender authorizes Agent to, enter into all Loan Documents to which Agent is intended to be a party and accept all Security Documents, for Agent's benefit and the Pro Rata benefit of Lenders. Each Lender agrees that any action taken by Agent or Required Lenders in accordance with the provisions of the Loan Documents, and the exercise by Agent or Required Lenders of any rights or remedies set forth therein, together with all other powers reasonably incidental thereto, shall be authorized and binding upon all Lenders. Without limiting the generality of the foregoing, Agent shall have the sole and exclusive authority to (a) act as the disbursing and collecting agent for Lenders with respect to all payments and collections arising in connection with the Loan Documents; (b) execute and deliver as Agent each Loan Document, including any intercreditor or subordination agreement, and accept delivery of each Loan Document from any Obligor or other Person; (c) act as collateral agent for Secured Parties for purposes of perfecting, rendering opposable, setting up and administering Liens under the Loan Documents, and for all other

purposes stated therein; (d) manage, supervise or otherwise deal with Collateral; and (e) exercise all rights and remedies given to Agent with respect to any Collateral under the Loan Documents, Applicable Law or otherwise. The duties of Agent shall be ministerial and administrative in nature, and Agent shall not have a fiduciary relationship with any Lender, Secured Party, Participant or other Person, by reason of any Loan Document or any transaction relating thereto. Agent alone shall be authorized to determine whether any Accounts or Inventory constitute Eligible Accounts or Eligible Inventory, or whether to impose or release any reserve, which determinations and judgments, if exercised in good faith, shall exonerate Agent from liability to any Lender or other Person for any error in judgment.

12.1.2 Duties.

Agent shall not have any duties except those expressly set forth in the Loan Documents, nor be required to initiate or conduct any Enforcement Action except to the extent directed to do so by Required Lenders while an Event of Default exists. The conferral upon Agent of any right shall not imply a duty on Agent's part to exercise such right, unless instructed to do so by Required Lenders in accordance with this Agreement.

12.1.3 Agent Professionals.

Agent may perform its duties through agents and employees. Agent may consult with and employ Agent Professionals, and shall be entitled to act upon, and shall be fully protected in any action taken in good faith reliance upon, any advice given by an Agent Professional. Agent shall not be responsible for the negligence or misconduct of any agents, mandataries, employees or Agent Professionals selected by it with reasonable care.

12.1.4 Instructions of Required Lenders.

The rights and remedies conferred upon Agent under the Loan Documents may be exercised without the necessity of joinder of any other party, unless required by Applicable Law. Agent may request instructions from Required Lenders with respect to any act (including the failure to act) in connection with any Loan Documents, and may seek assurances to its satisfaction from Lenders of their indemnification obligations under Section 12.6 against all Claims that could be incurred by Agent in connection with any act. Agent shall be entitled to refrain from any act until it has received such instructions or assurances, and Agent shall not incur liability to any Person by reason of so refraining. Instructions of Required Lenders shall be binding upon all Lenders, and no Lender shall have any right of action whatsoever against Agent as a result of Agent acting or refraining from acting in accordance with the instructions of Required Lenders. Notwithstanding the foregoing, instructions by and consent of all Lenders shall be required in the circumstances described in Section 15.1.1, and in no event shall Required Lenders, without the prior written consent of each Lender, direct Agent to accelerate and demand payment of Loans held by one Lender without accelerating and demanding payment of all other Loans, nor to terminate the Commitments of one Lender without terminating the Commitments of all Lenders. In no event shall Agent be required to take any action that, in its opinion, is contrary to Applicable Law or any Loan Documents or could subject any Agent Indemnitee to personal liability.

12.2 Agreements Regarding Collateral and Field Examination Reports.

12.2.1 Lien Releases; Care of Collateral.

Lenders authorize Agent to release any Lien with respect to any Collateral (a) upon Full Payment of the Obligations, (b) that is the subject of an Asset Disposition which Borrower certifies in writing to Agent is a Permitted Asset Disposition or a Lien which Borrower certifies is a Permitted Lien entitled to priority over Agent's Liens (and Agent may rely conclusively on any such certificate without further inquiry), (c) that does not constitute a material part of the Collateral, or (d) with the written consent of all Lenders. Agent shall have no obligation whatsoever to any Lenders to assure that any Collateral exists or is owned by an Obligor, or is cared for, protected, insured or encumbered, nor to assure that Agent's Liens have been properly created, perfected , rendered opposable or enforced, or are entitled to any particular priority, nor to exercise any duty of care with respect to any Collateral.

12.2.2 Possession of Collateral.

Agent and Lenders appoint each other Lender as agent for the purpose of perfecting and rendering opposable Liens (for the benefit of Secured Parties) in any Collateral that, under the PPSA or other Applicable Law, can be perfected or published by possession or delivery. If any Lender obtains possession of any such Collateral, it shall notify Agent thereof and, promptly upon Agent's request, deliver such Collateral to Agent or otherwise deal with such Collateral in accordance with Agent's instructions.

12.2.3 Reports.

Agent shall promptly, upon receipt thereof, forward to each Lender copies of the results of any field audit or other examination or any appraisal prepared by or on behalf of Agent with respect to any Obligor or Collateral ("Report"). Each Lender agrees (a) that neither Bank nor Agent makes any representation or warranty as to the accuracy or completeness of any Report, and shall not be liable for any information contained in or omitted from any Report; (b) that the Reports are not intended to be comprehensive audits or examinations, and that Agent or any other Person performing any audit or examination will inspect only specific information regarding Obligations or the Collateral and will rely significantly upon Obligors' books and records as well as upon representations of Obligors' officers and employees; and (c) to keep all Reports confidential and strictly for such Lender's internal use, and not to distribute any Report (or the contents thereof) to any Person (except to such Lender's Participants, attorneys and accountants) or use any Report in any manner other than administration of the Loans and other Obligations. Each Lender agrees to indemnify and hold harmless Agent and any other Person preparing a Report from any action such Lender may take as a result of or any conclusion it may draw from any Report, as well as any Claims arising in connection with any third parties that obtain all or any part of a Report through such Lender.

12.3 Reliance By Agent.

Agent shall be entitled to rely, and shall be fully protected in relying, upon any certification, notice or other communication (including those by telephone, telex, telegram, telecopy or e-mail) believed by it to be genuine and correct and to have been signed, sent or made by the proper Person, and upon the advice and statements of Agent Professionals.

12.4 Action Upon Default.

Agent shall not be deemed to have knowledge of any Default or Event of Default unless it has received written notice from a Lender or Borrower specifying the occurrence and nature thereof. If any Lender acquires knowledge of a Default or Event of Default, it shall promptly notify Agent and the other Lenders thereof in writing. Each Lender agrees that, except as otherwise provided in any Loan Documents or with the written consent of Agent and Required Lenders, it will not take any Enforcement Action, accelerate its Obligations, or exercise any right that it might otherwise have under Applicable Law to credit bid at foreclosure sales, UCC, PPSA, Civil Code sales, sales by a creditor, judicial sales or other similar dispositions of Collateral. Notwithstanding the foregoing, however, a Lender may take action to preserve or enforce its rights against an Obligor where a deadline or limitation period is applicable that would, absent such action, bar enforcement of Obligations held by such Lender, including the filing of proofs of claim in an Insolvency Proceeding.

12.5 Ratable Sharing.

If any Lender shall obtain any payment or reduction of any Obligation, whether through set-off, compensation or otherwise, in excess of its share of such Obligation, determined on a Pro Rata basis or in accordance with Section 5.5.1, as applicable, such Lender shall forthwith purchase from Agent, Issuing Bank and the other Lenders such participations in the affected Obligation as are necessary to cause the purchasing Lender to share the excess payment or reduction on a Pro Rata basis or in accordance with Section 5.5.1, as applicable. If any of such payment or reduction is thereafter recovered from the purchasing Lender, the purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

12.6 Indemnification of Agent Indemnitees.

12.6.1 Indemnification.

EACH LENDER SHALL INDEMNIFY AND HOLD HARMLESS AGENT INDEMNITEES, TO THE EXTENT NOT REIMBURSED BY OBLIGORS (BUT WITHOUT LIMITING THE INDEMNIFICATION OBLIGATIONS OF OBLIGORS UNDER ANY LOAN DOCUMENTS), ON A PRO RATA BASIS, AGAINST ALL CLAIMS THAT MAY BE INCURRED BY OR ASSERTED AGAINST ANY AGENT INDEMNITEE, EXCEPT CLAIMS RESULTING FROM SUCH AGENT INDEMNITEE'S GROSS NEGLIGENCE OR WILFUL MISCONDUCT. If Agent is sued by any receiver, trustee in bankruptcy, debtor-in-possession or other Person for any alleged preference from an Obligor or fraudulent transfer, then any monies paid by Agent in settlement or satisfaction of such proceeding, together with all interest, costs and expenses (including attorneys' fees) incurred in the defense of same, shall be promptly reimbursed to Agent by Lenders to the extent of each Lender's Pro Rata share.

12.6.2 Proceedings.

Without limiting the generality of the foregoing, if at any time (whether prior to or after the Commitment Termination Date) any action, suit, proceeding is brought against any Agent Indemnitees by an Obligor, or any Person claiming through an Obligor, to recover damages for any act taken or omitted by Agent in connection with any Obligations, Collateral, Loan Documents or matters relating thereto, or otherwise to obtain any other relief of any kind on

account of any transaction relating to any Loan Documents, each Lender agrees to indemnify and hold harmless Agent Indemnitees with respect thereto and to pay to Agent Indemnitees such Lender's Pro Rata share of any amount that any Agent Indemnitee is required to pay under any judgment or other order entered in such proceeding or by reason of any settlement, including all interest, costs and expenses (including attorneys' fees) incurred in defending same. In Agent's discretion, Agent may reserve for any such proceeding, and may satisfy any judgment, order or settlement, from proceeds of Collateral prior to making any distributions of Collateral proceeds to Lenders.

12.7 Limitation on Responsibilities of Agent.

Agent shall not be liable to Lenders for any action taken or omitted to be taken under the Loan Documents, except for losses directly and solely caused by Agent's gross negligence or wilful misconduct. Agent does not assume any responsibility for any failure or delay in performance or any breach by any Obligor or Lender of any obligations under the Loan Documents. Agent does not make to Lenders any express or implied warranty, representation or guarantee with respect to any Obligations, Collateral, Loan Documents or Obligor. No Agent Indemnitee shall be responsible to Lenders for any recitals, statements, information, representations or warranties contained in any Loan Documents; the execution, validity, genuineness, effectiveness or enforceability of any Loan Documents; the genuineness, enforceability, collectibility, value, sufficiency, location or existence of any Collateral, or the validity, extent, perfection, opposability or priority of any Lien therein; the validity, enforceability or collectibility of any Obligations; or the assets, liabilities, financial condition, results of operations, business, creditworthiness or legal status of any Obligor or Account Debtor. No Agent Indemnitee shall have any obligation to any Lender to ascertain or inquire into the existence of any Default or Event of Default, the observance or performance by any Obligor of any terms of the Loan Documents, or the satisfaction of any conditions precedent contained in any Loan Documents.

12.8 Successor Agent and Co-Agents.

12.8.1 Resignation; Successor Agent.

Subject to the appointment and acceptance of a successor Agent as provided below, Agent may resign at any time by giving at least 30 days written notice thereof to Lenders and Borrower. Upon receipt of such notice, Required Lenders shall have the right to appoint a successor Agent which shall be (a) a Lender or an Affiliate of a Lender; or (b) a commercial bank that is organized under the laws of Canada or the United States or any state or district thereof (provided that such U.S. bank is an "authorized foreign bank" as defined in section 2 of the *Bank Act* (Canada), has a combined capital surplus of at least $200,000,000 and (provided no Default or Event of Default exists) is reasonably acceptable to Borrower. If no successor agent is appointed prior to the effective date of the resignation of Agent, then Agent may appoint a successor agent from among Lenders. Upon acceptance by a successor Agent of an appointment to serve as Agent hereunder, such successor Agent shall thereupon succeed to and become vested with all the powers and duties of the retiring Agent without further act, and the retiring Agent shall be discharged from its duties and obligations hereunder but shall continue to have the benefits of the indemnification set forth in Sections 12.6 and 15.2. Notwithstanding any Agent's resignation, the provisions of this Section 12 shall continue in effect for its benefit with respect

to any actions taken or omitted to be taken by it while Agent. Any successor by merger, amalgamation or acquisition of the stock or assets of Bank shall continue to be Agent hereunder without further act on the part of the parties hereto, unless such successor resigns as provided above.

12.8.2 Separate Collateral Agent.

It is the intent of the parties that there shall be no violation of any Applicable Law denying or restricting the right of financial institutions to transact business in any jurisdiction. If Agent believes that it may be limited in the exercise of any rights or remedies under the Loan Documents due to any Applicable Law, Agent may appoint an additional Person who is not so limited, as a separate collateral agent or co-collateral agent. If Agent so appoints a collateral agent or co-collateral agent, each right and remedy intended to be available to Agent under the Loan Documents shall also be vested in such separate agent. Every covenant and obligation necessary to the exercise thereof by such agent or mandatary shall run to and be enforceable by it as well as Agent. Lenders shall execute and deliver such documents as Agent deems appropriate to vest any rights or remedies in such agent or mandatary. If any collateral agent or co-collateral agent shall die or dissolve, become incapable of acting, resign or be removed, then all the rights and remedies of such agent or mandatary, to the extent permitted by Applicable Law, shall vest in and be exercised by Agent until appointment of a new agent or mandatary.

12.8.3 Withholding Tax.

(a) Subject to paragraph (b) of this Section, each Lender and the Bank represents and warrants to the Agent and the other Lenders and the Borrower that it is either a resident of Canada or is an “authorized foreign bank” as defined in section 2 of the *Bank Act* (Canada). Each Lender that is an “authorized foreign bank” as defined in section 2 of the *Bank Act* (Canada) further represents and warrants to the Borrower and the other Lenders and agrees that for purposes of the ITA, it will receive all amounts paid or credited to it under this Agreement in respect of its Canadian banking business;

(b) If the Canada Revenue Agency or any other Governmental Authority of Canada or other jurisdiction asserts a claim that the Agent did not properly withhold tax from amounts paid to or for the account of any Lender such Lender shall indemnify the Agent and the Borrower fully for all amounts paid, directly or indirectly, by the Agent or the Borrower as tax or otherwise, including penalties and interest, and including any taxes imposed by any jurisdiction on the amounts payable to the Agent under this Section, together with all costs and expenses (including costs of legal counsel);

(c) Without prejudice to the survival of any other agreement contained herein, the representations and warranties contained in paragraph (a) of this Section and the agreements and obligations contained in paragraph (b) of this Section shall survive the payment in full of principal, interest, fees and any other amounts payable hereunder, the termination of this Agreement and any other Loan Document and the replacement of the Agent.

12.9 Due Diligence and Non-Reliance.

Each Lender acknowledges and agrees that it has, independently and without reliance upon Agent or any other Lenders, and based upon such documents, information and analyses as it has deemed appropriate, made its own credit analysis of each Obligor and its own decision to enter into this Agreement and to fund Loans and participate in LC Obligations bereunder. Each Lender has made such inquiries concerning the Loan Documents, the Collateral and each Obligor as such Lender feels necessary. Each Lender further acknowledges and agrees that the other Lenders and Agent have made no representations or warranties concerning any Obligor, any Collateral or the legality, validity, sufficiency or enforceability of any Loan Documents or Obligations. Each Lender will, independently and without reliance upon the other Lenders or Agent, and based upon such financial statements, documents and information as it deems appropriate at the time, continue to make and rely upon its own credit decisions in making Loans and participating in LC Obligations, and in taking or refraining from taking any action under any Loan Documents. Except as expressly provided herein and except for notices, reports and other information expressly requested by a Lender, Agent shall have no duty or responsibility to provide any Lender with any notices, reports or certificates furnished to Agent by any Obligor or any credit or other information concerning the affairs, financial condition, business or Properties of any Obligor (or any of its Affiliates) which may come into possession of Agent or any of Agent's Affiliates.

12.10 Replacement of Certain Lenders.

In the event that any Lender (a) fails to fund its Pro Rata share of any Loan or LC Obligation hereunder, and such failure is not cured within two Business Days, (b) defaults in performing any of its obligations under the Loan Documents, or (c) fails to give its consent to any amendment, waiver or action for which consent of all Lenders was required and Required Lenders consented, then, in addition to any other rights and remedies that any Person may have, Agent may, by notice to such Lender within 120 days after such event, require such Lender to assign all of its rights and obligations under the Loan Documents to Eligible Assignee(s) specified by Agent, pursuant to appropriate Assignment and Acceptance(s) and within 20 days after Agent's notice. Agent is irrevocably appointed as attorney-in-fact to execute any such Assignment and Acceptance if the Lender fails to execute same. Such Lender shall be entitled to receive, in cash, concurrently with such assignment, all amounts owed to it under the Loan Documents, including all principal, interest and fees through the date of assignment (but excluding any prepayment charge).

12.11 Remittance of Payments and Collections.

12.11.1 Remittances Generally.

All payments by any Lender to Agent shall be made by the time and on the day set forth in this Agreement, in immediately available funds. If no time for payment is specified or if payment is due on demand by Agent and request for payment is made by Agent by 12:00 p.m. (Eastern time) on a Business Day, payment shall be made by Lender not later than 2:00 p.m. (Eastern time) on such day, and if request is made after 12:00 p.m. (Eastern time), then payment shall be made by 12:00 p.m. (Eastern time) on the next Business Day. Payment by Agent to any Lender shall be made by wire transfer, in the type of funds received by Agent. Any and all fees and interest paid by the Borrower to the Agent, for the Pro Rata benefit of the Lenders, on the

first day of each month, shall be paid by the Agent to the Lenders on or before the third Business Day of such month. Any such payment shall be subject to Agent's right of offset or compensation for any amounts due from such Lender under the Loan Documents.

12.11.2 Failure to Pay.

If any Lender fails to pay any amount when due by it to Agent pursuant to the terms hereof, such amount shall bear interest from the due date until paid at the rate determined by Agent as customary in the banking industry for interbank compensation. In no event shall Obligors be entitled to receive credit for any interest paid by a Lender to Agent.

12.11.3 Recovery of Payments.

If Agent pays any amount to a Lender in the expectation that a related payment will be received by Agent from an Obligor and such related payment is not received, then Agent may recover such amount from each Lender that received it. If Agent determines at any time that an amount received under any Loan Document must be returned to an Obligor or paid to any other Person pursuant to Applicable Law or otherwise, then, notwithstanding any other term of any Loan Document, Agent shall not be required to distribute such amount to any Lender. If any amounts received and applied by Agent to any Obligations are later required to be returned by Agent pursuant to Applicable Law, Lenders shall pay to Agent, on demand, such Lender's Pro Rata share of the amounts required to be returned.

12.12 Agent in its Individual Capacity.

As a Lender, Bank shall have the same rights and remedies under the other Loan Documents as any other Lender, and the terms "Lenders," "Required Lenders" or any similar term shall include Bank in its capacity as a Lender. Each of Bank and its Affiliates may accept deposits from, maintain deposits or credit balances for, invest in, lend money to, provide Barik Products to, act as trustee under indentures of, serve as financial or other advisor to, and generally engage in any kind of business with, Obligors and their Affiliates, as if Bank were any other bank, without any duty to account therefor (including any fees or other consideration received in connection therewith) to the other Lenders. In their individual capacity, Bank and its Affiliates may receive information regarding Obligors, their Affiliates and their Account Debtors (including information subject to confidentiality obligations), and each Lender agrees that Bank and its Affiliates shall be under no obligation to provide such information to Lenders, if acquired in such individual capacity and not as Agent hereunder.

12.13 Agent Titles.

Each Lender, other than Bank, that is designated (on the cover page of this Agreement or otherwise) by Bank as an "Agent" or "Arranger" or "Manager" of any type shall not have any right, power, responsibility or duty under any Loan Documents other than those applicable to all Lenders, and shall in no event be deemed to have any fiduciary relationship with any other Lender.

12.14 No Third Party Beneficiaries.

This Section 12 is an agreement solely among Lenders and Agent, and does not confer any rights or benefits upon Borrower or any other Person. As between Borrower and Agent, any action that Agent may take under any Loan Documents shall be conclusively presumed to have been authorized and directed by Lenders as herein provided.

SECTION 13 BENEFIT OF AGREEMENT; ASSIGNMENTS AND PARTICIPATIONS

13.1 Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of Obligors, Agent and Lenders and their respective successors and assigns, except that (a) no Obligors shall have the right to assign its rights or delegate its obligations under any Loan Documents, and (b) any assignment by a Lender must be made in compliance with Section 13.3. Agent may treat the Person which made any Loan as the owner thereof for all purposes until such Person makes an assignment in accordance with Section 13.3. Any authorization or consent of a Lender shall be conclusive and binding on any subsequent transferee or assignee of such Lender.

13.2 Participations.

13.2.1 Permitted Participants; Effect.

Any Lender may, in the ordinary course of its business and in accordance with Applicable Law, at any time sell to a financial institution ("Participant") a participating interest in the rights and obligations of such Lender under any Loan Documents. Despite any sale by a Lender of participating interests to a Participant, such Lender's obligations under the Loan Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for performance of such obligations, such Lender shall remain the holder of its Loans and Commitments for all purposes, all amounts payable by Obligors shall be determined as if such Lender had not sold such participating interests, and Obligors and Agent shall continue to deal solely and directly with such Lender in connection with the Loan Documents. Each Lender shall be solely responsible for notifying its Participants of any matters under the Loan Documents, and Agent and the other Lenders shall not have any obligation or liability to any such Participant. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 5.8 unless Borrower agrees otherwise in writing.

13.2.2 Voting Rights.

Each Lender shall retain the sole right to approve, without the consent of any Participant, any amendment, waiver or other modification of any Loan Documents other than that which forgives principal, interest or fees, reduces the stated interest rate or fees payable with respect to any Loan or Commitment in which such Participant has an interest, postpones the Commitment Termination Date or any date fixed for any regularly scheduled payment of principal, interest or fees on such Loan or Commitment, or releases Borrower, Guarantor or substantial portion of the Collateral.

13.2.3 Benefit of Set-Off.

Obligors agree that each Participant shall have a right of set-off or compensation in respect of its participating interest to the same extent as if such interest were owing directly to a Lender, and each Lender shall also retain the right of set-off or compensation with respect to any participating interests sold by it. By exercising any right of set-off or compensation, a Participant agrees to share with Lenders all amounts received through its set-off or compensation, in accordance with Section 12.5 as if such Participant were a Lender.

13.3 Assignments.

13.3.1 Permitted Assignments.

A Lender may assign to any Eligible Assignee, acceptable to Agent acting reasonably (for greater certainty, any assignment by a Lender to an Affiliate of Lender shall not require such Agent's consent), any of its rights and obligations under the Loan Documents, as long as (a) each assignment is of a constant, and not a varying, percentage of the transferor Lender's rights and obligations under the Loan Documents and, in the case of a partial assignment, is in a minimum principal amount of $10,000,000 (unless otherwise agreed by Agent in its discretion) and integral multiples of $1,000,000 in excess of that amount; (b) except in the case of an assignment in whole of a Lender's rights and obligations, the aggregate amount of the Commitments retained by the transferor Lender be at least $5,000,000 (unless otherwise agreed by Agent in its discretion); and (c) the parties to each such assignment shall execute and deliver to Agent, for its acceptance and recording, an Assignment and Acceptance. Nothing herein shall limit the right of a Lender to pledge or assign any rights under the Loan Documents to (i) any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors and any Operating Circular issued by such Federal Reserve Bank, or (ii) counterparties to swap agreements relating to any Loans; provided, however, that any payment by Obligors to the assigning Lender in respect of any Obligations assigned as described in this sentence shall satisfy Obligors' obligations hereunder to the extent of such payment, and no such assignment shall release the assigning Lender from its obligations hereunder.

13.3.2 Effect; Effective Date.

Upon delivery to Agent of an assignment notice in the form of Exhibit D and a processing fee of $3,500, such assignment shall become effective as specified in the notice, if it complies with this Section 13.3. From the effective date of such assignment, the Eligible Assignee shall for all purposes be a Lender under the Loan Documents, and shall have all rights and obligations of a Lender thereunder. Upon consummation of an assignment, the transferor Lender, Agent and Borrower shall make appropriate arrangements for issuance of replacement and/or new Notes, as appropriate.

13.4 Representation of Lenders.

Each Lender represents and warrants to Borrower, Agent and other Lenders that none of the consideration used by it to fund its Loans or to participate in any other transactions under this Agreement constitutes for any purpose of ERISA or Section 4975 of the Code assets of any "plan" as defined in Section 3(3) of ERISA or Section 4975 of the Code and the interests of such Lender in and under the Loan Documents shall not constitute plan assets under ERISA.

SECTION 14 GUARANTEES

14.1 The Guarantees

Each Guarantor, as primary obligor and not as a surety merely, hereby unconditionally and irrevocably, jointly and severally (solidarily), guarantees to the Agent and each of the Lenders the punctual payment when due in accordance with the terms hereof of all Obligations, of whatever kind and description, of the Borrower to the Agent and each of the Lenders now or hereafter existing, whether direct or indirect, absolute or contingent, matured or unmatured, secured or unsecured pursuant to or arising out of or under this Agreement (including all interest that accrues after the commencement of any Insolvency Proceeding by or against the Borrower, whether or not allowed in such case or proceeding), including, without limitation, all Obligations (all such obligations so guaranteed are referred to herein as the "Guaranteed Obligations").

14.2 Guarantee Absolute

Each Guarantor guarantees that the Guaranteed Obligations will be paid strictly in accordance with their terms 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 Agent and/or Lenders with respect thereto. The liability of each Guarantor hereunder shall be solidary (joint and several) and absolute and unconditional irrespective of:

(a) Any lack of validity or enforceability of the Obligations or the Guaranteed Obligations or any agreement or instrument relating thereto;

(b) Any change in the time, manner or place of the payment of, or in any other term of, all or any of the Obligations or the Guaranteed Obligations, or any amendment or modification of or any consent to departure from this Agreement or any other Loan Document;

(c) Any exchange, release, unopposability or nonperfection of any Collateral or any release or amendment to, waiver of, or consent to departure from, or any Guarantee for, all or any part of the Obligations or the Guaranteed Obligations;

(d) the absence of any action to enforce this Agreement (including this Section) or any other Loan Document, or any waiver, consent or indulgence of any kind by Agent or any Lender with respect thereto;

(e) Any whole or partial termination of this Guarantee as to any other Guarantor;

(f) the insolvency of any Obligor; (e) any election by Agent or any Lender to avail itself of an Insolvency Proceeding or any election in an Insolvency Proceeding for the application of Section 1111(b)(2) of the Bankruptcy Code, or otherwise; (f) any borrowing or grant of a Lien by Borrower, as debtor-in- possession; (g) the disallowance of any claims of Agent or any Lender against any Obligor for the repayment of any Obligations under debtor relief laws; or

(g) Any other circumstance which might otherwise constitute a defence available to, or a discharge of, the Borrower in respect of the Obligations or the Guaranteed Obligations or a Guarantor in respect of this Guarantee or the Guaranteed Obligations.

This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations or the Guaranteed Obligations are rescinded or must otherwise be returned by the Agent and/or Lenders upon the bankruptcy or reorganization of any Guarantor or otherwise under applicable law, all as though such payment had not been made.

14.3 Consents, Waivers and Renewals

Each Guarantor hereby renounces to the benefits of division and discussion. Each Guarantor hereby waives promptness, diligence, notice of the acceptance hereof, notice of intent to accelerate and notice of acceleration and any other notice with respect to any of the Obligations or the Guaranteed Obligations and this Agreement and any requirement that the Agent and/or Lenders protect, secure, perfect, render opposable or insure any Agent's Lien or Lien on any Property subject thereto or exhaust any right or take any action against the Borrower any Guarantor or any other Person or any Collateral before proceeding hereunder. Each Guarantor agrees that the Agent and/or Lenders may at any time and from time to time, either before or after the maturity thereof, without notice to or further consent of the Borrower or the Guarantor extend the time of payment of, exchange or surrender any Collateral for, or renew any of the Obligations or the Guaranteed Obligations, and may also make any agreements with the Borrower, any Guarantor or with any other party to or Person liable on any of the Obligations, or interested therein, for the extension, renewal, payment, compromise, discharge, or release thereof, in whole or in part, or for any modification of the terms thereof or of any agreement between the Agent and/or any Lenders and the Borrower or any such other party or Person, without in any way impairing or affecting this Guarantee. Each Guarantor agrees to make payment to the Agent, for the rateable benefit of the Lenders, of any of the Obligations and the Guaranteed Obligations whether or not the Agent and/or any Lenders shall have resorted to any collateral security, or shall have proceeded against any other obligor principally or secondarily obligated with respect to any of the Obligations or the Guaranteed Obligations. The Agent and/or Lenders shall be free to deal with the Borrower and the Guarantor as it sees fit.

Agent and Lenders may, in their discretion, pursue such rights and remedies as they deem appropriate, including realization upon Collateral by judicial foreclosure or non judicial sale or enforcement, without affecting any rights and remedies under this Section 14. If, in the exercise of any rights or remedies, Agent or any Lender shall forfeit any of its rights or remedies, including its right to enter a deficiency judgment against any Obligor or any other Person, whether because of any Applicable Laws pertaining to "election of remedies" or otherwise, Obligors consent to such action by Agent or such Lender and waive any claim based upon such action, even if the action may result in loss of any rights of subrogation that any Obligor might otherwise have had but for such action. Any election of remedies that results in denial or impairment of the right of Agent or any Lender to seek a deficiency judgment against any Obligor shall not impair any other Obligor's obligation to pay the full amount of the Obligations. Each Obligor waives all rights and defenses arising out of an election of remedies, such as nonjudicial foreclosure with respect to any security for the Obligations, even though that election

of remedies destroys such Obligor's rights of subrogation against any other Person. If Agent bids at any foreclosure or trustee's sale or at any private sale, Agent may bid all or a portion of the Obligations and the amount of such bid need not be paid by Agent but shall be credited against the Obligations. The amount of the successful bid at any such sale, whether Agent or any other Person is the successful bidder, shall be conclusively deemed to be the fair market value of the Collateral, and the difference between such bid amount and the remaining balance of the Obligations shall be conclusively deemed to be the amount of the Obligations guaranteed under this Section 14, notwithstanding that any present or future law or court decision may have the effect of reducing the amount of any deficiency claim to which Agent or any Lender might otherwise be entitled but for such bidding at any such sale.

14.4 Subrogation

No Guarantor shall exercise any rights which it may acquire by way of subrogation under this Agreement, by any payment made hereunder or otherwise, until all the Obligations and the Guaranteed Obligations shall have been paid in full. If any amount shall be paid to the Borrower on account of such subrogation rights in violation of the foregoing restriction, such amount shall be held in trust for the benefit of the Agent (for itself and the other Lenders) and shall forthwith be paid to the Agent (for itself and the other Lenders) to be credited and applied to the Obligations, whether matured or unmatured, in accordance with the terms of this Agreement.

14.5 Subordination.

Each Obligor hereby postpones any right of enforcement, remedy and action and subordinates any claims, including any right of payment, subrogation, contribution and indemnity, that it may have at any time against any other Obligor, howsoever arising, to the Full Payment of all Obligations. Any such claims (whether secured or unsecured) and any such remedial rights are hereby assigned to the Agent (and shall be assigned pursuant to documentation satisfactory to the Agent), and any such claims owing and paid to an Obligor in contravention of the terms of this Agreement shall be received and held by any such Obligor in trust for the benefit of the Agent (for itself and the other Lenders) and the proceeds thereof shall forthwith be paid over to the Agent (for itself and the other Lenders) to be credited and applied to the Obligations, whether matured or unmatured, in accordance with the terms of this Agreement.

14.6 Protection Clause

Whenever herein a representation or warranty is expressed by a Guarantor or, subject to Section 14.1 above, any agreement to do any act or thing is made by a Guarantor, same shall be deemed to be a representation or warranty as to that Guarantor only and not a representation or warranty of any matter or circumstance of any other Guarantor and an agreement as to its conduct and not the conduct of any other Guarantor. Subject to Section 14.1 above, no Guarantor shall be liable for any obligation of any other Guarantor.

14.7 Limitation on Guarantee of Obligations

(a) In any action or proceeding with respect to any Guarantor involving any state or provincial corporate law, or any state or provincial or federal bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of such Guarantor under Section 14.1 hereof

would otherwise be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under said Section 14.1, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Lender, the Agent or any other Person, be automatically limited and reduced to the highest amount which is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

(b) To the extent that any Guarantor shall make a payment under this Agreement of all or any of the Guaranteed Obligations (a "Guarantor Payment") which, taking into account all other Guarantor Payments then previously or concurrently made by the Guarantor, exceeds the amount which the Guarantor would otherwise have paid if the Guarantor had paid the aggregate Obligations satisfied by such Guarantor Payment in the same proportion that such Guarantor's "Allocable Amount" (as defined below) (in effect immediately prior to such Guarantor Payment) bore to the aggregate Allocable Amounts of the Guarantor in effect immediately prior to the making of such Guarantor Payment, then, following payment in full in cash of the Obligations and termination of the Commitments, such Guarantor shall be entitled to receive contribution and indemnification payments from, and be reimbursed by, the Guarantor for the amount of such excess, pro rata based upon their respective Allocable Amounts in effect immediately prior to such Guarantor Payment.

(i) As of any date of determination, the "Allocable Amount" of any Guarantor shall be equal to the maximum amount of the claim which could then be recovered from such Guarantor under this Agreement without rendering such claim voidable or avoidable under Section 548 of Chapter 11 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law.

(ii) This subsection (b) is intended only to define the relative rights of Guarantor and nothing set forth in this subsection (b) is intended to or shall impair the obligations of Guarantor, jointly and severally, to pay any amounts as and when the same shall become due and payable in accordance with the terms of this Agreement.

(iii) The rights of the parties under this subsection (b) shall be exercisable upon the full and indefeasible payment of the Obligations and the termination of this Agreement and the other Loan Documents.

(iv) The parties hereto acknowledge that the rights of contribution and indemnification hereunder shall constitute assets of any Guarantor to which such contribution and indemnification is owing.

14.8 Guarantee of Payment

The Guarantor further agrees that this Guarantee constitutes a guaranty of payment when due and not of collection, and waives any right to require that any resort be had by the Agent or any Lender to any of the Collateral or other security held for payment of the Guaranteed Obligations or to any balance of any deposit account or credit on the books of the Agent or any Lender in favour of any other Guarantor or any other Person or to any other guarantor of all or part of the Guaranteed Obligations.

SECTION 15 MISCELLANEOUS

15.1 Consents, Amendments and Waivers.

15.1.1 Amendment.

No modification of any Loan Document, including any extension or amendment of a Loan Document or any waiver of a Default or Event of Default, shall be effective without the prior written agreement of Agent, with the consent of Required Lenders, and each Obligor party to such Loan Document; provided, however, that

(a) without the prior written consent of Agent, no modification shall be effective with respect to any provision in a Loan Document that relates to any rights, duties or discretion of Agent;

(b) without the prior written consent of Issuing Bank, no modification shall be effective with respect to any LC Obligations or Section 2.2;

(c) without the prior written consent of each affected Lender, no modification shall be effective that would (i) increase the Commitment of such Lender; or (ii) reduce the amount of, or waive or delay payment of, any principal, interest or fees payable to such Lender; and

(d) without the prior written consent of all Lenders (except a defaulting Lender as provided in Section 4.2), no modification shall be effective that would (i) extend the Revolver Termination Date; (ii) alter Section 5.5, 7.1 (except to add Collateral), or 15.1.1; (iii) amend the definitions of Borrowing Base (and the defined terms used in such definition), Pro Rata or Required Lenders; (iv) increase any advance rate, or increase total Commitments; (v) release Collateral with a book value greater than $2,000,000 during any calendar year, except as currently contemplated by the Loan Documents; or (vi) release any Obligor from liability for any Obligations, if such Obligor is Solvent at the time of the release.

15.1.2 Limitations.

The agreement of Obligors shall not be necessary to the effectiveness of any modification of a Loan Document that deals solely with the rights and duties of Lenders, Agent and/or Issuing Bank as among themselves. Only the consent of the parties to the Fee Letter or any agreement relating to a Bank Product shall be required for any modification of such agreement, and no

Affiliate of a Lender that is party to a Bank Product agreement shall have any other right to consent to or participate in any manner in modification of any other Loan Document. The making of any Loans during the existence of a Default or Event of Default shall not be deemed to constitute a waiver of such Default or Event of Default, nor to establish a course of dealing. Any waiver or consent granted by Lenders hereunder shall be effective only if in writing, and then only in the specific instance and for the specific purpose for which it is given.

15.1.3 Payment for Consents.

Borrower will not, directly or indirectly, pay any remuneration or other thing of value, whether by way of additional interest, fee or otherwise, to any Lender (in its capacity as a Lender hereunder) as consideration for agreement by such Lender with any modification of any Loan Documents, unless such remuneration or value is concurrently paid, on the same terms, on a Pro Rata basis to all Lenders providing their consent.

15.2 Indemnity.

EACH OBLIGOR SHALL INDEMNIFY AND HOLD HARMLESS THE INDEMNITEES AGAINST ANY CLAIMS THAT MAY BE INCURRED BY OR ASSERTED AGAINST ANY INDEMNITEE, INCLUDING CLAIMS ARISING FROM THE NEGLIGENCE OF AN INDEMNITEE. In no event shall any party to a Loan Document have any obligation thereunder to indemnify or hold harmless an Indemnitee with respect to a Claim that is determined in a final, non-appealable judgment by a court of competent jurisdiction to result from the gross negligence or wilful misconduct of such Indemnitee.

15.3 Notices and Communications.

15.3.1 Notice Address.

Subject to Section 4.1.4, all notices, requests and other communications by or to a party hereto shall be in writing and shall be given to Borrower, at Borrower's address shown on the signature pages hereof, and to any other Person at its address shown on the signature pages hereof (or, in the case of a Person who becomes a Lender after the Closing Date, at the address shown on its Assignment and Acceptance), or at such other address as a party may hereafter specify by notice in accordance with this Section 15.3. Each such notice, request or other communication shall be effective only (a) if given by facsimile transmission, when transmitted to the applicable facsimile number, if confirmation of receipt is received; (b) if given by mail, three Business Days after deposit in the Canada post mail, with first-class postage pre-paid, addressed to the applicable address; or (c) if given by personal delivery, when duly delivered to the notice address with receipt acknowledged. Notwithstanding the foregoing, no notice to Agent pursuant to Section 2.1.4, 2.2, 3.1.2, or 4.1.1 shall be effective until actually received by the individual to whose attention at Agent such notice is required to be sent. Any written notice, request or other communication that is not sent in conformity with the foregoing provisions shall nevertheless be effective on the date actually received by the noticed party. Any notice received by Borrower shall be deemed received by all Obligors.

15.3.2 Electronic Communications; Voice Mail.

Electronic mail and internet websites may be used only for routine communications, such as financial statements, Borrowing Base Certificates and other information required by Section 10.1.2, administrative matters, distribution of Loan Documents for execution, and matters permitted under Section 4.1.4. Agent and Lenders make no assurances as to the privacy and security of electronic communications. Electronic and voice mail may not be used as effective notice under the Loan Documents.

15.3.3 Non-Conforming Communications.

Agent and Lenders may rely upon any notices purportedly given by or on behalf of Borrower even if such notices were not made in a manner specified herein, were incomplete or were not confirmed, or if the terms thereof, as understood by the recipient, varied from a later confirmation. Borrower shall indemnify and hold harmless each Indemnitee from any liabilities, losses, costs and expenses arising from any telephonic communication purportedly given by or on behalf of Borrower.

15.4 Performance of Obligors' Obligations.

Agent may, in its discretion at any time and from time to time, at Borrower's expense, pay any amount or do any act required of an Obligor under any Loan Documents or otherwise lawfully requested by Agent to (a) enforce any Loan Documents or collect any Obligations; (b) protect, insure, maintain or realize upon any Collateral; or (c) defend or maintain the validity, opposability or priority of Agent's Liens in any Collateral, including any payment of a judgment, insurance premium, warehouse charge, finishing or processing charge, or landlord claim, privilege or priority or any discharge of a Lien. All payments, costs and expenses (including Extraordinary Expenses) of Agent under this Section shall be reimbursed to Agent by Borrower, on demand, with interest from the date incurred to the date of payment thereof at the Default Rate applicable to Prime Rate Revolver Loans. Any payment made or action taken by Agent under this Section shall be without prejudice to any right to assert an Event of Default or to exercise any other rights or remedies under the Loan Documents.

15.5 Credit Inquiries.

Each Obligor hereby authorizes Agent and Lenders (but they shall have no obligation) to respond to usual and customary credit inquiries from third parties concerning any Obligor or Subsidiary.

15.6 Severability.

Wherever possible, each provision of the Loan Documents shall be interpreted in such manner as to be valid under Applicable Law. If any provision is found to be invalid under Applicable Law, it shall be ineffective only to the extent of such invalidity and the remaining provisions of the Loan Documents shall remain in full force and effect.

15.7 Cumulative Effect; Conflict of Terms.

The provisions of the Loan Documents are cumulative. The parties acknowledge that the Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters, and they agree that these are cumulative and that each must be performed as provided. Except as otherwise specifically provided in another Loan Document (by specific reference to the applicable provision of this Agreement), if any provision contained herein is in direct conflict with any provision in another Loan Document, the provision herein shall govern and control.

15.8 Counterparts; Facsimile Signatures.

Any Loan Document may be executed in counterparts, each of which taken together shall constitute one instrument. Loan Documents may be executed and delivered by facsimile, and they shall have the same force and effect as manually signed originals. Agent may require confirmation by a manually-signed original, but failure to request or deliver same shall not limit the effectiveness of any facsimile signature.

15.9 Entire Agreement.

Time is of the essence of the Loan Documents. The Loan Documents embody the entire understanding of the parties with respect to the subject matter thereof and supersede all prior understandings regarding the same subject matter.

15.10 Obligations of Lenders.

The obligations of each Lender hereunder are several, and no Lender shall be responsible for the obligations or Commitments of any other Lender. Amounts payable hereunder to each Lender shall be a separate and independent debt, and each Lender shall be entitled, to the extent not otherwise restricted hereunder, to protect and enforce its rights arising out of the Loan Documents. It shall not be necessary for Agent or any other Lender to be joined as an additional party in any proceeding for such purposes. Nothing in this Agreement and no action of Agent or Lenders pursuant to the Loan Documents shall be deemed to constitute Agent and Lenders to be a partnership, association, joint venture or any other kind of entity, nor to constitute control of any Obligor. Each Obligor acknowledges and agrees that in connection with all aspects of any transaction contemplated by the Loan Documents, Obligors, Agent, Issuing Bank and Lenders have an arms-length business relationship that creates no fiduciary duty on the part of Agent, Issuing Bank or any Lender, and each Obligor, Agent, Issuing Bank and Lender expressly disclaims any fiduciary relationship.

15.11 Confidentiality.

During the term of this Agreement and for 12 months thereafter, Agent and Lenders agree to take reasonable precautions to maintain the confidentiality of any information that Obligors deliver to Agent and Lenders and identify as confidential at the time of delivery, except that Agent and any Lender may disclose such information (a) to their respective officers, directors, employees, Affiliates and agents, including legal counsel, auditors and other professional advisors; (b) to any party to the Loan Documents from time to time; (c) pursuant to the order of any court or administrative agency; (d) upon the request of any Governmental

Authority exercising regulatory authority over Agent or such Lender; (e) which ceases to be confidential, other than by an act or omission of Agent or any Lender, or which becomes available to Agent or any Lender on a nonconfidential basis; (f) to the extent reasonably required in connection with any litigation relating to any Loan Documents or transactions contemplated thereby, or otherwise as required by Applicable Law; (g) to the extent reasonably required for the exercise of any rights or remedies under the Loan Documents; (h) to any actual or proposed party to a Bank Product or to any Transferee, as long as such Person agrees to be bound by the provisions of this Section; (i) to the National Association of Insurance Commissioners or any similar organization, or to any nationally recognized rating agency that requires access to information about a Lender's portfolio in connection with ratings issued with respect to such Lender; or (j) with the consent of Obligors. Notwithstanding the foregoing, Agent and Lenders may issue and disseminate to the public general information describing this credit facility, including the names and addresses of Obligors and a general description of Obligors' businesses, and may use Borrower's names in advertising and other promotional materials.

15.12 Governing Law; Choice of Forum; Service of Process.

(a) THIS AGREEMENT SHALL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE INTERNAL LAWS (AS OPPOSED TO THE CONFLICT OF LAWS PROVISIONS PROVIDED THAT PERFECTION ISSUES MAY GIVE EFFECT TO APPLICABLE CHOICE OR CONFLICT OF LAW RULES SET FORTH IN ARTICLE IX OF THE UCC OR IN THE PPSA OR CIVIL CODE OF QUEBEC, AS APPLICABLE) OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE PROVINCE OF ONTARIO, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE OBLIGORS, THE AGENT AND THE LENDERS CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS, EACH OF THE OBLIGORS, THE AGENT AND THE LENDERS IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. NOTWITHSTANDING THE FOREGOING: (1) THE AGENT AND THE LENDERS SHALL HAVE THE RIGHT TO BRING ANY ACTION OR PROCEEDING AGAINST AN OBLIGOR OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION THE AGENT OR THE LENDERS DEEM NECESSARY OR APPROPRIATE IN ORDER TO REALIZE ON THE COLLATERAL OR OTHER SECURITY FOR THE OBLIGATIONS AND (2) EACH OF THE PARTIES HERETO ACKNOWLEDGES THAT ANY APPEALS

FROM THE COURTS DESCRIBED IN THE IMMEDIATELY PRECEDING SENTENCE MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE THOSE JURISDICTIONS.

(c) EACH OBLIGOR HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL OR BY PERSONAL DELIVERY OR TELECOPIER AS PROVIDED IN SECTION 15.3 DIRECTED TO THE ATTENTION OF OBLIGORS AT ITS ADDRESS SET FORTH HEREIN AND SERVICE MADE BY REGISTERED MAIL SHALL BE DEEMED TO BE COMPLETED FIVE (5) DAYS AFTER THE SAME SHALL HAVE BEEN SO DEPOSITED IN THE MAIL POSTAGE PREPAID AND IF MADE OTHERWISE SHALL BE DEEMED TO BE COMPLETED AT THE TIMES PROVIDED IN SECTION 15.3. NOTWITHSTANDING THE FOREGOING, IF THE PARTY EFFECTING SUCH SERVICE OF PROCESS KNOWS OR OUGHT REASONABLY TO KNOW OF ANY DIFFICULTIES WITH THE POSTAL SYSTEM THAT MIGHT AFFECT THE DELIVERY OF MAIL, SUCH SERVICE OF PROCESS MAY NOT BE MAILED BUT MUST BE EFFECTED BY PERSONAL DELIVERY OR BY A TELECOMMUNICATIONS DEVICE CAPABLE OF CREATING A WRITTEN RECORD. NOTHING CONTAINED HEREIN SHALL AFFECT THE RIGHT OF AGENT OR THE LENDERS TO SERVE LEGAL PROCESS BY ANY OTHER MANNER PERMITTED BY LAW.

15.13 Waivers by Obligors.

To the fullest extent permitted by Applicable Law, each Obligor waives (a) the right to trial by jury (which Agent and each Lender hereby also waives) in any proceeding, claim or counterclaim of any kind relating in any way to any Loan Documents, Obligations or Collateral; (b) Presentment, demand, protest, notice of presentment, default, non-payment, maturity, release, compromise, settlement, extension or renewal of any commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Agent on which an Obligor may in any way be liable, and hereby ratifies anything Agent may do in this regard; (c) notice prior to taking possession or control of any Collateral; (d) any bond or security that might be required by a court prior to allowing Agent to exercise any rights or remedies; (e) the benefit of all valuation, appraisement and exemption laws; (f) any claim against Agent or any Lender, on any theory of liability, for special, indirect, consequential, exemplary or punitive damages (as opposed to direct or actual damages) in any way relating to any Enforcement Action, Obligations, Loan Documents or transactions relating thereto; and (g) notice of acceptance hereof. Each Obligor acknowledges that the foregoing waivers are a material inducement to Agent and Lenders entering into this Agreement and that Agent and Lenders are relying upon the foregoing in their dealings with Obligors. Each Obligor has reviewed the foregoing waivers with its legal counsel and has knowingly and voluntarily waived its jury trial and other rights following consultation with legal counsel. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

15.14 Survival of Representations and Warranties

All of the Obligors' representations and warranties contained in this Agreement shall survive the execution, delivery, and acceptance thereof by the parties, notwithstanding any investigation by the Agent or the Lenders or their respective agents.

15.15 Fees and Expenses

The Borrower agrees to pay to the Agent, for its benefit, on demand, all costs and expenses that Agent or Bank pays or incurs (but not the allocated costs of Agent's employees engaged in day-to-day administration, but including the Agent's auditors' fees and costs) in connection with the negotiation, preparation, syndication, consummation, administration, enforcement, and termination of this Agreement or any of the other Loan Documents, including, without limitation (a) Extraordinary Expenses, (b) attorney costs; (c) costs and expenses (including reasonable lawyers' and paralegals' fees and disbursements) for any amendment, supplement, waiver, consent, or subsequent closing in connection with the Loan Documents and the transactions contemplated thereby; (d) costs and expenses of lien searches; (e) taxes, fees and other charges for filing financing statements and continuations, and other actions to perfect, protect, and continue the Agent's Liens (including costs and expenses paid or incurred by the Agent in connection with the consummation of Agreement); (f) sums paid or incurred to pay any amount or take any action required of the Borrower under the Loan Documents that the Borrower fails to pay or take; (g) costs of appraisals, inspections, and verifications of the Collateral, including travel, lodging, and meals for inspections of the Collateral and the Obligors' operations by the Agent plus the Agent's then customary charge (U.S.$850 per day per person) for field examinations and audits and the preparation of reports thereof for each agent or employee of the Agent with respect to each field examination or audit; (h) costs and expenses of forwarding loan proceeds, collecting cheques and other items of payment, and establishing and maintaining Payment Accounts, including lock boxes; (i) costs and expenses of preserving and protecting the Collateral (and to maintain any insurance required hereunder or to verify Collateral); and (j) costs and expenses (including attorneys' costs) paid or incurred, by Agent or any Lender, to obtain payment of the Obligations, enforce the Agent's Liens, sell or otherwise realize upon the Collateral, and otherwise enforce the provisions of the Loan Documents, or to defend any claims made or threatened against the Agent or any Lender arising out of the transactions contemplated hereby (including preparations for and consultations concerning any such matters). All legal, accounting and consulting fees shall be charged to Borrower by Agent's professionals at their full hourly rates, regardless of any reduced or alternative fee billing arrangements that Agent, any Lender or any of their Affiliates may have with such professionals with respect to this or any other transaction. The foregoing shall not be construed to limit any other provisions of the Loan Documents regarding costs and expenses to be paid by the Obligors. All of the foregoing costs and expenses shall be charged to the Borrower's Loan Account as Revolving Loans as described in Section 5.2 and shall constitute Obligations.

15.16 Limitation of Liability

NO CLAIM MAY BE MADE BY ANY OBLIGOR, ANY LENDER OR OTHER PERSON AGAINST THE AGENT, ANY LENDER, OR THE AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, OR AGENTS OF ANY OF THEM FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM

FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY ACT, OMISSION OR EVENT OCCURRING IN CONNECTION THEREWITH, AND EACH OBLIGOR AND EACH LENDER HEREBY WAIVE, RELEASE AND AGREE NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOUR.

15.17 Final Agreement

This Agreement and the other Loan Documents including the Fee Letter are intended by the Obligors, the Agent and the Lenders to be the final, complete, and exclusive expression of the agreement between them. This Agreement supersedes any and all prior oral or written agreements relating to the subject matter hereof. No modification, rescission, waiver, release, or amendment of any provision of this Agreement or any other Loan Document shall be made, except by a written agreement signed by the Obligors and a duly authorized officer of each of the Agent and the requisite Lenders.

15.18 Precedence

In the event that any provisions of the Loan Documents (other than this Agreement) (the "Conflicted Agreements") contradict and are otherwise incapable of being construed in conjunction with the provisions of this Agreement, the provisions of this Agreement shall take precedence over those contained in the Conflicted Agreements and, in particular, if any act of an Obligor is expressly permitted under this Agreement but is prohibited under the Conflicted Agreements, any such act shall be permitted under this Agreement and shall be deemed to be permitted under the Conflicted Agreements.

15.19 Judgment Currency.

If for the purpose of obtaining judgment in any court it is necessary to convert an amount due hereunder in the currency in which it is due (the " Original Currency'') into another currency (the "Second Currency"), the rate of exchange applied shall be that at which, in accordance with normal banking procedures, the Agent could purchase in the Toronto foreign exchange market, the Original Currency with the Second Currency on the date two (2) Business Days preceding that on which judgment is given. Each Obligor agrees that its obligation in respect of any Original Currency due from it hereunder shall, notwithstanding any judgment or payment in such other currency, be discharged only to the extent that, on the Business Day following the date the Agent receives payment of any sum so adjudged to be due hereunder in the Second Currency, the Agent may, in accordance with normal banking procedures, purchase, in the Toronto foreign exchange market, the Original Currency with the amount of the Second Currency so paid; and if the amount of the Original Currency so purchased or could have been so purchased is less than the amount originally due in the Original Currency, each Obligor agrees as a separate obligation and notwithstanding any such payment or judgment to indemnify the Agent against such loss. The term "rate of exchange" in this Section means the spot rate at which the Agent, in accordance with normal practices, is able on the relevant date to purchase the Original Currency with the Second Currency, and includes any premium and costs of exchange payable in connection with such purchase.

[Remainder of page intentionally left blank; signatures begin on following page]

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date set forth above.

BORROWER:

MIDFIELD SUPPLY ULC

Per: /s/ Dan Endersby
Name: Dan Endersby
Title: President
Address: 1140, 2nd Street West
P.O. Box 940
Brooks, Alberta T1R 1B8
Attn:
Facsimile:

GUARANTOR:

MEGA PRODUCTION TESTING INC.

Per: /s/ Dan Endersby
Name: Dan Endersby
Title: President
Address: P.O. Box 427
Brooks, Alberta T1R 1B4

with copies to:

12413 94A Street
Grand Prairie, Alberta T8V 5X7
Attn:
Facsimile:

AGENT AND LENDERS:

BANK OF AMERICA, N.A.
(acting through its Canada branch), as Agent

Per: /s/ L.M. Junior Del Brocco
Name: L.M. Junior Del Brocco
Title: Senior Vice President
Address: Bank of America, N.A.
(acting through its Canada branch)
200 Front Street W., Suite 2700
Toronto, Ontario M5V 3L2
Attn:
Facsimile:

With a copy to:

Address: Bank of America, N.A.
TX1-492-22-13
901 Main Street, 22nd Floor
Dallas, Texas 75202
Attn: Loan Administration
Facsimile: (214) 209-4766

BANK OF AMERICA, N.A. (acting through its Canada branch), as a Lender

Per: /s/ L.M. Junior Pel Brocco
Name: L.M. Junior Pel Brocco
Title: Senior Vice President
Address: Bank of America, N.A. (acting through its Canada branch)
200 Front Street W., Suite 2700
Toronto, Ontario M5V 3L2
Attn:
Facsimile:

With a copy to:

Address: Bank of America, N.A.
TX1-492-22-13
901 Main Street, 22nd Floor
Dallas, Texas 75202
Attn: Loan Administration
Facsimile: (214) 209-4766

ALBERTA TREASURY BRANCHES,
as a Lender

Per: /s/ Dwayne Hoopfer
Name: Dwayne Hoopfer
Title: Senior Corporate Relationship Manager

Per: /s/ Adrian van Sluys
Name: Adrian van Sluys
Title: Account Manager

Address: Alberta Treasury Branches
3rd Floor, 239-8th Avenue
Calgary, Alberta T2P 1B9
Attn: Mr. Hoopfer
Facsimile: (403) 974-5784

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, as a Lender

Per: /s/ Barry J. Walsh
Name: Barry J. Walsh
Title: Vice President
Address: 200 Bay Street, Floor 18
Toronto M5J 2J2 Canada
Attn: Barry J. Walsh
Facsimile: (416) 981-2375

With a Copy to:

Address: JPMorgan Chase Bank, N.A.
TX1-2921
2200 Ross Ave., 6th Floor
Dallas, TX 75201
Attn: Christy West
Facsimile: (214) 965-2594

ROYAL BANK OF CANADA
(Asset Based Finance),
as a Lender

Per: /s/ Marcelle Fernandes
Name: Ms. Marcelle Fernandes
Title: Portfolio Manager

Per: /s/ Tro DerBedrossian
Name: Tro DerBedrossian
Title: Manager, Underwriting

Address: Royal Bank Asset Based Finance
320 Front Street West, 9th Floor
Toronto, Ontario M5V 3B6
Attn: Ms. Marcelle Fernandes
Facsimile: (416) 974-0716

HSBC BANK CANADA,
as a Lender

Per: /s/ Wade Schuler

Name: Wade Schuler
Title: Senior Account Manager

Address: HSBC Bank Canada
407-8th Avenue SW
Calgary, Alberta T2P 1E5
Attn: Mr. Schuler
Facsimile: (403) 693-8556

Loan and Security Agreement

CONSENT AND FIRST AMENDMENT TO
THE LOAN AND SECURITY AGREEMENT

EXECUTED by the parties hereto as of the 26th day of April, 2007,

AMONG: **MIDFIELD SUPPLY ULC**

(the "Borrower")

AND: **MEGA PRODUCTION TESTING INC.**

(the "Guarantor")

AND: **BANK OF AMERICA, N.A. (acting through its Canada branch)**

in its capacity as agent for Lenders and in its capacity as collateral agent for Secured Parties under the Security Documents

(the "Agent")

AND: **THE FINANCIAL INSTITUTIONS PARTY TO THE LOAN AND SECURITY AGREEMENT, as Lenders**

(collectively the "Lenders")

WHEREAS Borrower, the other Obligors thereto, Lenders and Agent, in its capacity as agent for and on behalf of Lenders and in its capacity as collateral agent for Secured Parties under the Security Documents, entered into a Loan and Security Agreement made as of November 2, 2006 (as the same has or may be amended, modified, restated, supplemented or replaced from time to time, the "**Loan and Security Agreement**");

AND WHEREAS Borrower has advised Agent and Lenders that an Event of Default has occurred under Section 11.1(c) of the Loan and Security Agreement as a result of the Covenant Violations (as hereinafter defined);

AND WHEREAS Borrower has advised Agent that it intends to acquire all of the issued and outstanding shares of Northern Boreal Supply Ltd., a corporation organized under the laws of Alberta ("**Northern**"), pursuant to the terms of a share purchase agreement substantially in the form attached hereto as Schedule "A"(the "**Northern SPA**"), by and among, *inter alia*, Borrower, as purchaser, Douglas Halwa, Daryl Loney and Don Dashney, collectively as vendors (the "**Northern Vendors**"), and Northern, as the company (hereinafter the "**Northern Transaction**");

AND WHEREAS Borrower has advised Agent that it intends to acquire all of the issued and outstanding shares of each of (i) Hagan Oilfield Supply Ltd., a corporation organized under the laws of Alberta, (ii) 1048025 Alberta Ltd., a corporation organized under the laws of Alberta, and (iii) 1236564 Alberta Ltd., a corporation organized under the laws of Alberta (collectively, the "**Hagan Companies**"), pursuant to the terms of a share purchase agreement substantially in the form attached hereto as Schedule "B" (the "**Hagan SPA**"), by and among, *inter alia*, Borrower, as purchaser, 1177903 Alberta Ltd., TJ Hagan Contracting Ltd., Scott Ritchie and 993099 Alberta Ltd., collectively as vendors (the "**Hagan Vendors**"), and the Hagan Companies

(hereinafter the "**Hagan Transaction**"; together with the Northern Transaction, collectively the "**Transactions**");

AND WHEREAS, pursuant to Section 10.1.9 of the Loan and Security Agreement, each of Northern and the Hagan Companies, as a Subsidiary of the Borrower, shall guarantee the Obligations in a manner satisfactory to Agent, and shall execute and deliver such documents, instruments and agreements and take such other actions as Agent shall require to evidence and perfect and render opposable a Lien in favour of Agent (for the benefit of Secured Parties) on all Property of such Person, including delivery of such legal opinions, in form and substance satisfactory to Agent, as it shall deem appropriate;

AND WHEREAS Agent and Lenders wish to confirm their consent to the Transactions, the parties hereto have agreed to amend certain provisions of the Loan and Security Agreement and Agent and Lenders have agreed to waive the Event of Default existing as a result of the Covenant Violations, but, in each case, only to the extent and subject to the limitations set forth in this Consent and First Amendment to the Loan and Security Agreement (hereinafter this "**Amendment Agreement**") and without prejudice to Agent's, Lenders' and Secured Parties' other rights;

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

ARTICLE I — INTERPRETATION

1.1 All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan and Security Agreement.

ARTICLE II — WAIVER TO LOAN AND SECURITY AGREEMENT

2.1 Borrower has advised Agent and Lenders that an Event of Default has occurred under Section 11.1(c) of the Loan and Security Agreement as a result of Borrower's failure to:

(a) comply with the requirement set forth in Section 10.1.2(a) of the Loan and Security Agreement that Borrower deliver to Agent and Lenders the unqualified audited financial statements of Borrower for the fiscal year ending October 31, 2006 within 120 days of the close of such fiscal year (the "**Fiscal Year Violation**"); and

(b) comply with the requirement set forth in Section 10.1.2(b) of the Loan and Security Agreement that Borrower deliver to Agent and Lenders within 30 days after the end of each calendar month, for the months of November, 2006, December, 2006, January 2007 and February 2007 (the "**Violation Period**"), monthly financial statements including but not limited to unaudited balance sheets and related statements of income and cash flow (the "**Monthly Violation**", and collectively with the Fiscal Year Violation, the "**Covenant Violations**")

2.2 Subject to the terms of this Amendment Agreement, Agent and Lenders hereby waive, as of the First Amendment Effective Date (hereinafter defined), the Event of Default

existing as a result of the Covenant Violations, provided, however, that Borrower shall deliver to Agent and Lenders: (i) the unqualified audited financial statements of Borrower for the fiscal year ending October 31, 2006, and (ii) the monthly unaudited balance sheets and related financial statements (in accordance with Section 10.1.2(b) of the Loan and Security Agreement) for the Violation Period, in each case, on or before the First Amendment Effective Date.

ARTICLE III — CONSENT

3.1 Further to Borrower's advice that it anticipates executing the Northern SPA and the Hagan SPA and that each of Northern and the Hagan Companies has, or will, become a Subsidiary of Borrower, notwithstanding the terms of the Loan and Security Agreement or any other Loan Document, to the extent necessary, Agent and Lenders hereby consent to the Transactions.

3.2 The consent herein provided, and the satisfaction of the conditions contained in Section 10.1.9 of the Loan and Security Agreement, is conditioned on the execution and delivery, on or before the Consent Effective Date (as hereinafter defined), of the documents, instruments and things listed on Schedule "C" hereto (together with such other or further opinions, certificates, directions of payment or other documents or things reasonably required by Agent).

ARTICLE IV — AMENDMENTS

4.1 As of the Consent Effective Date, the following defined terms shall be added to Section 1.1 of the Loan and Security Agreement, in alphabetical order:

"Hagan Debt — the unsecured balance of the purchase price owing by Borrower to 1177903 Alberta Ltd., TJ Hagan Contracting Ltd., 993099 Alberta Ltd. and Scott Ritchie, in the aggregate principal amount of $750,000, payable on or before May 1, 2008, bearing interest thereon at the rate of 6% per annum from April 1, 2007, the whole in respect of the acquisition by Borrower of all the issued and outstanding shares of each of Hagan Oilfield Supply Ltd., 1048025 Alberta Ltd. and 1236564 Alberta Ltd."

"Northern Debt — the unsecured balance of the purchase price owing by Borrower to Daryl Loney, Douglas Halwa and Don Dashney, in the aggregate principal amount of $2,500,000, payable on or before February 1, 2008, bearing interest thereon at the rate of 6% per annum from April 1, 2007, the whole in respect of the acquisition by Borrower of all the issued and outstanding shares of Northern Boreal Supply Ltd."

4.2 As of the Consent Effective Date, the following clauses **(j)** and **(k)** are added to Section 10.2.1 of the Loan and Security Agreement

"(j) Hagan Debt, provided same is subject to a Subordination Agreement; and"

"(k) Northern Debt, provided same is subject to a Subordination Agreement."

4.3 As of the Consent Effective Date, Section 10.2.8 of the Loan and Security Agreement is amended by adding the following clauses at the conclusion of such Section:

"(d) Hagan Debt, except repayments of an aggregate principal amount not to exceed $750,000, plus interest thereon at the rate of 6% per annum from May 1, 2007, on or before May 1, 2008, provided that no Default or Event of Default exists or would occur as a consequence of any such payment; or

(e) Northern Debt, except repayments of an aggregate principal amount not to exceed $2,500,000, plus interest thereon at the rate of 6% per annum from April 1, 2007, on or before February 1, 2008, provided that no Default or Event of Default exists or would occur as a consequence of any such payment.

ARTICLE V — CONDITIONS TO EFFECTIVENESS

5.1 This Amendment Agreement shall become effective upon satisfaction of the following conditions precedent (the date of satisfaction of all such conditions being referred to herein as the "**First Amendment Effective Date**"):

(a) Borrower and each Guarantor delivering to Agent five originally executed copies of this Amendment Agreement;

(b) delivery to Agent of the financial statements referred to in Section 2.2 hereof;

(c) in consideration of Agent and Lenders entering into this Amendment Agreement, Borrower hereby agrees to pay to Agent, on behalf of itself and Lenders, a waiver and amendment fee of $25,000, which fee shall be non-refundable and fully earned when paid and which fee shall be charged as a Borrowing and be added to and form part of the Loans upon completion of the conditions precedent contemplated by paragraphs 5.1(a) and 5.1(b) of this Amendment Agreement;

provided that the First Amendment Effective Date occurs by no later than April 26, 2007.

5.2 The consent provided in Sections 3.1 and 3.2 of this Amendment Agreement shall become effective upon satisfaction of the following conditions precedent (the date of satisfaction of all such conditions being referred to herein as the "**Consent Effective Date**"):

(a) delivery to Agent of the documents, instruments and other things described in Section 3.2 of this Amendment Agreement; provided that the Consent Effective Date occurs by no later than May 31, 2007

ARTICLE VI — REPRESENTATIONS AND WARRANTIES

6.1 Borrower and each Guarantor warrant and represent to Agent and Lenders that the following statements are true, correct and complete:

(a) Authorization, Validity, and Enforceability of this Amendment Agreement. Each of Borrower and each Guarantor has the corporate power and authority to execute

and deliver this Amendment Agreement and to perform the Loan and Security Agreement. Each of Borrower and each Guarantor has taken all necessary corporate action (including, without limitation, obtaining approval of its shareholders if necessary) to authorize its execution and delivery of this Amendment Agreement and the performance of the Loan and Security Agreement. This Amendment Agreement has been duly executed and delivered by the each of Borrower and each Guarantor and this Amendment Agreement and the Loan and Security Agreement constitute the legal, valid and binding obligations of each of Borrower and each Guarantor, enforceable against them in accordance with their respective terms without defence, compensation, setoff or counterclaim. Borrower's and each Guarantor's execution and delivery of this Amendment Agreement and the performance by Borrower and each Guarantor of the Loan and Security Agreement do not and will not conflict with, or constitute a violation or breach of, or constitute a default under, or result in the creation or imposition of any Lien upon the property of Borrower or any Subsidiaries or Guarantor by reason of the terms of (a) any contract, mortgage, hypothec, Lien, lease, agreement, indenture, or instrument to which any of Borrower or any Guarantor is a party or which is binding on any of them, (b) any requirement of law applicable to Borrower or any Subsidiaries or any Guarantor, or (c) the certificate or articles of incorporation or amalgamation or bylaws of Borrower or any Subsidiaries or any Guarantor.

(b) Governmental Authorization. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any governmental authority or other person is necessary or required in connection with the execution, delivery or performance by, or enforcement against Borrower or any Subsidiaries or any Guarantor of this Amendment Agreement or the Loan Security Agreement except for such as have been obtained or made and filings required in order to perfect and render enforceable the Agent's Liens.

(c) Incorporation of Representations and Warranties From Loan and Security Agreement. The representations and warranties contained in the Loan and Security Agreement are and will be true, correct and complete in all material respects on and as of the First Amendment Effective Date and on and as of the Consent Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true, correct and complete in all material respects on and as of such earlier date.

(d) Absence of Default. No event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Amendment Agreement that would constitute an Event of Default.

(e) Security. All security delivered to or for the benefit of Agent on behalf of Secured Parties pursuant to the Loan and Security Agreement and the other Loan Documents remain in full force and effect and secure all Obligations of Borrower and each Guarantor under the Loan and Security Agreement and the other Loan Documents to which they are a party.

ARTICLE VII — MISCELLANEOUS

7.1 Borrower (i) reaffirms its Obligations under the Loan and Security Agreement and the other Loan Documents to which it is a party, and (ii) agrees that the Loan and Security Agreement and the other Loan Documents to which it is a party remain in full force and effect, except as amended hereby, and are hereby ratified and confirmed.

7.2 Each Guarantor (i) consents to and approves the execution and delivery of this Amendment Agreement by the parties hereto, (ii) agrees that this Amendment Agreement does not and shall not limit or diminish in any manner the obligations of each Guarantor under its Guarantee (collectively, the "**Guarantees**") and that such obligations would not be limited or diminished in any manner even if such Guarantor had not executed this Amendment Agreement, (iii) agrees that this Amendment Agreement shall not be construed as requiring the consent of a Guarantor in any other circumstance, (iv) reaffirms each of its obligations under the Guarantees and the other Loan Documents to which it is a party, and (v) agrees that the Guarantees and the other Loan Documents to which it is a party remain in full force and effect and are hereby ratified and confirmed.

7.3 The waiver contained in Section 2.2 of this Amendment Agreement applies only to the Covenant Violations during the period specified therein, and nothing contained in this Amendment Agreement or any other communication between Agent and/or Lenders and/or Secured Parties and Borrower (or any other Obligor) shall be a waiver of any other present or future violation, Default or Event of Default under the Loan and Security Agreement or any other Loan Document (collectively, "**Other Violations**"). Similarly, nothing contained in this Amendment Agreement shall directly or indirectly in any way whatsoever either: (i) impair, prejudice or otherwise adversely affect Agent's or Lenders' or Secured Parties' right at any time to exercise any right, privilege or remedy in connection with the Loan and Security Agreement or any other Loan Document with respect to any Other Violations (including, without limiting the generality of the foregoing, in respect of the non-conformity to any representation, warranty or covenant contained in any Loan Documents), (ii) except as specifically provided in Article IV hereof, amend or alter any provision of the Loan and Security Agreement or any other Loan Document or any other contract or instrument, or (iii) constitute any course of dealing or other basis for altering any obligation of Borrower or any other Obligor under the Loan Documents or any right, privilege or remedy of Agent or Lenders or Secured Parties under the Loan and Security Agreement or any other Loan Document or any other contract or instrument with respect to Other Violations. Nothing in this Amendment Agreement shall be construed to be a consent by Agent or Lenders or Secured Parties to any Other Violations.

7.4 This Amendment Agreement shall be interpreted and the rights and liabilities of the parties hereto shall be determined in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

7.5 This Amendment Agreement may be executed in original and/or facsimile counterparts and all such counterparts taken together shall be deemed to constitute one and the same instrument.

[Remainder of page intentionally left blank; signatures begin on following page]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Consent and First Amendment to the Loan and Security Agreement as of the date first above written.

MIDFIELD SUPPLY ULC,
as Borrower

Per: /s/ DAN ENDERSBY
Name: Dan Endersby
Title: President

MEGA PRODUCTION TESTING INC.,
as Guarantor

Per: /s/ DAN ENDERSBY
Name: Dan Endersby
Title: President

BANK OF AMERICA, N.A.
(acting through its Canada branch),
as Agent

Per: /s/ NELSON LAM
Name: Nelson Lam
Title: Vice President

AGREED AND ACCEPTED by the Lenders:

BANK OF AMERICA, N.A.
(acting through its Canada branch),
as Lender

Per: /s/ NELSON LAM
Name: Nelson Lam
Title: Vice President

ALBERTA TREASURY BRANCHES,
as Lender

Per: /s/ DWAYNE HOOPFER
Name: Dwayne Hoopfer
Title: Relationship Manager, Energy Banking

Per: /s/ GERALD BUHLER
Name: Gerald Buhler
Title: Account Manager

ROYAL BANK OF CANADA
(Asset Based Finance),
as Lender

Per: /s/ DOUG ROBINSON
Name: Doug Robinson
Title: Sr. Portfolio Manager

Per: /s/ MARCELLE FERNANDES
Name: Marcelle Fernandes
Title: Portfolio Manager

HSBC BANK CANADA,
as Lender

Per: /s/ WADE SCHULER
Name: Wade Schuler
Title: Senior Account Manager
Commercial Financial Services

Per: /s/ GARTH EVANS
Name: Garth Evans
Title: Assistant Vice President
Commercial Financial Services

JPMORGAN CHASE BANK, N.A.
TORONTO BRANCH,
as Lender

Per: /s/ MICHAEL TAM
Name: Michael Tam
Title: Senior Vice President

SECOND AMENDMENT TO THE LOAN AND SECURITY AGREEMENT

EXECUTED by the parties hereto as of the 17th day of May, 2007,

AMONG: **MIDFIELD SUPPLY ULC**

(the "Borrower")

AND: **MEGA PRODUCTION TESTING INC.**

(the "Guarantor")

AND: **BANK OF AMERICA, N.A. (acting through its Canada branch)**

in its capacity as agent for Lenders and in its capacity as collateral agent for Secured Parties under the Security Documents

(the "Agent")

AND: **THE FINANCIAL INSTITUTIONS PARTY TO THE LOAN AND SECURITY AGREEMENT, as Lenders**

(collectively the "Lenders")

WHEREAS Borrower, the other Obligors thereto, Lenders and Agent, in its capacity as agent for and on behalf of Lenders and in its capacity as collateral agent for Secured Parties under the Security Documents, entered into a Loan and Security Agreement made as of November 2, 2006 (as amended pursuant to a Consent and First Amendment to the Loan and Security Agreement dated as of April 26, 2007, and as the same has or may be further amended, modified, restated, supplemented or replaced from time to time, the "**Loan and Security Agreement**");

AND WHEREAS Borrower has advised Agent and Lenders that it intends on imminently closing the ATB Financial Debt and the Agent and ATB shall enter into the ATB Intercreditor Agreement;

AND WHEREAS the parties hereto have agreed to amend certain provisions of the Loan and Security Agreement, but only to the extent and subject to the limitations set forth in this Second Amendment to the Loan and Security Agreement (hereinafter this "**Amendment Agreement**") and without prejudice to Agent's, Lenders' and Secured Parties' other rights;

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

ARTICLE I – INTERPRETATION

1.1 All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan and Security Agreement.

ARTICLE II – AMENDMENT

2.1 As of the Amendment Effective Date, paragraph (a) of Section 10.2.8 of the Loan and Security Agreement is hereby deleted and the following substituted therefore:

"(a) ATB Financial Debt except to the extent that no Default or Event of Default shall have occurred and be continuing or arise from any such payment;"

ARTICLE III – CONDITIONS TO EFFECTIVENESS

3.1 This Amendment Agreement shall become effective upon Borrower and each Guarantor delivering to Agent five originally executed copies of this Amendment Agreement (the date of satisfaction of such condition being referred to herein as the "**Second Amendment Effective Date**").

ARTICLE IV – REPRESENTATIONS AND WARRANTIES

4.1 Borrower and each Guarantor warrant and represent to Agent and Lenders that the following statements are true, correct and complete:

(a) Authorization, Validity, and Enforceability of this Amendment Agreement. Each of Borrower and each Guarantor has the corporate power and authority to execute and deliver this Amendment Agreement and to perform the Loan and Security Agreement. Each of Borrower and each Guarantor has taken all necessary corporate action (including, without limitation, obtaining approval of its shareholders if necessary) to authorize its execution and delivery of this Amendment Agreement and the performance of the Loan and Security Agreement. This Amendment Agreement has been duly executed and delivered by the each of Borrower and each Guarantor and this Amendment Agreement and the Loan and Security Agreement constitute the legal, valid and binding obligations of each of Borrower and each Guarantor, enforceable against them in accordance with their respective terms without defence, compensation, setoff or counterclaim. Borrower's and each Guarantor's execution and delivery of this Amendment Agreement and the performance by Borrower and each Guarantor of the Loan and Security Agreement do not and will not conflict with, or constitute a violation or breach of, or constitute a default under, or result in the creation or imposition of any Lien upon the property of Borrower or any Subsidiaries or Guarantor by reason of the terms of (a) any contract, mortgage, hypothec, Lien, lease, agreement, indenture, or instrument to which any of Borrower or any Guarantor is a party or which is binding on any of them, (b) any requirement of law applicable to Borrower or any Subsidiaries or any Guarantor, or (c) the certificate or articles of incorporation or amalgamation or bylaws of Borrower or any Subsidiaries or any Guarantor.

(b) Governmental Authorization. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any governmental authority or other person is necessary or required in connection with the execution, delivery or performance by, or enforcement against Borrower or any Subsidiaries or any

Guarantor of this Amendment Agreement or the Loan Security Agreement except for such as have been obtained or made and filings required in order to perfect and render enforceable the Agent's Liens.

(c) Incorporation of Representations and Warranties From Loan and Security Agreement. The representations and warranties contained in the Loan and Security Agreement are and will be true, correct and complete in all material respects on and as of the Second Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true, correct and complete in all material respects on and as of such earlier date.

(d) Absence of Default. No event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Amendment Agreement that would constitute an Event of Default.

(e) Security. All security delivered to or for the benefit of Agent on behalf of Secured Parties pursuant to the Loan and Security Agreement and the other Loan Documents remain in full force and effect and secure all Obligations of Borrower and each Guarantor under the Loan and Security Agreement and the other Loan Documents to which they are a party.

ARTICLE V – MISCELLANEOUS

5.1 Borrower (i) reaffirms its Obligations under the Loan and Security Agreement and the other Loan Documents to which it is a party, and (ii) agrees that the Loan and Security Agreement and the other Loan Documents to which it is a party remain in full force and effect, except as amended hereby, and are hereby ratified and confirmed.

5.2 Each Guarantor (i) consents to and approves the execution and delivery of this Amendment Agreement by the parties hereto, (ii) agrees that this Amendment Agreement does not and shall not limit or diminish in any manner the obligations of each Guarantor under its Guarantee (collectively, the "**Guarantees**") and that such obligations would not be limited or diminished in any manner even if such Guarantor had not executed this Amendment Agreement, (iii) agrees that this Amendment Agreement shall not be construed as requiring the consent of a Guarantor in any other circumstance, (iv) reaffirms each of its obligations under the Guarantees and the other Loan Documents to which it is a party, and (v) agrees that the Guarantees and the other Loan Documents to which it is a party remain in full force and effect and are hereby ratified and confirmed.

5.3 Nothing contained in this Amendment Agreement or any other communication between Agent and/or Lenders and/or Secured Parties and Borrower (or any other Obligor) shall be a waiver of any present or future violation, Default or Event of Default under the Loan and Security Agreement or any other Loan Document (collectively, "**Violations**"). Similarly, nothing contained in this Amendment Agreement shall directly or indirectly in any way whatsoever either: (i) impair, prejudice or otherwise adversely affect Agent's or Lenders' or Secured Parties' right at any time to exercise any right, privilege or remedy in connection with the Loan and Security Agreement or any other Loan Document with

respect to any Violations (including, without limiting the generality of the foregoing, in respect of the non-conformity to any representation, warranty or covenant contained in any Loan Documents), (ii) except as specifically provided in Article II hereof, amend or alter any provision of the Loan and Security Agreement or any other Loan Document or any other contract or instrument, or (iii) constitute any course of dealing or other basis for altering any obligation of Borrower or any other Obligor under the Loan Documents or any right, privilege or remedy of Agent or Lenders or Secured Parties under the Loan and Security Agreement or any other Loan Document or any other contract or instrument with respect to Violations. Nothing in this Amendment Agreement shall be construed to be a consent by Agent or Lenders or Secured Parties to any Violations.

5.4 This Amendment Agreement shall be interpreted and the rights and liabilities of the parties hereto shall be determined in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

5.5 This Amendment Agreement may be executed in original and/or facsimile counterparts and all such counterparts taken together shall be deemed to constitute one and the same instrument.

[Remainder of page intentionally left blank; signatures begin on following page]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Second Amendment to the Loan and Security Agreement as of the date first above written.

MIDFIELD SUPPLY ULC,
as Borrower

Per: /s/ DAN ENDERSBY
Name: Dan Endersby
Title: President

MEGA PRODUCTION TESTING INC.,
as Guarantor

Per: /s/ DAN ENDERSBY
Name: Dan Endersby
Title: President

BANK OF AMERICA, N.A.
(acting through its Canada branch),
as Agent

Per: /s/ NELSON LAM
Name: Nelson Lam
Title: Vice President

AGREED AND ACCEPTED by the Lenders:

BANK OF AMERICA, N.A.
(acting through its Canada branch),
as Lender

Per: /s/ NELSON LAM
Name: Nelson Lam
Title: Vice President

ALBERTA TREASURY BRANCHES,
as Lender

Per: /s/ DWAYNE HOOPFER
Name: Dwayne Hoopfer
Title: Relationship Manager

Per: /s/ GERALD BUHLER
Name: Gerald Buhler
Title: Account Manager

ROYAL BANK OF CANADA
(Asset Based Finance),
as Lender

Per: /s/ DOUG ROBINSON
Name: Doug Robinson
Title: Sr. Portfolio Manager

Per: /s/ MARCELLE FERNANDES
Name: Marcelle Fernandes
Title: Portfolio Manager

HSBC BANK CANADA,
as Lender

Per: /s/ WADE SCHULER
Name: Wade Schuler
Title: Senior Account Manager
Commercial Financial Services

Per: /s/ GARTH EVANS
Name: Garth Evans
Title: Assistant Vice President
Commercial Financial Services

JPMORGAN CHASE BANK, N.A.
TORONTO BRANCH,
as Lender

Per: /s/ BARRY WALSH
Name: Barry Walsh
Title: Vice President

THIRD AMENDMENT, CONSENT AND WAIVER TO THE LOAN AND SECURITY AGREEMENT

EXECUTED by the parties hereto as of the 31st day of October, 2007,

AMONG: **MIDFIELD SUPPLY ULC**

(the "Borrower")

AND: **MEGA PRODUCTION TESTING INC.**
NORTHERN BOREAL SUPPLY LTD.
HAGAN OILFIELD SUPPLY LTD.
1048025 ALBERTA LTD.
1236564 ALBERTA LTD.

(collectively the "Guarantors", and individually a "Guarantor")

AND: **BANK OF AMERICA, N.A. (acting through its Canada branch)**

in its capacity as agent for Lenders and in its capacity as collateral agent for Secured Parties under the Security Documents

(the "Agent")

AND: **THE FINANCIAL INSTITUTIONS PARTY TO THE LOAN AND SECURITY AGREEMENT, as Lenders**

(collectively the "Lenders")

WHEREAS Borrower, the other Obligors thereto, Lenders and Agent, in its capacity as agent for and on behalf of Lenders and in its capacity as collateral agent for Secured Parties under the Security Documents, entered into a Loan and Security Agreement made as of November 2, 2006 (as amended pursuant to a Consent and First Amendment to the Loan and Security Agreement dated as of April 26, 2007, a Second Amendment to the Loan and Security Agreement dated as of May 17, 2007, and as the same has or may be further amended, modified, restated, supplemented or replaced from time to time, the "**Loan and Security Agreement**");

AND WHEREAS Borrower has advised Agent and Lenders that (i) it intends on amalgamating with its Subsidiary, Northern Boreal Supply Ltd., and continue its existence as Midfield Supply ULC (hereinafter, "**Amalco**"), and (ii) its Subsidiaries, Hagan Oilfield Supply Ltd., 1048025 Alberta Ltd. and 1236564 Alberta Ltd., intend on amalgamating and continuing their existence as Hagan Oilfield Supply Ltd. (hereinafter the "**Hagan Amalco**"), the whole pursuant to Section 10.2.9 of the Loan and Security Agreement (collectively the "**Amalgamations**");

AND WHEREAS Borrower has advised Agent and Lenders that it has terminated the Distributor Agreement dated December 15, 2005, between NUSCO Supply & Manufacturing ULC (now known as Midfield Supply ULC) and IPSCO Inc. (the "**Distributor Agreement**");

AND WHEREAS Borrower has advised Agent and Lenders that it into intends to enter into a distributor agreement with Europump (the "**Europump Distributor Agreement**") and intends to enter into a distributor agreement with Tenaris Global Services (Canada), Inc. (the "**Tenaris Distributor Agreement**");

AND WHEREAS the Borrower has advised Agent and Lenders that it has acquired, or it intends to acquire (i) the supply business of Europump, namely the supply stores which sell and distribute oilfield service equipment in Western Canada (the "**Europump Acquisition**"), the whole substantially in accordance with the terms of the Asset Purchase Agreement attached hereto as Schedule "A" (the "**Europump APA**"), (ii) substantially all of the assets of Traak & Field Enterprises Ltd. (the "**Traak & Field Acquisition**"), the whole substantially in accordance with the terms of the Asset Purchase Agreement attached hereto as Schedule "B" (the "**Traak & Field APA**"), (iii) substantially all of the assets of Shur-Run Hotshot Services Ltd. (the "**Shur-Run Acquisition**"), the whole substantially in accordance with the terms of the Asset Purchase Agreement attached hereto as Schedule "C" (the "**Shur-Run APA**"), and (iv) substantially all of the assets of Mark Energy Services Ltd. (the "**Mark Energy Acquisition**"), the whole substantially in accordance with the terms of the Asset Purchase Agreement attached hereto as Schedule "D" (the "**Mark Energy APA**"); (the EuroPump Acquisition, the Traak & Field Acquisition, the Shur-Run Acquisition and the Mark Energy Acquisition collectively called the "**Recent Acquisitions**", and each a "**Recent Acquisition**");

AND WHEREAS Borrower has advised Agent and Lenders that Events of Default have occurred under the Credit Agreement as a result of the Violations (as hereinafter defined);

AND WHEREAS the Borrower has requested that Agent and Lenders consider certain other amendments to the Loan and Security Agreement;

AND WHEREAS Agent and Lenders wish to confirm their consent to the Amalgamations and the Recent Acquisitions, the parties hereto have agreed to amend certain provisions of the Loan and Security Agreement and Agent and Lenders have agreed to waive the Events of Default existing as a result of the Violations, but, in each case, only to the extent and subject to the limitations set forth in this Third Amendment, Consent and Waiver to the Loan and Security Agreement (hereinafter this "**Amendment Agreement**") and without prejudice to Agent's, Lenders' and Secured Parties' other rights;

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

ARTICLE I – INTERPRETATION

1.1 All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan and Security Agreement.

ARTICLE II – AMENDMENTS

2.1 As of the Amendment Effective Date, the following defined term shall be added to Section 1.1 of the Loan and Security Agreement, in alphabetical order:

> "Permitted Acquisition — any transaction, or any series of related transactions, consummated on or after the Closing Date, by which an Obligor directly or indirectly acquires through a purchase of assets any ongoing business or all or substantially all of the assets of any Person engaged in any ongoing business, provided, however, that no Default or Event of Default exists or would result as a consequence of any such Acquisition, provided, further, that any such ongoing business so acquired is engaged in the same or a similar business of the applicable Obligor, as conducted by it on the Closing Date, and any activities incidental thereto, provided, further, that the aggregate consideration paid for any one such Acquisition does not exceed $500,000, and provided, further, that the aggregate consideration paid for all such Acquisitions in any 12-month rolling period does not exceed $1,000,000."

2.2 As of the Amendment Effective Date, the defined term "Capital Expenditure" contained in Section 1.1 of the Loan and Security Agreement is deleted and the following substituted therefor:

> "Capital Expenditures — all liabilities incurred, expenditures made or payments due (whether or not made) by Borrower or Subsidiary for (i) any Permitted Acquisition, and (ii) for the acquisition of any fixed assets, or any improvements, replacements, substitutions or additions thereto with a useful life of more than one year, including the principal portion of Capital Leases; provided, that the one time expenditures relating to the purchase of assets from Europump relating to its supply business, from Traak & Field Enterprises Ltd., from Shur-Run Hotshot Services Ltd. and from Mark Energy Services Ltd. shall be not be included in the calculation of Capital Expenditures."

2.3 With effect as of December 31, 2007, the defined term "Fiscal Year" contained in Section 1.1 of the Loan and Security Agreement is deleted and the following substituted therefor:

> "Fiscal Year — the fiscal year of Borrower and Subsidiaries for accounting and tax purposes, ending on December 31st of each year."

2.4 As of the Amendment Effective Date, Section 3.4 of the Loan and Security Agreement is hereby deleted and the following substituted therefore:

"3.4 Overdraft Loans

In respect of the accounts of an Obligor opened and maintained with the Bank, whenever a cheque or other item is presented for payment against such account in an amount greater than the then available balance in such account (an "Overdraft Loan"), such presentation shall be deemed to constitute a Notice of Borrowing for a Loan on the date of such notice in the amount of such Overdraft Loan (or the Equivalent Amount thereof),

bearing interest by reference to the Prime Rate Revolving Loan. Until such Overdraft Loan shall in fact be repaid by a Prime Rate Revolving Loan, any such Overdraft Loan shall constitute Obligations secured by the Collateral and, upon the making of a Prime Rate Revolving Loan, each Lender shall be required to participate in each such Revolving Loan on a Pro Rata basis and shall settle with the Agent regardless of whether any conditions of Borrowing, under Section 6.2 or otherwise, have otherwise been met."

2.5 As of the Amendment Effective Date, Section 10.2.3 of the Loan and Security Agreement is hereby deleted and the following substituted therefor:

"10.2.3. Capital Expenditures.

Commencing Fiscal Year 2007, make Capital Expenditures in excess of $5,000,000 in the aggregate by all Obligors during any Fiscal Year; provided, however, that if the amount of Capital Expenditures permitted to be made in any Fiscal Year exceeds the amount actually made, up to $250,000 of such excess may be carried forward to the next Fiscal Year; provided, further, that the one time Capital Expenditure (limited to a maximum aggregate amount of $8,500,000) related to the purchase of the Lands at, and the building of a new facility on, 502 Fifth St. W., Nisku, Alberta, is hereby permitted and not subject to this Section."

2.6 As of the Amendment Effective Date (and for greater certainty, after consummation of the Recent Acquisitions), Section 10.2.19 of the Loan and Security Agreement is hereby deleted and the following substituted therefor:

"10.2.19 Acquisitions.

Unless otherwise provided for herein, and except for any Permitted Acquisition, consummate any Acquisitions without the prior written consent of the Required Lenders."

2.7 As of the Amendment Effective Date, Section 10.2.23 of the Loan and Security Agreement is hereby deleted and the following substituted therefor:

"10.2.23 Distributor Agreements.

Not enter into a distributor agreement with Europump or with Tenaris Global Services (Canada), Inc., or with any other third party, except on terms and conditions satisfactory to the Agent, and upon execution and delivery to and in favour of the Agent of all such documents and instruments it may reasonably require in respect thereof. Upon the execution and delivery of any such distributor agreement, each Obligor shall not, and shall cause each Subsidiary not to, amend or terminate such distributor agreements, without the prior written consent of the Agent."

ARTICLE III – CONSENT TO AMALGAMATIONS

3.1 Further to Borrower's advice that each of the Amalgamations are set to occur on or prior to November 1, 2007, to the extent necessary, Agent hereby consents to each of the

Amalgamations, and declares itself satisfied pursuant to the terms of Section 10.2.9 of the Loan and Security Agreement.

3.2 The consent provided in Section 3.1 of this Amendment Agreement, and the Agent's satisfaction with the Amalgamations as provided in Section 10.2.9 of the Loan and Security Agreement, is conditioned on (i) the execution and delivery, on or before November 15, 2007, of the documents, instruments and things listed on Schedule "F" hereto (together with such other or further opinions, certificates, directions of payment or other documents or things reasonably required by Agent), and (ii) the acknowledgement, agreement and confirmation by each of Amalco and the Hagan Amalco, as applicable, that notwithstanding the completion of the Amalgamations: (a) all Loan Documents executed and delivered by (1) either of the Borrower or Northern Boreal Supply Ltd. with respect to Amalco, and (2) either of Hagan Oilfield Supply Ltd., 1048025 Alberta Ltd. and 1236564 Alberta Ltd. with respect to the Hagan Amalco, in each case, as of the date of the applicable Amalgamation, remain in full force and effect and extend to all debts, liabilities and obligations of the Obligors to the Agent under, pursuant to, or in connection with, the Loan and Security Agreement; (b) it is bound by the terms of such Loan Documents; and (c) the Liens granted in favour of the Agent pursuant to such Loan Documents by each of the Borrower and Northern Boreal Supply Ltd., with respect to Amalco, and by each of Hagan Oilfield Supply Ltd., 1048025 Alberta Ltd. and 1236564 Alberta Ltd., with respect to the Hagan Amalco, continue to extend to all debts, liabilities and obligations of Amalco and/or the Hagan Amalco, as applicable, owing to the Agent under, pursuant to, or arising out of, the Loan Documents.

ARTICLE IV – WAIVERS TO LOAN AND SECURITY AGREEMENT

4.1 Borrower has advised Agent and Lenders that an Event of Default has occurred under the Loan and Security Agreement as a result of the Capital Expenditures made by the Borrower in excess of $5,000,000 as a consequence of the Capital Expenditures relating to the purchase of the Lands at, and the building of a new facility on, 502 Fifth St. W., Nisku, Alberta, which were made in excess of the $5,000,000 threshold provided by Section 10.2.3 of the Loan and Security Agreement (the "**Capital Expenditure Violation**"). Subject to the terms of this Amendment Agreement, Agent and Lenders hereby waive, as of the Amendment Effective Date, the Event of Default existing as a result of the Capital Expenditure Violation.

4.2 The Borrower has advised Agent and Lenders that an Event of Default has occurred under the Loan and Security Agreement as a result of Borrower having consummated some or all of the Recent Acquisitions prior to the Amendment Effective Date (the "**Acquisition Violation**"). Subject to the terms of this Amendment Agreement, Agent and Lenders hereby waive, as of the Amendment Effective Date, the Event of Default existing as a result of the Acquisition Violation.

4.3 The Borrower has advised Agent and Lenders that an Event of Default has occurred under the Loan and Security Agreement as a result of the termination of the Distributor Agreement (the "**Distributor Violation**", together with the Capital Expenditure Violation and the Acquisition Violation, hereinafter collectively the "**Violations**" and individually

a "**Violation**"). Subject to the terms of this Amendment Agreement, as of the Amendment Effective Date and notwithstanding the terms of Section 10.2.23 of the Loan and Security Agreement, to the extent necessary, Agent and Lenders hereby consent to the termination of the Distributor Agreement, and Agent and Lenders hereby waive the Event of Default existing as a result of the Distributor Violation.

4.4 The Borrower has advised Agent and Lenders that, effective as of December 31, 2007, it intends on changing its Fiscal Year end from October 31st to December 31st of each year. Subject to the terms of this Amendment Agreement, the parties hereto agree that Borrower shall be in compliance with Section 10.1.2(a) of the Loan and Security Agreement if the financial information described in such Section 10.1.2(a), on the terms therein described, is delivered by Borrower (i) within 120 days of October 31, 2007 for the fiscal year then ended and relating to the twelve (12) month period preceding such date, (ii) within 120 days of December 31, 2008 for the fiscal year then ended and relating to the twelve (12) month period preceding such date, and (iii) within 120 days of any subsequent Fiscal Year, for such Fiscal Year then ended and relating to the applicable twelve (12) month period preceding the end of such Fiscal Year.

ARTICLE V – CONSENT TO THE RECENT ACQUISITIONS

5.1 Further to Borrower's advice that it has executed, or anticipates executing, the Europump APA, the Traak & Field APA, the Shur-Run APA and the Mark Energy APA, in each case on or prior to December 15, 2007, notwithstanding the terms of the Loan and Security Agreement or any other Loan Document, to the extent necessary, Agent and Lenders hereby consent to the each of the Acquisitions.

5.2 The consent provided in Section 5.1 of this Amendment Agreement is conditioned on the following:

(a) with respect to the Europump Acquisition: (i) such Acquisition is made substantially on the terms of the Europump APA, (ii) the total consideration paid for such Acquisition does not exceed $2,949,899.21 which amount is to be paid in cash and by setting off Accounts owed to the Borrower by Europump, and together with, on an ongoing basis, the annual Profit Participation Payments owing to Europump (with such amounts being applied firstly in reduction of the outstanding amount owed to the Borrower under the Europump Loan) (iii) Borrower shall provide Agent and Lenders, prior to, or concurrently with, the said Acquisition, an officer's certificate in the form attached hereto as Schedule "E" (together with such other or further opinions, certificates, directions of payment or other documents or things reasonably required by Agent), the whole in form and substance satisfactory to Agent, and (iii) Borrower shall provide such Lien Waivers as may be required pursuant to the Loan and Security Agreement.

(b) with respect to the Traak & Field Acquisition: (i) such Acquisition is made substantially on the terms of the Traak & Field APA, (ii) the total consideration paid for such Acquisition does not exceed $307,100 which is to be paid in cash, (iii) Borrower shall provide Agent and Lenders, prior to, or concurrently with, the

said Acquisition, an officer's certificate in the form attached hereto as Schedule "E" (together with such other or further opinions, certificates, directions of payment or other documents or things reasonably required by Agent), the whole in form and substance satisfactory to Agent, and (iii) Borrower shall provide such Lien Waivers as may be required pursuant to the Loan and Security Agreement.

(c) with respect to the Shur-Run Acquisition: (i) such Acquisition is made substantially on the terms of the Shur-Run APA, (ii) the total consideration paid for such Acquisition does not exceed $60,000 which is to be paid in cash, (iii) Borrower shall provide Agent and Lenders, prior to, or concurrently with, the said Acquisition, an officer's certificate in the form attached hereto as Schedule "E" (together with such other or further opinions, certificates, directions of payment or other documents or things reasonably required by Agent), the whole in form and substance satisfactory to Agent, and (iii) Borrower shall provide such Lien Waivers as may be required pursuant to the Loan and Security Agreement.

(d) with respect to the Mark Energy Acquisition: (i) such Acquisition is made substantially on the terms of the Mark Energy APA, (ii) the total consideration paid for such Acquisition does not exceed $500,000 which is to be paid in cash up to $200,000 and the balance thereof to be paid in stock, (iii) Borrower shall provide Agent and Lenders, prior to, or concurrently with, the said Acquisition, an officer's certificate in the form attached hereto as Schedule "E" (together with such other or further opinions, certificates, directions of payment or other documents or things reasonably required by Agent), the whole in form and substance satisfactory to Agent, and (iii) Borrower shall provide such Lien Waivers as may be required pursuant to the Loan and Security Agreement.

ARTICLE VI – CONDITIONS TO EFFECTIVENESS

6.1 This Amendment Agreement shall become effective upon satisfaction of the following conditions precedent (the date of satisfaction of all such conditions being referred to herein as the "**Amendment Effective Date**"):

(a) Borrower and each Guarantor delivering to Agent five originally executed copies of this Amendment Agreement; and

(b) Obligors delivering to Agent revised and updated disclosure Schedules to the Loan and Security Agreement reflecting current disclosure in accordance with the terms of the Loan and Security Agreement and after accounting for the consummation of the Amalgamations and the Acquisitions.

ARTICLE VII – REPRESENTATIONS AND WARRANTIES

7.1 Borrower and each Guarantor warrant and represent to Agent and Lenders that the following statements are true, correct and complete:

(a) Authorization, Validity, and Enforceability of this Amendment Agreement. Each of Borrower and each Guarantor has the corporate power and authority to execute and deliver this Amendment Agreement and to perform the Loan and Security Agreement. Each of Borrower and each Guarantor has taken all necessary corporate action (including, without limitation, obtaining approval of its shareholders if necessary) to authorize its execution and delivery of this Amendment Agreement and the performance of the Loan and Security Agreement. This Amendment Agreement has been duly executed and delivered by the each of Borrower and each Guarantor and this Amendment Agreement and the Loan and Security Agreement constitute the legal, valid and binding obligations of each of Borrower and each Guarantor, enforceable against them in accordance with their respective terms without defence, compensation, setoff or counterclaim. Borrower's and each Guarantor's execution and delivery of this Amendment Agreement and the performance by Borrower and each Guarantor of the Loan and Security Agreement do not and will not conflict with, or constitute a violation or breach of, or constitute a default under, or result in the creation or imposition of any Lien upon the property of Borrower or any Subsidiaries or Guarantor by reason of the terms of (a) any contract, mortgage, hypothec, Lien, lease, agreement, indenture, or instrument to which any of Borrower or any Guarantor is a party or which is binding on any of them, (b) any requirement of law applicable to Borrower or any Subsidiaries or any Guarantor, or (c) the certificate or articles of incorporation or amalgamation or bylaws of Borrower or any Subsidiaries or any Guarantor.

(b) Governmental Authorization. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any governmental authority or other person is necessary or required in connection with the execution, delivery or performance by, or enforcement against Borrower or any Subsidiaries or any Guarantor of this Amendment Agreement or the Loan Security Agreement except for such as have been obtained or made and filings required in order to perfect and render enforceable the Agent's Liens.

(c) Incorporation of Representations and Warranties From Loan and Security Agreement. The representations and warranties contained in the Loan and Security Agreement are and will be true, correct and complete in all material respects on and as of the Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true, correct and complete in all material respects on and as of such earlier date.

(d) Absence of Default. No event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Amendment Agreement that would constitute an Event of Default.

(e) Security. All security delivered to or for the benefit of Agent on behalf of Secured Parties pursuant to the Loan and Security Agreement and the other Loan Documents remain in full force and effect and secure all Obligations of Borrower

and each Guarantor under the Loan and Security Agreement and the other Loan Documents to which they are a party.

ARTICLE VIII – MISCELLANEOUS

8.1 Borrower (i) reaffirms its Obligations under the Loan and Security Agreement and the other Loan Documents to which it is a party, and (ii) agrees that the Loan and Security Agreement and the other Loan Documents to which it is a party remain in full force and effect, except as amended hereby, and are hereby ratified and confirmed.

8.2 Each Guarantor (i) consents to and approves the execution and delivery of this Amendment Agreement by the parties hereto, (ii) agrees that this Amendment Agreement does not and shall not limit or diminish in any manner the obligations of each Guarantor under its Guarantee (collectively, the "**Guarantees**") and that such obligations would not be limited or diminished in any manner even if such Guarantor had not executed this Amendment Agreement, (iii) agrees that this Amendment Agreement shall not be construed as requiring the consent of a Guarantor in any other circumstance, (iv) reaffirms each of its obligations under the Guarantees and the other Loan Documents to which it is a party, and (v) agrees that the Guarantees and the other Loan Documents to which it is a party remain in full force and effect and are hereby ratified and confirmed.

8.3 Nothing contained in this Amendment Agreement or any other communication between Agent and/or Lenders and/or Secured Parties and Borrower (or any other Obligor) shall be a waiver of any present or future violation, Default or Event of Default under the Loan and Security Agreement or any other Loan Document (collectively, "**Violations**"). Similarly, nothing contained in this Amendment Agreement shall directly or indirectly in any way whatsoever either: (i) impair, prejudice or otherwise adversely affect Agent's or Lenders' or Secured Parties' right at any time to exercise any right, privilege or remedy in connection with the Loan and Security Agreement or any other Loan Document with respect to any Violations (including, without limiting the generality of the foregoing, in respect of the non-conformity to any representation, warranty or covenant contained in any Loan Documents), (ii) except as specifically provided in Article II hereof, amend or alter any provision of the Loan and Security Agreement or any other Loan Document or any other contract or instrument, or (iii) constitute any course of dealing or other basis for altering any obligation of Borrower or any other Obligor under the Loan Documents or any right, privilege or remedy of Agent or Lenders or Secured Parties under the Loan and Security Agreement or any other Loan Document or any other contract or instrument with respect to Violations. Nothing in this Amendment Agreement shall be construed to be a consent by Agent or Lenders or Secured Parties to any Violations.

8.4 The waivers contained in Sections 4.1 and 4.1 of this Amendment Agreement apply only to the applicable Violation, and nothing contained in this Amendment Agreement or any other communication between Agent and/or Lenders and/or other Secured Parties and Borrower (or any other Obligor) shall be a waiver of any other present or future violation, Default or Event of Default under the Loan and Security Agreement or any other Loan Document (collectively, "**Other Violations**"). Similarly, nothing contained in this Amendment Agreement shall directly or indirectly in any way whatsoever either:

(i) impair, prejudice or otherwise adversely affect Agent's or Lenders' or other Secured Parties' right at any time to exercise any right, privilege or remedy in connection with the Loan and Security Agreement or any other Loan Document with respect to any Other Violations (including, without limiting the generality of the foregoing, in respect of the non-conformity to any representation, warranty or covenant contained in any Loan Document), (ii) except as specifically provided herein, amend or alter any provision of the Loan and Security Agreement or any other Loan Document or any other contract or instrument, or (iii) constitute any course of dealing or other basis for altering any obligation of Borrower or any other Obligor under the Loan Documents or any right, privilege or remedy of Agent or Lenders or other Secured Parties under the Loan and Security Agreement or any other Loan Document or any other contract or instrument with respect to Other Violations. Nothing in this Amendment Agreement shall be construed to be a consent by Agent or Lenders or other Secured Parties to any Other Violations.

8.5 This Amendment Agreement shall be interpreted and the rights and liabilities of the parties hereto shall be determined in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

8.6 This Amendment Agreement may be executed in original and/or facsimile counterparts and all such counterparts taken together shall be deemed to constitute one and the same instrument.

[Remainder of page intentionally left blank; signatures begin on following page]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Third Amendment to the Loan and Security Agreement as of the date first above written.

MIDFIELD SUPPLY ULC,
as Borrower

Per: /s/ DAN ENDERSBY
Name: Dan Endersby
Title: President

MEGA PRODUCTION TESTING INC.,
as Guarantor

Per: /s/ DAN ENDERSBY
Name: Dan Endersby
Title: President

NORTHERN BOREAL SUPPLY LTD.,
as Guarantor

Per: /s/ DAN ENDERSBY
Name: Dan Endersby
Title: President

HAGAN OILFIELD SUPPLY LTD.,
as Guarantor

Per: /s/ DAN ENDERSBY
Name: Dan Endersby
Title: President

1048025 ALBERTA LTD.,
as Guarantor

Per: /s/ DAN ENDERSBY
Name: Dan Endersby
Title: President

1236564 ALBERTA LTD.,
as Guarantor

Per: /s/ DAN ENDERSBY
Name: Dan Endersby
Title: President

BANK OF AMERICA, N.A.
(acting through its Canada branch),
as Agent

Per: /s/ NELSON LAM
Name: Nelson Lam
Title: Vice President

AGREED AND ACCEPTED by the Lenders:

BANK OF AMERICA, N.A.
(acting through its Canada branch),
as Lender

Per: /s/ NELSON LAM
Name: Nelson Lam
Title: Vice President

ALBERTA TREASURY BRANCHES,
as Lender

Per: /s/ DWAYNE HOOPFER
Name: Dwayne Hoopfer
Title: Director

Per: /s/ GERALD BUHLER
Name: Gerald Buhler
Title: Associate Director

ROYAL BANK OF CANADA
(Asset Based Finance),
as Lender

Per: /s/ DOUG ROBINSON
Name: Doug Robinson
Title: Sr. Portfolio Manager

Per: /s/ MARCELLE FERNANDES
Name: Marcelle Fernandes
Title: Portfolio Manager

HSBC BANK CANADA,
as Lender

Per: /s/ WADE SCHULER
Name: Wade Schuler
Title: Senior Account Manager
Commercial Financial Services

Per: /s/ GARTH EVANS
Name: Garth Evans
Title: Assistant Vice President
Commercial Financial Services

JPMORGAN CHASE BANK, N.A.
TORONTO BRANCH,
as Lender

Per: /s/ BARRY WALSH
Name: Barry Walsh
Title: Vice President

FOURTH AMENDMENT TO THE LOAN AND SECURITY AGREEMENT

EXECUTED by the parties hereto as of the 28th day of April, 2008,

AMONG: MIDFIELD SUPPLY ULC

(the "Borrower")

AND: MEGA PRODUCTION TESTING INC.
HAGAN OILFIELD SUPPLY LTD.

(collectively the "Guarantors", and individually a "Guarantor")

AND: BANK OF AMERICA, N.A. (acting through its Canada branch)

in its capacity as agent for Lenders and in its capacity as collateral agent for Secured Parties under the Security Documents

(the "Agent")

AND: THE FINANCIAL INSTITUTIONS PARTY TO THE LOAN AND SECURITY AGREEMENT, as Lenders

(collectively the "Lenders")

WHEREAS Borrower, the other Obligors thereto, Lenders and Agent, in its capacity as agent for and on behalf of Lenders and in its capacity as collateral agent for Secured Parties under the Security Documents, entered into a Loan and Security Agreement made as of November 2, 2006 (as amended pursuant to a Consent and First Amendment to the Loan and Security Agreement dated as of April 26, 2007, a Second Amendment to the Loan and Security Agreement dated as of May 17, 2007, a Third Amendment, Consent and Waiver to the Loan and Security Agreement dated as of October 31, 2007, and as the same has or may be further amended, modified, restated, supplemented or replaced from time to time, the "**Loan and Security Agreement**");

AND WHEREAS the Borrower has requested that Agent and Lenders consider certain amendments to the Loan and Security Agreement;

AND WHEREAS the parties hereto have agreed to amend certain provisions of the Loan and Security Agreement but only to the extent and subject to the limitations set forth in this Fourth Amendment to the Loan and Security Agreement (hereinafter this "**Amendment Agreement**") and without prejudice to Agent's, Lenders' and Secured Parties' other rights;

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

ARTICLE I — INTERPRETATION

1.1 All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan and Security Agreement.

ARTICLE II — AMENDMENTS

2.1 As of the Amendment Effective Date, the defined term "Fixed Charges" contained in Section 1.1 of the Loan and Security Agreement is deleted and the following substituted therefor:

> "Fixed Charges — the sum, when actually paid in the period, of interest expense, principal payments on Borrowed Money (other than Revolving Loans and Closing Date Debt Repayments), income taxes (other than income taxes in the amount of $3,448,878 paid by Borrower in June 2007 which, for the purposes of this definition, shall be deemed to have been paid in February 2007), Capital Expenditures (except those financed with Borrowed Money other than Revolver Loans), Bonuses and Net Distributions less, when applicable, the one time payment in the amount of $2,500,000 paid by Borrower in February 2008 relating to the Northern Debt and less, when applicable, the one time payment in the amount of $500,000 paid (or to be paid) by Borrower in July 2008 relating to the Hagan Debt."

ARTICLE III — CONDITIONS TO EFFECTIVENESS

3.1 This Amendment Agreement shall become effective upon satisfaction of the following conditions precedent (the date of satisfaction of all such conditions being referred to herein as the **"Amendment Effective Date")**:

(a) Borrower and each Guarantor delivering to Agent five originally executed copies of this Amendment Agreement; and

(b) in consideration of the Agent and those Lenders entering into this Amendment Agreement, the Borrower hereby agrees to pay to the Agent, on behalf of itself and such Lenders, an amendment fee in the amount of $5,000 for each of the Lenders so entering into this Amendment Agreement, which fee shall be non-refundable and fully earned when paid and which fee shall be charged as Revolver Loan and be added to and form part of the Loans upon completion of the conditions precedent contemplated by paragraph 3.1(a) of this Amendment Agreement.

ARTICLE IV — REPRESENTATIONS AND WARRANTIES

4.1 Borrower and each Guarantor warrant and represent to Agent and Lenders that the following statements are true, correct and complete:

(a) Authorization, Validity, and Enforceability of this Amendment Agreement. Each of Borrower and each Guarantor has the corporate power and authority to execute and deliver this Amendment Agreement and to perform the Loan and Security Agreement. Each of Borrower and each Guarantor has taken all necessary corporate action (including, without limitation, obtaining approval of its shareholders if necessary) to authorize its execution and delivery of this Amendment Agreement and the performance of the Loan and Security Agreement. This Amendment Agreement has been duly executed and delivered by the each of Borrower and each Guarantor and this Amendment Agreement and the Loan and Security Agreement constitute the legal, valid and binding obligations of each of Borrower and each Guarantor, enforceable against them in accordance with their respective terms without defence, compensation, setoff or counterclaim. Borrower's and each Guarantor's execution and delivery of this Amendment Agreement and the performance by Borrower and each Guarantor of the Loan and Security Agreement do

not and will not conflict with, or constitute a violation or breach of, or constitute a default under, or result in the creation or imposition of any Lien upon the property of Borrower or any Subsidiaries or Guarantor by reason of the terms of (a) any contract, mortgage, hypothec, Lien, lease, agreement, indenture, or instrument to which any of Borrower or any Guarantor is a party or which is binding on any of them, (b) any requirement of law applicable to Borrower or any Subsidiaries or any Guarantor, or (c) the certificate or articles of incorporation or amalgamation or bylaws of Borrower or any Subsidiaries or any Guarantor.

(b) Governmental Authorization. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any governmental authority or other person is necessary or required in connection with the execution, delivery or performance by, or enforcement against Borrower or any Subsidiaries or any Guarantor of this Amendment Agreement or the Loan Security Agreement except for such as have been obtained or made and filings required in order to perfect and render enforceable the Agent's Liens.

(c) Incorporation of Representations and Warranties From Loan and Security Agreement. The representations and warranties contained in the Loan and Security Agreement are and will be true, correct and complete in all material respects on and as of the Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true, correct and complete in all material respects on and as of such earlier date.

(d) Absence of Default. No event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Amendment Agreement that would constitute an Event of Default.

(e) Security. All security delivered to or for the benefit of Agent on behalf of Secured Parties pursuant to the Loan and Security Agreement and the other Loan Documents remain in full force and effect and secure all Obligations of Borrower and each Guarantor under the Loan and Security Agreement and the other Loan Documents to which they are a party.

ARTICLE V — MISCELLANEOUS

5.1 Borrower (i) reaffirms its Obligations under the Loan and Security Agreement and the other Loan Documents to which it is a party, and (ii) agrees that the Loan and Security Agreement and the other Loan Documents to which it is a party remain in full force and effect, except as amended hereby, and are hereby ratified and confirmed.

5.2 Each Guarantor (i) consents to and approves the execution and delivery of this Amendment Agreement by the parties hereto, (ii) agrees that this Amendment Agreement does not and shall not limit or diminish in any manner the obligations of each Guarantor under its Guarantee (collectively, the **"Guarantees"**) and that such obligations would not be limited or diminished in any manner even if such Guarantor had not executed this Amendment Agreement, (iii) agrees that this Amendment Agreement shall not be construed as requiring the consent of a Guarantor in any other circumstance, (iv) reaffirms each of its obligations under the Guarantees and the other Loan Documents to which it is a party, and (v) agrees that the Guarantees and the other Loan Documents to which it is a party remain in full force and effect and are hereby ratified and confirmed.

5.3 Nothing contained in this Amendment Agreement or any other communication between Agent and/or Lenders and/or Secured Parties and Borrower (or any other Obligor) shall be a waiver of any present or future violation, Default or Event of Default under the Loan and Security Agreement or any other Loan Document (collectively, "**Violations**"). Similarly, nothing contained in this Amendment Agreement shall directly or indirectly in any way whatsoever either: (i) impair, prejudice or otherwise adversely affect Agent's or Lenders' or Secured Parties' right at any time to exercise any right, privilege or remedy in connection with the Loan and Security Agreement or any other Loan Document with respect to any Violations (including, without limiting the generality of the foregoing, in respect of the non-conformity to any representation, warranty or covenant contained in any Loan Documents), (ii) except as specifically provided in Article II hereof, amend or alter any provision of the Loan and Security Agreement or any other Loan Document or any other contract or instrument, or (iii) constitute any course of dealing or other basis for altering any obligation of Borrower or any other Obligor under the Loan Documents or any right, privilege or remedy of Agent or Lenders or Secured Parties under the Loan and Security Agreement or any other Loan Document or any other contract or instrument with respect to Violations. Nothing in this Amendment Agreement shall be construed to be a consent by Agent or Lenders or Secured Parties to any Violations.

5.4 This Amendment Agreement shall be interpreted and the rights and liabilities of the parties hereto shall be determined in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

5.5 This Amendment Agreement may be executed in original and/or facsimile counterparts and all such counterparts taken together shall be deemed to constitute one and the same instrument.

[Remainder of page intentionally left blank; signatures begin on following page]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Third Amendment to the Loan and Security Agreement as of the date first above written.

MIDFIELD SUPPLY ULC,
as Borrower

Per: /s/ Dan Endersby
Name: Dan Endersby
Title: President

MEGA PRODUCTION TESTING INC.,
as Guarantor

Per: /s/ Dan Endersby
Name: Dan Endersby
Title: President

HAGAN OILFIELD SUPPLY LTD.,
as Guarantor
Per: /s/ Dan Endersby
Name: Dan Endersby
Title: President

BANK OF AMERICA, N.A.
(acting through its Canada Branch), as Agent

Per: /s/
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Third Amendment to the Loan and Security Agreement as of the date first above written.

MIDFIELD SUPPLY ULC,
as Borrower

Per: _____
Name: Dan Endersby
Title: President

MEGA PRODUCTION TESTING INC.,
as Guarantor

Per: _____
Name: Dan Endersby
Title: President

RAGAN OILFIELD SUPPLY LTD.,
as Guarantor

Per: _____
Name: Dan Endersby
Title: President

BANK OF AMERICA, N.A.
(acting through its Canada branch),
as Agent

Per: /s/ Nelson Lam
Name: Nelson Lam
Title: Vice resident

AGREED AND ACCEPTED by the following Lenders:

BANK OF AMERICA, N.A.
(acting through its Canada branch),
as Lender

Per: /s/ Nelson Lam
Name: Nelson Lam
Title: Vice President

ALBERTA TREASURY BRANCHES,
as Lender

Per:
Name:
Title:

Per:
Name:
Title:

ROYAL BANK OF CANADA
(Asset Based Finance),
as Lender

Per:
Name:
Title:

Per:
Name:
Title:

HSBC BANK CANADA, as
Lender

Per:
Name:
Title:

AGREED AND ACCEPTED by the following Lenders:

BANK OF AMERICA, N.A.
(acting through its Canada branch),
as Lender

Per: _____
Name:
Title:

ALBERTA TREASURY BRANCHES,
as Lender

Per: /s/ D.A. (Dwayne) Hoopfer
Name: D.A. (Dwayne) Hoopfer
Title: Director Energy Group

Per: /s/ Gerald Buhler
Name: Gerald Buhler
Title: Associate Director Energy Group

ROYAL BANK OF CANADA
(Asset Based Finance),
as Lender

Per: _____
Name:
Title:

Per: _____
Name:
Title:

HSBC BANK CANADA,
as Lender

Per: _____
Name:
Title:

AGREED AND ACCEPTED by the following Lenders:

BANK OF AMERICA, N.A.
(acting through its Canada branch)
as Lender

Per: _____
Name:
Title:

ALBERTA TREASURY BRANCHES,
as Lender

Per: _____
Name:
Title:

Per: _____
Name:
Title:

ROYAL BANK OF CANADA
(Asset Based Finance),
as Lender

Per: _____
Name:
Title:

Per: _____
Name:
Title:

HSBC BANK CANADA,
as Lender

Per: /s/ Garth Evans
Name: Garth Evans
Title: Assistant Vice President
Commercial Financial Services

Per: /s/ Wade Schuler
Name: Wade Schuler
Title: Senior Account Manager
Commercial Financial Services

JPMORGAN CHASE BANK, N.A.
TORONTO BRANCH,6
as Lender

Per: /s/ Barry Walsh
Name: Barry Walsh

Title: Vice President

Exhibit 10.10

300, 239 8 Ave SW
Calgary, AB T2P 1B9
Phone: 403-974-5131
Fax: 403-974-5784

May 17, 2007

Midfield Supply ULC
1600 101 6th Ave SW
Calgary, Alberta
T2P 3P4

Attn: Rick Endersby

Dear Sir:

Alberta Treasury Branches has approved and offers financial assistance on the terms and conditions in the attached Commitment Letter.

You may accept our offer by returning the enclosed duplicate of this letter, signed as indicated below, by 4:00 p.m. on or before May 31, 2007 or our offer will automatically expire. We reserve the right to cancel our offer at any time prior to acceptance.

Thank you for your continued business.

Yours truly,

ALBERTA TREASURY BRANCHES

By: /s/ Dwayne Hoopfer
D.A. (Dwayne) Hoopfer
Relationship Manager

By: /s/ Gerald Buhler
Gerald Buhler
Account Manager

Encl.

Accepted this 17th day of May, 2007

Midfield Supply ULC

Per: /s/ Dan Endersby
Dan Endersby
President

Exhibit 10.10

COMMITMENT LETTER

LENDER: ALBERTA TREASURY BRANCHES

BORROWER: MIDFIELD SUPPLY ULC

1. AMOUNTS AND TYPES OF FACILITIES (each referred to as a "Facility")

Facility #1 – Revolving Term Loan Facility – Cdn. $15,000,000

- Facility #1 is available by way of:
  - Prime-based loans in Canadian dollars
  - Guaranteed Notes in Canadian dollars
- Notwithstanding the amount of Facility #1 (and except as otherwise provided in the Repayment section hereof), advances will be limited to the amount equal to the lesser of:
  - the maximum principal amount of Facility #1; and
  - an amount equal to 50% of the Tangible Asset Value of Tangible Assets then subject to the Security Documents.
- Facility #1 is to be used for the acquisition of Tangible Assets. Each advance shall be supported by an officer's certificate detailing the Tangible Asset being acquired, and shall not exceed 100% of the cost of the asset being acquired less GST and all appropriate taxes. The initial advance can be used to reimburse Borrower for the cost of Tangible Assets previously acquired by it, subject to the approval of Lender as to the assets, including their acquisition date.

2. INTEREST RATES AND PREPAYMENT:

Facility #1:

- Pricing applicable to Facility #1 is as follows:
  - Prime-based loans: Interest is payable in Canadian dollars at Prime plus the Applicable Facility #1 Margin per 365-day period
  - Guaranteed Notes: Acceptance fee is payable in Canadian dollars at the Applicable Facility #1 Margin per 365-day period
- The Applicable Facility #1 Margin shall be equal to the percentage rate per annum set out in the following table opposite the applicable ratio for the Borrower at the time of determination:

Ratio of Tangible Asset Value to outstanding Borrowings	Prime-based loans	Guaranteed Notes
≤ 3.00:1	0%	1.50%
>2.50 but < 3.00:1	0.25%	1.75%
> 2.00:1 but < 2.50:1	0.50%	2.00%

- The effective date of any change to the Applicable Facility #1 Margin shall be the 1st day of the fiscal quarter immediately following the last day of the period during which the Borrower is required to deliver financial statements hereunder. If financial statements are not delivered as required hereunder, the Applicable Facility #1 Margin shall immediately be the highest rate applicable, until such time as such financial statements are delivered and the ratio determined. If the Applicable Facility #1 Margin changes during the term of any Guaranteed Note, the acceptance fee paid shall be adjusted to reflect the Applicable Facility #1 Margin for the remaining term, and the parties shall forthwith make whatever payments are necessary to reflect such adjustment.
- The Applicable Facility #1 Margin shall be subject to a 0.50% increase on and after the Term Date.
- Facility #1 may be prepaid in whole or in part at any time (subject to the notice periods provided hereunder) without penalty, except that Guaranteed Notes cannot be prepaid prior to their maturity.

3. REPAYMENT:

Facility #1:

- Facility #1 is a committed term facility, as detailed herein.
- The “Term Date” is initially February 28, 2008, subject to extension as herein provided.
- Prior to the Term Date, Facility #1 may revolve in multiples as permitted hereunder, and Borrower may borrow, repay, reborrow and convert between types of Borrowings, up to the amount and subject to the notice periods provided herein.
- On the Term Date, any unutilized amount of Facility #1 will be cancelled, and the amount of Facility #1 will be reduced to the aggregate Borrowings outstanding on that date. On and after the Term Date, Facility #1 is non-revolving, and amounts repaid may not be re-borrowed, but Borrower can convert between types of Borrowings subject to the notice periods provided hereunder. All amounts outstanding under Facility #1 are due and payable in full on the date falling one (1) year after the Term Date.
- Borrower may request an extension of the Term Date by sending Lender a written request for extension in the form attached as Schedule “C” by no later than 90 days prior to the

then current Term Date, and Lender may in its sole discretion agree to extend the Term Date for a further period of up to 364 days. Lender shall advise Borrower of its decision regarding the extension by no later than 30 days prior to the then current Term Date.

4. FEES:

- Non-refundable application fee of $45,000 is payable on acceptance of this offer. Lender is hereby authorized to debit Borrower's current account for any unpaid portion of the fee.
- Any amount in excess of established credit facilities may be subject to a fee where Lender in its sole discretion permits excess Borrowings, if any.
- For monthly or quarterly reports or statements not received within the stipulated periods (and without limiting Lender's rights by virtue of such default), Borrower will be subject to a fee of $50 per month (per report or statement) for each late reporting occurrence, which will be deducted from Borrower's account.
- For annual reports or statements not received within the stipulated periods (and without limiting Lender's rights by virtue of such default), Borrower will be subject to a fee of $250 per month (per report or statement) for each late reporting occurrence, which will be deducted from Borrower's account.

5. SECURITY DOCUMENTS:

All Security Documents (whether now held or later delivered) shall secure all Facilities and all other obligations of Borrower to Lender (whether present or future, direct or indirect, contingent or matured).

The Security Documents required at this time are as follows:

(a) Solicitor prepared debenture from Borrower in the amount of $15,000,000 providing a fixed charge over all present real property and a floating charge over all after-acquired real property;

(b) Solicitor prepared security agreement from Borrower providing a security interest over all present and after-acquired equipment of the Borrower, and specifically listing all equipment having a net book value of $250,000 or more;

(c) Solicitor prepared inter-creditor agreement (the "Intercreditor Agreement") with Bank of America, N.A. as agent under the Syndicated Facility;

(d) Solicitor prepared subordination agreement from all shareholders of Borrower; and

(e) Confirmation of Insurance Coverage on the Tangible Assets with first loss payable to Lender.

All Security Documents shall be in form and substance acceptable to Lender and shall be supported by satisfactory legal opinions from Borrower's counsel. The Security Documents have or are to be registered in Alberta, British Columbia and Saskatchewan, with specific registrations against all real property, and against equipment having a net book value of $250,000 or more.

6. REPRESENTATIONS AND WARRANTIES:

Borrower represents and warrants to Lender that:

(a) it is an unlimited liability corporation duly incorporated, validly existing and duly registered or qualified to carry on business in the Province of Alberta and in each other jurisdiction where it carries on any material business;

(b) as of the date hereof, the only shareholders of Borrower are Red Man Pipe and Supply Canada Ltd. ("Red Man") and Midfield Holdings (Alberta) Ltd. ("Midfield Holdings");

(c) the execution, delivery and performance by it of this agreement and each Security Document to which it is a party have been duly authorized by all necessary actions and do not violate its governing documents or any applicable laws or agreements to which it is subject or by which it is bound;

(d) if, after the date hereof, any person (a "Guarantor") provides a guarantee of Borrower's obligations to Lender, such Guarantor will be a corporation duly incorporated, validly existing and duly registered or qualified to carry on business in the Province of Alberta and in each other jurisdiction where it carries on any material business, and the execution, delivery and performance by such Guarantor of this agreement and each Security Document to which it becomes a party will have been duly authorized by all necessary actions and will not violate its governing documents or any applicable laws or agreements to which it will be subject or by which it will be bound;

(e) no Default or Event of Default has occurred;

(f) the most recent financial statements of Borrower and, if applicable, any Guarantor, provided to Lender fairly present its financial position as of the date thereof and its results of operations and cash flows for the fiscal period covered thereby, and since the date of such financial statements, there has occurred no material adverse change in its business or financial condition;

(g) each Loan Party has good and marketable title to all of its properties and assets, free and clear of any encumbrances, other than Permitted Encumbrances; and

(h) each Loan Party is in compliance in all material respects with all applicable laws including, without limitation, all environmental laws, and there is no existing material impairment to its properties and assets as a result of environmental damage, except to the extent disclosed in writing to Lender and acknowledged by Lender.

All representations and warranties are deemed to be repeated by Borrower on each request for an advance hereunder.

7. POSITIVE COVENANTS:

Borrower covenants with Lender that so long as it is indebted or otherwise obligated (contingently or otherwise) to Lender, it will do and perform the following covenants:

(a) Borrower will pay to Lender when due all amounts (whether principal, interest or other sums) owing by it to Lender from time to time;

(b) Borrower will deliver to Lender the Security Documents, in all cases in form and substance satisfactory to Lender and Lender's solicitor;

(c) Borrower will ensure that (i) all Tangible Assets, and (ii) at least 95% of its consolidated assets, are held by Borrower directly or by any Guarantors which have provided security in favour of and to the extent required by Lender;

(d) Borrower will, prior to acquiring any Subsidiary or allowing any Subsidiary to have assets of a type or in an amount which would otherwise violate subsection 7(c) above, cause such Subsidiary to provide a guarantee in favour of Lender as well as grant similar Security Documents in favour of Lender as those delivered by Borrower hereunder;

(e) Borrower will use the proceeds of loans only for the purposes approved by Lender;

(f) each Loan Party will maintain its valid existence as a corporation (and, in the case of Borrower, as an unlimited liability corporation) and except to the extent any failure to do so could not reasonably be expected to have a Material Adverse Effect, will maintain all licenses and authorizations required from regulatory or governmental authorities or agencies to permit it to carry on its business, including, without limitation, any licenses, certificates, permits and consents for the protection of the environment;

(g) each Loan Party will maintain appropriate books of account and records relative to the operation of its business and financial condition;

(h) each Loan Party will maintain and defend title to all of its property and assets, will maintain, repair and keep in good working order and condition all of its property and assets and will continuously carry on and conduct its business in a proper, efficient and businesslike manner;

(i) each Loan Party will maintain appropriate types and amounts of insurance with Lender shown as first loss payee on any property insurance covering any assets on which Lender has security, and promptly advise Lender in writing of any significant loss or damage to its property;

(j) each Loan Party will provide evidence of insurance to Lender on all Tangible Assets, and otherwise, on request;

(k) each Loan Party will permit Lender, by its officers or authorized representatives at any reasonable time and on reasonable prior notice, to enter its premises and to inspect its plant, machinery, equipment and other real and personal property and their operation, and to examine and copy all of its relevant books of accounts and records;

(l) each Loan Party will remit all sums when due to tax and other governmental authorities (including, without limitation, any sums in respect of employees and GST) and will pay when due all other Potential Prior-Ranking Claims, and upon request, will provide Lender with such information and documentation in respect thereof as Lender may reasonably require from time to time;

(m) each Loan Party will comply with all applicable laws, including without limitation, environmental laws, except to the extent any failure to do so could not reasonably be expected to have a Material Adverse Effect;

(n) Borrower will promptly advise Lender in writing, giving reasonable details, of:

i) the discovery of any contaminant or any spill, discharge or release of a contaminant into the environment from or upon its property which could reasonably be expected to result in a Material Adverse Effect;

ii) the occurrence or existence of any Default or Event of Default;

iii) each event which has or is reasonably likely to have a Material Adverse Effect;

iv) any amendment to and any breach or default under the Syndicated Facility;

v) any change in its shareholders or other holders of its Equity Interests; and

vi) any proposed Purchase Money Security Interest, Capital Lease or sale-leaseback transaction involving a Tangible Asset (which for greater certainty, requires Lender's consent prior to the entering into thereof); and

(o) Borrower undertakes that, upon request from Lender, it will, or will cause a Guarantor to, grant a fixed mortgage and charge to Lender on any or all real property of a Loan Party and a specifically registered security interest on any or all equipment of a Loan Party, in each case as so designated by Lender. Each Loan Party shall promptly provide to Lender all information reasonably requested by Lender to assist it in that regard. Each Loan Party acknowledges that this undertaking constitutes present and continuing security in favour of Lender, and that Lender may file such caveats, security notices, financing statements or other filings in regard thereto at any time and from time to time as Lender may determine.

If any such covenant is to be done or performed by a Guarantor, Borrower also covenants with Lender to cause Guarantor to do or perform such covenant.

8. NEGATIVE COVENANTS:

Borrower covenants with Lender that while it is indebted or otherwise obligated (contingently or otherwise) to Lender, it will not do any of the following, without the prior written consent of Lender:

(a) a Loan Party will not create or permit to exist any mortgage, charge, lien, encumbrance or other security interest on any of its present or future assets, other than Permitted Encumbrances;

(b) a Loan Party will not create, incur, assume or allow to exist any Indebtedness other than Permitted Indebtedness;

(c) a Loan Party will not sell, lease or otherwise dispose of any assets except (i) inventory sold, leased or disposed of in the ordinary course of business, (ii) obsolete equipment which is being replaced with equipment of an equivalent value, and (iii) assets (other than real property) sold, leased or disposed of during a fiscal year having an aggregate fair market value not exceeding $2,500,000 for such fiscal year;

(d) a Loan Party will not provide financial assistance (by means of a loan, guarantee or otherwise) to any person (other than Lender), other than (i) guarantees granted to support Indebtedness arising under the Syndicated Facility, and (ii) other financial assistance not in excess of $5,500,000 in aggregate at any one time;

(e) a Loan Party will not make any Distributions or any payments to persons having an Equity Interest in Borrower (except a Distribution by a Subsidiary to Borrower), and will not create or suffer to exist any encumbrance or restriction on the ability of a Subsidiary to make any Distribution to Borrower, except for restrictions under applicable law, provided, however, that Borrower may pay Bonuses to its employees, pay principal and interest to persons having an Equity Interest in Borrower who are holders of Shareholders' Notes and pay interest to Red Man on Class R Note; but only if no Default or Event of Default exists at the time of making such payment and no Default or Event of Default would occur as a consequence of the making of such payment, and provided further, that in the case of payments of principal or interest on Shareholders' Notes, that the persons holding such Shareholders' Notes have entered in to a subordination agreement on terms acceptable to Lender;

(f) a Loan Party will not amalgamate, consolidate, or merge with any person other than a Loan Party and then only if no Default or Event of Default is then in existence or would be caused as a result thereof;

(g) a Loan Party will not acquire any assets in, or move or allow any of its assets to be moved to, a jurisdiction where Lender has not registered or perfected the Security Documents;

(h) a Loan Party will not change the present nature of its business;

(i) a Loan Party will not enter into any Hedging Agreement which is not used for risk management in relation to its business or which is not entered into in the ordinary course of its business but is entered into for speculative purposes, or which, in the case of commodity swaps or similar transactions of either a financial or physical nature, have a term exceeding two years;

(j) a Loan Party will not allow any pollutant (including any pollutant now on, under or about such land) to be placed, handled, stored, disposed of or released on, under or about any of its lands unless done in the normal course of its business and then only as long as it complies with all applicable laws in placing, handling, storing, transporting, disposing of or otherwise dealing with such pollutants, except to the extent any failure to do so could not reasonably be expected to have a Material Adverse Effect; and

(k) Borrower will not utilize Borrowings to finance a hostile takeover.

If a Guarantor is not to do an act, Borrower also covenants with Lender not to permit Guarantor to do such act.

9. REPORTING COVENANTS

Borrower will provide to Lender:

(a) within 120 days after the end of each of its fiscal years:

i) financial statements of Borrower on an audited, consolidated basis prepared by a firm of qualified accountants;

ii) a compliance certificate executed by a senior officer of Borrower in the form attached hereto as Schedule "A";

iii) an environmental questionnaire and disclosure statement in the form requested by Lender.

(b) within 60 days following the end of each of its first 3 fiscal quarters:

i) internally produced consolidated financial statements of Borrower for that quarter, and

ii) a compliance certificate executed by a senior officer of Borrower in the form attached hereto as Schedule "A";

(c) within 60 days after the end of each of its fiscal quarters, a list of all real property and a list of all other assets constituting Tangible Assets broken down by category of asset and providing details for any asset having a net book value of $250,000 or more;

(d) within 120 days after the end of each of its fiscal year ends, annual consolidated and non-consolidated capital and revenue budgets, projected balance sheet, income statement and cash flow statement from Borrower for the next following fiscal year; and

(e) on request, any further information regarding its assets, operations and financial condition that Lender may from time to time reasonably require.

10. FINANCIAL COVENANTS:

Borrower will at all times comply with the following financial covenants on a consolidated basis:

(a) Borrower must maintain a Leverage Ratio not greater than 3.50:1;

(b) Borrower must maintain a Fixed Charge Coverage Ratio of at least 1.15:1; and

(c) Borrower must maintain a ratio of Tangible Asset Value to Borrowings outstanding of at least 2.00:1.

Each of the above financial ratios shall be maintained at all times and shall be detailed in the compliance certificate required to be delivered hereunder.

11. CONDITIONS PRECEDENT:

No Facilities will be available until the following conditions precedent have been satisfied, unless waived by Lender:

(a) Lender has received all Security Documents and all registrations and filings have been completed in Alberta, British Columbia and Saskatchewan, in all cases in form and substance satisfactory to Lender. Specific charges to be registered against capital assets having a value in excess of $250,000;

(b) Borrower and Guarantors (if any) have provided all authorizations and all financial statements, appraisals, environmental reports and any other information that Lender may require;

(c) Borrower has provided a copy of the Shareholders Agreement and the Class R Note;

(d) Lender has received confirmation that the second amendment to the Syndicated Facility has become effective in the form agreed to by the Lender;

(e) Lender has received payment of all fees due in respect hereof;

(f) Lender is satisfied as to the value of Borrower's and any Guarantor's assets and financial condition, and Borrower's and any Guarantor's ability to carry on business and repay any amount owed to Lender from time to time;

(g) There is no default hereunder or under any Security Document, and all representations and warranties hereunder are true and correct in all material respects as if made on such date;

(h) Lender has received an environmental assessment and appraisal report for all real estate projects (both old and new) having a value greater than $500,000; and

(i) Advances under Facility #1 are subject to a minimum of $100,000 and will be advanced against an officers certificate detailing the Tangible Asset acquired.

It is a condition precedent to each subsequent advance hereunder that, at the time of such advance, all representations and warranties hereunder must be true and correct in all material respects as if made on such date, and there must be no default hereunder or under any Security Document. As noted above, condition precedent (h) applies for each advance hereunder.

12. AUTHORIZATIONS AND SUPPORTING DOCUMENTS

Borrower has delivered or will deliver the following authorizations and supporting documents to Lender on behalf of Borrower and any Guarantor:

(a) Incorporation documents including Certificate of Incorporation/Amalgamation, Articles of Incorporation/Amalgamation (including any amendments) and last Notice of Directors;

(b) Business Corporation Agreement;

(c) Environmental Questionnaire & Disclosure Statement;

(d) Sunlife Group Creditor's Life Insurance – application or waiver;

(e) Credit Information and Alberta Land Titles Office Name Search Consent Form.

13. DRAWDOWNS, PAYMENTS AND EVIDENCE OF INDEBTEDNESS

– Interest on Prime-based loans is calculated on the daily outstanding principal balance, and is payable on the last day of each month.

- If Guaranteed Notes are available hereunder, Borrower will issue non-interest bearing promissory notes to Lender in multiples of $100,000, subject to a minimum of $1,000,000, with a minimum term of 30 days and up to 90 day maturity dates. Borrower agrees to be bound by the power of attorney set out in Schedule "B" hereto. On the date of drawdown, Lender shall make an advance to Borrower in an amount equal to the proceeds which would have been realized from a hypothetical sale of those Guaranteed Notes at the Discount Rate, less the acceptance fees payable hereunder. Lender is authorized to hold or negotiate any such promissory notes. Guaranteed Notes shall remain in effect until the maturity of the term selected and notwithstanding anything to the contrary contained herein, may not be repaid prior to their maturity. On the maturity date thereof, Borrower shall pay Lender the face amount of each Guaranteed Note. If Lender does not receive written instructions from Borrower prior to maturity concerning the renewal of the Guaranteed Notes, then the face amount of the Guaranteed Notes shall be automatically deemed to be outstanding as a Prime-based loan under the relevant Facility until written instructions are received from Borrower.
- Borrower shall monitor its Borrowings (including the face amount and maturity date of each Guaranteed Note) to ensure that the Borrowings hereunder do not exceed the maximum amount available hereunder. Lender shall have no obligation to make any Borrowing available in excess of amounts available hereunder.
- Borrower shall provide notice to Lender prior to requesting an advance or making a repayment or conversion of Borrowings hereunder, as follows:

  For Borrowings:

  - under Cdn. $5,000,000 – same day notice
  - Cdn. $5,000,000 and over – one Business Day prior written notice
- Borrower may cancel the availability of any unused portion of a Facility on five Business Days' notice. Any such cancellation is irrevocable.
- The annual rates of interest or fees to which the rates calculated in accordance with this agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.
- If any amount due hereunder is not paid when due, Borrower shall pay interest on such unpaid amount (including without limitation, interest on interest) if and to the fullest extent permitted by applicable law, at a rate per annum equal to Prime plus 5%.
- The branch of Lender (the "Branch of Account") where Borrower maintains an account and through which the Borrowings will be made available is located at 219 — 2nd Street West, Brooks, Alberta T1R 1B5. Funds under the Credit Facilities will be advanced into and repaid from account no. 752-1090003-24 at the Branch of Account, or such other branch or account as Borrower and Lender may agree upon from time to time.
- Lender shall open and maintain at the Branch of Account accounts and records evidencing the Borrowings made available to Borrower by Lender under this agreement. Lender shall record the principal amount of each Borrowing and the payment of principal, interest and fees and all other amounts becoming due to Lender under this agreement. Lender's accounts and records constitute, in the absence of manifest error,

conclusive evidence of the indebtedness of Borrower to Lender pursuant to this agreement.

– Borrower authorizes and directs Lender to automatically debit, by mechanical, electronic or manual means, any bank account of Borrower for all amounts payable by Borrower to Lender pursuant to this agreement. Any amount due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day, and interest shall accrue accordingly.

14. EVENTS OF DEFAULT:

If any of the events set forth below (an "Event of Default") occurs and is continuing, Lender may at its option, by notice to Borrower, terminate any or all of the Facilities hereunder and demand immediate payment in full of all or any part of the amounts owed by Borrower thereunder:

(a) if Borrower defaults in paying when due all or any part of the principal amount due hereunder;

(b) if Borrower or any Guarantor defaults in paying when due all or any part of its indebtedness or other liability to Lender (other than as provided under section (a) above) and such default continues for 3 business days after notice from Lender;

(c) if Borrower or any Guarantor defaults in the observance or performance of any of its covenants or obligations hereunder or in any of the Security Documents (other than as provided under section (a) or (b) above), or in any other document under which Borrower or such Guarantor is obligated to Lender, and in any such cases, the default continues for 15 days after notice from Lender;

(d) if any charge or encumbrance on any Tangible Assets of Borrower or any Guarantor becomes enforceable and steps are taken to enforce it;

(e) if any charge or encumbrance on any property of Borrower or any Guarantor (other than the Tangible Assets) having a fair market value in excess of $5,000,000 becomes enforceable and steps are taken to enforce it;

(f) if Borrower or any Guarantor defaults in any obligation under the Syndicated Facility;

(g) if a Remedial Action Notice (as defined in the Intercreditor Agreement) is delivered under the Intercreditor Agreement;

(h) if an Activation Notice (as defined in the Blocked Account Agreement) is delivered under the Blocked Account Agreement;

(i) if Borrower or any Guarantor defaults in any obligation to any person (other than Lender or under the Syndicated Facility) which involves or may involve a sum exceeding $5,000,000, and the default has not been cured within 5 days of the date Borrower first knew or should have known of the default;

(j) if any other creditor of Borrower or any Guarantor takes collection steps against Borrower or such Guarantor or its assets;

(k) if final judgment or judgments should be entered against Borrower or any Guarantor for the payment of any amount of money exceeding $5,000,000, and the judgment or judgments are not discharged within 20 days after entry;

(l) if an order is made, an effective resolution passed, or a petition is filed for the winding up the affairs of Borrower or any Guarantor or if a receiver or liquidator of Borrower or any Guarantor or any part of its assets is appointed;

(m) if Borrower or any Guarantor becomes insolvent or makes a general assignment for the benefit of its creditors or an assignment in bankruptcy or files a proposal or notice of intention to file a proposal under the Bankruptcy and Insolvency Act or otherwise acknowledges its insolvency or if a bankruptcy petition is filed or receiving order is made against Borrower or any Guarantor and is not being disputed in good faith;

(n) if Borrower or any Guarantor ceases or threatens to cease to carry on its business or makes a bulk sale of its assets;

(o) if any of the licences, permits or approvals granted by any government or governmental authority or agency and material to the business of Borrower or any Guarantor is withdrawn, cancelled, suspended or adversely amended;

(p) if Red Man and Midfield Holdings cease to be shareholders of Borrower or there is any other change in the ownership or control of Borrower which is not acceptable to Lender, acting reasonably. A change in the ownership or control of Borrower will mean any person acquiring more than 50% of the outstanding shares of Borrower; or

(q) if any event or circumstance occurs which has or would reasonably be expected to have a Material Adverse Effect (as determined by Lender in its sole discretion).

Failing such immediate payment, Lender may, without further notice, realize under the Security Documents to the extent Lender chooses.

15. MISCELLANEOUS:

(a) All legal and other costs and expenses incurred by Lender in respect of the Facilities, the Security Documents and other related matters will be paid or reimbursed by Borrower on demand by Lender. Lender is authorized to debit Borrower’s current account for any such unpaid legal and other costs and expenses.

(b) All Security Documents will be prepared by or under the supervision of Lender’s solicitors, unless Lender otherwise permits. Acceptance of this offer will authorize Lender to instruct Lender’s solicitors to prepare all necessary Security Documents and proceed with related matters.

(c) Lender, without restriction, may waive in writing the satisfaction, observance or performance of any of the provisions of this Commitment Letter. The obligations of a Guarantor (if any) will not be diminished, discharged or otherwise affected by or as a result of any such waiver, except to the extent that such waiver relates to an obligation of such Guarantor. Any waiver by Lender of the strict performance of any provision hereof will not be deemed to be a waiver of any subsequent default, and any partial exercise of

any right or remedy by Lender shall not be deemed to affect any other right or remedy to which Lender may be entitled.

(d) Borrower shall reimburse Lender for any additional cost or reduction in income arising as a result of (i) the imposition of, or increase in, taxes on payments due to Lender hereunder (other than taxes on the overall net income of Lender), (ii) the imposition of, or increase in, any reserve or other similar requirement, (iii) the imposition of, or change in, any other condition affecting the Facilities imposed by any applicable law or the interpretation thereof.

(e) Lender is authorized but not obligated, at any time, to apply any credit balance, whether or not then due, to which Borrower or Guarantor is entitled on any account in any currency at any branch or office of Lender in or towards satisfaction of the obligations of Borrower or such Guarantor due to Lender under this agreement or any guarantee granted in support hereof, as applicable. Lender is authorized to use any such credit balance to buy such other currencies as may be necessary to effect such application.

(f) Words importing the singular will include the plural and vice versa, and words importing gender will include the masculine, feminine and neuter, and anything importing or referring to a person will include a body corporate and a partnership and any entity, in each case all as the context and the nature of the parties requires.

(g) If any portion of this agreement is held invalid or unenforceable, the remainder of this agreement will not be affected and will be valid and enforceable to the fullest extent permitted by law. In the event of a conflict between the provisions hereof and of any Security Documents, the provisions hereof shall prevail to the extent of the conflict.

(h) Where the interest rate for a credit is based on Prime, the applicable rate on any day will depend on the Prime rate in effect on that day. The statement by Lender as to Prime and as to the rate of interest applicable to a credit on any day will be binding and conclusive for all purposes. All interest rates specified are nominal annual rates. The effective annual rate in any case will vary with payment frequency. All interest payable hereunder bears interest as well after as before maturity, default and judgment with interest on overdue interest at the applicable rate payable hereunder. To the extent permitted by law, Borrower waives the provisions of the *Judgment Interest Act* (Alberta).

(i) Any written communication which a party may wish to serve on any other party may be served personally (in the case of a body corporate, on any officer or director thereof) or by leaving the same at or couriering or mailing the same by registered mail to the Branch of Account (for Lender) or to the last known address (for Borrower or any Guarantor), and in the case of mailing will be deemed to have been received two (2) Business Days after mailing except in the case of postal disruption.

(j) Unless otherwise specified, references herein to “$” and “dollars” mean Canadian dollars.

(k) Lender shall have the right to assign, sell or participate its rights and obligations in the Facilities or in any Borrowing thereunder, in whole or in part, to one or more persons, provided that the consent of Borrower shall be required if no default is then in existence, such consent not to be unreasonably withheld or delayed.

(l) Borrower shall indemnify Lender against all losses, liabilities, claims, damages or expenses (including without limitation legal expenses on a solicitor and his own client basis) (i) incurred in connection with the entry into, performance or enforcement of this agreement, the use of the Facility proceeds or any breach by Borrower or any Guarantor of the terms hereof or any document related hereto, or (ii) arising out of or in respect of: (A) the release of any hazardous or toxic waste or other substance into the environment from any property of Borrower or any of its Subsidiaries, and (B) the remedial action (if any) taken by Lender in respect of any such release, contamination or pollution. This indemnity will survive the repayment or cancellation of any of the Facilities or any termination of this agreement.

(m) For certainty, the permission to create a Permitted Encumbrance shall not be construed as a subordination or postponement, express or implied, of Lender's Security Documents to such Permitted Encumbrance.

(n) Borrower's information, corporate or personal, may be subject to disclosure without its consent pursuant to provincial, federal, national or international laws as they apply to the product or service Borrower has with Lender or any third party acting on behalf of or contracting with Lender.

(o) Time shall be of the essence in all provisions of this agreement.

(p) This agreement may be executed in counterpart.

(q) This agreement shall be governed by the laws of Alberta.

16. DEFINITIONS:

"Adjusted EBITDA", for the period then calculated, means, EBITDA plus Bonuses, to the extent deducted in calculating EBITDA, plus the EPSPs, to the extent deducted in calculating EBITDA.

"Blocked Account Agreement" means the blocked accounts agreement dated on or about the date hereof among the Borrower, the Lender and the agent under the Syndicated Facility, as amended from time to time.

"Bonuses" means bonuses payable by Borrower to its employees in respect of Borrower's most recently ended fiscal year, which bonuses are calculated in accordance with the Shareholders Agreement.

"Borrowed Money" means with respect to any Loan Party, without duplication, its:

(a) Indebtedness that:

i) arises from the lending of money by any person to such Loan Party;

ii) is evidenced by notes, drafts, bonds, debentures, credit documents or similar instruments;

iii) accrues interest or is a type upon which interest charges are customarily paid (excluding trade payables owing in the ordinary course of business); or

iv) was issued or assumed as full or partial payment for property;

(b) Capital Leases;

(c) reimbursement obligations with respect to letters of credit; and

(d) guarantees of any Indebtedness of the foregoing types owing by another person.

"Borrower" shall mean Midfield Supply ULC, a corporation duly amalgamated pursuant to the laws of the Province of Alberta.

"Borrowings" means all amounts outstanding under the Facilities, or if the context so requires, all amounts outstanding under one or more of the Facilities or under one or more borrowing options of one or more of the Facilities.

"Business Day" means a day, excluding Saturday and Sunday, on which banking institutions are open for business in the province of Alberta.

"Capital Expenditures" means all liabilities incurred, expenditures made or payments due (whether or not made) by Borrower or Subsidiary for the acquisition of any fixed assets, or any improvements, replacements, substitutions or additions thereto with a useful life of more than one year, including the principal portion of Capital Leases.

"Capital Leases" means any leases that are required to be capitalized for financial reporting purposes in accordance with GAAP.

"Class R Note" means the unsecured subordinated demand promissory note, classified as the Class R Note, dated as of June 15, 2005, issued to Red Man by Borrower in the amount of $37,283,833, bearing interest at the rate of 12% per annum (which interest is payable annually in the month of April).

"Discount Rate" means, with respect to Guaranteed Notes, the per annum rate of interest which is the arithmetic average of the rates per 365-day period applicable to Canadian dollar bankers' acceptances having identical issue and comparable maturity dates as the Guaranteed Notes proposed to be issued by Borrower displayed and identified as such on the display referred to as the "CDOR Page" (or any display substituted therefor) of Reuter Monitor Money Rates Service as at approximately 8:00 a.m. (Calgary time) on such day, or if such day is not a Business Day, then on the immediately preceding Business Day, or if the rate referred to is not available, then the rate quoted by the Lender.

"Distribution" means any declaration or payment of a distribution, interest or dividend on any Equity Interest (other than payment-in-kind); any distribution, advance or repayment of Indebtedness to a holder of Equity Interests; or any purchase, redemption, or other acquisition or retirement for value of any Equity Interest.

"EBITDA" as determined on a consolidated basis for Borrower and Subsidiaries, means net income, calculated before interest expense, provision for income taxes, depreciation and amortization expense, gains or losses arising from the sale of capital assets, gains arising from the write-up of assets, and any extraordinary gains (in each case, to the extent included in determining net income).

"EPSPs" means the Employee Profit Sharing Plan distributions made in accordance with the Shareholders Agreement which are, for greater certainty:

(a) the EPSP first allocation which is an amount equal to the interest payable by Borrower on the Class R Note in each fiscal year multiplied by the common stock ownership ratio of

the number of shares held by Midfield Holdings in Borrower, divided by the number of shares held by Red Man in Borrower, outstanding during the fiscal year, and

(b) the EPSP second allocation which is an amount equal to taxable earnings of Borrower before deduction of the EPSP second allocation in each fiscal year multiplied by the common stock ownership ratio of the number of shares held by Midfield Holdings in Borrower, divided by the total number of shares of Borrower outstanding during the fiscal year.

"Equity Interest" means the interest of any (a) shareholder in a corporation or company, (b) partner in a partnership (whether general, limited, special, limited liability or joint venture), (c) member in a limited liability company or unlimited liability corporation, or (d) other person having any other form of equity security or ownership interest.

"Fixed Charge Coverage Ratio" means the ratio, determined and calculated on a consolidated basis for Borrower and Subsidiaries and on a rolling historical twelve month basis, of (a) Adjusted EBITDA, to (b) Fixed Charges.

"Fixed Charges" means the sum, when actually paid in the period, of interest expense, principal payments on Borrowed Money (other than the Borrowings), income taxes, Capital Expenditures (except those financed with Borrowed Money other than the Borrowings), Bonuses and Net Distributions.

"Generally Accepted Accounting Principles" or "**GAAP**" means generally accepted accounting principles as may be described in the Canadian Institute of Chartered Accountants Handbook and other primary sources recognized from time to time by the Canadian Institute of Chartered Accountants.

"Guaranteed Notes" means the non-interest bearing promissory notes issued hereunder by Borrower to Lender under Lender's guaranteed note program.

"Hedging Agreement" means any swap, hedging, interest rate, currency, foreign exchange or commodity contract or agreement, or confirmation thereunder, entered into from time to time in connection with:

(c) interest rate swaps, forward rate transactions, interest rate options, cap transactions, floor transactions and similar rate-related transactions;

(d) forward rate agreements, foreign exchange forward agreements, cross currency transactions and other similar currency-related transactions; or

(e) commodity swaps, hedging transactions and other similar commodity-related transactions (whether physically or financially settled), including without limitation, commodity swaps;

the purpose of which is to hedge (a) interest rate, (b) currency exchange, and/or (c) commodity price exposure, as the case may be.

"Indebtedness" means all present and future obligations and indebtedness of a person, whether direct or indirect, absolute or contingent, including all indebtedness for borrowed money, all obligations in respect of swap or hedging arrangements and all other liabilities which in accordance with GAAP would appear on the liability side of a balance sheet (other than items of capital, retained earnings and surplus or deferred tax reserves).

"Leverage Ratio" means the ratio, determined as of the end of any calendar month, of (a) Borrowed Money (other than contingent obligations of the Loan Parties) as of the last day of such calendar month less the Shareholders' Notes and the Class R Note outstanding, to (b) Adjusted EBITDA for the rolling historical twelve month period then ending.

"Loan Parties" means the Borrower and all Guarantors, and "**Loan Party**" means any of them.

"Material Adverse Effect" means a material adverse effect on:

(a) the financial condition of Borrower and any Guarantors on a consolidated basis; or

(b) the ability of Borrower to repay amounts owing hereunder.

"Net Distributions" means the sum, when actually paid in the period, of EPSPs, dividends and any other such Distributions (excluding Bonuses and interest on the Shareholders' Notes and the Class R Note) made by the Borrower less Shareholder Reinvestments actually made at the time of such Distributions being made.

"Permitted Encumbrances" means, in respect of the Borrower and any Guarantors on a consolidated basis, the following:

(a) liens for taxes, assessments or governmental charges not yet due or delinquent or the validity of which is being contested in good faith;

(b) liens arising in connection with workers' compensation, unemployment insurance, pension, employment or other social benefits laws or regulations which are not yet due or delinquent or the validity of which is being contested in good faith;

(c) liens under or pursuant to any judgment rendered or claim filed which are or will be appealed in good faith provided any execution thereof has been stayed;

(d) undetermined or inchoate liens and charges incidental to construction or current operations which have not at such time been filed pursuant to law or which relate to obligations not due or delinquent;

(e) liens arising by operation of law such as builders' liens, carriers' liens, materialmens' liens and other liens of a similar nature which relate to obligations not due or delinquent;

(f) easements, rights-of-way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights-of-way and servitudes for railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons which singularly or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of Borrower or such Guarantor;

(g) security given to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of Borrower or such Guarantor, all in the ordinary course of its business which singularly or in the aggregate do not materially impair the operation of its business;

(h) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions to title;

(i) operating leases of assets other than the Tangible Assets;

(j) Capital Lease transactions or sale-leaseback transactions involving an asset other than a Tangible Asset, or, with the prior written consent of Lender, involving a Tangible Asset, where the indebtedness represented by all such transactions does not at any time exceed $100,000 in aggregate;

(k) security interests granted or assumed to finance the purchase of any property or asset (a "Purchase Money Security Interest") other than a Tangible Asset, or, with the prior written consent of Lender, of a Tangible Asset, where:

i) the security interest is granted at the time of or within 60 days after the purchase,

ii) the security interest is limited to the property and assets acquired, and

iii) the indebtedness represented by all Purchase Money Security Interests does not at any time exceed $100,000 in aggregate;

(l) security interests granted in connection with the Syndicated Facility on properties and assets of the Borrower or such Guarantor other than the Tangible Assets; and

(m) security interests or liens (other than those hereinbefore listed) of a specific nature (and excluding for greater certainty floating charges) on properties and assets other than a Tangible Asset having a fair market value not in excess of $100,000 in aggregate.

"Permitted Indebtedness" means, without duplication:

(a) trade payables incurred in the ordinary course of business;

(b) any Indebtedness secured by a Permitted Encumbrance;

(c) any unsecured advances from affiliates/shareholders (including Red Man and Midfield Holdings) which are postponed in all respects to the Facilities pursuant to a subordination agreement acceptable to Lender;

(d) any Indebtedness arising under the Syndicated Facility;

(e) any debt created in connection with an acquisition of a business or an asset other than a Tangible Asset, providing the acquisition and the proposed debt have been approved under the Syndicated Facility; and

(f) any Indebtedness owing to Lender.

"Potential Prior-Ranking Claims" means:

(a) all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is

capable of ranking in priority to Lender's security or otherwise in priority to any claim by Lender for repayment of any amounts owing under this agreement; and

(b) all amounts owing under or in connection with a Purchase Money Security Interest, Capital Lease or sale-leaseback transaction involving equipment which is a Tangible Asset.

"Prime" means the prime lending rate per annum established by Lender from time to time for commercial loans denominated in Canadian dollars made by Lender in Canada.

"Security Documents" means those security documents listed in the "Security Documents" section of this Agreement as well as any other security documents now or hereafter delivered by Borrower or a Guarantor in favour of Lender hereunder.

"Shareholders Agreement" means the shareholders agreement among Borrower, Red Man and Midfield Holdings dated as of June 15, 2005, as amended by a Shareholders Amending Agreement among the same parties dated as of December 28, 2005.

"Shareholders Notes" means collectively:

(a) the unsecured demand promissory note, dated as of June 15, 2005, issued to Red Man by Borrower in the amount of $9,855,750, bearing interest at 8% per annum (which interest is payable annually in the month of January);

(b) the unsecured demand promissory note dated as of April 25, 2006, issued to Red Man by Borrower in the amount of $14,818,915, bearing interest at 8% per annum (which interest is payable annually in the month of January);

(c) the unsecured demand promissory note dated as of April 25, 2006, issued to Midfield Holdings by Borrower in the amount of $31,389,499, bearing interest at 8% per annum (which interest is payable annually in the month of January); and

(d) all other promissory notes (other than the Class R Note) issued to any shareholder of, or person holding an Equity Interest in, Borrower during the term of this Agreement.

"Shareholder Reinvestments" means the annual loans (required pursuant to the Shareholders Agreement) to be made to Borrower by each of the persons having an Equity Interest in Borrower in the amounts calculated and set forth in the Shareholders Agreement.

"Subsidiaries" means:

(a) a person of which another person alone or in conjunction with its other subsidiaries owns an aggregate number of voting shares sufficient to elect a majority of the directors regardless of the manner in which other voting shares are voted; and

(b) a partnership of which at least a majority of the outstanding income interests or capital interests are directly or indirectly owned or controlled by such person,

and includes a person in like relation to a Subsidiary.

"Syndicated Facility" means the credit facility made available to Borrower by a syndicate of lenders under a loan and security agreement dated as of November 2, 2006, as amended April 26, 2007 and May ___, 2007, among Borrower, certain financial institutions and Bank of America, N.A. (acting through its Canada branch) as agent, as amended from time to time.

"Tangible Asset" means all real property and equipment of Borrower and any Guarantors that is subject to the Security Documents.

"Tangible Asset Value" means as determined by GAAP on a consolidated basis, the net book value of all real property (unless the value is supported by a drive-by real estate appraisal or a formal appraisal acceptable to Lender, in which case such value may be used) and equipment constituting Tangible Assets, less leasehold improvements, Potential Prior-Ranking Claims and other Permitted Encumbrances.

SCHEDULE "A"

COMPLIANCE CERTIFICATE

To: Alberta Treasury Branches
Corporate Financial Services
300, 239 8th Ave SW
Calgary, AB T2P 1B9

Attention: D.A. (Dwayne) Hoopfer

I, _____ hereby certify as of the date of this certificate as follows:

(a) I am the _____ ***[insert title]*** of Midfield Supply ULC ("**Borrower**") and I am authorized to provide this certificate to you for and on behalf of Borrower.

(b) This certificate applies to the **[month/fiscal quarter/fiscal year]** ending _____.

(c) I am familiar with and have examined the provisions of the letter agreement (the "**Agreement**") dated May 17, 2007 between the Borrower and Alberta Treasury Branches ("**Lender**"), as lender, and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of Borrower and any Guarantors. Terms defined in the Agreement have the same meanings when used in this certificate.

(d) No event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, would constitute a breach of any covenant or other term or condition of the Agreement and there is no reason to believe that during the next fiscal quarter of Borrower, any such event or circumstance will occur.

OR

We are or anticipate being in default of the following terms or conditions, and our proposed action to meet compliance is set out below:

Description of any breaches and proposed action to remedy: _____

(e) Our financial ratios are as follows:

i) the Leverage Ratio is ___:1, being not greater than the required ratio of 3.50:1;

ii) the Fixed Charge Coverage Ratio is ___:1, being not less than the required ratio of 1.15:1;

iii) the ratio of Tangible Asset Value to outstanding Borrowings is ___:1, being not less than the required ratio of 2:1.

(f) The detailed calculations of the foregoing ratios and covenants are set forth in the addendum annexed hereto and are true and correct in all respects.

This certificate is given by the undersigned officer in his/her capacity as an officer of the Borrower without any personal liability on the part of such officer.

Dated this ___day of ___, 20___.

MIDFIELD SUPPLY ULC

Per: _____

Name: _____

Title: _____

SCHEDULE "B"

POWER OF ATTORNEY APPLICABLE TO GUARANTEED NOTES

Borrower hereby appoints Lender, acting by its duly authorized signing officers (the "Attorney") for the time being at the Branch of Account, the attorney of Borrower:

1. To sign for and on behalf and in the name of Borrower as drawer, guaranteed notes in the Lender's standard form for advances in the nature of Guaranteed Note advances (the "Notes") payable to Lender or its order evidencing Guaranteed Note advances made by Lender to Borrower; and

2. To fill in the amount, date and maturity date of such Notes;

Provided that such acts in each case are to be undertaken by Lender in accordance with instructions given to Lender by Borrower as provided in this power of attorney.

Instructions to Lender relating to the execution and completion by Lender on behalf of Borrower of Notes which Borrower wishes to issue to Lender shall be communicated by Borrower to Lender in writing at the Branch of Account following delivery by Borrower of a notice in respect of a drawdown or conversion and shall specify the following information:

1. A Canadian Dollar amount, which shall be the aggregate face amount of the Guaranteed Note advances to be made by Lender in respect of a particular drawdown or conversion;

2. A specified period of time, which shall be the number of days after the date of such Notes that such Notes are to be payable, and the dates of issue and maturity of such Notes; and

3. Payment instructions specifying the account number of Borrower and the financial institution at which the proceeds of such Guaranteed Note advances are to be credited.

The communication in writing by Borrower to Lender of the instructions referred to above shall constitute the authorization and instruction of Borrower to Lender to complete and execute Notes in accordance with such information as set out above. Borrower acknowledges that Lender shall not be obligated to make any Guaranteed Note advances and therefore complete and execute any Notes evidencing the same. Lender shall be and is hereby authorized to act on behalf of Borrower upon and in compliance with instructions communicated to Lender as provided herein if Lender reasonably believes them to be genuine.

Borrower agrees to indemnify Lender and its directors, officers, employees, affiliates and agents and to hold it and them harmless from any loss, liability, expense or claim of any kind or nature whatsoever incurred by any of them as a result of any action or inaction in any way relating to or arising out of this power of attorney or the acts contemplated hereby; provided that this indemnity shall not apply to any such loss, liability, expense or claim which results from the gross negligence or willful misconduct of Lender or any of its directors, officers, employees, affiliates or agents.

This power of attorney may be revoked by Borrower at any time upon not less than five (5) Business Days' written notice served upon Lender at the Branch of Account provided that (i) it may be replaced with another power of attorney forthwith and (ii) no such revocation shall reduce, limit or otherwise affect the obligations of Borrower in respect of any Note executed and completed in accordance herewith prior to the time at which such revocation becomes effective. This power of attorney may be terminated by Lender at any time upon not less than five (5) Business Days' written notice to Borrower.

Any revocation or termination of this power of attorney shall not affect the rights of Lender and the obligations of Borrower with respect to the indemnities of Borrower above stated with respect to all matters arising prior in time to any such revocation or termination.

This power of attorney shall be governed in all respects by the laws of the Province of Alberta and the laws of Canada applicable therein and each of Borrower and Lender hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of such jurisdiction in respect of all matters arising out of this power or attorney.

SCHEDULE "C"

REQUEST FOR EXTENSION

Date:

Alberta Treasury Branches
Corporate Financial Services
300, 239-8th Ave S.W.
Calgary, Alberta T2P 1B9

Attention: D.A. (Dwayne) Hoopfer

Dear Sirs:

We refer to the Commitment Letter dated as of May 17, 2007 between Midfield Supply ULC as Borrower and Alberta Treasury Branches as lender (the "**Letter Agreement**"). Capitalized terms used herein have the same meaning as in the Letter Agreement.

In accordance with Section 3 of the Letter Agreement, we hereby request that the Lender provide an offer to extend the Term Date for a period of up to 364 days.

We hereby certify that:

1. except as disclosed to the Lender in writing, the representations and warranties contained in the Letter Agreement are true and correct on the date hereof and will be true and correct on the date of extension, as applicable, with the same effect as if such representations and warranties were made on such dates; and

2. no event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, would constitute a breach of any covenant or other term or condition of the Letter Agreement or any Security Document granted in connection therewith and there is no reason to believe that during the next fiscal quarter of Borrower, any such event or circumstance will occur.

If you will offer this extension on the existing terms and conditions, please execute the counterpart of this request for extension and return it to us in accordance with the provisions of the Letter Agreement.

Yours truly,

MIDFIELD SUPPLY ULC

Per: _____

Name: _____

Title: _____

The Lender hereby offers to extend the Term Date under the Letter Agreement for a period of three hundred sixty-four (364) days from the date of your acceptance of this offer. This offer is open for acceptance until _____, being the day prior to the current Term Date.

ALBERTA TREASURY BRANCHES

Per: _____

Name: _____

Title: _____

Accepted on _____, ___.

MIDFIELD SUPPLY ULC

Per: _____

Name: _____

Title: _____

ATB Corporate Financial Services 300,239 — 8th Avenue SW | Calgary, Alberta | T2P 1B9

October 10, 2007

Midfield Supply ULC.
1600 101 6th Avenue S.W.
Calgary, Alberta
T2P 3P4

Attention: Dan Endersby

Dear Sir:

We refer to our Letter Agreement dated May 17, 2007 (the **"Original Letter Agreement"),** between Midfield Supply ULC (the **"Borrower"**) and Alberta Treasury Branches (the **"Lender"**), and confirm our agreement to make the amendments described below, subject to the following terms and conditions. Capitalized terms used herein without definition shall have the meeting given to them in the Original Letter Agreement.

1. **AMENDMENTS**

Lender confirms that section 8(e) of the Original Letter Agreement is hereby deleted in its entirety and replaced with the following:

"(e) a Loan Party will not make any Distributions or any payments to persons having an Equity Interest in Borrower (except a Distribution by a Subsidiary to Borrower), and will not create or suffer to exist any encumbrance or restriction on the ability of a Subsidiary to make any Distribution to Borrower, except for restrictions under applicable law, provided, however, that Borrower may pay Bonuses to its employees, pay dividends to persons having an Equity Interest in Borrower, pay principal and interest to persons having an Equity Interest in Borrower who are holders of Shareholders' Notes and pay interest to Red Man on Class R Note; but only if no Default or Event of Default exists at the time of making such payment and no Default or Event of Default would occur as a consequence of the making of such payment, and provided further, that in the case of payments of dividends or payments of principal or interest on Shareholders' Notes, that the persons receiving such dividends or holding such Shareholders' Notes have entered into a subordination agreement on terms acceptable to Lender; "

2. **CONDITIONS PRECEDENT**

This amendment to the Original Credit Agreement is conditional upon receipt of: a duly executed copy of this agreement.

3. **REPRESENTATIONS AND WARRANTIES**

Borrower represents and warrants to Lender that:

(a) the execution, delivery and performance by Borrower of this agreement has been duly authorized by all necessary actions and does not violate Borrower's governing documents or any applicable laws or agreements to which Borrower is subject or by which Borrower is bound; and

(b) the obligations of Borrower under the Original Letter Agreement, as amended hereby, and under the Security Documents are legal, valid and binding obligations of Borrower enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally.

4. **MISCELLANEOUS**

(a) This amending agreement shall be governed by the laws of the Alberta.

(b) This amending agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

(c) All terms and provisions of the Original Letter Agreement, except as amended hereby, remain in full force and effect.

5. **ACCEPTANCE**

This offer is open for acceptance until October 19, 2007, after which date it will be null and void, unless extended in writing by Lender.

Please confirm your acceptance of this amending agreement by signing the attached copy of this letter in the space provided below and returning it to the undersigned.

Yours truly,

ALBERTA TREASURY BRANCHES

By: /s/ Gerald Buhler
Gerald Buhler
Authorized Signatory

We acknowledge and accept the foregoing terms and conditions as of October, 2007.

MIDFIELD SUPPLY ULC

Per: /s/ Dan Endersby

McJunkin Red Man Corporation
835 Hillcrest Drive
Charleston, WV 25311

September 24, 2008

H.B. Wehrle, III

Dear Bernie:

This letter agreement memorializes our mutual understanding that the employment agreement entered into between you, McJ Holding LLC (currently known as PVF Holdings LLC) and McJunkin Corporation (currently known as McJunkin Red Man Corporation) on December 4, 2006 (the "Employment Agreement") shall be terminated in accordance with this letter agreement.

1. Payment. In consideration of the termination of the Employment Agreement and of the covenants set forth below, you shall be paid a lump sum payment equal to $2,281,396.08 (the "Agreed Amount"). This payment represents the value of all amounts to which you would have become entitled during the remaining term of the Employment Agreement pursuant to Sections 2.1. 2.2 and 2.4 thereof, based on your continued service during such remaining term. The Agreed Amount (subject to all required withholdings) shall be paid to you in a lump sum on October 1, 2008. It is understood and agreed that the Agreed Amount does not include any amounts accrued prior to the date hereof and payable pursuant to the terms of any of the company's employee benefit plans, any such amounts to be paid in accordance with the terms of such plans and, if applicable, in compliance with Section 409A of the Internal Revenue Code and the regulations issued thereunder. Upon payment of the Agreed Amount, the Employment Agreement shall terminate and be of no further force and effect.

2. Profits Units. On January 31, 2007, pursuant to the Limited Liability Company Agreement of McJ Holding LLC dated as of December 4, 2006 (the "LLC Agreement"), you were granted Profits Units (as defined in the LLC Agreement). Notwithstanding Section 7.2(a) of the LLC Agreement, in the event of the termination of your service as chairman of the board of directors of PVF Holdings LLC and as a member of the board of directors of McJunkin Red Man Holding Corporation at any time for any reason, zero percent (0%) of your Profits Units shall be subject to forfeiture.

3. Unauthorized Disclosure; Non-Competition; Non-Solicitation; Interference with Business Relationships. In consideration of your receipt of the Agreed Amount and other such

consideration provided for herein, you agree to be bound by the covenants set forth in Appendix A to this letter agreement.

If the foregoing terms and conditions are consistent with your understanding, please sign this letter agreement below and return a copy to me.

Very truly yours,

PVF HOLDINGS LLC

/s/ Stephen W. Lake
By: Stephen W. Lake
Title: Senior Corporate Vice President,
General Counsel & Corporate Secretary

McJUNKIN RED MAN CORPORATION

/s/ Stephen W. Lake
By: Stephen W. Lake
Title: Senior Corporate Vice President,
General Counsel & Corporate Secretary

ACCEPTED AND AGREED:

/s/ H.B. Wehrle, III
H.B. Wehrle, III

[Signature Page to H.B. Wehrle, III -Letter Agreement]

Appendix A

1. Unauthorized Disclosure. You agree and understand that in your positions with PVF Holdings LLC, McJunkin Red Man Holding Corporation (the "Company") and McJunkin Red Man Corporation, you have been and will be exposed to and have and will receive information relating to the confidential affairs of the Company and its affiliates, including, without limitation, technical information, intellectual property, business and marketing plans, strategies, customer information, software, other information concerning the products, promotions, development, financing, expansion plans, business policies and practices of the Company and its affiliates and other forms of information considered by the Company and its affiliates to be confidential or in the nature of trade secrets (including, without limitation, ideas, research and development, know-how, formulas, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals) (collectively, the "Confidential Information"). You agree that at all times during your period of service with the Company and its affiliates and thereafter, you shall not disclose such Confidential Information, either directly or indirectly, to any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof (each a "Person") other than in connection with the provision of your services to the Company and its affiliates without the prior written consent of the Company and shall not use or attempt to use any such information in any manner other than in connection with the provision of your services to the Company and its affiliates, unless required by law to disclose such information, in which case you shall provide the Company with written notice of such requirement as far in advance of such anticipated disclosure as possible. Nothing in this Section 1 shall prohibit you from disclosing or using Confidential Information which has become publicly available other than by your disclosure in violation of this Section 1. This confidentiality covenant has no temporal, geographical or territorial restriction. Upon the termination of your service to the Company and its affiliates, you shall promptly supply to the Company all property, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data and any other tangible product or document which has been produced by, received by or otherwise submitted to you during the course of your service to the Company and its affiliates, and any copies thereof in your (or capable of being reduced to your) possession; provided, however, that you may retain your full rolodex or similar address and telephone directories.

2. Non-Competition. By and in consideration of PVF Holdings LLC and McJunkin Red man Corporation entering into this letter agreement and the payments to be made and the benefits to be provided hereunder, you agree that you shall not, from the date hereof until the later of (i) January 31, 2012 or (ii) twenty-four (24) months following the later of the date that you cease to serve as chairman of the board of directors of PVF Holdings LLC or the date that you cease to serve as a member of the board of directors of the Company (the "Restriction Period"), directly or indirectly, own, manage, operate, join, control, be employed by, or participate in the ownership, management, operation or control of, or be connected in any manner with, including, without limitation, holding any position as a

stockholder, director, officer, consultant, independent contractor, employee, partner, or investor in, any Restricted Enterprise (as defined below); provided, that in no event shall ownership of one percent (1%) or less of the outstanding securities of any class of any issuer whose securities are registered under the Securities Exchange Act of 1934, as amended, standing alone, be prohibited by this Section 2, so long as you do not have, or exercise, any rights to manage or operate the business of such issuer other than rights as a stockholder thereof. For purposes of this paragraph, "Restricted Enterprise" shall mean any Person that is actively engaged in any geographic area in any business which is either (i) in competition with the business of the Company or any of its affiliates or (ii) proposed to be conducted by the Company or any of its affiliates in the company's business plan as in effect at that time. During the Restriction Period, upon request of the Company, you shall notify the Company of your then-current employment status.

3. Non-Solicitation of Employees. During the Restriction Period, you shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) for employment any person who is, or within twelve (12) months prior to the date of such solicitation was, an employee of the Company or any of its affiliates.

4. Interference with Business Relationships. During the Restriction Period (other than in connection with carrying out your responsibilities for the Company and its affiliates), you shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) any customer or client of the Company or its affiliates to terminate its relationship or otherwise cease doing business in whole or in part with the Company or its affiliates, or directly or indirectly interfere with (or assist any Person to interfere with) any material relationship between the Company or its affiliates and any of its or their customers or clients so as to cause harm to the Company or its affiliates.

5. Extension of Restriction Period. The Restriction Period shall be tolled for any period during which you are in breach of any of Sections 2, 3 or 4 hereof.

6. Confidentiality of Agreement. Other than with respect to information required to be disclosed by applicable law, the parties hereto agree not to disclose the terms of this letter agreement to any Person; provided you may disclose this letter agreement and/or any of its terms to your immediate family, financial advisors and attorneys, so long as you instruct every such Person to whom you make such disclosure not to disclose the terms of this letter agreement further.

7. Remedies. You agree that any breach of the terms of this Appendix A would result in irreparable injury and damage to the Company for which the Company would have no adequate remedy at law; you therefore also agree that in the event of said breach or any threat of breach, the Company shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by you and/or any and all Persons acting for and/or with you, without having to prove damages, in addition to any other remedies to which the Company may be entitled at law or in equity. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from you. You and the Company further agree that

the provisions of the covenants contained in this Appendix A are reasonable and necessary to protect the businesses of the Company and its affiliates because of the your access to Confidential Information and your material participation in the operation of such businesses.

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

AMENDED AND RESTATED EMPLOYMENT AGREEMENT, dated as of September 24, 2008 (this "Amended Employment Agreement"), between McJunkin Red Man Holding Corporation, a Delaware corporation (the "Company"), and Craig Ketchum (the "Executive").

WHEREAS, pursuant to the Stock Purchase Agreement, dated as of July 6, 2007 (the "Stock Purchase Agreement"), between West Oklahoma PVF Company, a Delaware corporation ("Buyer"), and Red Man Pipe & Supply Co., an Oklahoma corporation ("Sooner"), the holders of all outstanding shares of stock of Sooner listed on Schedule 1 thereto and the other parties thereto, Buyer acquired all of the issued and outstanding capital stock of Sooner (the transactions contemplated by the Stock Purchase Agreement, the "Stock Purchase");

WHEREAS, in connection with the Stock Purchase, the Executive received significant consideration for his Sooner shares and entered into an Employment Agreement with PVF Holdings LLC and McJunkin Red Man Corporation ("MRM Corporation") on July 6, 2007 (the "Employment Agreement"), pursuant to which the Executive served as co-Chief Executive Officer of MRM Corporation and, subsequently, as sole Chief Executive Officer of MRM Corporation;

WHEREAS, the Executive no longer serves as Chief Executive Officer of MRM Corporation and currently serves as Chairman of the Board of Directors of the Company; and

WHEREAS, the Employment Agreement is hereby superseded by this Amended Employment Agreement, which reflects the current terms of the Executive's employment.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valid consideration, the sufficiency of which is acknowledged, the parties hereto agree as follows:

Section 1. Employment

1.1. Term. The Company agrees to employ the Executive, and the Executive agrees to be employed by the Company, in each case pursuant to this Amended Employment Agreement, for a period commencing on the Closing Date (as defined in the Stock Purchase Agreement) (such date, the "Effective Date") and ending on the earlier of (i) the third (3rd) anniversary of the Effective Date and (ii) the termination of the Executive's employment in accordance with Section 3 hereof (the "Term").

1.2. Duties. During the Term, the Executive shall serve as Chairman of the Board of Directors of the Company (the "Board") and an employee of the Company and in such other positions as an officer or director of the Company and its subsidiaries and affiliates as the Executive and the Board shall mutually agree from time to time. During the Term, the Executive shall perform such duties, functions and responsibilities commensurate with the Executive's positions as reasonably directed by the Board.

1.3. Exclusivity. During the Term, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive shall devote his full time and attention to the business and affairs of the Company, shall faithfully serve the Company, and shall in all material respects conform to and comply with the lawful and reasonable directions and instructions given to him by the Board, consistent with Section 1.2 hereof. During the Term, the Executive shall use his best efforts to promote and serve the interests of the Company and shall not engage in any other business activity, whether or not such activity shall be engaged in for pecuniary profit; provided, however, that it shall not be a violation of this Amended Employment Agreement for the Executive to (i) serve on the board of directors of the Tulsa Chamber of Commerce, (ii) maintain the Executive's current ownership interest in and involvement with Prideco or (iii) engage in such other activities with the Board's prior written consent.

Section 2. Compensation.

2.1. Salary. As compensation for the performance of the Executive's services hereunder, during the Term, the Company shall pay to the Executive a salary at an annual rate of six hundred ninety thousand dollars ($690,000) payable in accordance with the Company's standard payroll policies (the "Base Salary"). The Base Salary will be reviewed annually and may be adjusted upward by the Board (or a committee thereof) in its discretion, based on competitive data and the Executive's performance. No increase in Base Salary shall limit or reduce any other right or obligation to the Executive under this Amended Employment Agreement and the Base Salary shall not be reduced at any time (including after any such increase).

2.2. Annual Bonus. Beginning with the fiscal year that commences on January 1, 2008, for each completed fiscal year during the Term, the Executive shall be eligible to receive additional cash incentive compensation (the "Annual Bonus"). The target Annual Bonus shall be 100% of the Base Salary as in effect at the beginning of such fiscal year, with the actual Annual Bonus to be based upon such individual and/or Company performance criteria established for such fiscal year by the Board in consultation with the Executive.

2.3. Equity. On the Effective Date, pursuant to the Limited Liability Company Agreement of McJ Holding LLC dated as of December 4, 2006, as amended or restated from time to time (the "LLC Agreement"), the Executive was granted 381.3098 Profits Units (as defined in the LLC Agreement). Notwithstanding Section 7.2(a)(ii) of the LLC Agreement, in the event that the Executive's employment with the Company is terminated at any time for any reason, zero percent (0%) of the Executive's Profits Units shall be subject to forfeiture.

2.4. Employee Benefits. During the Term, the Executive shall be eligible to participate in such health and other group insurance and other employee benefit plans and programs of the Company and its subsidiaries and affiliates as in effect from time to time on the same basis as senior executives. Notwithstanding the foregoing, during the Term, the annual value attributable to retirement benefits will include approximately one hundred twenty thousand dollars ($120,000) pursuant to a nonqualified deferred compensation plan and an additional amount pursuant to an employer-sponsored qualified retirement plan.

2.5. Vacation. During the Term, the Executive shall be entitled to paid vacation in accordance with the Company's vacation policy as in effect from time to time.

2.6. Business Expenses. The Company shall pay or reimburse the Executive for all commercially reasonable business out-of-pocket expenses that the Executive incurs during the Term in performing his duties under this Amended Employment Agreement upon presentation of documentation and in accordance with the expense reimbursement policy of the Company as approved by the Board (or a committee thereof) and in effect from time to time.

Section 3. Employment Termination.

3.1. Termination of Employment. The Company may terminate the Executive's employment for any reason during the Term, and the Executive may voluntarily terminate his employment for any reason during the Term, in each case (other than a termination by the Company for Cause) at any time upon not less than thirty (30) days' notice to the other party. Upon the termination of the Executive's employment with the Company for any reason, the Executive shall be entitled to any Base Salary earned but unpaid through the date of termination, any earned but unpaid Annual Bonus for completed fiscal years, any unreimbursed expenses in accordance with Section 2.6 hereof and, to the extent not theretofore paid or provided, any other amounts or benefits required to be paid or provided under any plan, program, policy or practice or other contract or agreement of the Company and its affiliated companies through the date of termination of employment (collectively, the "Accrued Amounts").

3.2. Certain Terminations.

(a) Termination by the Company other than for Cause or Disability; Termination by the Executive for Good Reason. If the Executive's employment is terminated during the Term (i) by the Company other than for Cause or Disability or (ii) by the Executive for Good Reason, in addition to the Accrued Amounts, the Executive shall be entitled to the following payments and benefits: (x) the continuation of his Base Salary at the rate in effect immediately prior to the date of termination for a period of twelve (12) months, (y) the continuation on the same terms as an active senior executive of medical benefits the Executive would otherwise be eligible to receive as an active senior executive of the Company for twelve (12) months or until such earlier time as the Executive becomes eligible for medical benefits from a subsequent employer and (z) a pro rata Annual Bonus for the fiscal year in which the termination occurs (the "Pro Rata Annual Bonus Payment"), based on the Company's actual performance through the end of such fiscal year and the number of days the Executive was employed during such fiscal year (such payments and benefits, the "Severance Payments"). The Company's obligation to make the Severance Payments shall be conditioned upon: (i) the Executive's continued compliance with his obligations under Section 4 of this Amended Employment Agreement and (ii) the Executive's execution, delivery and non-revocation of a valid and enforceable general release of claims (the "Release") in the form attached hereto as Exhibit A. In the event that the Executive breaches any of the covenants set forth in Section 4 of this Amended Employment Agreement, the Executive will immediately return to the Company any portion of the Severance Payments that have been paid to the Executive pursuant to this Section 3.2(a). Subject to Section 3.2(d), the Severance Payments (with the exception of the Pro Rata Annual Bonus Payment) will commence to be paid to the Executive as soon as practicable following the effectiveness of the Release. The Pro Rata Annual Bonus Payment will be paid at the time the Company ordinarily pays incentive bonuses to its executives with respect to the fiscal year in which the termination occurs.

(b) Termination upon Death or Disability. If the Executive's employment is terminated due to the Executive's death or Disability, in addition to the Accrued Amounts, the Executive (or the Executive's estate, if applicable) shall be entitled to receive a Pro Rata Annual Bonus Payment based on the Company's performance for the full fiscal year in which termination occurs and the number of days the Executive was employed by the Company during such fiscal year.

(c) Definitions. For purposes of this Section 3.2, the following terms shall have the following meanings:

(1) "Cause" shall mean the Executive's (i) continuing failure, for more than ten (10) days after the Company's written notice to the Executive thereof, to perform such duties as are reasonably requested by the Company; (ii) failure to observe material policies generally applicable to officers or employees of the Company or any of its subsidiaries and affiliates unless such failure is capable of being cured and is cured within ten (10) days of the Executive receiving written notice of such failure; (iii) failure to cooperate with any internal investigation of the Company or any of its subsidiaries and affiliates; (iv) commission of any act of fraud, theft or financial dishonesty with respect to the Company or any

of its subsidiaries and affiliates or indictment or conviction of any felony; (v) material violation of the provisions of this Amended Employment Agreement unless such violation is capable of being cured and is cured within ten (10) days of the Executive receiving written notice of such violation; (vi) chronic absenteeism; or (vii) abuse of alcohol or another controlled substance.

(2) "Disability" shall mean the Executive is entitled to receive long-term disability benefits under the long-term disability plan of the Company or any of its subsidiaries or affiliates in which Executive participates, or, if there is no such plan, the Executive's inability, due to physical or mental ill health, to perform the essential functions of the Executive's job, with or without a reasonable accommodation, for 180 days during any 365 day period irrespective of whether such days are consecutive.

(3) "Good Reason" shall mean (i) a material and adverse change in the Executive's duties or responsibilities; (ii) a reduction in the Executive's Base Salary or target Annual Bonus; or (iii) a relocation of the Executive's principal place of employment by more than fifty (50) miles.

(d) Section 409A Specified Employee. If the Executive is a "specified employee" for purposes of Section 409A of the United States Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder, to the extent required to comply with Section 409A of the Code, any Severance Payments required to be made pursuant to Section 3.2(a) which are subject to Section 409A of the Code shall not commence until one day after the day which is six (6) months from the date of termination, with the first payment equaling six (6) months of his Base Salary at the rate in effect immediately prior to the date of termination.

3.3. Exclusive Remedy. The foregoing payments upon termination of the Executive's employment shall constitute the exclusive severance payments due the Executive upon a termination of his employment under this Amended Employment Agreement.

3.4. Resignation from All Positions. Upon the termination of the Executive's employment with the Company for any reason, the Executive shall be deemed to have resigned, as of the date of such termination, from all positions he then holds as an officer, director, employee and member of the Board (and any committee thereof) and the board of directors (and any committee thereof) of any of the Company's subsidiaries and affiliates.

3.5. Cooperation. Following the termination of the Executive's employment with the Company for any reason, the Executive agrees to reasonably cooperate with the Company upon reasonable request of the Board and to be reasonably available to the Company with respect to matters arising out of the Executive's services to the Company and its subsidiaries and affiliates. The Company shall pay the Executive a reasonable fee for any such services and promptly reimburse the Executive for expenses reasonably incurred in connection with such matters.

Section 4. Unauthorized Disclosure; Non-Competition; Non-Solicitation; Interference with Business Relationships; Proprietary Rights.

4.1. Unauthorized Disclosure. The Executive agrees and understands that in the Executive's positions with Sooner, MRM Corporation and the Company, the Executive has been and will be exposed to and has and will receive information relating to the confidential affairs of the Company and its subsidiaries and affiliates, including, without limitation, technical information, intellectual property, business and marketing plans, strategies, customer information, software, other information concerning the products, promotions, development, financing, expansion plans, business policies and practices of the Company and its subsidiaries and affiliates and other forms of information considered by the Company and its subsidiaries and affiliates to be confidential or in the nature of trade secrets (including, without limitation, ideas, research and development, know-how, formulas, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals) (collectively, the "Confidential Information"). The Executive agrees that at all times during the Executive's employment with the Company and thereafter, the Executive shall not disclose such Confidential Information, either directly or indirectly, to any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof (each a "Person") other than in connection with the Executive's employment with the Company without the prior written consent of the Company and shall not use or attempt to use any such information in any manner other than in connection with his employment with the Company, unless required by law to disclose such information, in which case the Executive shall provide the Company with written notice of such requirement as far in advance of such anticipated disclosure as possible. This confidentiality covenant has no temporal, geographical or territorial restriction. Upon termination of the Executive's employment with the Company, the Executive shall promptly supply to the Company all property, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data and any other tangible product or document which has been produced by, received by or otherwise submitted to the Executive during the Executive's employment with the Company, and any copies thereof in his (or capable of being reduced to his) possession; provided, however, that the Executive may retain his full rolodex or similar address and telephone directories.

4.2. Non-Competition. By and in consideration of the Company's entering into this Amended Employment Agreement and the payments to be made and the benefits to be provided hereunder and in connection with the Executive's sale of shares of Sooner pursuant to the Stock Purchase Agreement, and in further consideration of the Executive's exposure to the Confidential Information of the Company and its subsidiaries and affiliates, the Executive agrees that the Executive shall not, for the period which is the longer of (i) five (5) years following the Effective Date or (ii) during the Executive's employment with the Company (whether during the Term or thereafter) and for a period of twenty-four (24) months thereafter (the "Restriction Period"), directly or indirectly, own, manage, operate, join, control, be employed by, or participate in the ownership, management, operation or control of, or be connected in any manner with, including, without limitation, holding any position as a stockholder, director, officer, consultant, independent contractor, employee, partner, or investor

in, any Restricted Enterprise (as defined below); provided, that in no event shall ownership of one percent (1%) or less of the outstanding securities of any class of any issuer whose securities are registered under the Securities Exchange Act of 1934, as amended, standing alone, be prohibited by this Section 4.2, so long as the Executive does not have, or exercise, any rights to manage or operate the business of such issuer other than rights as a stockholder thereof. For purposes of this paragraph, "Restricted Enterprise" shall mean any Person that is actively engaged in any geographic area in any business which is either (i) in competition with the business of the Company or any of its subsidiaries or affiliates or (ii) proposed to be conducted by the Company or any of its subsidiaries or affiliates in their respective business plans as in effect at that time. During the Restriction Period, upon request of the Company, the Executive shall notify the Company of the Executive's then-current employment status.

4.3. Non-Solicitation of Employees. During the Restriction Period, the Executive shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) for employment any person who is, or within twelve (12) months prior to the date of such solicitation was, an employee of the Company or any of its subsidiaries or affiliates.

4.4. Interference with Business Relationships. During the Restriction Period (other than in connection with carrying out his responsibilities for the Company and its subsidiaries and affiliates), the Executive shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) any customer or client of the Company or its subsidiaries or affiliates to terminate its relationship or otherwise cease doing business in whole or in part with the Company or its subsidiaries or affiliates, or directly or indirectly interfere with (or assist any Person to interfere with) any material relationship between the Company or its subsidiaries or affiliates and any of its or their customers or clients so as to cause harm to the Company or its subsidiaries or affiliates.

4.5. Extension of Restriction Period. The Restriction Period shall be tolled for any period during which the Executive is in breach of any of Sections 4.2, 4.3 or 4.4 hereof.

4.6. Proprietary Rights. The Executive shall disclose promptly to the Company any and all inventions, discoveries, and improvements (whether or not patentable or registrable under copyright or similar statutes), and all patentable or copyrightable works, initiated, conceived, discovered, reduced to practice, or made by him, either alone or in conjunction with others, during the Executive's employment with the Company and related to the business or activities of the Company and its subsidiaries and affiliates (the "Developments"). Except to the extent any rights in any Developments constitute a work made for hire under the U.S. Copyright Act, 17 U.S.C. § 101 et seq. that are owned ab initio by the Company and/or its applicable affiliate, the Executive assigns all of his right, title and interest in all Developments (including all intellectual property rights therein) to the Company or its nominee without further compensation, including all rights or benefits therefor, including without limitation the right to sue and recover for past and future infringement. The Executive acknowledges that any rights in any Developments constituting a work made for hire under the U.S. Copyright Act, 17 U.S.C § 101 et seq. are owned upon creation by the Company and/or its

applicable affiliate as the Executive's employer. Whenever requested to do so by the Company, the Executive shall execute any and all applications, assignments or other instruments which the Company shall deem necessary to apply for and obtain trademarks, patents or copyrights of the United States or any foreign country or otherwise protect the interests of the Company and its subsidiaries and affiliates therein. These obligations shall continue beyond the end of the Executive's employment with the Company with respect to inventions, discoveries, improvements or copyrightable works initiated, conceived or made by the Executive while employed by the Company, and shall be binding upon the Executive's employers, assigns, executors, administrators and other legal representatives. In connection with his execution of this Amended Employment Agreement, the Executive has informed the Company in writing of any interest in any inventions or intellectual property rights that he holds as of the date hereof as set forth on Exhibit B hereto (the "Existing Inventions"). Notwithstanding anything to the contrary herein, the Developments shall not include any Existing Inventions. If the Company is unable for any reason, after reasonable effort, to obtain the Executive's signature on any document needed in connection with the actions described in this Section 4.6, the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive's agent and attorney in fact to act for and on the Executive's behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 4.6 with the same legal force and effect as if executed by the Executive.

4.7. Confidentiality of Agreement. Other than with respect to information required to be disclosed by applicable law, the parties hereto agree not to disclose the terms of this Amended Employment Agreement to any Person; provided that the Executive may disclose this Amended Employment Agreement and/or any of its terms to the Executive's immediate family, financial advisors and attorneys, so long as the Executive instructs every such Person to whom the Executive makes such disclosure not to disclose the terms of this Amended Employment Agreement further.

4.8. Remedies. The Executive agrees that any breach of the terms of this Section 4 would result in irreparable injury and damage to the Company for which the Company would have no adequate remedy at law; the Executive therefore also agrees that in the event of said breach or any threat of breach, the Company shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all Persons acting for and/or with the Executive, without having to prove damages, in addition to any other remedies to which the Company may be entitled at law or in equity, including, without limitation, the obligation of the Executive to return any Severance Payments made by the Company to the Company. The terms of this Section 4.8 shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Executive. The Executive and the Company further agree that the provisions of the covenants contained in this Section 4 are reasonable and necessary to protect the businesses of the Company and its subsidiaries and affiliates because of the Executive's access to Confidential Information and his material participation in the operation of such businesses.

Section 5. Representation.

Each of the Executive and the Company represents and warrants that (i) he or it is not subject to any contract, arrangement, policy or understanding, or to any statute, governmental rule or regulation, that in any way limits his or its ability to enter into and fully perform his or its obligations under this Amended Employment Agreement and (ii) he or it is not otherwise unable to enter into and fully perform his or its obligations under this Amended Employment Agreement.

Section 6. Non-Disparagement.

From and after the Effective Date and following termination of the Executive's employment with the Company, the Executive agrees not to make any statement (other than statements made in connection with carrying out his responsibilities for the Company and its subsidiaries and affiliates) that is intended to become public, or that should reasonably be expected to become public, and that criticizes, ridicules, disparages or is otherwise derogatory of the Company or any of its subsidiaries, affiliates, employees, officers, directors or stockholders. The Company and its subsidiaries and affiliates shall cause their officers and directors not to make any such statement regarding the Executive.

Section 7. Withholding.

The Company may withhold from any amounts payable under this Amended Employment Agreement such Federal, state local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation. The Executive shall be solely responsible for the payment of all taxes relating to the payment or provision of any amounts or benefits hereunder.

Section 8. Miscellaneous.

8.1. Indemnification. The Company shall indemnify the Executive to the fullest extent provided under the Company's By-Laws. The Company shall also maintain director and officer liability insurance in such amounts and subject to such limitations as the Board shall, in good faith, deem appropriate for coverage of directors and officers of the Company.

8.2. Amendments and Waivers. This Amended Employment Agreement and any of the provisions hereof may be amended, waived (either generally or in a particular instance and either retroactively or prospectively), modified or supplemented, in whole or in part, only by written agreement signed by the parties hereto; provided, that, the observance of any provision of this Amended Employment Agreement may be waived in writing by the party that will lose the benefit of such provision as a result of such waiver. The waiver by any party hereto of a breach of any provision of this Amended Employment Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach, except as otherwise explicitly provided for in such waiver. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect

hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

8.3. Assignment; No Third-Party Beneficiaries. This Amended Employment Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive, and any purported assignment by the Executive in violation hereof shall be null and void. Nothing in this Amended Employment Agreement shall confer upon any Person not a party to this Amended Employment Agreement, or the legal representatives of such Person, any rights or remedies of any nature or kind whatsoever under or by reason of this Amended Employment Agreement.

8.4. Notices. Unless otherwise provided herein, all notices, requests, demands, claims and other communications provided for under the terms of this Amended Employment Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, (ii) facsimile during normal business hours, with confirmation of receipt, to the number indicated, (iii) reputable commercial overnight delivery service courier or (iv) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to the Company:	McJunkin Red Man Holding Corporation 8023 E. 63rd Place Tulsa, OK 74133 Attention: General Counsel Facsimile: 866-815-5063
with a copy to:	GS Capital Partners V Fund, L.P. 85 Broad Street New York, NY 10004 Attention: Jack Daly Facsimile: 212-357-5505 and Fried, Frank, Harris, Shriver & Jacobson LLP One New York Plaza New York, NY 10004 Attention: Robert C. Schwenkel, Esq. Facsimile: 212-859-4000
If to the Executive:	Craig Ketchum, at his principal office at the Company (during the Term), and at all times to his principal residence as reflected in the records of the Company.

All such notices, requests, consents and other communications shall be deemed to have been given when received. Either party may change its facsimile number or its address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

8.5. Governing Law. This Amended Employment Agreement shall be construed and enforced in accordance with, and the rights and obligations of the parties hereto shall be governed by, the laws of the State of New York, without giving effect to the conflicts of law principles thereof.

8.6. Severability. Whenever possible, each provision or portion of any provision of this Amended Employment Agreement, including those contained in Section 4 hereof, will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Amended Employment Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Amended Employment Agreement in that jurisdiction or the validity or enforceability of this Amended Employment Agreement, including that provision or portion of any provision, in any other jurisdiction. In addition, should a court or arbitrator determine that any provision or portion of any provision of this Amended Employment Agreement, including those contained in Section 4 hereof, is not reasonable or valid, either in period of time, geographical area, or otherwise, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable or valid.

8.7. Entire Agreement. From and after the Effective Date, (i) this Amended Employment Agreement, (ii) the Stock Purchase Agreement and (iii) the LLC Agreement constitute the entire agreement between the parties hereto, and supersede all prior representations, agreements and understandings (including any prior course of dealings), both written and oral, between the parties hereto with respect to the subject matter hereof.

8.8. Counterparts. This Amended Employment Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

8.9. Binding Effect. This Amended Employment Agreement shall inure to the benefit of, and be binding on, the successors of each of the parties, including, without limitation, the Executive's heirs and the personal representatives of the Executive's estate and any successor to all or substantially all of the business and/or assets of the Company.

8.10. General Interpretive Principles. The name assigned this Amended Employment Agreement and headings of the sections, paragraphs, subparagraphs, clauses and subclauses of this Amended Employment Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof. Words of inclusion shall not be construed as terms of limitation herein, so that references to "include," "includes" and "including" shall not be limiting and shall be regarded as references to non-exclusive and non-characterizing illustrations.

8.11. Mitigation. Notwithstanding any other provision of this Amended Employment Agreement, (a) the Executive will have no obligation to mitigate damages for any breach or termination of this Amended Employment Agreement by the Company, whether by seeking employment or otherwise and (b) the amount of any payment or benefit due the Executive after the date of such breach or termination will not be reduced or offset by any payment or benefit that the Executive may receive from any other source.

8.12 Section 409A Compliance. This Amended Employment Agreement is intended to comply with Section 409A of the Code (to the extent applicable) and, to the extent it would not adversely impact the Company, the Company agrees to interpret, apply and administer this Amended Employment Agreement in the least restrictive manner necessary to comply with such requirements and without resulting in any diminution in the value of payments or benefits to the Executive.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Amended Employment Agreement as of the date first written above.

MCJUNKIN RED MAN HOLDING CORPORATION

By: /s/ Stephen W. Lake
Name: Stephen W. Lake
Title: Senior Corporate Vice President, General Counsel and Corporate Secretary

/s/ Craig Ketchum
Craig Ketchum

[Signature Page for Craig Ketchum —Amended and Restated Employment Agreement]

Exhibit A

Release

1. In consideration of the payments and benefits to be made under the Amended and Restated Employment Agreement, dated as of September 24, 2008 (the "Employment Agreement"), to which Craig Ketchum (the "Executive") and McJunkin Red Man Holding Corporation (the "Company") (each of the Executive and the Company, a "Party" and collectively, the "Parties") are parties, the sufficiency of which the Executive acknowledges, the Executive, with the intention of binding himself and his heirs, executors, administrators and assigns, does hereby release, remise, acquit and forever discharge the Company and each of its subsidiaries and affiliates (the "Company Affiliated Group"), their present and former officers, directors, executives, shareholders, agents, attorneys, employees and employee benefit plans (and the fiduciaries thereof), and the successors, predecessors and assigns of each of the foregoing (collectively, the "Company Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected, which the Executive, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, arising on or prior to the date hereof, against any Company Released Party that arises out of, or relates to, the Employment Agreement, the Executive's employment with the Company or any of its subsidiaries and affiliates, or any termination of such employment, including claims (i) for severance or vacation benefits, unpaid wages, salary or incentive payments, (ii) for breach of contract, wrongful discharge, impairment of economic opportunity, defamation, intentional infliction of emotional harm or other tort, (iii) for any violation of applicable state and local labor and employment laws (including, without limitation, all laws concerning unlawful and unfair labor and employment practices) and (iv) for employment discrimination under any applicable federal, state or local statute, provision, order or regulation, and including, without limitation, any claim under Title VII of the Civil Rights Act of 1964 ("Title VII"), the Civil Rights Act of 1988, the Fair Labor Standards Act, the Americans with Disabilities Act ("ADA"), the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Age Discrimination in Employment Act ("ADEA"), and any similar or analogous state statute, excepting only:

(A) rights of the Executive arising under, or preserved by, this Release or Sections 2.3 and 3 of the Employment Agreement;

(B) the right of the Executive to receive COBRA continuation coverage in accordance with applicable law;

(C) claims for benefits under any health, disability, retirement, life insurance or other, similar employee benefit plan (within the meaning of Section 3(3) of ERISA) of the Company Affiliated Group; and

(D) rights to indemnification the Executive has or may have under the by-laws or certificate of incorporation of any member of the Company Affiliated Group or as an insured under any director's and officer's liability insurance policy now or previously in force.

2. The Employee acknowledges and agrees that the release of claims set forth in this Release is not to be construed in any way as an admission of any liability whatsoever by any Company Released Party, any such liability being expressly denied.

3. The release of claims set forth in this Release applies to any relief no matter how called, including, without limitation, wages, back pay, front pay, compensatory damages, liquidated damages, punitive damages, damages for pain or suffering, costs, and attorneys' fees and expenses.

4. The Executive specifically acknowledges that his acceptance of the terms of the release of claims set forth in this Release is, among other things, a specific waiver of his rights, claims and causes of action under Title VII, ADEA, ADA and any state or local law or regulation in respect of discrimination of any kind; provided, however, that nothing herein shall be deemed, nor does anything contained herein purport, to be a waiver of any right or claim or cause of action which by law the Executive is not permitted to waive.

5. As to rights, claims and causes of action arising under the ADEA, the Executive acknowledges that he has been given but not utilized a period of twenty-one (21) days to consider whether to execute this Release. If the Executive accepts the terms hereof and executes this Release, he may thereafter, for a period of seven (7) days following (and not including) the date of execution, revoke this Release as it relates to the release of claims arising under the ADEA. If no such revocation occurs, this Release shall become irrevocable in its entirety, and binding and enforceable against the Executive, on the day next following the day on which the foregoing seven-day period has elapsed. If such a revocation occurs, the Executive shall irrevocably forfeit any right to payment of the Severance Payments (as defined in the Employment Agreement), but the remainder of the Employment Agreement shall continue in full force.

6. Other than as to rights, claims and causes of action arising under the ADEA, the release of claims set forth in this Release shall be immediately effective upon execution by the Executive.

7. The Executive acknowledges and agrees that he has not, with respect to any transaction or state of facts existing prior to the date hereof, filed any complaints, charges or lawsuits against any Company Released Party with any governmental agency, court or tribunal.

8. The Executive acknowledges that he has been advised to seek, and has had the opportunity to seek, the advice and assistance of an attorney with regard to the release of claims set forth in this Release, and has been given a sufficient period within which to consider the release of claims set forth in this Release.

9. The Executive acknowledges that the release of claims set forth in this Release relates only to claims which exist as of the date of this Release.

10. The Executive acknowledges that the Severance Payments he is receiving in connection with the release of claims set forth in this Release and his obligations under this Release are in addition to anything of value to which the Executive is entitled from the Company and any of its affiliates.

11. Each provision hereof is severable from this Release, and if one or more provisions hereof are declared invalid, the remaining provisions shall nevertheless remain in full force and effect. If any provision of this Release is so broad, in scope, or duration or otherwise, as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

12. This Release constitutes the complete agreement of the Parties in respect of the subject matter hereof and shall supersede all prior agreements between the Parties in respect of the subject matter hereof except to the extent set forth herein.

13. The failure to enforce at any time any of the provisions of this Release or to require at any time performance by another party of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect the validity of this Release, or any part hereof, or the right of any party thereafter to enforce each and every such provision in accordance with the terms of this Release.

14. This Release may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Signatures delivered by facsimile shall be deemed effective for all purposes.

15. This Release shall be binding upon any and all successors and assigns of the Executive and the Company.

16. Except for issues or matters as to which federal law is applicable, this Release shall be governed by and construed and enforced in accordance with the laws of the State of New York without giving effect to the conflicts of law principles thereof.

[signature page follows]

IN WITNESS WHEREOF, this Release has been signed by or on behalf of each of the Parties, all as of _____.

MCJUNKIN RED MAN HOLDING CORPORATION

By: _____
Name:
Title:

_____
Craig Ketchum

Exhibit B

Existing Inventions

[none]

Exhibit 10.13

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of December 4, 2006 (the "Employment Agreement"), by and among McJ Holding LLC, a Delaware limited liability company ("McJ Holding LLC"), McJunkin Corporation, a West Virginia corporation (the "Company"), and James Underhill (the "Executive").

WHEREAS, pursuant to the Agreement and Plan of Merger, dated as of the date hereof (the "Merger Agreement"), between McJ Holding Corporation, a Delaware corporation ("McJ Holding Corporation"), Hg Acquisition Corp., a West Virginia corporation and wholly-owned subsidiary of McJ Holding Corporation ("Hg Acquisition") and the Company, Hg Acquisition will merge with and into the Company with the Company continuing as the surviving corporation (the "Merger");

WHEREAS, the Executive acknowledges that McJ Holding Corporation would not have entered into the Merger Agreement unless the Executive executes this Employment Agreement and agrees to be bound by the covenants contained in Section 4 hereof; and

WHEREAS, the Executive is currently employed as the Company's Executive Vice President and Chief Financial Officer and the Company and the Executive desire to continue the Executive's employment with the Company on the terms and conditions set forth in this Employment Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valid consideration, the sufficiency of which is acknowledged, the parties hereto agree as follows:

Section 1. Employment.

1.1. Term. McJ Holding LLC and the Company agree to employ the Executive, and the Executive agrees to be employed by McJ Holding LLC and the Company, in each case pursuant to this Employment Agreement, for a period commencing on the Closing Date (as defined in the Merger Agreement) (such date, the "Effective Date") and ending on the earlier of (i) the third (3rd) anniversary of the Effective Date and (ii) the termination of the Executive's employment in accordance with Section 3 hereof (the "Term").

1.2. Duties. During the Term, the Executive shall serve as the Company's Executive Vice President and Chief Financial Officer and such other positions as an officer or director of the Company and such affiliates of the Company as the Executive and the board of directors of the Company (the "Board") shall mutually agree from time to time. In such positions, the Executive shall perform such duties, functions and responsibilities during the Term commensurate with the Executive's positions as reasonably directed by the Chief Executive Officer of the Company (the "CEO").

1.3. Exclusivity. During the Term, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive shall devote his full time and attention to the business and affairs of the Company, shall faithfully serve the

Company, and shall in all material respects conform to and comply with the lawful and reasonable directions and instructions given to him by the CEO, consistent with Section 1.2 hereof. During the Term, the Executive shall use his best efforts to promote and serve the interests of the Company and shall not engage in any other business activity, whether or not such activity shall be engaged in for pecuniary profit; provided, however, that it shall not be a violation of this Employment Agreement for the Executive to engage in other outside business activities with the Board's prior written consent.

Section 2. Compensation.

2.1. Salary. As compensation for the performance of the Executive's services hereunder, during the Term, the Company shall pay to the Executive a salary at an annual rate of four hundred fifty thousand dollars ($450,000), payable in accordance with the Company's standard payroll policies (the "Base Salary"). The Base Salary will be reviewed annually and may be adjusted upward by the Board (or a committee thereof) in its discretion, based on competitive data and the Executive's performance. No increase in Base Salary shall limit or reduce any other right or obligation to the Executive under this Employment Agreement and the Base Salary shall not be reduced at any time (including after any such increase).

2.2. Annual Bonus. For each completed fiscal year occurring during the Term commencing with the 2007 fiscal year, the Executive shall be eligible to receive additional cash incentive compensation (the "Annual Bonus"). The target Annual Bonus shall be 100% of the Executive's Base Salary as in effect at the beginning of such fiscal year, with the actual Annual Bonus to be based upon such individual and/or Company performance criteria established for each such fiscal year by the Board in consultation with the CEO. The Annual Bonus for the calendar year ending December 31, 2006 shall be determined in accordance with the Company's existing bonus plan, consistent with past practice (but excluding any Merger-related expenses and any interest expenses associated with the additional borrowing incurred in connection with the Merger).

2.3. Equity. On the Effective Date, pursuant to the Limited Liability Company Agreement of McJ Holding LLC dated as of the date hereof (the "LLC Agreement"), the Executive will be granted Profits Units (as defined in the LLC Agreement) as set forth therein. Notwithstanding Section 7.2(a)(ii) of the LLC Agreement, if the Executive terminates his employment with Good Reason (as defined herein) or the Company terminates the Executive's employment without Cause (as defined herein), no Profits Units issued to the Executive shall be subject to forfeiture.

2.4. Employee Benefits. During the Term, the Executive shall be eligible to participate in such health and other group insurance and other employee benefit plans and programs of the Company as in effect from time to time on the same basis as other senior executives of the Company. Notwithstanding the foregoing, during the Term, the annual value attributable to retirement benefits will be approximately seventy thousand dollars ($70,000), which amount (x) is in addition to any benefits pursuant to the McJunkin Corporation Profit-Sharing and Savings Plan and Trust and (y) includes any benefits under the Amended and Restated McJunkin Corporation Supplemental Executive Savings Plan and Trust (the "SERP") or any plan that replaces the SERP.

2.5. Vacation. During the Term, the Executive shall be entitled to paid vacation in accordance with the Company's vacation policy as in effect from time to time.

2.6. Business Expenses. The Company shall pay or reimburse the Executive for all commercially reasonable business out-of-pocket expenses that the Executive incurs during the Term in performing his duties under this Employment Agreement upon presentation of documentation and in accordance with the expense reimbursement policy of the Company as approved by the Board (or a committee thereof) and in effect from time to time.

Section 3. Employment Termination.

3.1. Termination of Employment. The Company may terminate the Executive's employment for any reason during the Term, and the Executive may voluntarily terminate his employment for any reason during the Term, in each case (other than a termination by the Company for Cause) at any time upon not less than thirty (30) days' notice to the other party. Upon the termination of the Executive's employment with the Company for any reason, the Executive shall be entitled to any Base Salary earned but unpaid through the date of termination, any earned but unpaid Annual Bonus for completed fiscal years, any unreimbursed expenses in accordance with Section 2.6 hereof and, to the extent not theretofore paid or provided, any other amounts or benefits required to be paid or provided under any plan, program, policy or practice or other contract or agreement of the Company and its affiliated companies through the date of termination of employment (collectively, the "Accrued Amounts").

3.2. Certain Terminations.

(a) Termination by the Company other than for Cause or Disability; Termination by the Executive for Good Reason. If the Executive's employment is terminated during the Term (i) by the Company other than for Cause or Disability or (ii) by the Executive for Good Reason, in addition to the Accrued Amounts the Executive shall be entitled to the following payments and benefits: (x) the continuation of his Base Salary at the rate in effect immediately prior to the date of termination for a period of twelve (12) months, (y) the continuation on the same terms as an active senior executive of medical benefits the Executive would otherwise be eligible to receive as an active senior executive of the Company for twelve (12) months or until such earlier time as the Executive becomes eligible for medical benefits from a subsequent employer and (z) a pro rata Annual Bonus for the fiscal year in which the termination occurs (the "Pro Rata Annual Bonus Payment"), based on the Company's actual performance through the end of such fiscal year and the number of days the Executive was employed during such fiscal year (such payments and benefits, the "Severance Payments"). The Company's obligations to make the Severance Payments shall be conditioned upon: (i) the Executive's continued compliance with his obligations under Section 4 of this Employment Agreement and (ii) the Executive's execution, delivery and non-revocation of a valid and enforceable general release of claims (the "Release") in the form attached hereto as Exhibit A. In the event that the Executive breaches any of the covenants set forth in Section 4 of this Employment Agreement, the Executive will immediately return to the Company any portion of the Severance Payments that have been paid to the Executive pursuant to this Section 3.2(a). Subject to Section 3.2(d), the Severance Payments (with the exception of the Pro Rata Annual Bonus Payment) will commence to be paid to the Executive as soon as practicable following the

effectiveness of the Release. The Pro Rata Annual Bonus Payment will be paid at the time the Company ordinarily pays incentive bonuses to its executives with respect to the fiscal year in which the termination occurs.

(b) Termination upon Death or Disability. If the Executive's employment is terminated due to the Executive's death or Disability, in addition to the Accrued Amounts, the Executive (or the Executive's estate, if applicable) shall be entitled to receive a pro-rated portion of the Annual Bonus based on the Company's performance for the full fiscal year in which termination occurs and the number of days the Executive was employed by the Company during such fiscal year.

(c) Definitions. For purposes of this Section 3.2, the following terms shall have the following meanings:

(1) "Cause" shall mean the Executive's (i) continuing failure, for more than 10 days after the Company's written notice to the Executive thereof, to perform such duties as are reasonably requested by the Company; (ii) failure to observe material policies generally applicable to officers or employees of the Company unless such failure is capable of being cured and is cured within 10 days of the Executive receiving written notice of such failure; (iii) failure to cooperate with any internal investigation of the Company; (iv) commission of any act of fraud, theft or financial dishonesty with respect to the Company or indictment or conviction of any felony; (v) material violation of the provisions of this Employment Agreement unless such violation is capable of being cured and is cured within 10 days of the Executive receiving written notice of such violation; (vi) chronic absenteeism; or (vii) abuse of alcohol or another controlled substance.

(2) "Disability" shall mean the Executive is entitled to receive long-term disability benefits under the long-term disability plan of the Company in which Executive participates, or, if there is no such plan, the Executive's inability, due to physical or mental ill health, to perform the essential functions of the Executive's job, with or without a reasonable accommodation, for 180 days during any 365 day period irrespective of whether such days are consecutive.

(3) "Good Reason" shall mean (i) a material and adverse change in the Executive's duties or responsibilities, (ii) a reduction in the Executive's Base Salary or target Annual Bonus or (iii) a relocation of the Executive's principal place of employment by more than 50 miles.

(d) Section 409A Specified Employee. If the Executive is a "specified employee" for purposes of Section 409A of the United States Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder, to the extent required to comply with Section 409A of the Code, any Severance Payments required to be made pursuant to Section 3.2(a) which are subject to Section 409A of the Code shall not commence until one day after the day which is six (6) months from the date of termination, with the first payment equaling six (6) months of his Base Salary at the rate in effect immediately prior to the date of termination.

3.3. Exclusive Remedy. The foregoing payments upon termination of the Executive's employment shall constitute the exclusive severance payments due the Executive upon a termination of his employment under this Employment Agreement.

3.4. Resignation from All Positions. Upon the termination of the Executive's employment with the Company for any reason, the Executive shall be deemed to have resigned, as of the date of such termination, from all positions he then holds as an officer, director, employee and member of the Board (and any committee thereof) and the board of directors (and any committee thereof) of any of the Company's affiliates.

3.5. Cooperation. Following the termination of the Executive's employment with the Company for any reason, the Executive agrees to reasonably cooperate with the Company upon reasonable request of the Board and to be reasonably available to the Company with respect to matters arising out of the Executive's services to the Company and its subsidiaries. The Company shall pay the Executive a reasonable fee for any such services and promptly reimburse the Executive for expenses reasonably incurred in connection with such matters.

Section 4. Unauthorized Disclosure; Non-Competition; Non-Solicitation; Interference with Business Relationships; Proprietary Rights.

4.1. Unauthorized Disclosure. The Executive agrees and understands that in the Executive's position with the Company, the Executive has been and will be exposed to and has and will receive information relating to the confidential affairs of the Company and its affiliates, including, without limitation, technical information, intellectual property, business and marketing plans, strategies, customer information, software, other information concerning the products, promotions, development, financing, expansion plans, business policies and practices of the Company and its affiliates and other forms of information considered by the Company and its affiliates to be confidential or in the nature of trade secrets (including, without limitation, ideas, research and development, know-how, formulas, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals) (collectively, the "Confidential Information"). The Executive agrees that at all times during the Executive's employment with the Company and thereafter, the Executive shall not disclose such Confidential Information, either directly or indirectly, to any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof (each a "Person") other than in connection with the Executive's employment with the Company without the prior written consent of the Company and shall not use or attempt to use any such information in any manner other than in connection with his employment with the Company, unless required by law to disclose such information, in which case the Executive shall provide the Company with written notice of such requirement as far in advance of such anticipated disclosure as possible. This confidentiality covenant has no temporal, geographical or territorial restriction. Upon termination of the Executive's employment with the Company, the Executive shall promptly supply to the Company all property, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data and any other tangible product or document which has been

produced by, received by or otherwise submitted to the Executive during the Executive's employment with the Company, and any copies thereof in his (or capable of being reduced to his) possession; provided, however, that the Executive may retain his full rolodex or similar address and telephone directories.

4.2. Non-Competition. By and in consideration of the Company's entering into this Employment Agreement and the payments to be made and the benefits to be provided hereunder and in further consideration of the Executive's exposure to the Confidential Information of the Company and its affiliates, the Executive agrees that the Executive shall not, during the Executive's employment with the Company (whether during the Term or thereafter) and for a period of twelve (12) months thereafter (the "Restriction Period"), directly or indirectly, own, manage, operate, join, control, be employed by, or participate in the ownership, management, operation or control of, or be connected in any manner with, including, without limitation, holding any position as a stockholder, director, officer, consultant, independent contractor, employee, partner, or investor in, any Restricted Enterprise (as defined below) and in connection with the Executive's association directly or indirectly engage in any activity that is similar to any activity that the Executive was engaged in with the Company during the 12 months preceding the date of termination; provided, that in no event shall ownership of one percent (1%) or less of the outstanding securities of any class of any issuer whose securities are registered under the Securities Exchange Act of 1934, as amended, standing alone, be prohibited by this Section 4.2, so long as the Executive does not have, or exercise, any rights to manage or operate the business of such issuer other than rights as a stockholder thereof. For purposes of this paragraph, "Restricted Enterprise" shall mean (i) any Person that is actively engaged in any geographic area in any business which materially competes with McJ Holding LLC's or any of its subsidiaries' business of the distribution of industrial pipe, valves and fittings or any other business which is material to McJ Holding LLC or any of its subsidiaries (a "Material Business") or (ii) any Person who within a two (2) year period following termination of the Executive's employment is reasonably expected to materially compete with a Material Business or have revenue in excess of $100,000,000 derived from a business that is competitive with a Material Business. During the Restriction Period, upon request of the Company, the Executive shall notify the Company of the Executive's then-current employment status.

4.3. Non-Solicitation of Employees. During the Restriction Period, the Executive shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) for employment any person who is, or within twelve (12) months prior to the date of such solicitation was, an employee of the Company or any of its affiliates.

4.4. Interference with Business Relationships. During the Restriction Period (other than in connection with carrying out his responsibilities for the Company and its affiliates), the Executive shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) any customer or client of the Company or its subsidiaries to terminate its relationship or otherwise cease doing business in whole or in part with the Company or its subsidiaries, or directly or indirectly interfere with (or assist any Person to interfere with) any material relationship between the Company or its subsidiaries and any of its or their customers or clients so as to cause harm to the Company or its affiliates.

4.5. Extension of Restriction Period. The Restriction Period shall be tolled for any period during which the Executive is in breach of any of Sections 4.2, 4.3 or 4.4 hereof.

4.6. Proprietary Rights. The Executive shall disclose promptly to the Company any and all inventions, discoveries, and improvements (whether or not patentable or registrable under copyright or similar statutes), and all patentable or copyrightable works, initiated, conceived, discovered, reduced to practice, or made by him, either alone or in conjunction with others, during the Executive's employment with the Company and related to the business or activities of the Company and its affiliates (the "Developments"). Except to the extent any rights in any Developments constitute a work made for hire under the U.S. Copyright Act, 17 U.S.C. § 101 et seq. that are owned ab initio by the Company and/or its applicable affiliate, the Executive assigns all of his right, title and interest in all Developments (including all intellectual property rights therein) to the Company or its nominee without further compensation, including all rights or benefits therefor, including without limitation the right to sue and recover for past and future infringement. The Executive acknowledges that any rights in any Developments constituting a work made for hire under the U.S. Copyright Act, 17 U.S.C § 101 et seq. are owned upon creation by the Company and/or its applicable affiliate as the Executive's employer. Whenever requested to do so by the Company, the Executive shall execute any and all applications, assignments or other instruments which the Company shall deem necessary to apply for and obtain trademarks, patents or copyrights of the United States or any foreign country or otherwise protect the interests of the Company and its affiliates therein. These obligations shall continue beyond the end of the Executive's employment with the Company with respect to inventions, discoveries, improvements or copyrightable works initiated, conceived or made by the Executive while employed by the Company, and shall be binding upon the Executive's employers, assigns, executors, administrators and other legal representatives. In connection with his execution of this Employment Agreement, the Executive has informed the Company in writing of any interest in any inventions or intellectual property rights that he holds as of the date hereof as set forth on Exhibit B hereto (the "Existing Inventions"). Notwithstanding anything to the contrary herein, the Developments shall not include any Existing Inventions. If the Company is unable for any reason, after reasonable effort, to obtain the Executive's signature on any document needed in connection with the actions described in this Section 4.6, the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive's agent and attorney in fact to act for and on the Executive's behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 4.6 with the same legal force and effect as if executed by the Executive.

4.7. Confidentiality of Agreement. Other than with respect to information required to be disclosed by applicable law, the parties hereto agree not to disclose the terms of this Employment Agreement to any Person; provided the Executive may disclose this Employment Agreement and/or any of its terms to the Executive's immediate family, financial advisors and attorneys, so long as the Executive instructs every such Person to whom the Executive makes such disclosure not to disclose the terms of this Employment Agreement further.

4.8. Remedies. The Executive agrees that any breach of the terms of this Section 4 would result in irreparable injury and damage to the Company for which the Company would have no adequate remedy at law; the Executive therefore also agrees that in the event of said breach or any threat of breach, the Company shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all Persons acting for and/or with the Executive, without having to prove damages, in addition to any other remedies to which the Company may be entitled at law or in equity, including, without limitation, the obligation of the Executive to return any Severance Payments made by the Company to the Company. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Executive. The Executive and the Company further agree that the provisions of the covenants contained in this Section 4 are reasonable and necessary to protect the businesses of the Company and its affiliates because of the Executive's access to Confidential Information and his material participation in the operation of such businesses.

Section 5. Representation.

The Executive and the Company each represents and warrants that (i) he or it is not subject to any contract, arrangement, policy or understanding, or to any statute, governmental rule or regulation, that in any way limits his or its ability to enter into and fully perform his or its obligations under this Employment Agreement and (ii) he or it is not otherwise unable to enter into and fully perform his or its obligations under this Employment Agreement.

Section 6. Non-Disparagement.

From and after the Effective Date and following termination of the Executive's employment with the Company, the Executive agrees not to make any statement (other than statements made in connection with carrying out his responsibilities for the Company and its affiliates) that is intended to become public, or that should reasonably be expected to become public, and that criticizes, ridicules, disparages or is otherwise derogatory of the Company or any of its subsidiaries, affiliates, employees, officers, directors or stockholders. The Company shall cause its officers and directors not to make any such statement regarding the Executive.

Section 7. Withholding.

The Company may withhold from any amounts payable under this Employment Agreement such Federal, state local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation. The Executive shall be solely responsible for the payment of all taxes relating to the payment or provision of any amounts or benefits hereunder.

Section 8. Miscellaneous.

8.1. Indemnification. The Company shall indemnify the Executive to the fullest extent provided under the Company's By-Laws. The Company shall also maintain

director and officer liability insurance in such amounts and subject to such limitations as the Board shall, in good faith, deem appropriate for coverage of directors and officers of the Company.

8.2. Amendments and Waivers. This Employment Agreement and any of the provisions hereof may be amended, waived (either generally or in a particular instance and either retroactively or prospectively), modified or supplemented, in whole or in part, only by written agreement signed by the parties hereto; provided, that the observance of any provision of this Employment Agreement may be waived in writing by the party that will lose the benefit of such provision as a result of such waiver. The waiver by any party hereto of a breach of any provision of this Employment Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach, except as otherwise explicitly provided for in such waiver. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

8.3. Assignment; No Third-Party Beneficiaries. This Employment Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive, and any purported assignment by the Executive in violation hereof shall be null and void. Nothing in this Employment Agreement shall confer upon any Person not a party to this Employment Agreement, or the legal representatives of such Person, any rights or remedies of any nature or kind whatsoever under or by reason of this Employment Agreement.

8.4. Notices. Unless otherwise provided herein, all notices, requests, demands, claims and other communications provided for under the terms of this Employment Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, (ii) facsimile during normal business hours, with confirmation of receipt, to the number indicated, (iii) reputable commercial overnight delivery service courier or (iv) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to the Company:	McJunkin Corporation 835 Hillcrest Drive Charleston, WV 25311 Attention: General Counsel & Chief Executive Officer Facsimile: 304-348-1557
with a copy to:	GS Capital Partners V Fund, L.P. 85 Broad Street New York, NY 10004 Attention: Henry Cornell Facsimile: 212-357-5505

and

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004
Attention: Robert C. Schwenkel, Esq.
Facsimile: 212-859-4000

If to the Executive: James Underhill, at his principal office at the Company (during the Term), and at all times to his principal residence as reflected in the records of the Company.

All such notices, requests, consents and other communications shall be deemed to have been given when received. Either party may change its facsimile number or its address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

8.5. Governing Law. This Employment Agreement shall be construed and enforced in accordance with, and the rights and obligations of the parties hereto shall be governed by, the laws of the State of New York, without giving effect to the conflicts of law principles thereof.

8.6. Severability. Whenever possible, each provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Employment Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Employment Agreement in that jurisdiction or the validity or enforceability of this Employment Agreement, including that provision or portion of any provision, in any other jurisdiction. In addition, should a court or arbitrator determine that any provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, is not reasonable or valid, either in period of time, geographical area, or otherwise, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable or valid.

8.7. Entire Agreement. From and after the Effective Date, (i) this Employment Agreement, (ii) the LLC Agreement and (iii) the letter agreement between the Executive and the Company, dated July 7, 2006, regarding the Special Retention Bonus and Special Severance Payment, constitute the entire agreement between the parties hereto, and supersede all prior representations, agreements and understandings (including any prior course of dealings), both written and oral, between the parties hereto with respect to the subject matter hereof. In the event the Closing (as defined in the Merger Agreement) does not occur before the

date the Merger Agreement terminates in accordance with its terms, this Employment Agreement shall terminate, and shall be of no force or effect.

8.8. Counterparts. This Employment Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

8.9. Binding Effect. This Employment Agreement shall inure to the benefit of, and be binding on, the successors of each of the parties, including, without limitation, the Executive's heirs and the personal representatives of the Executive's estate and any successor to all or substantially all of the business and/or assets of the Company.

8.10. General Interpretive Principles. The name assigned this Employment Agreement and headings of the sections, paragraphs, subparagraphs, clauses and subclauses of this Employment Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof. Words of inclusion shall not be construed as terms of limitation herein, so that references to "include", "includes" and "including" shall not be limiting and shall be regarded as references to non-exclusive and non-characterizing illustrations.

8.11. Mitigation. Notwithstanding any other provision of this Employment Agreement, (a) the Executive will have no obligation to mitigate damages for any breach or termination of this Employment Agreement by the Company, whether by seeking employment or otherwise and (b) the amount of any payment or benefit due the Executive after the date of such breach or termination will not be reduced or offset by any payment or benefit that the Executive may receive from any other source.

8.12 Section 409A Compliance. This Employment Agreement is intended to comply with Section 409A of the Code (to the extent applicable) and, to the extent it would not adversely impact the Company, the Company agrees to interpret, apply and administer this Employment Agreement in the least restrictive manner necessary to comply with such requirements and without resulting in any diminution in the value of payments or benefits to the Executive.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the date first written above.

MCJUNKIN CORPORATION

By: /s/ H.B. Wehrle, III
Name: H.B. Wehrle, III
Title: Chief Executive Officer

McJ HOLDING LLC

By: /s/ John E. Bowman
Name: John E. Bowman
Title: Vice President

/s/ James Underhill
James Underhill

Exhibit A

Release

1. In consideration of the payments and benefits to be made under the Employment Agreement, dated as of December 4, 2006 (the "Employment Agreement"), to which James Underhill (the "Executive"), McJ Holding LLC (the "LLC") and McJunkin Corporation (the "Company") (each of the Executive, the LLC and the Company, a "Party" and collectively, the "Parties") are parties, the sufficiency of which the Executive acknowledges, the Executive, with the intention of binding himself and his heirs, executors, administrators and assigns, does hereby release, remise, acquit and forever discharge the Company and each of its subsidiaries and affiliates (the "Company Affiliated Group"), their present and former officers, directors, executives, shareholders, agents, attorneys, employees and employee benefit plans (and the fiduciaries thereof), and the successors, predecessors and assigns of each of the foregoing (collectively, the "Company Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected, which the Executive, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, arising on or prior to the date hereof, against any Company Released Party that arises out of, or relates to, the Employment Agreement, the Executive's employment with the Company or any of its subsidiaries and affiliates, or any termination of such employment, including claims (i) for severance or vacation benefits, unpaid wages, salary or incentive payments, (ii) for breach of contract, wrongful discharge, impairment of economic opportunity, defamation, intentional infliction of emotional harm or other tort, (iii) for any violation of applicable state and local labor and employment laws (including, without limitation, all laws concerning unlawful and unfair labor and employment practices) and (iv) for employment discrimination under any applicable federal, state or local statute, provision, order or regulation, and including, without limitation, any claim under Title VII of the Civil Rights Act of 1964 ("Title VII"), the Civil Rights Act of 1988, the Fair Labor Standards Act, the Americans with Disabilities Act ("ADA"), the Executive Retirement Income Security Act of 1974, as amended ("ERISA"), the Age Discrimination in Employment Act ("ADEA"), and any similar or analogous state statute, excepting only:

(A) rights of the Executive arising under, or preserved by, this Release or Sections 2.3 and 3 of the Employment Agreement;

(B) the right of the Executive to receive COBRA continuation coverage in accordance with applicable law;

(C) claims for benefits under any health, disability, retirement, life insurance or other, similar employee benefit plan (within the meaning of Section 3(3) of ERISA) of the Company Affiliated Group; and

(D) rights to indemnification the Executive has or may have under the by-laws or certificate of incorporation of any member of the Company Affiliated Group or as an insured under any director's and officer's liability insurance policy now or previously in force.

2. The Employee acknowledges and agrees that the release of claims set forth in this Release is not to be construed in any way as an admission of any liability whatsoever by any Company Released Party, any such liability being expressly denied.

3. The release of claims set forth in this Release applies to any relief no matter how called, including, without limitation, wages, back pay, front pay, compensatory damages, liquidated damages, punitive damages, damages for pain or suffering, costs, and attorneys' fees and expenses.

4. The Executive specifically acknowledges that his acceptance of the terms of the release of claims set forth in this Release is, among other things, a specific waiver of his rights, claims and causes of action under Title VII, ADEA, ADA and any state or local law or regulation in respect of discrimination of any kind; provided, however, that nothing herein shall be deemed, nor does anything contained herein purport, to be a waiver of any right or claim or cause of action which by law the Executive is not permitted to waive.

5. As to rights, claims and causes of action arising under the ADEA, the Executive acknowledges that he has been given but not utilized a period of twenty-one (21) days to consider whether to execute this Release. If the Executive accepts the terms hereof and executes this Release, he may thereafter, for a period of seven (7) days following (and not including) the date of execution, revoke this Release as it relates to the release of claims arising under the ADEA. If no such revocation occurs, this Release shall become irrevocable in its entirety, and binding and enforceable against the Executive, on the day next following the day on which the foregoing seven-day period has elapsed. If such a revocation occurs, the Executive shall irrevocably forfeit any right to payment of the Severance Payments (as defined in the Employment Agreement), but the remainder of the Employment Agreement shall continue in full force.

6. Other than as to rights, claims and causes of action arising under the ADEA, the release of claims set forth in this Release shall be immediately effective upon execution by the Executive.

7. The Executive acknowledges and agrees that he has not, with respect to any transaction or state of facts existing prior to the date hereof, filed any complaints, charges or lawsuits against any Company Released Party with any governmental agency, court or tribunal.

8. The Executive acknowledges that he has been advised to seek, and has had the opportunity to seek, the advice and assistance of an attorney with regard to the release of claims set forth in this Release, and has been given a sufficient period within which to consider the release of claims set forth in this Release.

9. The Executive acknowledges that the release of claims set forth in this Release relates only to claims which exist as of the date of this Release.

10. The Executive acknowledges that the Severance Payments he is receiving in connection with the release of claims set forth in this Release and his obligations under this Release are in addition to anything of value to which the Executive is entitled from the Company.

11. Each provision hereof is severable from this Release, and if one or more provisions hereof are declared invalid, the remaining provisions shall nevertheless remain in full force and effect. If any provision of this Release is so broad, in scope, or duration or otherwise, as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

12. This Release constitutes the complete agreement of the Parties in respect of the subject matter hereof and shall supersede all prior agreements between the Parties in respect of the subject matter hereof except to the extent set forth herein.

13. The failure to enforce at any time any of the provisions of this Release or to require at any time performance by another party of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect the validity of this Release, or any part hereof, or the right of any party thereafter to enforce each and every such provision in accordance with the terms of this Release.

14. This Release may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Signatures delivered by facsimile shall be deemed effective for all purposes.

15. This Release shall be binding upon any and all successors and assigns of the Executive and the Company.

16. Except for issues or matters as to which federal law is applicable, this Release shall be governed by and construed and enforced in accordance with the laws of the State of New York without giving effect to the conflicts of law principles thereof.

[signature page follows]

IN WITNESS WHEREOF, this Release has been signed by or on behalf of each of the Parties, all as of _____.

MCJUNKIN CORPORATION

By: _____
Name:
Title:

McJ HOLDING LLC

By: _____
Name:
Title:

_____
James Underhill

Exhibit B

Existing Inventions

[none.]

Exhibit 10.14

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of December 4, 2006 (the "Employment Agreement"), by and among McJ Holding LLC, a Delaware limited liability company ("McJ Holding LLC"), McJunkin Corporation, a West Virginia corporation (the "Company"), and David Fox, III (the "Executive").

WHEREAS, pursuant to the Agreement and Plan of Merger, dated as of the date hereof (the "Merger Agreement"), between McJ Holding Corporation, a Delaware corporation ("McJ Holding Corporation"), Hg Acquisition Corp., a West Virginia corporation and wholly-owned subsidiary of McJ Holding Corporation ("Hg Acquisition"), and the Company, Hg Acquisition will merge with and into the Company with the Company continuing as the surviving corporation (the "Merger");

WHEREAS, pursuant to the Merger Agreement and the McApple Contribution Agreement, dated as of the date hereof (the "Contribution Agreement"), among McJ Holding LLC, the Company, the Executive and the other parties thereto, and by reason of the consummation of the transactions thereunder, the Executive will contribute shares of McJunkin Appalachian Oilfield Supply Company ("McApple") and receive Common Units (as defined in the Limited Liability Company Agreement of McJ Holding LLC, dated as of the date hereof (the "LLC Agreement")), and other significant consideration therefor;

WHEREAS, the Executive acknowledges that McJ Holding Corporation would not have entered into the Merger Agreement unless the Executive executes this Employment Agreement and agrees to be bound by the covenants contained in Section 4 hereof; and

WHEREAS, the Executive is currently employed by the Company or its subsidiary and the Company and the Executive desire to continue the Executive's employment with the Company on the terms and conditions set forth in this Employment Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valid consideration, the sufficiency of which is acknowledged, the parties hereto agree as follows:

Section 1. Employment.

1.1. Term. McJ Holding LLC and the Company agree to employ the Executive, and the Executive agrees to be employed by McJ Holding LLC and the Company, in each case pursuant to this Employment Agreement, for a period commencing on the Closing Date (as defined in the Merger Agreement) (such date, the "Effective Date") and ending on the earlier of (i) the third (3rd) anniversary of the Effective Date and (ii) the termination of the Executive's employment in accordance with Section 3 hereof (the "Term").

1.2. Duties. During the Term, the Executive shall serve as the Company's Executive Vice President – McJunkin Appalachian and such other positions as an officer or director of the Company and such affiliates of the Company as the Executive and the board of directors of the Company (the "Board") shall mutually agree from time to time. In such positions, the Executive shall perform such duties, functions and responsibilities during the Term

commensurate with the Executive's positions as reasonably directed by the Chief Executive Officer of the Company (the "CEO").

1.3. Exclusivity. During the Term, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive shall devote his full time and attention to the business and affairs of the Company, shall faithfully serve the Company, and shall in all material respects conform to and comply with the lawful and reasonable directions and instructions given to him by the CEO, consistent with Section 1.2 hereof. During the Term, the Executive shall use his best efforts to promote and serve the interests of the Company and shall not engage in any other business activity, whether or not such activity shall be engaged in for pecuniary profit; provided, however, that it shall not be a violation of this Employment Agreement for the Executive to (i) participate at his current level of activity with respect to service on the boards of Cabell Huntington Hospital, Guaranty Bank, Hospice of Huntington and Big Green Scholarship Foundation, or manage his personal investment portfolio, so long as such participation and management does not interfere with his duties and responsibilities as defined in this Employment Agreement or (ii) engage in such other activities with the Board's prior written consent.

Section 2. Compensation.

2.1. Salary. As compensation for the performance of the Executive's services hereunder, during the Term, the Company shall pay to the Executive a salary at an annual rate of five hundred seventy-five thousand dollars ($575,000), payable in accordance with the Company's standard payroll policies (the "Base Salary"). The Base Salary will be reviewed annually and may be adjusted upward by the Board (or a committee thereof) in its discretion, based on competitive data and the Executive's performance. No increase in Base Salary shall limit or reduce any other right or obligation to the Executive under this Employment Agreement and the Base Salary shall not be reduced at any time (including after any such increase).

2.2. Annual Bonus. For each completed fiscal year occurring during the Term commencing with the 2007 fiscal year, the Executive shall be eligible to receive additional cash incentive compensation (the "Annual Bonus"). The target Annual Bonus shall be 100% of the Executive's Base Salary as in effect at the beginning of such fiscal year, with the actual Annual Bonus to be based upon such individual and/or Company performance criteria established for each such fiscal year by the Board in consultation with the CEO. The Annual Bonus for the calendar year ending December 31, 2006 shall be determined in accordance with McApple's existing bonus plan, consistent with past practice (but excluding any Merger-related expenses and any interest expenses associated with the additional borrowing incurred in connection with the Merger).

2.3. Equity. On the Effective Date, the Executive will be granted Restricted Common Units subject to Article VII of the LLC Agreement with a corresponding capital account as of the Effective Time (as defined in the LLC Agreement) of two million five hundred twenty thousand dollars ($2,520,000) (the "Restricted Common Units"). Notwithstanding Section 7.2(a)(ii) of the LLC Agreement, if the Executive terminates his employment with Good Reason (as defined herein) or the Company terminates the Executive's employment without Cause (as defined herein), during or subsequent to the Term, no Restricted

Common Units issued to the Executive shall be subject to forfeiture and they shall thereby be fully vested, and the restrictions and conditions applicable to such Restricted Common Units shall be deemed to have lapsed immediately prior to the occurrence of such event. Notwithstanding Section 7.2 of the LLC Agreement, in the event of a termination of the Executive's employment due to the Executive's death or Disability, or in the event of a Transaction (as defined in the LLC Agreement), all Restricted Common Units issued to the Executive shall vest, and the restrictions and conditions applicable to such Restricted Common Units shall be deemed to have lapsed immediately prior to the occurrence of any such event. Notwithstanding Section 7.2(a)(i) of the LLC Agreement, if the Executive's employment is terminated with Cause, he shall not forfeit those Restricted Common Units which immediately prior to such termination were not subject to forfeiture; provided however, that McJ Holding LLC may repurchase those units for Fair Market Value (as defined in the LLC Agreement). If the Executive disagrees with the amount of the Fair Market Value as so determined, the Executive can challenge such determination in a writing to McJ Holding LLC within 30 days of his receipt of such determination, in which case, unless McJ Holding LLC informs the Executive of its decision in writing to not pursue the repurchase of such units, the fair market value of such units shall be determined by a third party appraiser reasonably acceptable to McJ Holding LLC and the Executive, with the cost of such appraisal paid 50% by the Company and 50% by the Executive. This Section 2.3, and the definitions of Good Reason, Cause and Disability contained in this Employment Agreement, shall control over any conflicting or inconsistent provisions of the LLC Agreement and shall survive the expiration of this Employment Agreement in accordance with its terms, and continue to be legally operative for so long as any Restricted Common Units are not vested. The Executive shall make a timely and valid election pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, with respect to all the Restricted Common Units subject to such grant.

2.4. Cash Payment. On the Closing Date (as defined in the Merger Agreement), the Company shall pay to the Executive two million four hundred eighty thousand dollars ($2,480,000) in cash.

2.5. Employee Benefits. During the Term, the Executive shall be eligible to participate in such health and other group insurance and other employee benefit plans and programs of the Company as in effect from time to time on the same basis as other senior executives of the Company. Notwithstanding the foregoing, during the Term, the annual value attributable to retirement benefits will be approximately one hundred thousand dollars ($100,000), which amount (x) is in addition to any benefits pursuant to the McJunkin Corporation Profit-Sharing and Savings Plan and Trust and (y) includes any benefits under the Amended and Restated McJunkin Corporation Supplemental Executive Savings Plan and Trust (the "SERP") or any plan that replaces the SERP.

2.6. Vacation. During the Term, the Executive shall be entitled to paid vacation in accordance with the Company's vacation policy as in effect from time to time.

2.7. Business Expenses. The Company shall pay or reimburse the Executive for all commercially reasonable business out-of-pocket expenses that the Executive incurs during the Term in performing his duties under this Employment Agreement upon

presentation of documentation and in accordance with the expense reimbursement policy of the Company as approved by the Board (or a committee thereof) and in effect from time to time.

Section 3. Employment Termination.

3.1. Termination of Employment. The Company may terminate the Executive's employment for any reason during the Term, and the Executive may voluntarily terminate his employment for any reason during the Term, in each case (other than a termination by the Company for Cause) at any time upon not less than thirty (30) days' notice to the other party. Upon the termination of the Executive's employment with the Company for any reason, the Executive shall be entitled to any Base Salary earned but unpaid through the date of termination, any earned but unpaid Annual Bonus for completed fiscal years, and any unreimbursed expenses in accordance with Section 2.7 hereof and, to the extent not theretofore paid or provided, any other amounts or benefits required to be paid or provided under any plan, program, policy or practice or other contract or agreement of the Company and its affiliated companies through the date of termination of employment (collectively, the "Accrued Amounts").

3.2. Certain Terminations.

(a) Termination by the Company Other Than For Cause or Disability, Termination by the Executive for Good Reason. If the Executive's employment is terminated during the Term (i) by the Company other than for Cause or Disability or (ii) by the Executive for Good Reason, in addition to the Accrued Amounts the Executive shall be entitled to the following payments and benefits: (x) the continuation of his Base Salary at the rate in effect immediately prior to the date of termination for a period of twelve (12) months, (y) the continuation on the same terms as an active senior executive of medical benefits the Executive would otherwise be eligible to receive as an active senior executive of the Company for twelve (12) months or until such earlier time as the Executive becomes eligible for medical benefits from a subsequent employer and (z) a pro rata Annual Bonus for the fiscal year in which the termination occurs (the "Pro Rata Annual Bonus Payment"), based on the Company's actual performance through the end of such fiscal year and the number of days the Executive was employed during such fiscal year (such payments and benefits, the "Severance Payments"). The Company's obligations to make the Severance Payments shall be conditioned upon: (i) the Executive's continued compliance with his obligations under Section 4 of this Employment Agreement and (ii) the Executive's execution, delivery and non-revocation of a valid and enforceable general release of claims (the "Release") in the form attached hereto as Exhibit A. In the event that the Executive breaches any of the covenants set forth in Section 4 of this Employment Agreement, the Executive will immediately return to the Company any portion of the Severance Payments that have been paid to the Executive pursuant to this Section 3.2(a). Subject to Section 3.2(d), the Severance Payments (with the exception of the Pro Rata Annual Bonus Payment) will commence to be paid to the Executive as soon as practicable following the effectiveness of the Release. The Pro Rata Annual Bonus Payment will be paid at the time the Company ordinarily pays incentive bonuses to its executives with respect to the fiscal year in which the termination occurs.

(b) Termination upon Death or Disability. If the Executive's employment is terminated due to the Executive's death or Disability, in addition to the Accrued Amounts, the Executive (or the Executive's estate, if applicable) shall be entitled to receive a pro-rated portion of the Annual Bonus based on the Company's performance for the full fiscal year in which termination occurs and the number of days the Executive was employed by the Company during such fiscal year.

(c) Definitions. For purposes of this Section 3.2, the following terms shall have the following meanings:

(1) "Cause" shall mean the Executive's (i) continuing failure, for more than 10 days after the Company's written notice to the Executive thereof, to perform such duties as are reasonably requested by the Company; (ii) failure to observe material policies generally applicable to officers or employees of the Company unless such failure is capable of being cured and is cured within 10 days of the Executive receiving written notice of such failure; (iii) failure to cooperate with any internal investigation of the Company; (iv) commission of any act of fraud, theft or financial dishonesty with respect to the Company or indictment or conviction of any felony; (v) material violation of the provisions of this Employment Agreement unless such violation is capable of being cured and is cured within 10 days of the Executive receiving written notice of such violation; (vi) chronic absenteeism; (vii) abuse of alcohol or another controlled substance; or (viii) failure to make a valid and timely Section 83(b) election as set forth in Section 2.3 hereof.

(2) "Disability" shall mean the Executive is entitled to receive long-term disability benefits under the long-term disability plan of the Company in which Executive participates, or, if there is no such plan, the Executive's inability, due to physical or mental ill health, to perform the essential functions of the Executive's job, with or without a reasonable accommodation, for 180 days during any 365 day period irrespective of whether such days are consecutive.

(3) "Good Reason" shall mean (i) a material and adverse change in the Executive's duties or responsibilities, (ii) a reduction in the Executive's Base Salary or target Annual Bonus or (iii) a relocation of the Executive's principal place of employment by more than 50 miles.

(d) Section 409A Specified Employee. If the Executive is a "specified employee" for purposes of Section 409A of the United States Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder, to the extent required to comply with Section 409A of the Code, any Severance Payments required to be made pursuant to Section 3.2(a) which are subject to Section 409A of the Code shall not commence until one day after the day which is six (6) months from the date of termination, with the first payment equaling six (6) months of his Base Salary at the rate in effect immediately prior to the date of termination.

3.3. Exclusive Remedy. The foregoing payments upon termination of the Executive's employment shall constitute the exclusive severance payments due the Executive upon a termination of his employment under this Employment Agreement.

3.4. Resignation from All Positions. Upon the termination of the Executive's employment with the Company for any reason, the Executive shall be deemed to have resigned, as of the date of such termination, from all positions he then holds as an officer, director, employee and member of the Board (and any committee thereof) and the board of directors (and any committee thereof) of any of the Company's affiliates.

3.5. Cooperation. Following the termination of the Executive's employment with the Company for any reason, the Executive agrees to reasonably cooperate with the Company upon reasonable request of the Board and to be reasonably available to the Company with respect to matters arising out of the Executive's services to the Company and its subsidiaries. The Company shall pay the Executive a reasonable fee for any such services and promptly reimburse the Executive for expenses reasonably incurred in connection with such matters.

Section 4. Unauthorized Disclosure; Non-Competition; Non-Solicitation; Interference with Business Relationships; Proprietary Rights.

4.1. Unauthorized Disclosure. The Executive agrees and understands that in the Executive's position with the Company, the Executive has been and will be exposed to and has and will receive information relating to the confidential affairs of the Company and its affiliates, including, without limitation, technical information, intellectual property, business and marketing plans, strategies, customer information, software, other information concerning the products, promotions, development, financing, expansion plans, business policies and practices of the Company and its affiliates and other forms of information considered by the Company and its affiliates to be confidential or in the nature of trade secrets (including, without limitation, ideas, research and development, know-how, formulas, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals) (collectively, the "Confidential Information"). The Executive agrees that at all times during the Executive's employment with the Company and thereafter, the Executive shall not disclose such Confidential Information, either directly or indirectly, to any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof (each a "Person") other than in connection with the Executive's employment with the Company without the prior written consent of the Company and shall not use or attempt to use any such information in any manner other than in connection with his employment with the Company, unless required by law to disclose such information, in which case the Executive shall provide the Company with written notice of such requirement as far in advance of such anticipated disclosure as possible. This confidentiality covenant has no temporal, geographical or territorial restriction. Upon termination of the Executive's employment with the Company, the Executive shall promptly supply to the Company all property, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data and any other tangible product or document which has been produced by, received by or otherwise submitted to the Executive during the Executive's employment with the Company, and any copies thereof in his (or capable of being reduced to his) possession; provided, however, that the Executive may retain his full rolodex or similar address and telephone directories.

4.2. Non-Competition. By and in consideration of the Company's entering into this Employment Agreement and the payments to be made and the benefits to be provided hereunder and in connection with the Executive's contribution of shares of McApple pursuant to the McApple Agreement (as defined in the Merger Agreement), and in further consideration of the Executive's exposure to the Confidential Information of the Company and its affiliates, the Executive agrees that the Executive shall not, for the period which is the longer of (i) five (5) years following the Effective Date or (ii) during the Executive's employment with the Company (whether during the Term or thereafter) and for a period of twenty-four (24) months thereafter (the "Restriction Period"), directly or indirectly, own, manage, operate, join, control, be employed by, or participate in the ownership, management, operation or control of, or be connected in any manner with, including, without limitation, holding any position as a stockholder, director, officer, consultant, independent contractor, employee, partner, or investor in, any Restricted Enterprise (as defined below); provided, that in no event shall ownership of one percent (1%) or less of the outstanding securities of any class of any issuer whose securities are registered under the Securities Exchange Act of 1934, as amended, standing alone, be prohibited by this Section 4.2, so long as the Executive does not have, or exercise, any rights to manage or operate the business of such issuer other than rights as a stockholder thereof. For purposes of this paragraph, "Restricted Enterprise" shall mean any Person that is actively engaged in any geographic area in any business which is either (i) in competition with the business of McJ Holding LLC or any of its subsidiaries or (ii) proposed to be conducted by McJ Holding LLC or any of its subsidiaries in the Company's business plan as in effect at that time. During the Restriction Period, upon request of the Company, the Executive shall notify the Company of the Executive's then-current employment status.

4.3. Non-Solicitation of Employees. During the Restriction Period, the Executive shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) for employment any person who is, or within twelve (12) months prior to the date of such solicitation was, an employee of the Company or any of its affiliates.

4.4. Interference with Business Relationships. During the Restriction Period (other than in connection with carrying out his responsibilities for the Company and its affiliates), the Executive shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) any customer or client of the Company or its subsidiaries to terminate its relationship or otherwise cease doing business in whole or in part with the Company or its subsidiaries, or directly or indirectly interfere with (or assist any Person to interfere with) any material relationship between the Company or its subsidiaries and any of its or their customers or clients so as to cause harm to the Company or its affiliates.

4.5. Extension of Restriction Period. The Restriction Period shall be tolled for any period during which the Executive is in breach of any of Sections 4.2, 4.3 or 4.4 hereof.

4.6. Proprietary Rights. The Executive shall disclose promptly to the Company any and all inventions, discoveries, and improvements (whether or not patentable or registrable under copyright or similar statutes), and all patentable or copyrightable works, initiated, conceived, discovered, reduced to practice, or made by him, either alone or in conjunction with others, during the Executive's employment with the Company and related to

the business or activities of the Company and its affiliates (the "Developments"). Except to the extent any rights in any Developments constitute a work made for hire under the U.S. Copyright Act, 17 U.S.C. § 101 et seq. that are owned ab initio by the Company and/or its applicable affiliate, the Executive assigns all of his right, title and interest in all Developments (including all intellectual property rights therein) to the Company or its nominee without further compensation, including all rights or benefits therefor, including without limitation the right to sue and recover for past and future infringement. The Executive acknowledges that any rights in any Developments constituting a work made for hire under the U.S. Copyright Act, 17 U.S.C § 101 et seq. are owned upon creation by the Company and/or its applicable affiliate as the Executive's employer. Whenever requested to do so by the Company, the Executive shall execute any and all applications, assignments or other instruments which the Company shall deem necessary to apply for and obtain trademarks, patents or copyrights of the United States or any foreign country or otherwise protect the interests of the Company and its affiliates therein. These obligations shall continue beyond the end of the Executive's employment with the Company with respect to inventions, discoveries, improvements or copyrightable works initiated, conceived or made by the Executive while employed by the Company, and shall be binding upon the Executive's employers, assigns, executors, administrators and other legal representatives. In connection with his execution of this Employment Agreement, the Executive has informed the Company in writing of any interest in any inventions or intellectual property rights that he holds as of the date hereof. If the Company is unable for any reason, after reasonable effort, to obtain the Executive's signature on any document needed in connection with the actions described in this Section 4.6, the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive's agent and attorney in fact to act for and on the Executive's behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 4.6 with the same legal force and effect as if executed by the Executive.

4.7. Confidentiality of Agreement. Other than with respect to information required to be disclosed by applicable law, the parties hereto agree not to disclose the terms of this Employment Agreement to any Person; provided the Executive may disclose this Employment Agreement and/or any of its terms to the Executive's immediate family, financial advisors and attorneys, so long as the Executive instructs every such Person to whom the Executive makes such disclosure agrees not to disclose the terms of this Employment Agreement further.

4.8. Remedies. The Executive agrees that any breach of the terms of this Section 4 would result in irreparable injury and damage to the Company for which the Company would have no adequate remedy at law; the Executive therefore also agrees that in the event of said breach or any threat of breach, the Company shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all Persons acting for and/or with the Executive, without having to prove damages, in addition to any other remedies to which the Company may be entitled at law or in equity, including, without limitation, the obligation of the Executive to return any Severance Payments made by the Company to the Company. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Executive. The Executive and the Company further agree that the provisions of the

covenants contained in this Section 4 are reasonable and necessary to protect the businesses of the Company and its affiliates because of the Executive's access to Confidential Information and his material participation in the operation of such businesses.

Section 5. Representation.

The Executive and the Company each represents and warrants that (i) he or it is not subject to any contract, arrangement, policy or understanding, or to any statute, governmental rule or regulation, that in any way limits his or its ability to enter into and fully perform his or its obligations under this Employment Agreement and (ii) he or it is not otherwise unable to enter into and fully perform his or its obligations under this Employment Agreement.

Section 6. Non-Disparagement.

From and after the Effective Date and following termination of the Executive's employment with the Company, the Executive agrees not to make any statement (other than statements made in connection with carrying out his responsibilities for the Company and its affiliates) that is intended to become public, or that should reasonably be expected to become public, and that criticizes, ridicules, disparages or is otherwise derogatory of the Company or any of its subsidiaries, affiliates, employees, officers, directors or stockholders. The Company shall cause its officers and directors not to make any such statement regarding the Executive.

Section 7. Withholding.

The Company may withhold from any amounts payable under this Employment Agreement such Federal, state local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation. The Executive shall be solely responsible for the payment of all taxes relating to the payment or provision of any amounts or benefits hereunder.

Section 8. Miscellaneous.

8.1. Indemnification. The Company shall indemnify the Executive to the fullest extent provided under the Company's By-Laws. The Company shall also maintain director and officer liability insurance in such amounts and subject to such limitations as the Board shall, in good faith, deem appropriate for coverage of directors and officers of the Company.

8.2. Amendments and Waivers. This Employment Agreement and any of the provisions hereof may be amended, waived (either generally or in a particular instance and either retroactively or prospectively), modified or supplemented, in whole or in part, only by written agreement signed by the parties hereto; provided, that the observance of any provision of this Employment Agreement may be waived in writing by the party that will lose the benefit of such provision as a result of such waiver. The waiver by any party hereto of a breach of any provision of this Employment Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach, except as otherwise explicitly provided for in such waiver. Except as otherwise expressly provided herein,

no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

8.3. Assignment; No Third-Party Beneficiaries. This Employment Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive, and any purported assignment by the Executive in violation hereof shall be null and void. Nothing in this Employment Agreement shall confer upon any Person not a party to this Employment Agreement, or the legal representatives of such Person, any rights or remedies of any nature or kind whatsoever under or by reason of this Employment Agreement.

8.4. Notices. Unless otherwise provided herein, all notices, requests, demands, claims and other communications provided for under the terms of this Employment Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, (ii) facsimile during normal business hours, with confirmation of receipt, to the number indicated, (iii) reputable commercial overnight delivery service courier or (iv) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to the Company:	McJunkin Corporation 835 Hillcrest Drive Charleston, WV 25311 Attention: General Counsel & Chief Executive Officer Facsimile: 304-348-1557
with a copy to:	GS Capital Partners V Fund, L.P. 85 Broad Street New York, NY 10004 Attention: Henry Cornell Facsimile: 212-357-5505
	and
	Fried, Frank, Harris, Shriver & Jacobson LLP One New York Plaza New York, NY 10004 Attention: Robert C. Schwenkel, Esq. Facsimile: 212-859-4000
If to the Executive:	David Fox, III, at his principal office at the Company (during the Term), and at all times to his principal residence as reflected in the records of the Company.

All such notices, requests, consents and other communications shall be deemed to have been given when received. Either party may change its facsimile number or its address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

8.5. Governing Law. This Employment Agreement shall be construed and enforced in accordance with, and the rights and obligations of the parties hereto shall be governed by, the laws of the State of New York, without giving effect to the conflicts of law principles thereof.

8.6. Severability. Whenever possible, each provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Employment Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Employment Agreement in that jurisdiction or the validity or enforceability of this Employment Agreement, including that provision or portion of any provision, in any other jurisdiction. In addition, should a court or arbitrator determine that any provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, is not reasonable or valid, either in period of time, geographical area, or otherwise, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable or valid.

8.7. Entire Agreement. From and after the Effective Date, (i) this Employment Agreement, (ii) the Contribution Agreement and (iii) the LLC Agreement constitute the entire agreement between the parties hereto, and supersede all prior representations, agreements and understandings (including any prior course of dealings), both written and oral, between the parties hereto with respect to the subject matter hereof. In the event the Closing (as defined in the Merger Agreement) does not occur before the date the Merger Agreement terminates in accordance with its terms, this Employment Agreement shall terminate, and shall be of no force or effect.

8.8. Counterparts. This Employment Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

8.9. Binding Effect. This Employment Agreement shall inure to the benefit of, and be binding on, the successors and assigns of each of the parties, including, without limitation, the Executive’s heirs and the personal representatives of the Executive’s estate and any successor to all or substantially all of the business and/or assets of the Company.

8.10. General Interpretive Principles. The name assigned this Employment Agreement and headings of the sections, paragraphs, subparagraphs, clauses and subclauses of this Employment Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof. Words of inclusion shall not be construed as terms of limitation herein, so that references to “include”, “includes”

and “including” shall not be limiting and shall be regarded as references to non-exclusive and non-characterizing illustrations.

8.11. No Mitigation. Notwithstanding any other provision of this Employment Agreement, (a) the Executive will have no obligation to mitigate damages for any breach or termination of this Employment Agreement by the Company, whether by seeking employment or otherwise and (b) the amount of any payment or benefit due the Executive after the date of such breach or termination will not be reduced or offset by any payment or benefit that the Executive may receive from any other source.

8.12. Section 409A Compliance. This Employment Agreement is intended to comply with Section 409A of the Code (to the extent applicable) and, to the extent it would not adversely impact the Company, the Company agrees to interpret, apply and administer this Employment Agreement in the least restrictive manner necessary to comply with such requirements and without resulting in any diminution in the value of payment or benefits to the Executive.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the date first written above.

MCJUNKIN CORPORATION

By: /s/ H.B. Wehrle, III
Name: H.B. Wehrle, III
Title: Chief Executive Officer

McJ HOLDING LLC

By: /s/ John E. Bowman
Name: John E. Bowman
Title: Vice President

/s/ David Fox III
David Fox, III

Exhibit A

Release

1. In consideration of the payments and benefits to be made under the Employment Agreement, dated as of December 4, 2006 (the "Employment Agreement"), to which David Fox, III (the "Executive"), McJ Holding LLC (the "LLC") and McJunkin Corporation (the "Company") (each of the Executive, the LLC and the Company, a "Party" and collectively, the "Parties") are parties, the sufficiency of which the Executive acknowledges, the Executive, with the intention of binding himself and his heirs, executors, administrators and assigns, does hereby release, remise, acquit and forever discharge the Company and each of its subsidiaries and affiliates (the "Company Affiliated Group"), their present and former officers, directors, executives, shareholders, agents, attorneys, employees and employee benefit plans (and the fiduciaries thereof), and the successors, predecessors and assigns of each of the foregoing (collectively, the "Company Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected, which the Executive, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, arising on or prior to the date hereof, against any Company Released Party that arises out of, or relates to, the Employment Agreement, the Executive's employment with the Company or any of its subsidiaries and affiliates, or any termination of such employment, including claims (i) for severance or vacation benefits, unpaid wages, salary or incentive payments, (ii) for breach of contract, wrongful discharge, impairment of economic opportunity, defamation, intentional infliction of emotional harm or other tort, (iii) for any violation of applicable state and local labor and employment laws (including, without limitation, all laws concerning unlawful and unfair labor and employment practices) and (iv) for employment discrimination under any applicable federal, state or local statute, provision, order or regulation, and including, without limitation, any claim under Title VII of the Civil Rights Act of 1964 ("Title VII"), the Civil Rights Act of 1988, the Fair Labor Standards Act, the Americans with Disabilities Act ("ADA"), the Executive Retirement Income Security Act of 1974, as amended ("ERISA"), the Age Discrimination in Employment Act ("ADEA"), and any similar or analogous state statute, excepting only:

(A) rights of the Executive arising under, or preserved by, this Release or Sections 2.3 and 3 of the Employment Agreement;

(B) the right of the Executive to receive COBRA continuation coverage in accordance with applicable law;

(C) claims for benefits under any health, disability, retirement, life insurance or other, similar employee benefit plan (within the meaning of Section 3(3) of ERISA) of the Company Affiliated Group; and

(D) rights to indemnification the Executive has or may have under the by-laws or certificate of incorporation of any member of the Company Affiliated Group or as an insured under any director's and officer's liability insurance policy now or previously in force.

2. The Employee acknowledges and agrees that the release of claims set forth in this Release is not to be construed in any way as an admission of any liability whatsoever by any Company Released Party, any such liability being expressly denied.

3. The release of claims set forth in this Release applies to any relief no matter how called, including, without limitation, wages, back pay, front pay, compensatory damages, liquidated damages, punitive damages, damages for pain or suffering, costs, and attorneys' fees and expenses.

4. The Executive specifically acknowledges that his acceptance of the terms of the release of claims set forth in this Release is, among other things, a specific waiver of his rights, claims and causes of action under Title VII, ADEA, ADA and any state or local law or regulation in respect of discrimination of any kind; provided, however, that nothing herein shall be deemed, nor does anything contained herein purport, to be a waiver of any right or claim or cause of action which by law the Executive is not permitted to waive.

5. As to rights, claims and causes of action arising under the ADEA, the Executive acknowledges that he has been given but not utilized a period of twenty-one (21) days to consider whether to execute this Release. If the Executive accepts the terms hereof and executes this Release, he may thereafter, for a period of seven (7) days following (and not including) the date of execution, revoke this Release as it relates to the release of claims arising under the ADEA. If no such revocation occurs, this Release shall become irrevocable in its entirety, and binding and enforceable against the Executive, on the day next following the day on which the foregoing seven-day period has elapsed. If such a revocation occurs, the Executive shall irrevocably forfeit any right to payment of the Severance Payments (as defined in the Employment Agreement), but the remainder of the Employment Agreement shall continue in full force.

6. Other than as to rights, claims and causes of action arising under the ADEA, the release of claims set forth in this Release shall be immediately effective upon execution by the Executive.

7. The Executive acknowledges and agrees that he has not, with respect to any transaction or state of facts existing prior to the date hereof, filed any complaints, charges or lawsuits against any Company Released Party with any governmental agency, court or tribunal.

8. The Executive acknowledges that he has been advised to seek, and has had the opportunity to seek, the advice and assistance of an attorney with regard to the release of claims set forth in this Release, and has been given a sufficient period within which to consider the release of claims set forth in this Release.

9. The Executive acknowledges that the release of claims set forth in this Release relates only to claims which exist as of the date of this Release.

10. The Executive acknowledges that the Severance Payments he is receiving in connection with the release of claims set forth in this Release and his obligations under this Release are in addition to anything of value to which the Executive is entitled from the Company.

11. Each provision hereof is severable from this Release, and if one or more provisions hereof are declared invalid, the remaining provisions shall nevertheless remain in full force and effect. If any provision of this Release is so broad, in scope, or duration or otherwise, as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

12. This Release constitutes the complete agreement of the Parties in respect of the subject matter hereof and shall supersede all prior agreements between the Parties in respect of the subject matter hereof except to the extent set forth herein.

13. The failure to enforce at any time any of the provisions of this Release or to require at any time performance by another party of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect the validity of this Release, or any part hereof, or the right of any party thereafter to enforce each and every such provision in accordance with the terms of this Release.

14. This Release may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Signatures delivered by facsimile shall be deemed effective for all purposes.

15. This Release shall be binding upon any and all successors and assigns of the Executive and the Company.

16. Except for issues or matters as to which federal law is applicable, this Release shall be governed by and construed and enforced in accordance with the laws of the State of New York without giving effect to the conflicts of law principles thereof.

[signature page follows]

IN WITNESS WHEREOF, this Release has been signed by or on behalf of each of the Parties, all as of _____.

MCJUNKIN CORPORATION

By: _____
Name:
Title:

McJ HOLDING LLC

By: _____
Name:
Title:

_____
David Fox, III

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of October 31, 2007 (the "Employment Agreement"), by and among McJ Holding LLC, a Delaware limited liability company ("McJ Holding LLC"), McJunkin Corporation, a West Virginia corporation (the "Company"), and Dee Paige (the "Executive"). The name of McJ Holding LLC shall be changed to PVF Holding LLC prior to the Effective Date (as defined below).

WHEREAS, pursuant to the Stock Purchase Agreement, dated as of July 6, 2007 (the "Stock Purchase Agreement"), between West Oklahoma PVF Company, a Delaware corporation ("Buyer"), and Red Man Pipe & Supply Co., an Oklahoma corporation ("Sooner"), and the holders of all outstanding shares of stock of Sooner listed on Schedule 1 thereto, Buyer will acquire all of the issued and outstanding capital stock of Sooner;

WHEREAS, the Executive acknowledges that Buyer would not have entered into the Stock Purchase Agreement unless the Executive executes this Employment Agreement and agrees to be bound by the covenants contained in Section 4 hereof; and

WHEREAS, the Executive is currently employed by Sooner and the Company desires to employ the Executive on the terms and conditions set forth in this Employment Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valid consideration, the sufficiency of which is acknowledged, the parties hereto agree as follows:

Section 1. Employment.

1.1. Term. McJ Holding LLC and the Company agree to employ the Executive, and the Executive agrees to be employed by McJ Holding LLC and the Company, in each case pursuant to this Employment Agreement, for a period commencing on the Closing Date (as defined in the Stock Purchase Agreement) (such date, the "Effective Date") and ending on the earlier of (i) the third (3rd) anniversary of the Effective Date and (ii) the termination of the Executive's employment in accordance with Section 3 hereof (the "Term").

1.2. Duties. During the Term, the Executive shall serve as the Company's Executive Vice President — International & Corporate Development and such other positions as an officer or director of the Company and such affiliates of the Company as the Executive and the board of directors of the Company (the "Board") shall mutually agree from time to time. In such positions, the Executive shall perform such duties, functions and responsibilities during the Term commensurate with the Executive's positions as reasonably directed by the Co-Chief Executive Officers of the Company, or at such time as there is one Chief Executive Officer, the Chief Executive Officer (the Co-Chief Executive Officers or Chief Executive Officer, as applicable, the "CEO").

1.3. Exclusivity. During the Term, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive shall devote his full time and attention to the business and affairs of the Company, shall faithfully serve the Company, and shall in all material respects conform to and comply with the lawful and

reasonable directions and instructions given to him by the CEO, consistent with Section 1.2 hereof. During the Term, the Executive shall use his best efforts to promote and serve the interests of the Company and shall not engage in any other business activity, whether or not such activity shall be engaged in for pecuniary profit; provided, however, that it shall not be a violation of this Employment Agreement for the Executive to engage in other outside business activities with the Board's prior written consent.

Section 2. Compensation.

2.1. Salary. Subject to the last two sentences of this Section 2.1, as compensation for the performance of the Executive's services hereunder, until November 1, 2007 the Company shall pay to the Executive the same base salary as he was being paid immediately before the Effective Date, and during the Term, beginning November 1, 2007, the Company shall pay to the Executive a salary at an annual rate of three hundred thirty-eight thousand seven hundred fifty dollars ($338,750), in each case payable in accordance with the Company's standard payroll policies (the "Base Salary"). The Base Salary will be reviewed annually and may be adjusted upward by the Board (or a committee thereof) in its discretion, based on competitive data and the Executive's performance. Subject to the last two sentences of this Section 2.1, no increase in Base Salary shall limit or reduce any other right or obligation to the Executive under this Employment Agreement and the Base Salary shall not be reduced at any time (including after any such increase). Prior to the beginning of each full calendar year during the Term, the Company shall determine the amount of retirement plan contributions payable to or on behalf of the Executive for such year. To the extent that amount exceeds $22,500, the Base Salary shall be reduced by half of such excess. To the extent that amount is less than $22,500, the Base Salary shall be increased by half of such difference.

2.2. Annual Bonus. Beginning with the fiscal year that commences on January 1, 2008, for each completed fiscal year during the Term the Executive shall be eligible to receive additional cash incentive compensation (the "Annual Bonus"). The target Annual Bonus shall be 100% of the Executive's Base Salary as in effect at the beginning of such fiscal year (after taking into effect any increase or decrease made pursuant to Section 2.1), with the actual Annual Bonus to be based upon such individual and/or Company performance criteria established for each such fiscal year by the Board in consultation with the CEO. The Annual Bonus for the calendar year ending December 31, 2007 shall be determined in accordance with the existing bonus plan of Sooner, consistent with past practice.

2.3. Equity. On the Effective Date, pursuant to the Limited Liability Company Agreement of McJ Holding LLC dated as of December 4, 2006, as amended or restated from time to time (the "LLC Agreement"), the Executive will be granted 597.3853 Profits Units (as defined in the LLC Agreement). Notwithstanding Section 7.2(a)(ii) of the LLC Agreement, if the Executive terminates his employment with Good Reason (as defined herein) or the Company terminates the Executive's employment without Cause (as defined herein), no Profits Units issued to the Executive shall be subject to forfeiture.

2.4. Employee Benefits. During the Term, the Executive shall be eligible to participate in such health and other group insurance and other employee benefit plans

and programs of the Company as in effect from time to time on the same basis as other senior executives of the Company.

2.5. Vacation. During the Term, the Executive shall be entitled to paid vacation in accordance with the Company's vacation policy as in effect from time to time.

2.6. Business Expenses. The Company shall pay or reimburse the Executive for all commercially reasonable business out-of-pocket expenses that the Executive incurs during the Term in performing his duties under this Employment Agreement upon presentation of documentation and in accordance with the expense reimbursement policy of the Company as approved by the Board (or a committee thereof) and in effect from time to time.

Section 3. Employment Termination.

3.1. Termination of Employment. The Company may terminate the Executive's employment for any reason during the Term, and the Executive may voluntarily terminate his employment for any reason during the Term, in each case (other than a termination by the Company for Cause) at any time upon not less than thirty (30) days' notice to the other party. Upon the termination of the Executive's employment with the Company for any reason, the Executive shall be entitled to any Base Salary earned but unpaid through the date of termination, any earned but unpaid Annual Bonus for completed fiscal years, any unreimbursed expenses in accordance with Section 2.6 hereof and, to the extent not theretofore paid or provided, any other amounts or benefits required to be paid or provided under any plan, program, policy or practice or other contract or agreement of the Company and its affiliated companies through the date of termination of employment (collectively, the "Accrued Amounts").

3.2. Certain Terminations.

(a) Termination by the Company other than for Cause or Disability; Termination by the Executive for Good Reason. If the Executive's employment is terminated during the Term (i) by the Company other than for Cause or Disability or (ii) by the Executive for Good Reason, in addition to the Accrued Amounts the Executive shall be entitled to the following payments and benefits: (x) the continuation of his Base Salary at the rate in effect immediately prior to the date of termination for a period of twelve (12) months, (y) the continuation on the same terms as an active senior executive of medical benefits the Executive would otherwise be eligible to receive as an active senior executive of the Company for twelve (12) months or until such earlier time as the Executive becomes eligible for medical benefits from a subsequent employer and (z) a pro rata Annual Bonus for the fiscal year in which the termination occurs (the "Pro Rata Annual Bonus Payment"), based on the Company's actual performance through the end of such fiscal year and the number of days the Executive was employed during such fiscal year (such payments and benefits, the "Severance Payments"). The Company's obligations to make the Severance Payments shall be conditioned upon: (i) the Executive's continued compliance with his obligations under Section 4 of this Employment Agreement and (ii) the Executive's execution, delivery and non-revocation of a valid and enforceable general release of claims (the "Release") in the form attached hereto as Exhibit A. In the event that the Executive breaches any of the covenants set forth in Section 4 of this Employment Agreement, the Executive will immediately return to the Company any portion of

the Severance Payments that have been paid to the Executive pursuant to this Section 3.2(a). Subject to Section 3.2(d), the Severance Payments (with the exception of the Pro Rata Annual Bonus Payment) will commence to be paid to the Executive as soon as practicable following the effectiveness of the Release. The Pro Rata Annual Bonus Payment will be paid at the time the Company ordinarily pays incentive bonuses to its executives with respect to the fiscal year in which the termination occurs.

(b) Termination upon Death or Disability. If the Executive's employment is terminated due to the Executive's death or Disability, in addition to the Accrued Amounts, the Executive (or the Executive's estate, if applicable) shall be entitled to receive a pro-rated portion of the Annual Bonus based on the Company's performance for the full fiscal year in which termination occurs and the number of days the Executive was employed by the Company during such fiscal year.

(c) Definitions. For purposes of this Section 3.2, the following terms shall have the following meanings:

(1) "Cause" shall mean the Executive's (i) continuing failure, for more than 10 days after the Company's written notice to the Executive thereof, to perform such duties as are reasonably requested by the Company; (ii) failure to observe material policies generally applicable to officers or employees of the Company unless such failure is capable of being cured and is cured within 10 days of the Executive receiving written notice of such failure; (iii) failure to cooperate with any internal investigation of the Company; (iv) commission of any act of fraud, theft or financial dishonesty with respect to the Company or indictment or conviction of any felony; (v) material violation of the provisions of this Employment Agreement unless such violation is capable of being cured and is cured within 10 days of the Executive receiving written notice of such violation; (vi) chronic absenteeism; or (vii) abuse of alcohol or another controlled substance.

(2) "Disability" shall mean the Executive is entitled to receive long-term disability benefits under the long-term disability plan of the Company in which Executive participates, or, if there is no such plan, the Executive's inability, due to physical or mental ill health, to perform the essential functions of the Executive's job, with or without a reasonable accommodation, for 180 days during any 365 day period irrespective of whether such days are consecutive.

(3) "Good Reason" shall mean (i) a material and adverse change in the Executive's duties or responsibilities, (ii) a reduction in the Executive's Base Salary or target Annual Bonus or (iii) a relocation of the Executive's principal place of employment by more than 50 miles.

(d) Section 409A Specified Employee. If the Executive is a "specified employee" for purposes of Section 409A of the United States Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder, to the extent required to comply with Section 409A of the Code, any Severance Payments required to be made pursuant to Section 3.2(a) which are subject to Section 409A of the Code shall not commence until one day after the day which is six (6) months from the date of termination, with the first payment

equaling six (6) months of his Base Salary at the rate in effect immediately prior to the date of termination.

3.3. Exclusive Remedy. The foregoing payments upon termination of the Executive's employment shall constitute the exclusive severance payments due the Executive upon a termination of his employment under this Employment Agreement.

3.4. Resignation from All Positions. Upon the termination of the Executive's employment with the Company for any reason, the Executive shall be deemed to have resigned, as of the date of such termination, from all positions he then holds as an officer, director, employee and member of the Board (and any committee thereof) and the board of directors (and any committee thereof) of any of the Company's affiliates.

3.5. Cooperation. Following the termination of the Executive's employment with the Company for any reason, the Executive agrees to reasonably cooperate with the Company upon reasonable request of the Board and to be reasonably available to the Company with respect to matters arising out of the Executive's services to the Company and its subsidiaries. The Company shall pay the Executive a reasonable fee for any such services and promptly reimburse the Executive for expenses reasonably incurred in connection with such matters.

Section 4. Unauthorized Disclosure; Non-Competition; Non-Solicitation; Interference with Business Relationships; Proprietary Rights.

4.1. Unauthorized Disclosure. The Executive agrees and understands that in the Executive's position with Sooner and the Company, the Executive has been and will be exposed to and has and will receive information relating to the confidential affairs of the Company and its affiliates, including, without limitation, technical information, intellectual property, business and marketing plans, strategies, customer information, software, other information concerning the products, promotions, development, financing, expansion plans, business policies and practices of the Company and its affiliates and other forms of information considered by the Company and its affiliates to be confidential or in the nature of trade secrets (including, without limitation, ideas, research and development, know-how, formulas, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals) (collectively, the "Confidential Information"). The Executive agrees that at all times during the Executive's employment with the Company and thereafter, the Executive shall not disclose such Confidential Information, either directly or indirectly, to any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof (each a "Person") other than in connection with the Executive's employment with the Company without the prior written consent of the Company and shall not use or attempt to use any such information in any manner other than in connection with his employment with the Company, unless required by law to disclose such information, in which case the Executive shall provide the Company with written notice of such requirement as far in advance of such anticipated disclosure as possible. This confidentiality covenant has no temporal, geographical or territorial restriction. Upon termination of the Executive's employment with the Company, the Executive shall promptly supply to the Company all

property, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data and any other tangible product or document which has been produced by, received by or otherwise submitted to the Executive during the Executive's employment with the Company, and any copies thereof in his (or capable of being reduced to his) possession; provided, however, that the Executive may retain his full rolodex or similar address and telephone directories.

4.2. Non-Competition. By and in consideration of the Company's entering into this Employment Agreement and the payments to be made and the benefits to be provided hereunder, and in further consideration of the Executive's exposure to the Confidential Information of the Company and its affiliates, the Executive agrees that the Executive shall not, during the Executive's employment with the Company (whether during the Term or thereafter) and for a period of twelve (12) months thereafter (the "Restriction Period"), directly or indirectly, own, manage, operate, join, control, be employed by, or participate in the ownership, management, operation or control of, or be connected in any manner with, including, without limitation, holding any position as a stockholder, director, officer, consultant, independent contractor, employee, partner, or investor in, any Restricted Enterprise (as defined below) and in connection with the Executive's association directly or indirectly engage in any activity that is similar to any activity that the Executive was engaged in with the Company during the 12 months preceding the date of termination; provided, that in no event shall ownership of one percent (1%) or less of the outstanding securities of any class of any issuer whose securities are registered under the Securities Exchange Act of 1934, as amended, standing alone, be prohibited by this Section 4.2, so long as the Executive does not have, or exercise, any rights to manage or operate the business of such issuer other than rights as a stockholder thereof. For purposes of this paragraph, "Restricted Enterprise" shall mean (i) any Person that is actively engaged in any geographic area in any business which materially competes with McJ Holding LLC's or any of its subsidiaries' business of the distribution of industrial pipe, valves and fittings or any other business which is material to McJ Holding LLC or any of its subsidiaries (a "Material Business") or (ii) any Person who within a two (2) year period following termination of the Executive's employment is reasonably expected to materially compete with a Material Business or have revenue in excess of $100,000,000 derived from a business that is competitive with a Material Business. During the Restriction Period, upon request of the Company, the Executive shall notify the Company of the Executive's then-current employment status.

4.3. Non-Solicitation of Employees. During the Restriction Period, the Executive shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) for employment any person who is, or within twelve (12) months prior to the date of such solicitation was, an employee of the Company or any of its affiliates.

4.4. Interference with Business Relationships. During the Restriction Period (other than in connection with carrying out his responsibilities for the Company and its affiliates), the Executive shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) any customer or client of the Company or its subsidiaries to terminate its relationship or otherwise cease doing business in whole or in part with the Company or its subsidiaries, or directly or indirectly interfere with (or assist any Person to

interfere with) any material relationship between the Company or its subsidiaries and any of its or their customers or clients so as to cause harm to the Company or its affiliates.

4.5. Extension of Restriction Period. The Restriction Period shall be tolled for any period during which the Executive is in breach of any of Sections 4.2, 4.3 or 4.4 hereof.

4.6. Proprietary Rights. The Executive shall disclose promptly to the Company any and all inventions, discoveries, and improvements (whether or not patentable or registrable under copyright or similar statutes), and all patentable or copyrightable works, initiated, conceived, discovered, reduced to practice, or made by him, either alone or in conjunction with others, during the Executive's employment with the Company and related to the business or activities of the Company and its affiliates (the "Developments"). Except to the extent any rights in any Developments constitute a work made for hire under the U.S. Copyright Act, 17 U.S.C. § 101 et seq. that are owned ab initio by the Company and/or its applicable affiliate, the Executive assigns all of his right, title and interest in all Developments (including all intellectual property rights therein) to the Company or its nominee without further compensation, including all rights or benefits therefor, including without limitation the right to sue and recover for past and future infringement. The Executive acknowledges that any rights in any Developments constituting a work made for hire under the U.S. Copyright Act, 17 U.S.C § 101 et seq. are owned upon creation by the Company and/or its applicable affiliate as the Executive's employer. Whenever requested to do so by the Company, the Executive shall execute any and all applications, assignments or other instruments which the Company shall deem necessary to apply for and obtain trademarks, patents or copyrights of the United States or any foreign country or otherwise protect the interests of the Company and its affiliates therein. These obligations shall continue beyond the end of the Executive's employment with the Company with respect to inventions, discoveries, improvements or copyrightable works initiated, conceived or made by the Executive while employed by the Company, and shall be binding upon the Executive's employers, assigns, executors, administrators and other legal representatives. In connection with his execution of this Employment Agreement, the Executive has informed the Company in writing of any interest in any inventions or intellectual property rights that he holds as of the date hereof as set forth on Exhibit B hereto (the "Existing Inventions"). Notwithstanding anything to the contrary herein, the Developments shall not include any Existing Inventions. If the Company is unable for any reason, after reasonable effort, to obtain the Executive's signature on any document needed in connection with the actions described in this Section 4.6, the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive's agent and attorney in fact to act for and on the Executive's behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 4.6 with the same legal force and effect as if executed by the Executive.

4.7. Confidentiality of Agreement. Other than with respect to information required to be disclosed by applicable law, the parties hereto agree not to disclose the terms of this Employment Agreement to any Person; provided the Executive may disclose this Employment Agreement and/or any of its terms to the Executive's immediate family, financial advisors and attorneys, so long as the Executive instructs every such Person to whom

the Executive makes such disclosure not to disclose the terms of this Employment Agreement further.

4.8. Remedies. The Executive agrees that any breach of the terms of this Section 4 would result in irreparable injury and damage to the Company for which the Company would have no adequate remedy at law; the Executive therefore also agrees that in the event of said breach or any threat of breach, the Company shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all Persons acting for and/or with the Executive, without having to prove damages, in addition to any other remedies to which the Company may be entitled at law or in equity, including, without limitation, the obligation of the Executive to return any Severance Payments made by the Company to the Company. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Executive. The Executive and the Company further agree that the provisions of the covenants contained in this Section 4 are reasonable and necessary to protect the businesses of the Company and its affiliates because of the Executive's access to Confidential Information and his material participation in the operation of such businesses.

Section 5. Representation.

The Executive and the Company each represents and warrants that (i) he or it is not subject to any contract, arrangement, policy or understanding, or to any statute, governmental rule or regulation, that in any way limits his or its ability to enter into and fully perform his or its obligations under this Employment Agreement and (ii) he or it is not otherwise unable to enter into and fully perform his or its obligations under this Employment Agreement.

Section 6. Non-Disparagement.

From and after the Effective Date and following termination of the Executive's employment with the Company, the Executive agrees not to make any statement (other than statements made in connection with carrying out his responsibilities for the Company and its affiliates) that is intended to become public, or that should reasonably be expected to become public, and that criticizes, ridicules, disparages or is otherwise derogatory of the Company or any of its subsidiaries, affiliates, employees, officers, directors or stockholders. The Company shall cause its officers and directors not to make any such statement regarding the Executive.

Section 7. Withholding.

The Company may withhold from any amounts payable under this Employment Agreement such Federal, state local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation. The Executive shall be solely responsible for the payment of all taxes relating to the payment or provision of any amounts or benefits hereunder.

Section 8. Miscellaneous.

8.1. Indemnification. The Company shall indemnify the Executive to the fullest extent provided under the Company's By-Laws. The Company shall also maintain director and officer liability insurance in such amounts and subject to such limitations as the Board shall, in good faith, deem appropriate for coverage of directors and officers of the Company.

8.2. Amendments and Waivers. This Employment Agreement and any of the provisions hereof may be amended, waived (either generally or in a particular instance and either retroactively or prospectively), modified or supplemented, in whole or in part, only by written agreement signed by the parties hereto; provided, that, the observance of any provision of this Employment Agreement may be waived in writing by the party that will lose the benefit of such provision as a result of such waiver. The waiver by any party hereto of a breach of any provision of this Employment Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach, except as otherwise explicitly provided for in such waiver. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

8.3. Assignment; No Third-Party Beneficiaries. This Employment Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive, and any purported assignment by the Executive in violation hereof shall be null and void. Nothing in this Employment Agreement shall confer upon any Person not a party to this Employment Agreement, or the legal representatives of such Person, any rights or remedies of any nature or kind whatsoever under or by reason of this Employment Agreement.

8.4. Notices. Unless otherwise provided herein, all notices, requests, demands, claims and other communications provided for under the terms of this Employment Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, (ii) facsimile during normal business hours, with confirmation of receipt, to the number indicated, (iii) reputable commercial overnight delivery service courier or (iv) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to the Company: McJ Holding LLC
835 Hillcrest Drive
Charleston, WV 25311
Attention: General Counsel
Facsimile: 304-348-1557

and

8023 East 63rd Place, Suite 800

Tulsa, Oklahoma 74133
Attention: General Counsel
Facsimile: 918-461-5375

with a copy to: GS Capital Partners V Fund, L.P.
85 Broad Street
New York, NY 10004
Attention: Jack Daly
Facsimile: 212-357-5505

and

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004
Attention: Robert C. Schwenkel, Esq.
Facsimile: 212-859-4000

If to the Executive: Dee Paige, at his principal office
at the Company (during the Term), and
at all times to his principal residence as
reflected in the records of the Company.

All such notices, requests, consents and other communications shall be deemed to have been given when received. Either party may change its facsimile number or its address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

8.5. Governing Law. This Employment Agreement shall be construed and enforced in accordance with, and the rights and obligations of the parties hereto shall be governed by, the laws of the State of New York, without giving effect to the conflicts of law principles thereof.

8.6. Severability. Whenever possible, each provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Employment Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Employment Agreement in that jurisdiction or the validity or enforceability of this Employment Agreement, including that provision or portion of any provision, in any other jurisdiction. In addition, should a court or arbitrator determine that any provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, is not reasonable or valid, either in period of time, geographical area, or otherwise, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable or valid.

8.7. Entire Agreement. From and after the Effective Date this Employment Agreement and the LLC Agreement constitute the entire agreement between the parties hereto, and supersede all prior representations, agreements and understandings (including any prior course of dealings), both written and oral, between the parties hereto with respect to the subject matter hereof. In the event the Closing (as defined in the Stock Purchase Agreement) does not occur before the date the Stock Purchase Agreement terminates in accordance with its terms, this Employment Agreement shall terminate, and shall be of no force or effect.

8.8. Counterparts. This Employment Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

8.9. Binding Effect. This Employment Agreement shall inure to the benefit of, and be binding on, the successors of each of the parties, including, without limitation, the Executive's heirs and the personal representatives of the Executive's estate and any successor to all or substantially all of the business and/or assets of the Company.

8.10. General Interpretive Principles. The name assigned this Employment Agreement and headings of the sections, paragraphs, subparagraphs, clauses and subclauses of this Employment Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof. Words of inclusion shall not be construed as terms of limitation herein, so that references to "include," "includes" and "including" shall not be limiting and shall be regarded as references to non-exclusive and non-characterizing illustrations.

8.11. Mitigation. Notwithstanding any other provision of this Employment Agreement, (a) the Executive will have no obligation to mitigate damages for any breach or termination of this Employment Agreement by the Company, whether by seeking employment or otherwise and (b) the amount of any payment or benefit due the Executive after the date of such breach or termination will not be reduced or offset by any payment or benefit that the Executive may receive from any other source.

8.12 Section 409A Compliance. This Employment Agreement is intended to comply with Section 409A of the Code (to the extent applicable) and, to the extent it would not adversely impact the Company, the Company agrees to interpret, apply and administer this Employment Agreement in the least restrictive manner necessary to comply with such requirements and without resulting in any diminution in the value of payments or benefits to the Executive.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the date first written above.

MCJUNKIN CORPORATION

By: /s/ H.B. Wehrle III
Name: H.B. Wehrle III
Title: President and CEO

McJ HOLDING LLC

By: /s/ H.B. Wehrle III
Name: H.B. Wehrle III
Title: President and CEO

/s/ Dee Paige
Dee Paige

Exhibit A

Release

1. In consideration of the payments and benefits to be made under the Employment Agreement, dated as of October 31, 2007 (the "Employment Agreement"), to which Dee Paige (the "Executive"), McJ Holding LLC (the "LLC") and McJunkin Corporation (the "Company") (each of the Executive, the LLC and the Company, a "Party" and collectively, the "Parties") are parties, the sufficiency of which the Executive acknowledges, the Executive, with the intention of binding himself and his heirs, executors, administrators and assigns, does hereby release, remise, acquit and forever discharge the Company and each of its subsidiaries and affiliates (the "Company Affiliated Group"), their present and former officers, directors, executives, shareholders, agents, attorneys, employees and employee benefit plans (and the fiduciaries thereof), and the successors, predecessors and assigns of each of the foregoing (collectively, the "Company Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected, which the Executive, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, arising on or prior to the date hereof, against any Company Released Party that arises out of, or relates to, the Employment Agreement, the Executive's employment with the Company or any of its subsidiaries and affiliates, or any termination of such employment, including claims (i) for severance or vacation benefits, unpaid wages, salary or incentive payments, (ii) for breach of contract, wrongful discharge, impairment of economic opportunity, defamation, intentional infliction of emotional harm or other tort, (iii) for any violation of applicable state and local labor and employment laws (including, without limitation, all laws concerning unlawful and unfair labor and employment practices) and (iv) for employment discrimination under any applicable federal, state or local statute, provision, order or regulation, and including, without limitation, any claim under Title VII of the Civil Rights Act of 1964 ("Title VII"), the Civil Rights Act of 1988, the Fair Labor Standards Act, the Americans with Disabilities Act ("ADA"), the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Age Discrimination in Employment Act ("ADEA"), and any similar or analogous state statute, excepting only:

(A) rights of the Executive arising under, or preserved by, this Release or Sections 2.3 and 3 of the Employment Agreement;

(B) the right of the Executive to receive COBRA continuation coverage in accordance with applicable law;

(C) claims for benefits under any health, disability, retirement, life insurance or other, similar employee benefit plan (within the meaning of Section 3(3) of ERISA) of the Company Affiliated Group; and

(D) rights to indemnification the Executive has or may have under the by-laws or certificate of incorporation of any member of the Company Affiliated Group or as an insured under any director's and officer's liability insurance policy now or previously in force.

2. The Employee acknowledges and agrees that the release of claims set forth in this Release is not to be construed in any way as an admission of any liability whatsoever by any Company Released Party, any such liability being expressly denied.

3. The release of claims set forth in this Release applies to any relief no matter how called, including, without limitation, wages, back pay, front pay, compensatory damages, liquidated damages, punitive damages, damages for pain or suffering, costs, and attorneys' fees and expenses.

4. The Executive specifically acknowledges that his acceptance of the terms of the release of claims set forth in this Release is, among other things, a specific waiver of his rights, claims and causes of action under Title VII, ADEA, ADA and any state or local law or regulation in respect of discrimination of any kind; provided, however, that nothing herein shall be deemed, nor does anything contained herein purport, to be a waiver of any right or claim or cause of action which by law the Executive is not permitted to waive.

5. As to rights, claims and causes of action arising under the ADEA, the Executive acknowledges that he has been given but not utilized a period of twenty-one (21) days to consider whether to execute this Release. If the Executive accepts the terms hereof and executes this Release, he may thereafter, for a period of seven (7) days following (and not including) the date of execution, revoke this Release as it relates to the release of claims arising under the ADEA. If no such revocation occurs, this Release shall become irrevocable in its entirety, and binding and enforceable against the Executive, on the day next following the day on which the foregoing seven-day period has elapsed. If such a revocation occurs, the Executive shall irrevocably forfeit any right to payment of the Severance Payments (as defined in the Employment Agreement), but the remainder of the Employment Agreement shall continue in full force.

6. Other than as to rights, claims and causes of action arising under the ADEA, the release of claims set forth in this Release shall be immediately effective upon execution by the Executive.

7. The Executive acknowledges and agrees that he has not, with respect to any transaction or state of facts existing prior to the date hereof, filed any complaints, charges or lawsuits against any Company Released Party with any governmental agency, court or tribunal.

8. The Executive acknowledges that he has been advised to seek, and has had the opportunity to seek, the advice and assistance of an attorney with regard to the release of claims set forth in this Release, and has been given a sufficient period within which to consider the release of claims set forth in this Release.

9. The Executive acknowledges that the release of claims set forth in this Release relates only to claims which exist as of the date of this Release.

10. The Executive acknowledges that the Severance Payments he is receiving in connection with the release of claims set forth in this Release and his obligations under this Release are in addition to anything of value to which the Executive is entitled from the Company.

11. Each provision hereof is severable from this Release, and if one or more provisions hereof are declared invalid, the remaining provisions shall nevertheless remain in full force and effect. If any provision of this Release is so broad, in scope, or duration or otherwise, as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

12. This Release constitutes the complete agreement of the Parties in respect of the subject matter hereof and shall supersede all prior agreements between the Parties in respect of the subject matter hereof except to the extent set forth herein.

13. The failure to enforce at any time any of the provisions of this Release or to require at any time performance by another party of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect the validity of this Release, or any part hereof, or the right of any party thereafter to enforce each and every such provision in accordance with the terms of this Release.

14. This Release may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Signatures delivered by facsimile shall be deemed effective for all purposes.

15. This Release shall be binding upon any and all successors and assigns of the Executive and the Company.

16. Except for issues or matters as to which federal law is applicable, this Release shall be governed by and construed and enforced in accordance with the laws of the State of New York without giving effect to the conflicts of law principles thereof.

[signature page follows]

IN WITNESS WHEREOF, this Release has been signed by or on behalf of each of the Parties, all as of _____.

MCJUNKIN CORPORATION

By: _____
Name:
Title:

McJ HOLDING LLC

By: _____
Name:
Title:

_____
Dee Paige

Exhibit B

Existing Inventions

[none]

Exhibit 10.16

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of December 4, 2006 (the "Employment Agreement"), by and among McJ Holding LLC, a Delaware limited liability company ("McJ Holding LLC"), McJunkin Corporation, a West Virginia corporation (the "Company"), and Stephen D. Wehrle (the "Executive").

WHEREAS, pursuant to the Agreement and Plan of Merger, dated as of the date hereof (the "Merger Agreement"), between McJ Holding Corporation, a Delaware corporation ("McJ Holding Corporation"), Hg Acquisition Corp., a West Virginia corporation and wholly-owned subsidiary of McJ Holding Corporation ("Hg Acquisition") and the Company, Hg Acquisition will merge with and into the Company with the Company continuing as the surviving corporation (the "Merger");

WHEREAS, pursuant to the (i) Merger Agreement, (ii) McJunkin Contribution Agreement, dated as of the date hereof, among McJ Holding LLC, the Company, the Executive and the other Major Shareholders (as defined in the Merger Agreement) (the "McJ Contribution Agreement") and (iii) McApple Contribution Agreement, dated as of the date hereof, among McJ Holding LLC, the Company, the Executive and the other shareholders of McJunkin Appalachian Oilfield Supply Company ("McApple") named on Exhibit A thereto (the "McApple Contribution Agreement"), and by reason of the consummation of the transactions thereunder, the Executive will sell shares of the Company and McApple and receive significant consideration therefor;

WHEREAS, the Executive acknowledges that McJ Holding Corporation would not have entered into the Merger Agreement unless the Executive executes this Employment Agreement and agrees to be bound by the covenants contained in Section 4 hereof; and

WHEREAS, the Executive is currently employed as the Company's Executive Vice President of Sales and the Company and the Executive desire to continue the Executive's employment with the Company on the terms and conditions set forth in this Employment Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valid consideration, the sufficiency of which is acknowledged, the parties hereto agree as follows:

Section 1. Employment.

1.1. Term. McJ Holding LLC and the Company agree to employ the Executive, and the Executive agrees to be employed by McJ Holding LLC and the Company, in each case pursuant to this Employment Agreement, for a period commencing on the Closing Date (as defined in the Merger Agreement) (such date, the "Effective Date") and ending on the earlier of (i) the third (3rd) anniversary of the Effective Date and (ii) the termination of the Executive's employment in accordance with Section 3 hereof (the "Term").

1.2. Duties. During the Term, the Executive shall serve as the Company's Executive Vice President of Sales and such other positions as an officer or director

of the Company and such affiliates of the Company as the Executive and the board of directors of the Company (the "Board") shall mutually agree from time to time. In such positions, the Executive shall perform such duties, functions and responsibilities during the Term commensurate with the Executive's positions as reasonably directed by the Chief Executive Officer of the Company (the "CEO").

1.3. Exclusivity. During the Term, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive shall devote his full time and attention to the business and affairs of the Company, shall faithfully serve the Company, and shall in all material respects conform to and comply with the lawful and reasonable directions and instructions given to him by the CEO, consistent with Section 1.2 hereof. During the Term, the Executive shall use his best efforts to promote and serve the interests of the Company and shall not engage in any other business activity, whether or not such activity shall be engaged in for pecuniary profit; provided, however, that it shall not be a violation of this Employment Agreement for the Executive to (i) serve on the boards of directors of Thomas Health Systems, West Virginia Hospital Association and Chemical Alliance Zone or (ii) engage in such other activities with the Board's prior written consent.

Section 2. Compensation.

2.1. Salary. As compensation for the performance of the Executive's services hereunder, during the Term, the Company shall pay to the Executive a salary at an annual rate of five hundred eighty thousand dollars ($580,000), payable in accordance with the Company's standard payroll policies (the "Base Salary"). The Base Salary will be reviewed annually and may be adjusted upward by the Board (or a committee thereof) in its discretion, based on competitive data and the Executive's performance. No increase in Base Salary shall limit or reduce any other right or obligation to the Executive under this Employment Agreement and the Base Salary shall not be reduced at any time (including after any such increase).

2.2. Annual Bonus. For each completed fiscal year occurring during the Term commencing with the 2007 fiscal year, the Executive shall be eligible to receive additional cash incentive compensation (the "Annual Bonus"). The target Annual Bonus shall be 100% of the Executive's Base Salary as in effect at the beginning of such fiscal year, with the actual Annual Bonus to be based upon such individual and/or Company performance criteria established for each such fiscal year by the Board in consultation with the CEO. The Annual Bonus for the calendar year ending December 31, 2006 shall be determined in accordance with the Company's existing bonus plan, consistent with past practice (but excluding any Merger-related expenses and any interest expenses associated with the additional borrowing incurred in connection with the Merger).

2.3. Equity. On the Effective Date, pursuant to the Limited Liability Company Agreement of McJ Holding LLC dated as of the date hereof (the "LLC Agreement"), the Executive will be granted Profits Units (as defined in the LLC Agreement) as set forth therein. Notwithstanding Section 7.2(a)(ii) of the LLC Agreement, in the event that the Executive's employment with the Company is terminated for any reason other than by the Company for Cause (as defined herein), a percentage of the Profits Units issued to the Executive shall be forfeited according to the following schedule:

If the Termination Occurs	Percentage of the Executive's Profits Units to be Forfeited
Before the fourth anniversary of the grant of the Executive's Profits Units	100%
On or after the fourth anniversary, but before the fifth anniversary, of the grant of the Executive's Profits Units	50%
On or after the fifth anniversary of the grant of the Executive's Profits Units	0%

2.4. Employee Benefits. During the Term, the Executive shall be eligible to participate in such health and other group insurance and other employee benefit plans and programs of the Company as in effect from time to time on the same basis as other senior executives of the Company. Notwithstanding the foregoing, during the Term, the annual value attributable to retirement benefits will be approximately ninety thousand dollars ($90,000), which amount includes any benefits pursuant to the McJunkin Corporation Profit-Sharing and Savings Plan and Trust. The Executive acknowledges and agrees that, without limiting the Executive's entitlement under the previous sentence, upon the request of the Company, the Executive shall consent to the discontinuance, effective as of the Effective Date, of benefits and accruals under (i) the Amended and Restated McJunkin Corporation Supplemental Executive Savings Plan and Trust, (ii) non-qualified deferred compensation arrangements between the Company and the Executive and (iii) split-dollar life insurance arrangements between the Company and the Executive (including the Split Dollar Life Insurance Agreement between the Executive and the Company, dated as of July 20, 1999, the Demand Note by the Executive in favor of the Company, effective January 1, 2004, and the collateral assignment under which the Executive assigned the life insurance policy as collateral to the Company).

2.5. Vacation. During the Term, the Executive shall be entitled to paid vacation in accordance with the Company's vacation policy as in effect from time to time.

2.6. Business Expenses. The Company shall pay or reimburse the Executive for all commercially reasonable business out-of-pocket expenses that the Executive incurs during the Term in performing his duties under this Employment Agreement upon presentation of documentation and in accordance with the expense reimbursement policy of the Company as approved by the Board (or a committee thereof) and in effect from time to time.

Section 3. Employment Termination.

3.1. Termination of Employment. The Company may terminate the Executive's employment for any reason during the Term, and the Executive may voluntarily terminate his employment for any reason during the Term, in each case (other than a termination by the Company for Cause) at any time upon not less than thirty (30) days' notice to the other

party. Upon the termination of the Executive's employment with the Company for any reason, the Executive shall be entitled to any Base Salary earned but unpaid through the date of termination, any earned but unpaid Annual Bonus for completed fiscal years, any unreimbursed expenses in accordance with Section 2.6 hereof and, to the extent not theretofore paid or provided, any other amounts or benefits required to be paid or provided under any plan, program, policy or practice or other contract or agreement of the Company and its affiliated companies through the date of termination of employment (collectively, the "Accrued Amounts").

3.2. Certain Terminations.

(a) Termination by the Company other than for Cause or Disability; Termination by the Executive for Good Reason. If the Executive's employment is terminated during the Term (i) by the Company other than for Cause or Disability or (ii) by the Executive for Good Reason, in addition to the Accrued Amounts the Executive shall be entitled to the following payments and benefits: (x) the continuation of his Base Salary at the rate in effect immediately prior to the date of termination for a period of twelve (12) months, (y) the continuation on the same terms as an active senior executive of medical benefits the Executive would otherwise be eligible to receive as an active senior executive of the Company for twelve (12) months or until such earlier time as the Executive becomes eligible for medical benefits from a subsequent employer and (z) a pro rata Annual Bonus for the fiscal year in which the termination occurs (the "Pro Rata Annual Bonus Payment"), based on the Company's actual performance through the end of such fiscal year and the number of days the Executive was employed during such fiscal year (such payments and benefits, the "Severance Payments"). The Company's obligations to make the Severance Payments shall be conditioned upon: (i) the Executive's continued compliance with his obligations under Section 4 of this Employment Agreement and (ii) the Executive's execution, delivery and non-revocation of a valid and enforceable general release of claims (the "Release") in the form attached hereto as Exhibit A. In the event that the Executive breaches any of the covenants set forth in Section 4 of this Employment Agreement, the Executive will immediately return to the Company any portion of the Severance Payments that have been paid to the Executive pursuant to this Section 3.2(a). Subject to Section 3.2(d), the Severance Payments (with the exception of the Pro Rata Annual Bonus Payment) will commence to be paid to the Executive as soon as practicable following the effectiveness of the Release. The Pro Rata Annual Bonus Payment will be paid at the time the Company ordinarily pays incentive bonuses to its executives with respect to the fiscal year in which the termination occurs.

(b) Termination upon Death or Disability. If the Executive's employment is terminated due to the Executive's death or Disability, in addition to the Accrued Amounts, the Executive (or the Executive's estate, if applicable) shall be entitled to receive a pro-rated portion of the Annual Bonus based on the Company's performance for the full fiscal year in which termination occurs and the number of days the Executive was employed by the Company during such fiscal year.

(c) Definitions. For purposes of this Section 3.2, the following terms shall have the following meanings:

(1) "Cause" shall mean the Executive's (i) continuing

failure, for more than 10 days after the Company's written notice to the Executive thereof, to perform such duties as are reasonably requested by the Company; (ii) failure to observe material policies generally applicable to officers or employees of the Company unless such failure is capable of being cured and is cured within 10 days of the Executive receiving written notice of such failure; (iii) failure to cooperate with any internal investigation of the Company; (iv) commission of any act of fraud, theft or financial dishonesty with respect to the Company or indictment or conviction of any felony; (v) material violation of the provisions of this Employment Agreement unless such violation is capable of being cured and is cured within 10 days of the Executive receiving written notice of such violation; (vi) chronic absenteeism; or (vii) abuse of alcohol or another controlled substance.

(2) "Disability" shall mean the Executive is entitled to receive long-term disability benefits under the long-term disability plan of the Company in which Executive participates, or, if there is no such plan, the Executive's inability, due to physical or mental ill health, to perform the essential functions of the Executive's job, with or without a reasonable accommodation, for 180 days during any 365 day period irrespective of whether such days are consecutive.

(3) "Good Reason" shall mean (i) a material and adverse change in the Executive's duties or responsibilities, (ii) a reduction in the Executive's Base Salary or target Annual Bonus or (iii) a relocation of the Executive's principal place of employment by more than 50 miles.

(d) Section 409A Specified Employee. If the Executive is a "specified employee" for purposes of Section 409A of the United States Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder, to the extent required to comply with Section 409A of the Code, any Severance Payments required to be made pursuant to Section 3.2(a) which are subject to Section 409A of the Code shall not commence until one day after the day which is six (6) months from the date of termination, with the first payment equaling six (6) months of his Base Salary at the rate in effect immediately prior to the date of termination.

3.3. Exclusive Remedy. The foregoing payments upon termination of the Executive's employment shall constitute the exclusive severance payments due the Executive upon a termination of his employment under this Employment Agreement.

3.4. Resignation from All Positions. Upon the termination of the Executive's employment with the Company for any reason, the Executive shall be deemed to have resigned, as of the date of such termination, from all positions he then holds as an officer, director, employee and member of the Board (and any committee thereof) and the board of directors (and any committee thereof) of any of the Company's affiliates.

3.5. Cooperation. Following the termination of the Executive's employment with the Company for any reason, the Executive agrees to reasonably cooperate with the Company upon reasonable request of the Board and to be reasonably available to the Company with respect to matters arising out of the Executive's services to the Company and its subsidiaries. The Company shall pay the Executive a reasonable fee for any such services and

promptly reimburse the Executive for expenses reasonably incurred in connection with such matters.

Section 4. Unauthorized Disclosure; Non-Competition; Non-Solicitation; Interference with Business Relationships; Proprietary Rights.

4.1. Unauthorized Disclosure. The Executive agrees and understands that in the Executive's position with the Company, the Executive has been and will be exposed to and has and will receive information relating to the confidential affairs of the Company and its affiliates, including, without limitation, technical information, intellectual property, business and marketing plans, strategies, customer information, software, other information concerning the products, promotions, development, financing, expansion plans, business policies and practices of the Company and its affiliates and other forms of information considered by the Company and its affiliates to be confidential or in the nature of trade secrets (including, without limitation, ideas, research and development, know-how, formulas, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals) (collectively, the "Confidential Information"). The Executive agrees that at all times during the Executive's employment with the Company and thereafter, the Executive shall not disclose such Confidential Information, either directly or indirectly, to any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof (each a "Person") other than in connection with the Executive's employment with the Company without the prior written consent of the Company and shall not use or attempt to use any such information in any manner other than in connection with his employment with the Company, unless required by law to disclose such information, in which case the Executive shall provide the Company with written notice of such requirement as far in advance of such anticipated disclosure as possible. This confidentiality covenant has no temporal, geographical or territorial restriction. Upon termination of the Executive's employment with the Company, the Executive shall promptly supply to the Company all property, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data and any other tangible product or document which has been produced by, received by or otherwise submitted to the Executive during the Executive's employment with the Company, and any copies thereof in his (or capable of being reduced to his) possession; provided, however, that the Executive may retain his full rolodex or similar address and telephone directories.

4.2. Non-Competition. By and in consideration of the Company's entering into this Employment Agreement and the payments to be made and the benefits to be provided hereunder and in connection with the Executive's sale of shares of the Company and McApple pursuant to the Merger Agreement, and in further consideration of the Executive's exposure to the Confidential Information of the Company and its affiliates, the Executive agrees that the Executive shall not, for the period which is the longer of (i) five (5) years following the Effective Date or (ii) during the Executive's employment with the Company (whether during the Term or thereafter) and for a period of twenty-four (24) months thereafter (the "Restriction Period"), directly or indirectly, own, manage, operate, join, control, be employed by, or participate in the ownership, management, operation or control of, or be connected in any

manner with, including, without limitation, holding any position as a stockholder, director, officer, consultant, independent contractor, employee, partner, or investor in, any Restricted Enterprise (as defined below); provided, that in no event shall ownership of one percent (1%) or less of the outstanding securities of any class of any issuer whose securities are registered under the Securities Exchange Act of 1934, as amended, standing alone, be prohibited by this Section 4.2, so long as the Executive does not have, or exercise, any rights to manage or operate the business of such issuer other than rights as a stockholder thereof. For purposes of this paragraph, "Restricted Enterprise" shall mean any Person that is actively engaged in any geographic area in any business which is either (i) in competition with the business of McJunkin Holding LLC or any of its subsidiaries or (ii) proposed to be conducted by McJunkin Holding LLC or any of its subsidiaries in the Company's business plan as in effect at that time. During the Restriction Period, upon request of the Company, the Executive shall notify the Company of the Executive's then-current employment status.

4.3. Non-Solicitation of Employees. During the Restriction Period, the Executive shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) for employment any person who is, or within twelve (12) months prior to the date of such solicitation was, an employee of the Company or any of its affiliates.

4.4. Interference with Business Relationships. During the Restriction Period (other than in connection with carrying out his responsibilities for the Company and its affiliates), the Executive shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) any customer or client of the Company or its subsidiaries to terminate its relationship or otherwise cease doing business in whole or in part with the Company or its subsidiaries, or directly or indirectly interfere with (or assist any Person to interfere with) any material relationship between the Company or its subsidiaries and any of its or their customers or clients so as to cause harm to the Company or its affiliates.

4.5. Extension of Restriction Period. The Restriction Period shall be tolled for any period during which the Executive is in breach of any of Sections 4.2, 4.3 or 4.4 hereof.

4.6. Proprietary Rights. The Executive shall disclose promptly to the Company any and all inventions, discoveries, and improvements (whether or not patentable or registrable under copyright or similar statutes), and all patentable or copyrightable works, initiated, conceived, discovered, reduced to practice, or made by him, either alone or in conjunction with others, during the Executive's employment with the Company and related to the business or activities of the Company and its affiliates (the "Developments"). Except to the extent any rights in any Developments constitute a work made for hire under the U.S. Copyright Act, 17 U.S.C. § 101 et seq. that are owned ab initio by the Company and/or its applicable affiliate, the Executive assigns all of his right, title and interest in all Developments (including all intellectual property rights therein) to the Company or its nominee without further compensation, including all rights or benefits therefor, including without limitation the right to sue and recover for past and future infringement. The Executive acknowledges that any rights in any Developments constituting a work made for hire under the U.S. Copyright Act, 17 U.S.C § 101 et seq. are owned upon creation by the Company and/or its applicable affiliate as the Executive's

employer. Whenever requested to do so by the Company, the Executive shall execute any and all applications, assignments or other instruments which the Company shall deem necessary to apply for and obtain trademarks, patents or copyrights of the United States or any foreign country or otherwise protect the interests of the Company and its affiliates therein. These obligations shall continue beyond the end of the Executive's employment with the Company with respect to inventions, discoveries, improvements or copyrightable works initiated, conceived or made by the Executive while employed by the Company, and shall be binding upon the Executive's employers, assigns, executors, administrators and other legal representatives. In connection with his execution of this Employment Agreement, the Executive has informed the Company in writing of any interest in any inventions or intellectual property rights that he holds as of the date hereof as set forth on Exhibit B hereto (the "Existing Inventions"). Notwithstanding anything to the contrary herein, the Developments shall not include any Existing Inventions. If the Company is unable for any reason, after reasonable effort, to obtain the Executive's signature on any document needed in connection with the actions described in this Section 4.6, the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive's agent and attorney in fact to act for and on the Executive's behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 4.6 with the same legal force and effect as if executed by the Executive.

4.7. Confidentiality of Agreement. Other than with respect to information required to be disclosed by applicable law, the parties hereto agree not to disclose the terms of this Employment Agreement to any Person; provided the Executive may disclose this Employment Agreement and/or any of its terms to the Executive's immediate family, financial advisors and attorneys, so long as the Executive instructs every such Person to whom the Executive makes such disclosure not to disclose the terms of this Employment Agreement further.

4.8. Remedies. The Executive agrees that any breach of the terms of this Section 4 would result in irreparable injury and damage to the Company for which the Company would have no adequate remedy at law; the Executive therefore also agrees that in the event of said breach or any threat of breach, the Company shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all Persons acting for and/or with the Executive, without having to prove damages, in addition to any other remedies to which the Company may be entitled at law or in equity, including, without limitation, the obligation of the Executive to return any Severance Payments made by the Company to the Company. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Executive. The Executive and the Company further agree that the provisions of the covenants contained in this Section 4 are reasonable and necessary to protect the businesses of the Company and its affiliates because of the Executive's access to Confidential Information and his material participation in the operation of such businesses.

Section 5. Representation.

The Executive and the Company each represents and warrants that (i) he or it is not subject to any contract, arrangement, policy or understanding, or to any statute, governmental rule or regulation, that in any way limits his or its ability to enter into and fully perform his or its obligations under this Employment Agreement and (ii) he or it is not otherwise unable to enter into and fully perform his or its obligations under this Employment Agreement.

Section 6. Non-Disparagement.

From and after the Effective Date and following termination of the Executive's employment with the Company, the Executive agrees not to make any statement (other than statements made in connection with carrying out his responsibilities for the Company and its affiliates) that is intended to become public, or that should reasonably be expected to become public, and that criticizes, ridicules, disparages or is otherwise derogatory of the Company or any of its subsidiaries, affiliates, employees, officers, directors or stockholders. The Company shall cause its officers and directors not to make any such statement regarding the Executive.

Section 7. Withholding.

The Company may withhold from any amounts payable under this Employment Agreement such Federal, state local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation. The Executive shall be solely responsible for the payment of all taxes relating to the payment or provision of any amounts or benefits hereunder.

Section 8. Miscellaneous.

8.1. Indemnification. The Company shall indemnify the Executive to the fullest extent provided under the Company's By-Laws. The Company shall also maintain director and officer liability insurance in such amounts and subject to such limitations as the Board shall, in good faith, deem appropriate for coverage of directors and officers of the Company.

8.2. Amendments and Waivers. This Employment Agreement and any of the provisions hereof may be amended, waived (either generally or in a particular instance and either retroactively or prospectively), modified or supplemented, in whole or in part, only by written agreement signed by the parties hereto; provided, that the observance of any provision of this Employment Agreement may be waived in writing by the party that will lose the benefit of such provision as a result of such waiver. The waiver by any party hereto of a breach of any provision of this Employment Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach, except as otherwise explicitly provided for in such waiver. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

8.3. Assignment; No Third-Party Beneficiaries. This Employment Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive, and any purported assignment by the Executive in violation hereof shall be null and void. Nothing in this Employment Agreement shall confer upon any Person not a party to this Employment Agreement, or the legal representatives of such Person, any rights or remedies of any nature or kind whatsoever under or by reason of this Employment Agreement.

8.4. Notices. Unless otherwise provided herein, all notices, requests, demands, claims and other communications provided for under the terms of this Employment Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, (ii) facsimile during normal business hours, with confirmation of receipt, to the number indicated, (iii) reputable commercial overnight delivery service courier or (iv) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to the Company:	McJunkin Corporation 835 Hillcrest Drive Charleston, WV 25311 Attention: General Counsel & Chief Executive Officer Facsimile: 304-348-1557
with a copy to:	GS Capital Partners V Fund, L.P. 85 Broad Street New York, NY 10004 Attention: Henry Cornell Facsimile: 212-357-5505
	and
	Fried, Frank, Harris, Shriver & Jacobson LLP One New York Plaza New York, NY 10004 Attention: Robert C. Schwenkel, Esq. Facsimile: 212-859-4000
If to the Executive:	Stephen D. Wehrle, at his principal office at the Company (during the Term), and at all times to his principal residence as reflected in the records of the Company.

All such notices, requests, consents and other communications shall be deemed to have been given when received. Either party may change its facsimile number or its address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

8.5. Governing Law. This Employment Agreement shall be construed and enforced in accordance with, and the rights and obligations of the parties hereto shall be governed by, the laws of the State of New York, without giving effect to the conflicts of law principles thereof.

8.6. Severability. Whenever possible, each provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Employment Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Employment Agreement in that jurisdiction or the validity or enforceability of this Employment Agreement, including that provision or portion of any provision, in any other jurisdiction. In addition, should a court or arbitrator determine that any provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, is not reasonable or valid, either in period of time, geographical area, or otherwise, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable or valid.

8.7. Entire Agreement. From and after the Effective Date, (i) this Employment Agreement, (ii) the Merger Agreement, (iii) the McJ Contribution Agreement, (iv) the McApple Contribution Agreement and (v) the LLC Agreement constitute the entire agreement between the parties hereto, and supersede all prior representations, agreements and understandings (including any prior course of dealings), both written and oral, between the parties hereto with respect to the subject matter hereof. In the event the Closing (as defined in the Merger Agreement) does not occur before the date the Merger Agreement terminates in accordance with its terms, this Employment Agreement shall terminate, and shall be of no force or effect.

8.8. Counterparts. This Employment Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

8.9. Binding Effect. This Employment Agreement shall inure to the benefit of, and be binding on, the successors of each of the parties, including, without limitation, the Executive's heirs and the personal representatives of the Executive's estate and any successor to all or substantially all of the business and/or assets of the Company.

8.10. General Interpretive Principles. The name assigned this Employment Agreement and headings of the sections, paragraphs, subparagraphs, clauses and subclauses of this Employment Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof. Words of inclusion shall not be construed as terms of limitation herein, so that references to "include", "includes" and "including" shall not be limiting and shall be regarded as references to non-exclusive and non-characterizing illustrations.

8.11. Mitigation. Notwithstanding any other provision of this Employment Agreement, (a) the Executive will have no obligation to mitigate damages for any breach or termination of this Employment Agreement by the Company, whether by seeking employment or otherwise and (b) the amount of any payment or benefit due the Executive after the date of such breach or termination will not be reduced or offset by any payment or benefit that the Executive may receive from any other source.

8.12 Section 409A Compliance. This Employment Agreement is intended to comply with Section 409A of the Code (to the extent applicable) and, to the extent it would not adversely impact the Company, the Company agrees to interpret, apply and administer this Employment Agreement in the least restrictive manner necessary to comply with such requirements and without resulting in any diminution in the value of payments or benefits to the Executive.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the date first written above.

MCJUNKIN CORPORATION

By: /s/ H.B. Wehrle, III
Name: H.B. Wehrle, III
Title: Chief Executive Officer

McJ HOLDING LLC

By: /s/ Christine Vollertsen
Name: Christine Vollertsen
Title: Vice President

/s/ Stephen D. Wehrle
Stephen D. Wehrle

Exhibit A

Release

1. In consideration of the payments and benefits to be made under the Employment Agreement, dated as of December 4, 2006 (the "Employment Agreement"), to which Stephen D. Wehrle (the "Executive"), McJ Holding LLC (the "LLC") and McJunkin Corporation (the "Company") (each of the Executive, the LLC and the Company, a "Party" and collectively, the "Parties") are parties, the sufficiency of which the Executive acknowledges, the Executive, with the intention of binding himself and his heirs, executors, administrators and assigns, does hereby release, remise, acquit and forever discharge the Company and each of its subsidiaries and affiliates (the "Company Affiliated Group"), their present and former officers, directors, executives, shareholders, agents, attorneys, employees and employee benefit plans (and the fiduciaries thereof), and the successors, predecessors and assigns of each of the foregoing (collectively, the "Company Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected, which the Executive, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, arising on or prior to the date hereof, against any Company Released Party that arises out of, or relates to, the Employment Agreement, the Executive's employment with the Company or any of its subsidiaries and affiliates, or any termination of such employment, including claims (i) for severance or vacation benefits, unpaid wages, salary or incentive payments, (ii) for breach of contract, wrongful discharge, impairment of economic opportunity, defamation, intentional infliction of emotional harm or other tort, (iii) for any violation of applicable state and local labor and employment laws (including, without limitation, all laws concerning unlawful and unfair labor and employment practices) and (iv) for employment discrimination under any applicable federal, state or local statute, provision, order or regulation, and including, without limitation, any claim under Title VII of the Civil Rights Act of 1964 ("Title VII"), the Civil Rights Act of 1988, the Fair Labor Standards Act, the Americans with Disabilities Act ("ADA"), the Executive Retirement Income Security Act of 1974, as amended ("ERISA"), the Age Discrimination in Employment Act ("ADEA"), and any similar or analogous state statute, excepting only:

(A) rights of the Executive arising under, or preserved by, this Release or Sections 2.3 and 3 of the Employment Agreement;

(B) the right of the Executive to receive COBRA continuation coverage in accordance with applicable law;

(C) claims for benefits under any health, disability, retirement, life insurance or other, similar employee benefit plan (within the meaning of Section 3(3) of ERISA) of the Company Affiliated Group; and

(D) rights to indemnification the Executive has or may have under the by-laws or certificate of incorporation of any member of the Company Affiliated Group or as an insured under any director's and officer's liability insurance policy now or previously in force.

2. The Employee acknowledges and agrees that the release of claims set forth in this Release is not to be construed in any way as an admission of any liability whatsoever by any Company Released Party, any such liability being expressly denied.

3. The release of claims set forth in this Release applies to any relief no matter how called, including, without limitation, wages, back pay, front pay, compensatory damages, liquidated damages, punitive damages, damages for pain or suffering, costs, and attorneys' fees and expenses.

4. The Executive specifically acknowledges that his acceptance of the terms of the release of claims set forth in this Release is, among other things, a specific waiver of his rights, claims and causes of action under Title VII, ADEA, ADA and any state or local law or regulation in respect of discrimination of any kind; provided, however, that nothing herein shall be deemed, nor does anything contained herein purport, to be a waiver of any right or claim or cause of action which by law the Executive is not permitted to waive.

5. As to rights, claims and causes of action arising under the ADEA, the Executive acknowledges that he has been given but not utilized a period of twenty-one (21) days to consider whether to execute this Release. If the Executive accepts the terms hereof and executes this Release, he may thereafter, for a period of seven (7) days following (and not including) the date of execution, revoke this Release as it relates to the release of claims arising under the ADEA. If no such revocation occurs, this Release shall become irrevocable in its entirety, and binding and enforceable against the Executive, on the day next following the day on which the foregoing seven-day period has elapsed. If such a revocation occurs, the Executive shall irrevocably forfeit any right to payment of the Severance Payments (as defined in the Employment Agreement), but the remainder of the Employment Agreement shall continue in full force.

6. Other than as to rights, claims and causes of action arising under the ADEA, the release of claims set forth in this Release shall be immediately effective upon execution by the Executive.

7. The Executive acknowledges and agrees that he has not, with respect to any transaction or state of facts existing prior to the date hereof, filed any complaints, charges or lawsuits against any Company Released Party with any governmental agency, court or tribunal.

8. The Executive acknowledges that he has been advised to seek, and has had the opportunity to seek, the advice and assistance of an attorney with regard to the release of claims set forth in this Release, and has been given a sufficient period within which to consider the release of claims set forth in this Release.

9. The Executive acknowledges that the release of claims set forth in this Release relates only to claims which exist as of the date of this Release.

10. The Executive acknowledges that the Severance Payments he is receiving in connection with the release of claims set forth in this Release and his obligations under this Release are in addition to anything of value to which the Executive is entitled from the Company.

11. Each provision hereof is severable from this Release, and if one or more provisions hereof are declared invalid, the remaining provisions shall nevertheless remain in full force and effect. If any provision of this Release is so broad, in scope, or duration or otherwise, as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

12. This Release constitutes the complete agreement of the Parties in respect of the subject matter hereof and shall supersede all prior agreements between the Parties in respect of the subject matter hereof except to the extent set forth herein.

13. The failure to enforce at any time any of the provisions of this Release or to require at any time performance by another party of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect the validity of this Release, or any part hereof, or the right of any party thereafter to enforce each and every such provision in accordance with the terms of this Release.

14. This Release may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Signatures delivered by facsimile shall be deemed effective for all purposes.

15. This Release shall be binding upon any and all successors and assigns of the Executive and the Company.

16. Except for issues or matters as to which federal law is applicable, this Release shall be governed by and construed and enforced in accordance with the laws of the State of New York without giving effect to the conflicts of law principles thereof.

[signature page follows]

IN WITNESS WHEREOF, this Release has been signed by or on behalf of each of the Parties, all as of _____.

MCJUNKIN CORPORATION

By: _____
Name:
Title:

McJ HOLDING LLC

By: _____
Name:
Title:

_____
Stephen D. Wehrle

Exhibit B

Existing Inventions

[none]

Exhibit 10.17

MCJ HOLDING CORPORATION

2007 STOCK OPTION PLAN

1. **Purpose of the Plan**

The purpose of the Plan is to aid the Company and its Affiliates in recruiting and retaining key employees, directors and consultants of outstanding ability and to motivate such key employees, directors and consultants to exert their best efforts on behalf of the Company and its Affiliates by providing incentives through the granting of Options. The Company expects that it will benefit from the added interest which such key employees, directors or consultants will have in the welfare of the Company as a result of their proprietary interest in the Company's success.

2. **Definitions**

The following capitalized terms used in the Plan or in an Option agreement have the respective meanings set forth in this Section:

(a) Affiliate: With respect to any Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person.

(b) Board: The Board of Directors of the Company.

(c) Cause: With respect to a Participant's termination of Employment, (a) if the Participant is at the time of termination a party to an employment or retention agreement that defines such term, the meaning given therein, and (b) in all other cases, the Participant's (i) continuing failure, for more than 10 days after the Company's written notice to the Participant thereof, to perform such duties as are reasonably requested by the Company; (ii) failure to observe material policies generally applicable to officers or employees of the Company unless such failure is capable of being cured and is cured within 10 days of the Participant receiving written notice of such failure; (iii) failure to cooperate with any internal investigation of the Company; (iv) commission of any act of fraud, theft or financial dishonesty with respect to the Company or indictment or conviction of any felony; (v) chronic absenteeism; or (vi) abuse of alcohol or another controlled substance.

(d) Code: The Internal Revenue Code of 1986, as amended, or any successor thereto.

(e) Committee: The Board or such committee of the Board as may be designated from time to time to administer the Plan.

(f) Company: McJ Holding Corporation, a Delaware corporation, and any successor thereto by merger, consolidation or otherwise.

(g) Company Group: Collectively, the Company, its subsidiaries and its or their respective successors and assigns.

(h) Disability: (a) if the Participant is at the time of termination a party to an employment or retention agreement that defines such term, the meaning given therein, and (b) in all other cases, the Participant is unable to perform his duties or obligations to the Company by reason of physical or mental incapacity for a period of one hundred twenty (120) consecutive calendar days or a total period of two hundred ten (210) calendar days in any three hundred sixty (360) calendar day period.

(i) Effective Date: March 27, 2007.

(j) Employment: The term "Employment" as used herein shall be deemed to refer to (i) a Participant's employment if the Participant is an employee of the Company Group, (ii) a Participant's services as a consultant, if the Participant is a consultant to the Company Group and (iii) a Participant's services as a non-employee director, if the Participant is a non-employee member of the Board.

(k) Fair Market Value: On a given date, (i) if there should be a public market for the Shares on such date, the arithmetic mean of the high and low prices of the Shares as reported on such date on the composite tape of the principal national securities exchange on which such Shares are listed or admitted to trading, or, if the Shares are not listed or admitted on any national securities exchange, the arithmetic mean of the per-Share closing bid price and per-Share closing asked price on such date as quoted on the National Association of Securities Dealers Automated Quotation System (or such market in which such prices are regularly quoted) (the "Nasdaq"), or, if no sale of Shares shall have been reported on the composite tape of any national securities exchange or quoted on the Nasdaq on such date, the arithmetic mean of the per-Share closing bid price and per-Share closing asked price on the immediately preceding date on which sales of the Shares have been so reported or quoted, and (ii) if there is not a public market for the Shares on such date, the value established by the Committee in good faith, which in the context of a Transaction shall be the price paid per Share.

(l) McJ Holding LLC: McJ Holding LLC, a Delaware limited liability company.

(m) McJ Holding LLC Agreement: The limited liability company agreement of McJ Holding LLC, dated as of December 4, 2006.

(n) McJunkin: McJunkin Corporation, a West Virginia corporation and wholly owned subsidiary of the Company.

(o) Option: A stock option granted pursuant to Section 6 of the Plan.

(p) Option Price: The purchase price per Share of an Option, as determined pursuant to Section 6(a) of the Plan.

(q) Participant: An employee, director or consultant who is selected by the Committee to participate in the Plan.

(r) Person: Any individual, corporation, limited liability company, limited or general partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government, or any agency or political subdivisions thereof.

(s) Plan: This McJ Holding Corporation 2007 Stock Option Plan.

(t) Shares: Shares of common stock of the Company and any other securities into which such shares of common stock are changed or for which such shares of common stock are exchanged.

(u) Stockholders Agreement: The Management Stockholders Agreement dated as of March 27, 2007 (as amended and restated from time to time) by and among the Company, McJ Holding LLC and such other Persons who are or become parties thereto.

(v) Transaction: (i) Any event which results in the GSCP Members (as defined in the McJ Holding LLC Agreement) and its or their Affiliates ceasing to directly or indirectly beneficially own, in the aggregate, at least 35% of the equity interests of McJunkin that they beneficially owned directly or indirectly as of the Effective Time (as defined in the McJ Holding LLC Agreement); or (ii) in a single transaction or a series of related transactions, the occurrence of the following event: a majority of the outstanding voting power of McJ Holding LLC, the Company or McJunkin, or substantially all of the assets of McJunkin, shall have been acquired or otherwise become beneficially owned, directly or indirectly, by any Person (other than any Member (as defined in the McJ Holding LLC Agreement) as of December 4, 2006 or any of its or their Affiliates, or the McJ Holding LLC or any of its Affiliates) or any two or more Persons (other than any Member as of December 4, 2006 or any of its or their Affiliates, or McJ Holding LLC or any of its Affiliates) acting as a partnership, limited partnership, syndicate or other group, entity or association acting in concert for the purpose of voting, acquiring, holding or disposing of the voting power of the McJ Holding LLC, the Company, or McJunkin; it being understood that, for this purpose, the acquisition or beneficial ownership of voting securities by the public shall not be an acquisition or constitute beneficial ownership by any Person or Persons acting in concert. For purposes of this definition, neither McJ Holding LLC nor any Person controlled by McJ Holding LLC shall deemed to be an Affiliate of any Member.

3. **Shares Subject to the Plan**

The total number of Shares which may be issued under the Plan is 4,715.4509, subject to adjustment pursuant to Section 7 hereof. The Shares may consist, in whole or in part, of unissued Shares or treasury Shares. The issuance of Shares upon the exercise of an Option or in consideration of the cancellation or termination of an Option shall reduce the total number of Shares available under the Plan, as applicable. Shares which are subject to Options which terminate or lapse without the payment of consideration may again be the subject of Options granted under the Plan.

4. **Administration**

The Plan shall be administered by the Committee. Subject to the express limitations of the Plan, the Committee shall have authority in its discretion to determine the employees, consultants or directors of the Company and its Affiliates to whom, and the time or times at which, Options may be granted, the number of Shares subject to each Option, the Option Price of an Option, the time or times at which an Option will become vested and any other conditions of an Option. Options may, in the discretion of the Committee, be granted under the Plan in assumption of, or in substitution for, outstanding awards previously granted by the Company or its Affiliates or by a company acquired by the Company or with which the Company combines. The number of Shares underlying such substitute awards shall be counted against the aggregate number of Shares available for Options under the Plan. The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or desirable for the administration of the Plan. The Committee may amend the terms of any Option agreement, provided that no such amendment shall be made without the consent of a Participant, if such action would diminish any of the rights of such Participant under such Option agreement. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or desirable. Any decision of the Committee in the interpretation and administration of the Plan, except as otherwise provided herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, without limitation, Participants and their beneficiaries or successors). The Committee shall have the full power and authority to establish the terms and conditions of any Option consistent with the provisions of the Plan and to waive any such terms and conditions at any time (including, without limitation, accelerating or waiving any vesting conditions). The Committee shall require Participants to make arrangements which are satisfactory to it to pay any amounts it may determine are required to be withheld for federal, state, local or other taxes in connection with an Option.

5. **Limitations**

No Option may be granted under the Plan after the tenth anniversary of the Effective Date, but Options theretofore granted may extend beyond that date.

6. **Terms and Conditions of Options**

Options granted under the Plan shall be non-qualified stock options and shall be subject to the foregoing and the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Committee shall determine and set forth in the applicable Option agreement:

(a) Option Price. The Option Price shall be determined by the Committee, provided that the Option Price may not be less than the Fair Market Value of a Share on the date the Option is granted.

(b) Exercisability. Options granted under the Plan shall be exercisable at such time and upon such terms and conditions as may be determined by the Committee, but in no event shall an Option be exercisable more than ten years after the date it is granted.

(c) Exercise of Options. Except as otherwise provided in the Plan or in an Option agreement, an Option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. For purposes of this Section 6 of the Plan, the exercise date of an Option shall be the later of the date a notice of exercise is received by the Company and, if applicable, the date payment is received by the Company pursuant to the following sentence. The Option Price for the Shares as to which an Option is exercised and any applicable withholding taxes shall be paid to the Company in full at the time of exercise at the election of the Participant, in cash or by check or wire transfer, or by such other means as are permitted by the Committee. No Participant shall have any rights to dividends or other rights of a stockholder with respect to Shares subject to an Option until the Participant has given written notice of exercise of the Option, has paid in full for such Shares, satisfied any applicable withholding requirements and, if applicable, has satisfied any other conditions imposed by the Committee or pursuant to the Plan or the applicable Option agreement.

(d) Unless the Committee determines otherwise, exercise of an Option shall be conditioned upon the execution by the Participant of the Stockholders Agreement, if such agreement remains in effect at the time of such exercise.

7. **Adjustments Upon Certain Events**

Notwithstanding any other provisions in the Plan to the contrary, the following provisions shall apply to all Options granted under the Plan:

(a) Generally. In the event of any extraordinary cash or Share dividend, or Share split, reverse split, reorganization, reclassification, recapitalization, repurchase, issuance of warrants, rights or debentures, merger, consolidation, spin-off, split-up, combination or exchange of Shares or

other corporate exchange, or any distribution to shareholders of Shares or any transaction similar to the foregoing, the Committee, without liability to any person, shall take such equitable actions as are appropriate in its reasonable judgment to preserve the economic rights of the Participant, whether by adjusting the terms of the Option or such other means as the Committee shall determine.

(b) Transaction. The Committee may provide in the applicable Option agreement or otherwise that, in the event of a Transaction, (i) any outstanding Options then held by Participants which are unexercisable or otherwise unvested shall automatically be deemed exercisable or otherwise vested upon the consummation of such Transaction, and (ii) the Committee may either (A) cancel all Options and make payment in connection with such cancellation equal to the excess, if any, of the Fair Market Value of the Shares subject to such Options over the aggregate Option Price of such Options or (B) provide for the issuance of substitute options or other awards that will preserve, as nearly as practicable, the economic terms of Options previously granted hereunder, in each case as determined by the Committee in good faith.

8. **No Right to Employment or Options**

The granting of an Option under the Plan shall impose no obligation on the Company or any Affiliate of the Company to continue the Employment of a Participant and shall not lessen or affect the Company's or such Affiliate's right to terminate the Employment of such Participant. No Participant or other Person shall have any claim to be granted any Option, and there is no obligation for uniformity of treatment of Participants, or holders or beneficiaries of Options. The terms and conditions of Options and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not such Participants are similarly situated).

9. **Successors and Assigns**

The rights and obligations under the Plan shall be binding on and inure to all predecessors, successors and assigns of the Company and any Participant, including, without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

10. **Nontransferability of Options**

Unless otherwise determined by the Committee, an Option shall not be transferable or assignable by the Participant otherwise than by will or by the laws of descent and distribution. An Option exercisable after the death of a Participant may be exercised by the legatees, personal representatives or distributees of the Participant.

11. **Amendments or Termination**

The Board may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made without the consent of a Participant, if such action would diminish any of the rights of such Participant under any Option theretofore granted to such Participant under the Plan; provided, however, that the Committee may amend the Plan in such manner as it deems necessary to permit the granting of Options meeting the requirements of the Code or other applicable laws.

12. **Compliance with Law**

No Option shall be granted under the Plan, and no Shares shall be issued and delivered upon exercise of an Option, unless and until the Company and/or the Participant shall have complied with all applicable federal or state registration, listing and/or qualification requirements and all other applicable requirements of law or of any regulatory agencies having jurisdiction.

The Committee in its discretion may, as a condition to the exercise of any Option, require each Participant (a) to represent in writing that the Shares received upon exercise of an Option are being acquired for investment and not with a view to distribution and (b) to make such other representations and warranties as are deemed reasonably appropriate by the Committee. Stock certificates representing Shares acquired upon the exercise of any Option that have not been registered under the Securities Act of 1933, as amended, shall, if required by the Committee, bear the legends as may be required by the Stockholders Agreement or by the Option agreement evidencing a particular Option. Without in any way limiting the provisions set forth above, no Participant shall make any disposition of all or any portion of Shares acquired or to be acquired pursuant to an Option, except in compliance with all applicable federal and state securities laws and the provisions of the Stockholders Agreement.

13. **International Participants**

With respect to Options which may be subject to the laws of jurisdictions outside the United States of America, the Committee may, in its sole discretion, amend the terms of the Plan or Options with respect to such Participants in order to conform such terms with the requirements of such local law.

14. **Choice of Law**

The Plan shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws.

15. **Effectiveness of the Plan**

The Plan shall be effective as of the Effective Date.

MCJUNKIN RED MAN HOLDING CORPORATION
NONQUALIFIED STOCK OPTION AGREEMENT

THIS AGREEMENT (the "Agreement"), is made effective as of [_____, 200___] (the "Date of Grant"), between McJunkin Red Man Holding Corporation, a Delaware corporation (the "Company"), PVF Holdings LLC, a Delaware limited liability company ("PVF Holdings LLC") (solely for purposes of Section 15 hereof), and [_____] (the "Participant").

R E C I T A L S:

WHEREAS, the Company has adopted the McJ Holding Corporation 2007 Stock Option Plan (the "Plan"), which Plan is incorporated herein by reference and made a part of this Agreement. Capitalized terms not otherwise defined herein shall have the meanings given thereto in the Plan; and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its shareholders to grant an Option to the Participant pursuant to the Plan and the terms set forth herein.

NOW THEREFORE, in consideration of the Participant's services and of the mutual covenants hereinafter set forth, the parties agree as follows:

1. Grant of the Option. The Company hereby grants to the Participant the right and option (the "Option") to purchase, on the terms and conditions hereinafter set forth, all or any part of an aggregate of [_____] Shares, subject to adjustment as set forth in the Plan. The Option Price shall be $[_____], which the Company and the Participant agree is not less than the Fair Market Value of the Shares as of the date hereof.

2. Vesting; Period of Exercise.

(a) Subject to the earlier termination or cancellation of the Option as set forth herein, the Option shall vest and become exercisable as follows:

(i) Prior to the third (3rd) anniversary of the Date of Grant, no portion of the Option shall vest or be exercisable;

(ii) On and after the third (3rd) anniversary of the Date of Grant, the Option shall vest and be exercisable with respect to an aggregate of one-third (1/3) of the Shares originally subject to the Option, provided that the Participant's Employment with the Company has not terminated as of such anniversary;

(iii) On and after the fourth (4th) anniversary of the Date of Grant, the Option shall vest and be exercisable with respect to an aggregate of two-thirds (2/3) of the Shares originally subject to the Option, provided that the Participant's Employment with the Company has not terminated as of such anniversary; and

(iv) On and after the fifth (5th) anniversary of the Date of Grant, the Option shall vest and be exercisable with respect to an aggregate of one hundred percent of the Shares originally subject to the Option provided, that the Participant's Employment with the Company has not terminated as of such anniversary.

(v) Notwithstanding the foregoing, in the event of (x) the Participant's death or Disability or (y) the occurrence of a Transaction, the Option shall, to the extent not then vested, automatically become fully vested and exercisable.

The portion of the Option which has become vested and exercisable as described herein is hereinafter referred to as the "Vested Portion."

(b) If the Participant's Employment is terminated by the Company for Cause, the Option shall, whether or not vested, be automatically canceled without payment of consideration therefor.

(c) If the Participant's Employment with the Company terminates for any reason other than (x) Cause or (y) the Participant's death or Disability, the Option shall, to the extent not previously vested, be automatically canceled by the Company without payment of consideration therefor, and the Vested Portion of the Option shall remain exercisable for the period set forth in Section 2(d).

(d) Subject to the provisions of the Plan and this Agreement, the Participant may exercise all or any part of the Vested Portion of the Option at any time prior to the earliest to occur of (i) the ten-year anniversary of the Date of Grant and (ii) 90 days following the date of the Participant's termination of Employment (other than a termination of Employment due to the Participant's death or Disability).

(e) Notwithstanding the foregoing, upon termination of Employment due to the Participant's death or Disability, the Participant may exercise all or any part of the Vested Portion of the Option at any time prior to the earliest to occur of (i) the ten-year anniversary of the Date of Grant and (ii) twenty-four months following such termination of Employment.

3. Method of Exercise.

(a) The Vested Portion of the Option may be exercised by delivering to the Company at its principal office written notice of intent so to exercise. Such notice shall specify the number of Shares for which the Option is being exercised (the "Purchased Shares") and shall be accompanied by payment in full of the Option Price in cash or by check or wire transfer; provided, however, that with the written consent of the Committee (which consent may be withheld for any or no reason), payment of such aggregate exercise price may instead be made, in whole or in part, by (A) the delivery to the Company of a certificate or certificates representing Shares having a Fair Market Value on the date of exercise equal to the aggregate exercise price, duly endorsed or accompanied by a duly executed stock power, which delivery effectively transfers to the Company good and valid title to such shares, free and clear of any pledge, commitment, lien, claim or other encumbrance (such shares to be valued on the basis of the aggregate Fair Market Value thereof on the date of such exercise), or (B) by a reduction in

the number of Purchased Shares to be issued upon such exercise having a Fair Market Value on the date of exercise equal to the aggregate exercise price in respect of the Purchased Shares, provided that the Company is not then prohibited from purchasing or acquiring such Shares. The Participant shall not have any rights to dividends or other rights of a stockholder with respect to Shares subject to the Option until the Participant has given written notice of exercise of the Option, paid in full for such Shares and, if applicable, has satisfied any other conditions imposed by the Committee or pursuant to the Plan or this Agreement.

(b) Notwithstanding any other provision of the Plan or this Agreement to the contrary, the Option may not be exercised prior to the completion of any registration or qualification of the Option or the Shares under applicable state and federal securities or other laws, or under any ruling or regulation of any governmental body or national securities exchange (collectively, the "Legal Requirements") that the Committee shall in its sole discretion determine to be necessary or advisable, unless an exemption to such registration or qualification is available and satisfied. The Committee may establish additional procedures as it deems necessary or desirable in connection with the exercise of the Option or the issuance of any Shares upon such exercise to comply with any Legal Requirements. Such procedures may include but are not limited to the establishment of limited periods during which the Option may be exercised or that following receipt of the notice of exercise and prior to the completion of the exercise, the Participant will be required to affirm the exercise of the Option following receipt of any disclosure deemed necessary or desirable by the Committee.

(c) Upon the Company's determination that the Option has been validly exercised as to any of the Shares, the Company shall issue certificates in the Participant's name for such Shares. Such certificates will be held by the Company on behalf of the Participant until such time as the Shares represented by such certificates are transferred as permitted by the Stockholders Agreement.

(d) In the event of the Participant's death or Disability, the Option shall remain exercisable by the Participant's executor or administrator, or the person or persons to whom the Participant's rights under this Agreement shall pass by will or by the laws of descent and distribution as the case may be, for the period set forth in Section 2(e) (and the term "Participant" shall be deemed to include such heir or legatee). Any such heir or legatee of the Participant shall take rights herein granted subject to the terms and conditions hereof.

(e) In consideration of the grant of this Option, the Participant agrees that, as a condition to the exercise of any option to purchase Shares (whether this Option or any other option), the Participant shall, with respect to such Shares, have become a party to the Stockholders Agreement.

4. No Right to Continued Employment. The granting of the Option evidenced hereby and this Agreement shall impose no obligation on the Company or any Affiliate to continue the Employment of the Participant and shall not lessen or affect the Company's or its Affiliates' right to terminate the Employment of such Participant.

5. Legend on Certificates. The certificates representing the Shares purchased by exercise of the Option shall be subject to such stop transfer orders and other restrictions as the

Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such Shares are listed, and any applicable federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

6. Transferability. Unless otherwise determined by the Committee, the Option may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance. No such permitted transfer of the Option to heirs or legatees of the Participant shall be effective to bind the Company unless the Committee shall have been furnished with written notice thereof and a copy of such evidence as the Committee may deem necessary to establish the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions hereof. During the Participant's lifetime, the Option is exercisable only by the Participant.

7. Withholding. The Participant shall be required to pay to the Company or any Affiliate, and the Company shall have the right and is hereby authorized to withhold, any applicable withholding taxes in respect of the Option, its exercise or any payment or transfer under, or with respect to, the Option and to take such other action as may be necessary in the opinion of the Committee to satisfy all obligations for the payment of such withholding taxes. The Participant shall be solely responsible for the payment of all taxes relating to the payment or provision of any amounts or benefits hereunder.

8. Securities Laws. Upon the acquisition of any Shares pursuant to the exercise of the Option, the Participant will make or enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws or with this Agreement.

9. Successors in Interest. This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Participant's legal representatives. All obligations imposed upon the Participant and all rights granted to the Company under this Agreement shall be binding upon the Participant's heirs, executors, administrators and successors.

10. Resolution of Disputes. Any dispute or disagreement which may arise under, or as a result of, or in any way relate to, the interpretation, construction or application of this Agreement shall be determined by the Board. Any determination made hereunder shall be final, binding and conclusive on the Participant, the Participant's heirs, executors, administrators and successors, and the Company and its subsidiaries for all purposes.

11. Notices. Any notice necessary under this Agreement shall be addressed to the Company in care of its Secretary at the principal executive office of the Company and to the Participant at the address appearing in the personnel records of the Company for the Participant

or to either party hereto at such other address as either party may hereafter designate in writing to the other. Any such notice shall be deemed effective upon receipt thereof by the addressee.

12. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the state of New York, without regard to principles of conflicts of laws.

13. Option Subject to Plan. By entering into this Agreement, the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan. The Option is subject to the Plan. The terms and provisions of the Plan, as it may be amended from time to time, are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan, as applicable, will govern and prevail.

14. Accredited Investor Status Representation of Participant. Please check the box next to any of the following statements that apply:

- o Your individual net worth, or joint net worth with your spouse, as of the date hereof, exceeds $1,000,000;
- o You had individual income in excess of $200,000 in each of the two most recent years, or joint income with your spouse in excess of $300,000 in each of those years, and have a reasonable expectation of reaching the same income level in the current year; or
- o None of the statements above apply.

15. Adoption of Stockholders Agreement. The parties hereto agree that, upon the grant of the Option hereunder, the Participant shall be made a party to the Management Stockholders Agreement among PVF LLC (formerly known as McJ Holding LLC), the Company, and the other parties thereto (the "Stockholders Agreement") as an "Executive" (as defined in the Stockholders Agreement) with the rights and obligations of holders of "Stock" (as defined in the Stockholders Agreement) and the Participant hereby agrees to become a party to the Stockholders Agreement and to be bound by, and subject to, all of the representations, covenants, terms and conditions of the Stockholders Agreement that are applicable to an Executive with such rights and obligations. Execution and delivery of this Agreement by the Participant shall also constitute execution and delivery by the Participant of the Stockholders Agreement, without further action of any party. A copy of the Stockholders Agreement is attached hereto as Exhibit A. In addition to the representations and warranties in the Stockholders Agreement that Participant makes as an Executive, the Participant represents and warrants to the Company that (a) the Participant has carefully reviewed the Stockholders Agreement and has also reviewed all other documents the Participant deems necessary or desirable in order for the Participant to become a party to the Stockholders Agreement (by executing this Agreement); (b) the Participant has been granted the opportunity to ask questions of, and receive answers from, representatives of the Company concerning the Stockholders Agreement and the terms and conditions thereof that the Participant deems necessary; and (c) this Agreement (and by executing this Agreement, the Stockholders Agreement) has been duly executed and delivered by Participant and constitutes a valid and binding agreement of

Participant enforceable against the Participant in accordance with its terms and the terms of the Stockholders Agreement.

16. Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, effective as of the Date of Grant.

MCJUNKIN RED MAN HOLDING CORPORATION

By: _____
Name:
Title:

PVF HOLDINGS LLC (for purposes of Section 15 only)

By: _____
Name:
Title:

PARTICIPANT

By: _____
Name:

EXHIBIT A

Stockholders Agreement

Exhibit 10.18

MCJ HOLDING CORPORATION

2007 RESTRICTED STOCK PLAN

1. Purpose. The purpose of the McJ Holding Corporation 2007 Restricted Stock Plan is to aid the Company and its Affiliates in recruiting and retaining key employees, directors and consultants of outstanding ability and to motivate such key employees, directors and consultants to exert their best efforts on behalf of the Company and its Affiliates by providing incentives through the granting of Restricted Stock. The Company expects that it will benefit from the added interest which such key employees, directors or consultants will have in the welfare of the Company as a result of their proprietary interest in the Company's success.

2. Definitions. The following capitalized terms used in the Plan or in an Agreement have the respective meanings set forth in this Section.

a. Affiliate: With respect to any Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person.

b. Agreement: The written agreement setting forth the terms and conditions of Restricted Stock.

c. Board: The Board of Directors of the Company.

d. Cause: With respect to the Grantee's termination of employment, (a) if the Grantee is at the time of termination a party to an employment or retention agreement that defines such term, the meaning given therein, and (b) in all other cases, the Grantee's (i) continuing failure, for more than 10 days after the Company's written notice to the Grantee thereof, to perform such duties as are reasonably requested by the Company; (ii) failure to observe material policies generally applicable to officers or employees of the Company unless such failure is capable of being cured and is cured within 10 days of the Grantee receiving written notice of such failure; (iii) failure to cooperate with any internal investigation of the Company; (iv) commission of any act of fraud, theft or financial dishonesty with respect to the Company or indictment or conviction of any felony; (v) chronic absenteeism; or (vi) abuse of alcohol or another controlled substance.

e. Committee: The Board or such committee of the Board as may be designated from time to time to administer the Plan.

f. Company: McJ Holding Corporation, a Delaware corporation, and any successor thereto by merger, consolidation or otherwise.

g. Disability: (a) if the Grantee is at the time of termination a party to an employment or retention agreement that defines such term, the meaning given therein, and (b) in all other cases, the Grantee is unable to perform his duties or obligations to the Company by reason of physical or mental incapacity for a

period of one hundred twenty (120) consecutive calendar days or a total period of two hundred ten (210) calendar days in any three hundred sixty (360) calendar day period.

h. Effective Date: March 27, 2007.

i. Grantee: An employee, director or consultant who is selected by the Committee to participate in the Plan.

j. LLC Agreement: The Limited Liability Company Agreement of McJ Holding LLC, dated as of December 4, 2006 (as amended and restated from time to time).

k. McJ Holding LLC: McJ Holding LLC, a Delaware limited liability company and parent of the Company.

l. McJunkin: McJunkin Corporation, a West Virginia corporation and wholly owned subsidiary of the Company.

m. Person: Any individual, corporation, limited liability company, limited or general partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government, or any agency or political subdivisions thereof.

n. Plan: This McJunkin Corporation 2007 Restricted Stock Plan.

o. Restricted Stock: Restricted common stock of the Company, granted on the terms and conditions as set forth in an Agreement.

p. Shares: Shares of common stock of the Company and any other securities into which such shares of common stock are changed or for which such shares of common stock are exchanged.

q. Stockholders Agreement: The Management Stockholders Agreement dated as of March 27, 2007 (as amended and restated from time to time) by and among the Company, McJ Holding LLC and such other Persons who are or become parties thereto.

r. Transaction: (i) Any event which results in the GSCP Members (as defined in the LLC Agreement) and its or their Affiliates ceasing to directly or indirectly beneficially own, in the aggregate, at least 35% of the equity interests of McJunkin that they beneficially owned directly or indirectly as of the Effective Time (as defined in the LLC Agreement); or (ii) in a single transaction or a series of related transactions, the occurrence of the following event: a majority of the outstanding voting power of McJ Holding LLC, the Company or McJunkin, or substantially all of the assets of McJunkin, shall have been acquired or otherwise become beneficially owned, directly or indirectly, by any Person (other than any Member (as defined in the LLC Agreement) as of December 4, 2006 or any of its or their Affiliates, or the McJ Holding LLC or any of its Affiliates) or any two or more Persons (other than any Member as of December 4, 2006 or any of its or

their Affiliates, or McJ Holding LLC or any of its Affiliates) acting as a partnership, limited partnership, syndicate or other group, entity or association acting in concert for the purpose of voting, acquiring, holding or disposing of the voting power of the McJ Holding LLC, the Company, or McJunkin; it being understood that, for this purpose, the acquisition or beneficial ownership of voting securities by the public shall not be an acquisition or constitute beneficial ownership by any Person or Persons acting in concert. For purposes of this definition, neither McJ Holding LLC nor any Person controlled by McJ Holding LLC shall deemed to be an Affiliate of any Member.

3. Administration. The Plan shall be administered by the Committee. Subject to the express limitations of the Plan, the Committee shall have authority in its discretion to determine the employees, consultants or directors of the Company and its Affiliates to whom, and the time or times at which, Restricted Stock may be granted, the time or times at which such Restricted Stock will become vested and any other conditions of such Restricted Stock.

4. Shares Subject to the Plan. The total number of shares of Restricted Stock which may be issued under the Plan is 500. The shares of Restricted Stock may consist, in whole or in part, of unissued Shares or treasury Shares. The issuance of shares of Restricted Stock shall reduce the total number of shares of Restricted Stock available under the Plan. Shares which are subject to Restricted Stock which terminate or lapse without the payment of consideration may again be the subject of Restricted Stock granted under the Plan. In the event of any extraordinary cash or Share dividend, or Share split, reverse split, reorganization, reclassification, recapitalization, repurchase, issuance of warrants, rights or debentures, merger, consolidation, spin-off, split-up, combination or exchange of Shares or other corporate exchange, or any distribution to shareholders of Shares or any transaction similar to the foregoing, the Committee, without liability to any person, shall take such equitable actions as are appropriate in its reasonable judgment to preserve the economic rights of the Participant by such means as the Committee shall determine.

5. Terms and Conditions of Restricted Stock. Restricted Stock granted under the Plan shall subject to the foregoing and the following terms and conditions and to such other terms and conditions as the Committee shall determine and set forth in the applicable Agreement.

6. No Right to Continued Employment. Nothing in this Plan or in an Agreement shall interfere with or limit in any way the right of the Company or its subsidiaries to terminate the Grantee's employment, nor confer upon the Grantee any right to continuance of employment by the Company or any of its subsidiaries or continuance of service as a Board member.

7. Withholding of Taxes. Prior to the delivery to the Grantee (or the Grantee's estate, if applicable) of evidence of book-entry shares with respect to shares of Restricted Stock in respect of which all restrictions have lapsed, the Grantee (or the Grantee's estate) shall be required to pay to the Company or any Affiliate, and the Company shall have the right and is hereby authorized to withhold, any applicable withholding taxes in respect of such Restricted Stock, or any payment or transfer under, or with respect to, such Restricted Stock, and to take such other action as may be necessary in the opinion of the Committee to satisfy all obligations

for the payment of such withholding taxes. The Grantee shall be solely responsible for the payment of all taxes relating to the payment or provision of any amounts or benefits hereunder.

8. Choice of Law. The Plan shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws.

9. Effectiveness of the Plan. The Plan shall be effective as of the Effective Date.

MCJUNKIN RED MAN HOLDING CORPORATION

RESTRICTED STOCK AWARD AGREEMENT

THIS RESTRICTED STOCK AWARD AGREEMENT (this "Agreement"), made as of [_____, 200___] (the "Grant Date"), between McJunkin Red Man Holding Corporation, a Delaware corporation (the "Company"), PVF Holdings LLC, a Delaware limited liability company (solely for purposes of Section 20 hereof) ("PVF LLC"), and [_____] (the "Grantee").

WHEREAS, the Company has adopted the McJ Holding Corporation 2007 Restricted Stock Plan (the "Plan"), which Plan is incorporated herein by reference and made a part of this Agreement. Capitalized terms not otherwise defined herein shall have the meanings given thereto in the Plan; and

WHEREAS, the Committee has determined to grant to the Grantee such award of restricted common stock of the Company as provided herein (the "Restricted Stock").

NOW, THEREFORE, the parties hereto agree as follows:

1. Grant of Restricted Stock.

The Company hereby grants to the Grantee an award of [_____] shares of Restricted Stock (the "Award"). The shares of Restricted Stock granted pursuant to the Award shall be issued in the form of book-entry shares in the name of the Grantee as soon as reasonably practicable after the Grant Date and shall be subject to the execution and return of this Agreement by the Grantee (or the Grantee's estate, if applicable) to the Company as provided in Section 8 hereof.

2. Restrictions on Transfer.

The shares of Restricted Stock issued under this Agreement may not be sold, transferred, assigned or otherwise disposed of, may not be pledged or otherwise hypothecated, and shall be subject to the terms of the Stockholders Agreement.

3. Lapse of Restrictions Generally.

Except as provided in Sections 4 and 5 hereof, 25% of the number of shares of Restricted Stock issued hereunder shall vest, and the restrictions with respect to such Restricted Stock shall lapse, on each of the second (2nd), third (3rd), fourth (4th) and fifth (5th) anniversaries of the date of grant, subject to the Grantee's continued employment.

4. Accelerated Vesting.

In the event of a Transaction, or upon the termination of the Grantee's employment due to the Grantee's death or Disability, at any time on or after the Grant

Date, all shares of Restricted Stock which have not become vested in accordance with Section 3 hereof shall vest, and the restrictions and conditions applicable to such Restricted Stock shall be deemed to have lapsed immediately prior to the occurrence such event.

5. Forfeiture of Restricted Stock.

Any and all shares of Restricted Stock (whether or not vested) shall be forfeited and shall revert to the Company upon the termination by the Company or any of its subsidiaries of the Grantee's employment for Cause. Any and all shares of restricted stock which have not vested pursuant to Sections 3 or 4 hereof shall be forfeited and shall revert to the Company upon the termination of the Grantee's employment with the Company for any reason other than by the Company or any of its subsidiaries for Cause.

6. Delivery of Restricted Stock.

Evidence of book-entry shares with respect to shares of Restricted Stock in respect of which the restrictions have lapsed pursuant to Section 3 or 4 hereof shall be delivered to the Grantee as soon as practicable following the date on which the restrictions on such Restricted Stock have lapsed, free of all restrictions hereunder. Any certificates for shares of Restricted Stock shall be held by the Company on behalf of the Grantee until such time as the shares represented by such certificates are transferred as permitted by the Stockholders Agreement.

7. Stockholders Agreement.

In consideration of the Award, the Grantee agrees that the Grantee shall become a party to the Stockholders Agreement.

8. Execution of Agreements.

The shares of Restricted Stock granted to the Grantee pursuant to the Award shall be subject to the Grantee's execution and return of (i) this Agreement and (ii) the Stockholders Agreement.

9. No Right to Continued Employment.

Nothing in this Agreement shall interfere with or limit in any way the right of the Company or its subsidiaries to terminate the Grantee's employment, nor confer upon the Grantee any right to continuance of employment by the Company or any of its subsidiaries or continuance of service as a Board member.

10. Withholding of Taxes.

Prior to the delivery to the Grantee (or the Grantee's estate, if applicable) of evidence of book-entry shares with respect to shares of Restricted Stock in respect of which all

restrictions have lapsed, the Grantee (or the Grantee's estate) shall be required to pay to the Company or any Affiliate, and the Company shall have the right and is hereby authorized to withhold, any applicable withholding taxes in respect of such Restricted Stock, or any payment or transfer under, or with respect to, such Restricted Stock, and to take such other action as may be necessary in the opinion of the Committee to satisfy all obligations for the payment of such withholding taxes. The Grantee shall be solely responsible for the payment of all taxes relating to the payment or provision of any amounts or benefits hereunder.

11. Modification of Agreement.

This Agreement may be modified, amended, suspended or terminated, and any terms or conditions may be waived, but only by a written instrument executed by the parties hereto.

12. Severability.

Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall not be affected by such holding and shall continue in full force in accordance with their terms.

13. Governing Law.

The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New York, without giving effect to the conflicts of laws principles thereof.

14. Successors in Interest.

This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Grantee's legal representatives. All obligations imposed upon the Grantee and all rights granted to the Company under this Agreement shall be binding upon the Grantee's heirs, executors, administrators and successors.

15. No Liability.

No member of the Board shall be liable for any action or determination made in good faith with respect to this Award or this Agreement.

16. Resolution of Disputes.

Any dispute or disagreement which may arise under, or as a result of, or in any way relate to, the interpretation, construction or application of this Agreement shall be determined by the Board. Any determination made hereunder shall be final, binding and

conclusive on the Grantee, the Grantee's heirs, executors, administrators and successors, and the Company and its subsidiaries for all purposes.

17. Entire Agreement.

This Agreement and the terms and conditions of the Stockholders Agreement constitute the entire understanding between the Grantee and the Company and its subsidiaries with respect to the Award, and supersede all other agreements, whether written or oral, with respect to the Award.

18. Headings.

The headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

19. Accredited Investor Status Representation of Grantee.

Please check the box next to any of the following statements that apply:

o Your individual net worth, or joint net worth with your spouse, as of the date hereof, exceeds $1,000,000;

o You had individual income in excess of $200,000 in each of the two most recent years, or joint income with your spouse in excess of $300,000 in each of those years, and have a reasonable expectation of reaching the same income level in the current year; or

o None of the statements above apply.

20. Adoption of Stockholders Agreement.

The parties hereto agree that, upon the grant of the Restricted Stock hereunder, the Grantee shall be made a party to the Management Stockholders Agreement among PVF LLC (formerly known as McJ Holding LLC), the Company, and the other parties thereto (the "Stockholders Agreement"), as an "Executive" (as defined in the Stockholders Agreement) with the rights and obligations of holders of "Stock" (as defined in the Stockholders Agreement) and the Grantee hereby agrees to become a party to the Stockholders Agreement and to be bound by, and subject to, all of the representations, covenants, terms and conditions of the Stockholders Agreement that are applicable to an Executive with such rights and obligations. Execution and delivery of this Agreement by the Grantee shall also constitute execution and delivery by the Grantee of the Stockholders Agreement, without further action of any party. A copy of the Stockholders Agreement is attached hereto as Exhibit A. In addition to the representations and warranties in the Stockholders Agreement that Grantee makes as an Executive, the Grantee represents and warrants to the Company that (a) the Grantee has carefully reviewed the Stockholders Agreement and has also reviewed all other documents the Grantee deems necessary or

desirable in order for the Grantee to become a party to the Stockholders Agreement (by executing this Agreement); (b) the Grantee has been granted the opportunity to ask questions of, and receive answers from, representatives of the Company concerning the Stockholders Agreement and the terms and conditions thereof that the Grantee deems necessary; and (c) this Agreement (and by executing this Agreement, the Stockholders Agreement) has been duly executed and delivered by Grantee and constitutes a valid and binding agreement of Grantee enforceable against the Grantee in accordance with its terms and the terms of the Stockholders Agreement.

21. Counterparts.

This Agreement may be executed simultaneously in two or more counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, effective as of the Grant Date.

MCJUNKIN RED MAN HOLDING CORPORATION

By: _____
Name:
Title:

PVF HOLDINGS LLC (for purposes of Section 20 only)

By: _____
Name:
Title:

GRANTEE

By: _____
Name:

EXHIBIT A

Stockholders Agreement

MCJUNKIN RED MAN HOLDING CORPORATION

2007 STOCK OPTION PLAN

(CANADA)

1. **Purpose of the Plan**

The purpose of the Plan is to aid the Company and its Affiliates in recruiting and retaining key employees, directors and consultants, resident in Canada, of outstanding ability and to motivate such key employees, directors and consultants to exert their best efforts on behalf of the Company and its Affiliates by providing incentives through the granting of Options. The Company expects that it will benefit from the added interest which such key employees, directors or consultants will have in the welfare of the Company as a result of their proprietary interest in the Company's success. This Plan is a sub-plan of the U.S. Option Plan.

2. **Definitions**

The following capitalized terms used in the Plan or in an Option agreement have the respective meanings set forth in this Section:

(a) Affiliate: With respect to any Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person.

(b) Board: The Board of Directors of the Company.

(c) Cause: With respect to a Participant's termination of Employment, (a) if the Participant is at the time of termination a party to an employment or retention agreement that defines such term, the meaning given therein, and (b) in all other cases, the Participant's (i) continuing failure, for more than 10 days after the Company's written notice to the Participant thereof, to perform such duties as are reasonably requested by the Company; (ii) failure to observe material policies generally applicable to officers or employees of the Company unless such failure is capable of being cured and is cured within 10 days of the Participant receiving written notice of such failure; (iii) failure to cooperate with any internal investigation of the Company; (iv) commission of any act of fraud, theft or financial dishonesty with respect to the Company or indictment or conviction of any felony; (v) chronic absenteeism; or (vi) abuse of alcohol or another controlled substance. For the purpose of the definition of "Cause," a reference to "Company" shall mean the Company or its applicable Affiliate that is the employer of the applicable Participant.

(d) Code: The Internal Revenue Code of 1986, as amended, or any successor thereto.

(e) Committee: The Board or such committee of the Board as may be designated from time to time to administer the Plan.

(f) Company: McJunkin Red Man Holding Corporation (formerly known as McJ Holding Corporation), a Delaware corporation, and any successor thereto by merger, consolidation or otherwise.

(g) Company Group: Collectively, the Company, its subsidiaries and its or their respective successors and assigns.

(h) Disability: (a) if the Participant is at the time of termination a party to an employment or retention agreement that defines such term, the meaning given therein, and (b) in all other cases, the Participant is unable to perform his duties or obligations to the Company by reason of physical or mental incapacity for a period of one hundred twenty (120) consecutive calendar days or a total period of two hundred ten (210) calendar days in any three hundred sixty (360) calendar day period.

(i) Effective Date: December 21, 2007.

(j) Employment: The term "Employment" as used herein shall be deemed to refer to (i) a Participant's employment if the Participant is an employee of the Company Group, (ii) a Participant's services as a consultant, if the Participant is a consultant to the Company Group and (iii) a Participant's services as a non-employee director, if the Participant is a non-employee member of the Board.

(k) Fair Market Value: On a given date, (i) if there should be a public market for the Shares on such date, the arithmetic mean of the high and low prices of the Shares as reported on such date on the composite tape of the principal national securities exchange on which such Shares are listed or admitted to trading, or, if the Shares are not listed or admitted on any national securities exchange, the arithmetic mean of the per-Share closing bid price and per-Share closing asked price on such date as quoted on the National Association of Securities Dealers Automated Quotation System (or such market in which such prices are regularly quoted) (the "Nasdaq"), or, if no sale of Shares shall have been reported on the composite tape of any national securities exchange or quoted on the Nasdaq on such date, the arithmetic mean of the per-Share closing bid price and per-Share closing asked price on the immediately preceding date on which sales of the Shares have been so reported or quoted, and (ii) if there is not a public market for the Shares on such date, the value established by the Committee in good faith, which in the context of a Transaction shall be the price paid per Share.

(l) McJunkin Red Man: McJunkin Red Man Corporation, a West Virginia corporation and wholly owned subsidiary of the Company.

(m) Option: A stock option granted pursuant to Section 6 of the Plan.

(n) Option Price: The purchase price per Share of an Option, as determined pursuant to Section 6(a) of the Plan.

(o) Participant: An employee, director or consultant who is selected by the Committee to participate in the Plan.

(p) Person: Any individual, corporation, limited liability company, limited or general partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government, or any agency or political subdivisions thereof.

(q) Plan: This McJunkin Red Man Holding Corporation 2007 Stock Option Plan (Canada).

(r) PVF Holdings LLC: PVF Holdings LLC, a Delaware limited liability company.

(s) PVF Holdings LLC Agreement: The amended and restated limited liability company agreement of PVF Holdings LLC, amended as of December 18, 2007, as further amended or restated from time to time.

(t) Shares: Shares of common stock of the Company and any other securities into which such shares of common stock are changed or for which such shares of common stock are exchanged.

(u) Stockholders Agreement: The Management Stockholders Agreement dated as of March 27, 2007 (as amended and restated from time to time) by and among the Company, PVF Holding LLC and such other Persons who are or become parties thereto.

(v) Transaction: (i) Any event which results in the GSCP Members (as defined in the PVF Holdings LLC Agreement) and its or their Affiliates ceasing to directly or indirectly beneficially own, in the aggregate, at least 35% of the equity interests of McJunkin Red Man that they beneficially owned directly or indirectly as of the Effective Time (as defined in the PVF Holdings LLC Agreement); or (ii) in a single transaction or a series of related transactions, the occurrence of the following event: a majority of the outstanding voting power of PVF Holdings LLC, the Company or McJunkin Red Man, or substantially all of the assets of McJunkin Red Man, shall have been acquired or otherwise become beneficially owned, directly or indirectly, by any Person (other than any Member (as defined in PVF Holdings LLC Agreement) or any of its or their Affiliates, or the PVF Holdings LLC or any of its Affiliates) or any two or more Persons (other than any Member or any of its or their Affiliates, or PVF Holdings LLC or any of its Affiliates) acting as a partnership, limited partnership, syndicate or other group, entity or association acting in concert for the

purpose of voting, acquiring, holding or disposing of the voting power of PVF Holdings LLC, the Company, or McJunkin Red Man; it being understood that, for this purpose, the acquisition or beneficial ownership of voting securities by the public shall not be an acquisition or constitute beneficial ownership by any Person or Persons acting in concert. For purposes of this definition, neither PVF Holdings LLC nor any Person controlled by PVF Holdings LLC shall deemed to be an Affiliate of any Member.

(w) U.S. Option Plan: The McJ Holding Corporation 2007 Stock Option Plan, effective as of March 27, 2007, of which this Plan is a sub-plan.

3. **Shares Subject to the Plan**

The total number of Shares which may be issued under the U.S. Option Plan and this Plan is 4,715.4509, subject to adjustment pursuant to Section 7 hereof. The Shares may consist, in whole or in part, of unissued Shares or treasury Shares. The issuance of Shares upon the exercise of an Option or in consideration of the cancellation or termination of an Option shall reduce the total number of Shares available under the Plan, as applicable. Shares which are subject to Options which terminate or lapse without the payment of consideration may again be the subject of Options granted under the Plan.

4. **Administration**

The Plan shall be administered by the Committee. Subject to the express limitations of the Plan, the Committee shall have authority in its discretion to determine the employees, consultants or directors of the Company and its Affiliates to whom, and the time or times at which, Options may be granted, the number of Shares subject to each Option, the Option Price of an Option, the time or times at which an Option will become vested and any other conditions of an Option. Options may, in the discretion of the Committee, be granted under the Plan in assumption of, or in substitution for, outstanding awards previously granted by the Company or its Affiliates or by a company acquired by the Company or with which the Company combines. The number of Shares underlying such substitute awards shall be counted against the aggregate number of Shares available for Options under the Plan. The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or desirable for the administration of the Plan. The Committee may amend the terms of any Option agreement, provided that no such amendment shall be made without the consent of a Participant, if such action would diminish any of the rights of such Participant under such Option agreement. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or desirable. Any decision of the Committee in the interpretation and administration of the Plan, except as otherwise provided herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, without limitation, Participants and their beneficiaries or successors). The Committee shall have the full power and authority to establish the terms and conditions of any Option consistent with the provisions of the Plan and to waive any such terms and conditions at any time (including, without limitation, accelerating or waiving

any vesting conditions). The Committee shall require Participants to make arrangements which are satisfactory to it to pay any amounts it may determine are required to be withheld for federal, state, local or other taxes in connection with an Option.

5. **Limitations**

No Option may be granted under the Plan after March 27, 2017, but Options theretofore granted may extend beyond that date.

6. **Terms and Conditions of Options**

Options granted under the Plan shall be non-qualified stock options and shall be subject to the foregoing and the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Committee shall determine and set forth in the applicable Option agreement:

(a) Option Price. The Option Price shall be determined by the Committee, provided that the Option Price may not be less than the Fair Market Value of a Share on the date the Option is granted.

(b) Exercisability. Options granted under the Plan shall be exercisable at such time and upon such terms and conditions as may be determined by the Committee, but in no event shall an Option be exercisable more than ten years after the date it is granted.

(c) Exercise of Options. Except as otherwise provided in the Plan or in an Option agreement, an Option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. For purposes of this Section 6 of the Plan, the exercise date of an Option shall be the later of the date a notice of exercise is received by the Company and, if applicable, the date payment is received by the Company pursuant to the following sentence. The Option Price for the Shares as to which an Option is exercised and any applicable withholding taxes shall be paid to the Company in full at the time of exercise at the election of the Participant, in cash or by check or wire transfer, or by such other means as are permitted by the Committee. No Participant shall have any rights to dividends or other rights of a stockholder with respect to Shares subject to an Option until the Participant has given written notice of exercise of the Option, has paid in full for such Shares, satisfied any applicable withholding requirements and, if applicable, has satisfied any other conditions imposed by the Committee or pursuant to the Plan or the applicable Option agreement.

(d) Unless the Committee determines otherwise, exercise of an Option shall be conditioned upon the execution by the Participant of the Stockholders Agreement, if such agreement remains in effect at the time of such exercise.

7. **Adjustments Upon Certain Events**

Notwithstanding any other provisions in the Plan to the contrary, the following provisions shall apply to all Options granted under the Plan:

(a) Generally. In the event of any extraordinary cash or Share dividend, or Share split, reverse split, reorganization, reclassification, recapitalization, repurchase, issuance of warrants, rights or debentures, merger, consolidation, spin-off, split-up, combination or exchange of Shares or other corporate exchange, or any distribution to shareholders of Shares or any transaction similar to the foregoing, the Committee, without liability to any person, shall take such equitable actions as are appropriate in its reasonable judgment to preserve the economic rights of the Participant, whether by adjusting the terms of the Option or such other means as the Committee shall determine.

(b) Transaction. The Committee may provide in the applicable Option agreement or otherwise that, in the event of a Transaction, (i) any outstanding Options then held by Participants which are unexercisable or otherwise unvested shall automatically be deemed exercisable or otherwise vested upon the consummation of such Transaction, and (ii) the Committee may either (A) cancel all Options and make payment in connection with such cancellation equal to the excess, if any, of the Fair Market Value of the Shares subject to such Options over the aggregate Option Price of such Options or (B) provide for the issuance of substitute options or other awards that will preserve, as nearly as practicable, the economic terms of Options previously granted hereunder, in each case as determined by the Committee in good faith.

8. **No Right to Employment or Options**

The granting of an Option under the Plan shall impose no obligation on the Company or any Affiliate of the Company to continue the Employment of a Participant and shall not lessen or affect the Company's or such Affiliate's right to terminate the Employment of such Participant. No Participant or other Person shall have any claim to be granted any Option, and there is no obligation for uniformity of treatment of Participants, or holders or beneficiaries of Options. The terms and conditions of Options and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not such Participants are similarly situated).

9. **Successors and Assigns**

Subject to applicable law, the rights and obligations under the Plan shall be binding on and inure to all predecessors, successors and assigns of the Company and any Participant, including, without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

10. **Nontransferability of Options**

Unless otherwise determined by the Committee and subject to applicable law, an Option shall not be transferable or assignable by the Participant otherwise than by will or by the laws of descent and distribution. Subject to applicable law, an Option exercisable after the death of a Participant may be exercised by the legatees, personal representatives or distributees of the Participant.

11. **Amendments or Termination**

The Board may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made without the consent of a Participant, if such action would diminish any of the rights of such Participant under any Option theretofore granted to such Participant under the Plan; provided, however, that the Committee may amend the Plan in such manner as it deems necessary to permit the granting of Options meeting the requirements of the Code or other applicable laws.

12. **Compliance with Law**

No Option shall be granted under the Plan, and no Shares shall be issued and delivered upon exercise of an Option, unless and until the Company and/or the Participant shall have complied with all applicable federal or state registration, listing and/or qualification requirements and all other applicable requirements of law or of any regulatory agencies having jurisdiction.

The Committee in its discretion may, as a condition to the exercise of any Option, require each Participant (a) to represent in writing that the Shares received upon exercise of an Option are being acquired for investment and not with a view to distribution and (b) to make such other representations and warranties as are deemed reasonably appropriate by the Committee. Stock certificates representing Shares acquired upon the exercise of any Option that have not been registered under the United States Securities Act of 1933, as amended, shall, if required by the Committee, bear the legends as may be required by the Stockholders Agreement or by the Option agreement evidencing a particular Option. Without in any way limiting the provisions set forth above, no Participant shall make any disposition of all or any portion of Shares acquired or to be acquired pursuant to an Option, except in compliance with all applicable Canadian and United States federal, provincial and state securities laws and the provisions of the Stockholders Agreement.

13. **International Participants**

With respect to Options which may be subject to the laws of jurisdictions outside the United States of America, the Committee may, in its sole discretion, amend the terms of the Plan or Options with respect to such Participants in order to conform such terms with the requirements of such local law.

14. **Choice of Law**

The Plan shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws.

15. **Effectiveness of the Plan**

The Plan shall be effective as of the Effective Date.

MCJUNKIN RED MAN HOLDING CORPORATION
NONQUALIFIED STOCK OPTION AGREEMENT

(CANADA)

THIS AGREEMENT (the "Agreement"), is made effective as of [_____, 200___] (the "Date of Grant"), between McJunkin Red Man Holding Corporation, a Delaware corporation (the "Company"), PVF Holdings LLC, a Delaware limited liability company ("PVF Holdings LLC") (solely for purposes of Section 15 hereof) and [_____] (the "Participant").

R E C I T A L S:

WHEREAS, the Company has adopted the McJunkin Red Man Holding Corporation 2007 Stock Option Plan (Canada) (the "Plan"), which Plan is incorporated herein by reference and made a part of this Agreement. Capitalized terms not otherwise defined herein shall have the meanings given thereto in the Plan; and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its shareholders to grant an Option to the Participant pursuant to the Plan and the terms set forth herein.

NOW THEREFORE, in consideration of the Participant's services and of the mutual covenants hereinafter set forth, and in consideration of the Participant's entering into the Non-Competition Agreement (as defined herein), the parties agree as follows:

1. Grant of the Option. The Company hereby grants to the Participant the right and option (the "Option") to purchase, on the terms and conditions hereinafter set forth, all or any part of an aggregate of [_____] Shares, subject to adjustment as set forth in the Plan. The Option Price shall be US$ [_____], which the Company and the Participant agree is not less than the Fair Market Value of the Shares as of the date hereof.

2. Vesting; Period of Exercise.

(a) Subject to the earlier termination or cancellation of the Option as set forth herein, the Option shall vest and become exercisable as follows:

(i) Prior to the third (3rd) anniversary of the Date of Grant, no portion of the Option shall vest or be exercisable;

(ii) On and after the third (3rd) anniversary of the Date of Grant, the Option shall vest and be exercisable with respect to an aggregate of one-third (1/3) of the Shares originally subject to the Option, provided that the Participant's Employment with the Company has not terminated as of such anniversary;

(iii) On and after the fourth (4th) anniversary of the Date of Grant, the Option shall vest and be exercisable with respect to an aggregate of two-thirds (2/3) of the Shares

originally subject to the Option, provided that the Participant's Employment with the Company has not terminated as of such anniversary; and

(iv) On and after the fifth (5th) anniversary of the Date of Grant, the Option shall vest and be exercisable with respect to an aggregate of one hundred percent of the Shares originally subject to the Option provided, that the Participant's Employment with the Company has not terminated as of such anniversary.

(v) Notwithstanding the foregoing, in the event of (x) the Participant's death or Disability or (y) the occurrence of a Transaction, the Option shall, to the extent not then vested, automatically become fully vested and exercisable.

The portion of the Option which has become vested and exercisable as described herein is hereinafter referred to as the "Vested Portion." For clarity, the Participant must be actively at work on the anniversary of the Date of the Grant, and this does not include any period of time during which the Participant's Employment with the Company has being terminated and the Participant is receiving notice of termination pay or severance pay.

(b) If the Participant's Employment is terminated by the Company for Cause, the Option shall, whether or not vested, be automatically canceled without payment of consideration therefor.

(c) If the Participant's Employment with the Company terminates for any reason other than (x) Cause or (y) the Participant's death or Disability, the Option shall, to the extent not previously vested, be automatically cancelled by the Company without payment of consideration therefor as of the last day of active work of the Participant, not including any period for which the Participant is receiving notice of termination pay or severance, and the Vested Portion of the Option shall remain exercisable for the period set forth in Section 2(d).

(d) Subject to the provisions of the Plan and this Agreement, the Participant may exercise all or any part of the Vested Portion of the Option at any time prior to the earliest to occur of (i) the ten-year anniversary of the Date of Grant and (ii) 90 days following the date upon which the Participant receives notice of the termination of the Participant's Employment (other than a termination of Employment due to the Participant's death or Disability).

(e) Notwithstanding the foregoing, upon termination of Employment due to the Participant's death or Disability, the Participant may exercise all or any part of the Vested Portion of the Option at any time prior to the earliest to occur of (i) the ten-year anniversary of the Date of Grant and (ii) twenty-four months following such termination of Employment.

3. Method of Exercise.

(a) The Vested Portion of the Option may be exercised by delivering to the Company at its principal office written notice of intent so to exercise. Such notice shall specify the number of Shares for which the Option is being exercised (the "Purchased Shares") and shall be accompanied by payment in full of the Option Price in cash or by check or wire transfer. The Participant shall not have any rights to dividends or other rights of a stockholder with respect to

Shares subject to the Option until the Participant has given written notice of exercise of the Option, paid in full for such Shares and, if applicable, has satisfied any other conditions imposed by the Committee or pursuant to the Plan or this Agreement.

(b) Notwithstanding any other provision of the Plan or this Agreement to the contrary, the Option may not be exercised prior to the completion of any registration or qualification of the Option or the Shares under applicable Canadian and United States provincial, state and federal securities or other laws, or under any ruling or regulation of any governmental body or national securities exchange (collectively, the "Legal Requirements") that the Committee shall in its sole discretion determine to be necessary or advisable, unless an exemption to such registration or qualification is available and satisfied. The Committee may establish additional procedures as it deems necessary or desirable in connection with the exercise of the Option or the issuance of any Shares upon such exercise to comply with any Legal Requirements. Such procedures may include but are not limited to the establishment of limited periods during which the Option may be exercised or that following receipt of the notice of exercise and prior to the completion of the exercise, the Participant will be required to affirm the exercise of the Option following receipt of any disclosure deemed necessary or desirable by the Committee.

(c) Upon the Company's determination that the Option has been validly exercised as to any of the Shares, the Company shall issue certificates in the Participant's name for such Shares. Such certificates will be held by the Company on behalf of the Participant until such time as the Shares represented by such certificates are transferred as permitted by the Stockholders Agreement.

(d) In the event of the Participant's death or Disability, the Option shall remain exercisable by the Participant's executor or administrator, or, subject to applicable laws, the person or persons to whom the Participant's rights under this Agreement shall pass by will or by the laws of descent and distribution as the case may be, for the period set forth in Section 2(e) (and the term "Participant" shall be deemed to include such heir or legatee). Any such heir or legatee of the Participant shall take rights herein granted subject to the terms and conditions hereof.

(e) In consideration of the grant of this Option, the Participant agrees that, as a condition to the exercise of any option to purchase Shares (whether this Option or any other option), the Participant shall, with respect to such Shares, have become a party to the Stockholders Agreement.

4. No Right to Continued Employment. The granting of the Option evidenced hereby and this Agreement shall impose no obligation on the Company or any Affiliate to continue the Employment of the Participant and shall not lessen or affect the Company's or its Affiliates' right to terminate the Employment of such Participant.

5. Legend on Certificates. The certificates representing the Shares purchased by exercise of the Option shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the Securities and Exchange Commission or other securities regulator or authority, any stock

exchange upon which such Shares are listed, and any applicable Canadian or United States federal, provincial or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

6. Transferability. Unless otherwise determined by the Committee, the Option may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent and distribution in compliance with applicable law, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance. No such permitted transfer of the Option to heirs or legatees of the Participant shall be effective to bind the Company unless the Committee shall have been furnished with written notice thereof and a copy of such evidence as the Committee may deem necessary to establish the validity of the transfer, compliance with applicable law and the acceptance by the transferee or transferees of the terms and conditions hereof. During the Participant's lifetime, the Option is exercisable only by the Participant.

7. Withholding. The Participant shall be required to pay to the Company or any Affiliate, and the Company shall have the right and is hereby authorized to withhold, any applicable withholding taxes in respect of the Option, its exercise or any payment or transfer under, or with respect to, the Option and to take such other action as may be necessary in the opinion of the Committee to satisfy all obligations for the payment of such withholding taxes. The Participant shall be solely responsible for the payment of all taxes relating to the payment or provision of any amounts or benefits hereunder.

8. Securities Laws. In connection with the acquisition of any Shares pursuant to the exercise of the Option, the Participant will make or enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws or with this Agreement.

9. Successors in Interest. This Agreement shall inure to the benefit of and be binding upon any successor to the Company. Subject to compliance with applicable law, this Agreement shall inure to the benefit of and shall be binding upon the Participant's heirs, executors, administrators and successors.

10. Resolution of Disputes. Any dispute or disagreement which may arise under, or as a result of, or in any way relate to, the interpretation, construction or application of this Agreement shall be determined by the Board. Any determination made hereunder shall be final, binding and conclusive on the Participant, the Participant's heirs, executors, administrators and successors, and the Company and its subsidiaries for all purposes.

11. Notices. Any notice necessary under this Agreement shall be addressed to the Company in care of its Secretary at the principal executive office of the Company and to the Participant at the address appearing in the personnel records of the Company for the Participant or to either party hereto at such other address as either party may hereafter designate in writing to the other. Any such notice shall be deemed effective upon receipt thereof by the addressee.

12. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the state of New York, without regard to principles of conflicts of laws.

13. Option Subject to Plan. By entering into this Agreement, the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan and the Stockholders Agreement. The Option is subject to the Plan. The terms and provisions of the Plan, as it may be amended from time to time, are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan, as applicable, will govern and prevail.

14. Non-Competition and Non-Solicitation. The Option shall not be granted unless and until the Participant executes the Non-Competition and Non-Solicitation Agreement attached hereto as Exhibit A (the "Non-Competition Agreement"). If the Participant fails to execute the Non-Competition Agreement, this Agreement shall be null and void ab initio and no Option shall be deemed granted hereunder.

15. Adoption of Stockholders Agreement. The parties hereto agree that, upon the grant of the Option hereunder, the Participant shall be made a party to the Stockholders Agreement as an "Executive" (as defined in the Stockholders Agreement) with the rights and obligations of holders of "Stock" (as defined in the Stockholders Agreement) and the Participant hereby agrees to become a party to the Stockholders Agreement and to be bound by, and subject to, all of the representations, covenants, terms and conditions of the Stockholders Agreement that are applicable to an Executive with such rights and obligations. Execution and delivery of this Agreement by the Participant shall also constitute execution and delivery by the Participant of the Stockholders Agreement, without further action of any party. A copy of the Stockholders Agreement is attached hereto as Exhibit B. In addition to the representations and warranties in the Stockholders Agreement that Participant makes as an Executive, the Participant represents and warrants to the Company that (a) the Participant has carefully reviewed the Stockholders Agreement and has also reviewed all other documents the Participant deems necessary or desirable in order for the Participant to become a party to the Stockholders Agreement (by executing this Agreement); (b) the Participant has been granted the opportunity to ask questions of, and receive answers from, representatives of the Company concerning the Stockholders Agreement and the terms and conditions thereof that the Participant deems necessary; and (c) this Agreement (and by executing this Agreement, the Stockholders Agreement) has been duly executed and delivered by Participant and constitutes a valid and binding agreement of Participant enforceable against the Participant in accordance with its terms and the terms of the Stockholders Agreement.

16. Canadian Securities Representations of Participant. The Participant represents and warrants to the Company as follows: (a) the Participant is an employee, executive officer, director or consultant of a related entity of the Company, and for this purpose, the terms "executive officer," "director," "consultant" and "related entity" shall have the meaning ascribed thereto in National Instrument 45-106 of the Canadian Securities Regulators as set forth in Exhibit C to this Agreement; and (b) the entering into of this Agreement and the acquisition of the Option hereunder is voluntary.

17. Accredited Investor Status Representation of Participant. Please check the box next to any of the following statements that apply:

o Your individual net worth, or joint net worth with your spouse, as of the date hereof, exceeds US$1,000,000;

o You had individual income in excess of US$200,000 in each of the two most recent years, or joint income with your spouse in excess of US$300,000 in each of those years, and have a reasonable expectation of reaching the same income level in the current year; or

o None of the statements above apply.

18. Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, effective as of the Date of Grant.

MCJUNKIN RED MAN HOLDING CORPORATION

By: _____
Name:
Title:

PVF HOLDINGS LLC (for purposes of Section 15 only)

By: _____
Name:
Title:

PARTICIPANT

By: _____
Name:

EXHIBIT A

Non-Competition Agreement

EXHIBIT B

Stockholders Agreement

EXHIBIT C

Certain Definitions

(a) "**consultant**" means, for an issuer, a person, other than an employee, executive officer, or director of the issuer or of a related entity of the issuer, that:

(i) is engaged to provide services to the issuer or a related entity of the issuer, other than services provided in relation to a distribution;

(ii) provides the services under a written contract with the issuer or a related entity of the issuer; and

(iii) spends or will spend a significant amount of time and attention on the affairs and business of the issuer or a related entity of the issuer and includes, for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;

(b) "**control**" means, with respect to one person in relation to another, where the first person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of:

(i) ownership of or direction over voting securities in the second person;

(ii) a written agreement or indenture;

(iii) being the general partner or controlling the general partner of the second person; or

(iv) being a trustee of the second person;

(c) "**director**" means:

(v) a member of the board of directors of a company or an individual who performs similar functions for a company; and

(vi) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

(d) "**executive officer**" means, for an issuer, an individual who is:

(vii) a chair, vice-chair or president;

(viii) a vice-president in charge of a principal business unit, division or function including sales, finance or production;

(ix) an officer of the issuer or any of its subsidiaries and who performs a policy-making function in respect of the issuer; or

(x) performing a policy-making function in respect of the issuer;

(e) "**related entity**" means, for an issuer, a person that controls or is controlled by the issuer or that is controlled by the same person that controls the issuer.

MCJUNKIN RED MAN HOLDING CORPORATION
NONQUALIFIED STOCK OPTION AGREEMENT

(CANADA)

THIS AGREEMENT (the "Agreement"), is made effective as of [_____, 200___] (the "Date of Grant"), between McJunkin Red Man Holding Corporation, a Delaware corporation (the "Company"), and [_____] (the "Participant").

R E C I T A L S:

WHEREAS, the Company has adopted the McJunkin Red Man Holding Corporation 2007 Stock Option Plan (Canada) (the "Plan"), which Plan is incorporated herein by reference and made a part of this Agreement. Capitalized terms not otherwise defined herein shall have the meanings given thereto in the Plan; and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its shareholders to grant an Option to the Participant pursuant to the Plan and the terms set forth herein.

NOW THEREFORE, in consideration of the Participant's services and of the mutual covenants hereinafter set forth, the parties agree as follows:

1. Grant of the Option. The Company hereby grants to the Participant the right and option (the "Option") to purchase, on the terms and conditions hereinafter set forth, all or any part of an aggregate of [_____] Shares, subject to adjustment as set forth in the Plan. The Option Price shall be US$ [_____], which the Company and the Participant agree is not less than the Fair Market Value of the Shares as of the date hereof.

2. Vesting; Period of Exercise.

(a) Subject to the earlier termination or cancellation of the Option as set forth herein, the Option shall vest and become exercisable as follows:

(i) Prior to the third (3rd) anniversary of the Date of Grant, no portion of the Option shall vest or be exercisable;

(ii) On and after the third (3rd) anniversary of the Date of Grant, the Option shall vest and be exercisable with respect to an aggregate of one-third (1/3) of the Shares originally subject to the Option, provided that the Participant's Employment with the Company has not terminated as of such anniversary;

(iii) On and after the fourth (4th) anniversary of the Date of Grant, the Option shall vest and be exercisable with respect to an aggregate of two-thirds (2/3) of the Shares originally subject to the Option, provided that the Participant's Employment with the Company has not terminated as of such anniversary; and

(iv) On and after the fifth (5th) anniversary of the Date of Grant, the Option shall vest and be exercisable with respect to an aggregate of one hundred percent of the Shares originally subject to the Option provided, that the Participant's Employment with the Company has not terminated as of such anniversary.

(v) Notwithstanding the foregoing, in the event of (x) the Participant's death or Disability or (y) the occurrence of a Transaction, the Option shall, to the extent not then vested, automatically become fully vested and exercisable.

The portion of the Option which has become vested and exercisable as described herein is hereinafter referred to as the "Vested Portion." For clarity, the Participant must be actively at work on the anniversary of the Date of the Grant, and this does not include any period of time during which the Participant's Employment with the Company has being terminated and the Participant is receiving notice of termination pay or severance pay.

(b) If the Participant's Employment is terminated by the Company for Cause, the Option shall, whether or not vested, be automatically canceled without payment of consideration therefor.

(c) If the Participant's Employment with the Company terminates for any reason other than (x) Cause or (y) the Participant's death or Disability, the Option shall, to the extent not previously vested, be automatically cancelled by the Company without payment of consideration therefor as of the last day of active work of the Participant, not including any period for which the Participant is receiving notice of termination pay or severance, and the Vested Portion of the Option shall remain exercisable for the period set forth in Section 2(d).

(d) Subject to the provisions of the Plan and this Agreement, the Participant may exercise all or any part of the Vested Portion of the Option at any time prior to the earliest to occur of (i) the ten-year anniversary of the Date of Grant and (ii) 90 days following the date upon which the Participant receives notice of the termination of the Participant's Employment (other than a termination of Employment due to the Participant's death or Disability).

(e) Notwithstanding the foregoing, upon termination of Employment due to the Participant's death or Disability, the Participant may exercise all or any part of the Vested Portion of the Option at any time prior to the earliest to occur of (i) the ten-year anniversary of the Date of Grant and (ii) twenty-four months following such termination of Employment.

3. Method of Exercise.

(a) The Vested Portion of the Option may be exercised by delivering to the Company at its principal office written notice of intent so to exercise. Such notice shall specify the number of Shares for which the Option is being exercised (the "Purchased Shares") and shall be accompanied by payment in full of the Option Price in cash or by check or wire transfer. The Participant shall not have any rights to dividends or other rights of a stockholder with respect to Shares subject to the Option until the Participant has given written notice of exercise of the Option, paid in full for such Shares and, if applicable, has satisfied any other conditions imposed by the Committee or pursuant to the Plan or this Agreement.

(b) Notwithstanding any other provision of the Plan or this Agreement to the contrary, the Option may not be exercised prior to the completion of any registration or qualification of the Option or the Shares under applicable Canadian and United States provincial, state and federal securities or other laws, or under any ruling or regulation of any governmental body or national securities exchange (collectively, the "Legal Requirements") that the Committee shall in its sole discretion determine to be necessary or advisable, unless an exemption to such registration or qualification is available and satisfied. The Committee may establish additional procedures as it deems necessary or desirable in connection with the exercise of the Option or the issuance of any Shares upon such exercise to comply with any Legal Requirements. Such procedures may include but are not limited to the establishment of limited periods during which the Option may be exercised or that following receipt of the notice of exercise and prior to the completion of the exercise, the Participant will be required to affirm the exercise of the Option following receipt of any disclosure deemed necessary or desirable by the Committee.

(c) Upon the Company's determination that the Option has been validly exercised as to any of the Shares, the Company shall issue certificates in the Participant's name for such Shares. Such certificates will be held by the Company on behalf of the Participant until such time as the Shares represented by such certificates are transferred as permitted by the Stockholders Agreement.

(d) In the event of the Participant's death or Disability, the Option shall remain exercisable by the Participant's executor or administrator, or, subject to applicable laws, the person or persons to whom the Participant's rights under this Agreement shall pass by will or by the laws of descent and distribution as the case may be, for the period set forth in Section 2(e) (and the term "Participant" shall be deemed to include such heir or legatee). Any such heir or legatee of the Participant shall take rights herein granted subject to the terms and conditions hereof.

(e) In consideration of the grant of this Option, the Participant agrees that, as a condition to the exercise of any option to purchase Shares (whether this Option or any other option), the Participant shall, with respect to such Shares, have become a party to the Stockholders Agreement.

4. No Right to Continued Employment. The granting of the Option evidenced hereby and this Agreement shall impose no obligation on the Company or any Affiliate to continue the Employment of the Participant and shall not lessen or affect the Company's or its Affiliates' right to terminate the Employment of such Participant.

5. Legend on Certificates. The certificates representing the Shares purchased by exercise of the Option shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the Securities and Exchange Commission or other securities regulator or authority, any stock exchange upon which such Shares are listed, and any applicable Canadian or United States federal, provincial or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

6. Transferability. Unless otherwise determined by the Committee, the Option may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent and distribution in compliance with applicable law, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance. No such permitted transfer of the Option to heirs or legatees of the Participant shall be effective to bind the Company unless the Committee shall have been furnished with written notice thereof and a copy of such evidence as the Committee may deem necessary to establish the validity of the transfer, compliance with applicable law and the acceptance by the transferee or transferees of the terms and conditions hereof. During the Participant's lifetime, the Option is exercisable only by the Participant.

7. Withholding. The Participant shall be required to pay to the Company or any Affiliate, and the Company shall have the right and is hereby authorized to withhold, any applicable withholding taxes in respect of the Option, its exercise or any payment or transfer under, or with respect to, the Option and to take such other action as may be necessary in the opinion of the Committee to satisfy all obligations for the payment of such withholding taxes. The Participant shall be solely responsible for the payment of all taxes relating to the payment or provision of any amounts or benefits hereunder.

8. Securities Laws. In connection with the acquisition of any Shares pursuant to the exercise of the Option, the Participant will make or enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws or with this Agreement.

9. Successors in Interest. This Agreement shall inure to the benefit of and be binding upon any successor to the Company. Subject to compliance with applicable law, this Agreement shall inure to the benefit of and shall be binding upon the Participant's heirs, executors, administrators and successors.

10. Resolution of Disputes. Any dispute or disagreement which may arise under, or as a result of, or in any way relate to, the interpretation, construction or application of this Agreement shall be determined by the Board. Any determination made hereunder shall be final, binding and conclusive on the Participant, the Participant's heirs, executors, administrators and successors, and the Company and its subsidiaries for all purposes.

11. Notices. Any notice necessary under this Agreement shall be addressed to the Company in care of its Secretary at the principal executive office of the Company and to the Participant at the address appearing in the personnel records of the Company for the Participant or to either party hereto at such other address as either party may hereafter designate in writing to the other. Any such notice shall be deemed effective upon receipt thereof by the addressee.

12. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the state of New York, without regard to principles of conflicts of laws.

13. Option Subject to Plan. By entering into this Agreement, the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan and the Stockholders Agreement. The Option is subject to the Plan. The terms and provisions of the Plan, as it may be amended from time to time, are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan, as applicable, will govern and prevail.

14. Adoption of Stockholders Agreement. The parties hereto agree that, upon the grant of the Option hereunder, the Participant shall be made a party to the Stockholders Agreement as an "Executive" (as defined in the Stockholders Agreement) with the rights and obligations of holders of "Stock" (as defined in the Stockholders Agreement) and the Participant hereby agrees to become a party to the Stockholders Agreement and to be bound by, and subject to, all of the representations, covenants, terms and conditions of the Stockholders Agreement that are applicable to an Executive with such rights and obligations. Execution and delivery of this Agreement by the Participant shall also constitute execution and delivery by the Participant of the Stockholders Agreement, without further action of any party. A copy of the Stockholders Agreement is attached hereto as Exhibit A. In addition to the representations and warranties in the Stockholders Agreement that Participant makes as an Executive, the Participant represents and warrants to the Company that (a) the Participant has carefully reviewed the Stockholders Agreement and has also reviewed all other documents the Participant deems necessary or desirable in order for the Participant to become a party to the Stockholders Agreement (by executing this Agreement); (b) the Participant has been granted the opportunity to ask questions of, and receive answers from, representatives of the Company concerning the Stockholders Agreement and the terms and conditions thereof that the Participant deems necessary; and (c) this Agreement (and by executing this Agreement, the Stockholders Agreement) has been duly executed and delivered by Participant and constitutes a valid and binding agreement of Participant enforceable against the Participant in accordance with its terms and the terms of the Stockholders Agreement.

15. Canadian Securities Representations of Participant. The Participant represents and warrants to the Company as follows: (a) the Participant is an employee, executive officer, director or consultant of a related entity of the Company, and for this purpose, the terms "executive officer," "director," "consultant" and "related entity" shall have the meaning ascribed thereto in National Instrument 45-106 of the Canadian Securities Regulators as set forth in Exhibit B to this Agreement; and (b) the entering into of this Agreement and the acquisition of the Option hereunder is voluntary.

16. Accredited Investor Status Representation of Participant. Please check the box next to any of the following statements that apply:

- o Your individual net worth, or joint net worth with your spouse, as of the date hereof, exceeds US$1,000,000;
- o You had individual income in excess of US$200,000 in each of the two most recent years, or joint income with your spouse in excess of US$300,000 in each of those years, and have a reasonable expectation of reaching the same income level in the current year; or
- o None of the statements above apply.

17. Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, effective as of the Date of Grant.

MCJUNKIN RED MAN HOLDING CORPORATION

By: _____
Name:
Title:

PARTICIPANT

By: _____
Name:

EXHIBIT A

Stockholders Agreement

EXHIBIT B

Certain Definitions

(a) "**consultant**" means, for an issuer, a person, other than an employee, executive officer, or director of the issuer or of a related entity of the issuer, that:

(i) is engaged to provide services to the issuer or a related entity of the issuer, other than services provided in relation to a distribution;

(ii) provides the services under a written contract with the issuer or a related entity of the issuer; and

(iii) spends or will spend a significant amount of time and attention on the affairs and business of the issuer or a related entity of the issuer and includes, for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;

(b) "**control**" means, with respect to one person in relation to another, where the first person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of:

(i) ownership of or direction over voting securities in the second person;

(ii) a written agreement or indenture;

(iii) being the general partner or controlling the general partner of the second person; or

(iv) being a trustee of the second person;

(c) "**director**" means:

(v) a member of the board of directors of a company or an individual who performs similar functions for a company; and

(vi) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

(d) "**executive officer**" means, for an issuer, an individual who is:

(vii) a chair, vice-chair or president;

(viii) a vice-president in charge of a principal business unit, division or function including sales, finance or production;

(ix) an officer of the issuer or any of its subsidiaries and who performs a policy-making function in respect of the issuer; or

(x) performing a policy-making function in respect of the issuer;

(e) "**related entity**" means, for an issuer, a person that controls or is controlled by the issuer or that is controlled by the same person that controls the issuer.

MCJUNKIN RED MAN CORPORATION

DEFERRED COMPENSATION PLAN
(Effective as of December 31, 2007)

ARTICLE I
Purpose

The purpose of the Deferred Compensation Plan of McJunkin Red Man Corporation (the "Company") is to provide a select group of the Company's management and highly compensated employees (within the meaning of Section 201(2) of ERISA) the opportunity to defer receipt of cash compensation, including bonuses, to which they may become entitled as employees of the Company, under terms advantageous to both such employees and the Company, for the periods provided in the Plan. It is intended that the Plan shall be considered an unfunded plan. The Plan is intended to comply with Section 409A of the Code and the regulations and guidance issued thereunder.

ARTICLE II
Definitions

For purposes of the Plan, the following terms shall have the following meanings:

2.1. "**Account**" shall have the meaning given to such term in Section 4.1.

2.2. "**Administrator**" shall mean the person or committee who shall be responsible for administering and interpreting the Plan pursuant to Section 6.1.

2.3. "**Annual Bonus Award**" shall mean the annual cash bonus compensation payable by the Company to a Participant but before reduction for amounts deferred pursuant to the Plan.

2.4. "**Base Salary**" shall mean a Participant's regular base salary payable by the Company to the Participant, but before reduction for amounts deferred pursuant to the Plan.

2.5. "**Beneficiary**" shall mean the person or persons designated from time to time in a writing delivered to the Administrator by a Participant to receive payments under the Plan after the death of such Participant or, in the absence of any such designation or in the event that such designated person or persons shall predecease such Participant, the Participant's estate. A Participant shall designate a Beneficiary on his initial Deferral Election Form in the form of Exhibit A and thereafter may change his Beneficiary designation by filing with the Administrator an Election Form in the form of Exhibit C.

2.6. "**Board**" shall mean the Board of Directors of the Company.

2.7. **"Change in Control"** shall mean, in a single transaction or a series of related transactions, the occurrence of the following event: a majority of the outstanding voting power

of PVF Holdings LLC, McJunkin Red Man Holding Corporation or the Company, or substantially all of the assets of the Company, shall have been acquired or otherwise become beneficially owned, directly or indirectly, by any Person (other than any Member (as defined in the PVF Holdings LLC Agreement) or any of its or their affiliates, or PVF Holdings LLC or any of its affiliates) or any two or more Persons (other than any Member or any of its or their affiliates, or PVF Holdings LLC or any of its affiliates) acting as a partnership, limited partnership, syndicate or other group, entity or association acting in concert for the purpose of voting, acquiring, holding or disposing of the voting power of PVF Holdings LLC, McJunkin Red Man Holding Corporation or the Company; it being understood that, for this purpose, the acquisition or beneficial ownership of voting securities by the public shall not be an acquisition or constitute beneficial ownership by any Person or Persons acting in concert.

2.8. "**Code**" shall mean the Internal Revenue Code of 1986, as amended.

2.9. "**Committee**" shall mean the Compensation Committee of the Board, or if there is no such Committee, the Board.

2.10. "**Company Contribution**" shall have the meaning given to such term in Section 3.1.

2.11. "**Deferral Election**" shall have the meaning given to such term in Section 3.2.

2.12. "**Deferred Amount**" shall mean as of any date (i) the Participant's Elective Deferral Amount, plus all gains or losses attributable thereto as of such date which have been credited to the Account of such Participant, as provided herein, plus (ii) the Company Contributions to a Participant's Account, plus all gains or losses attributable thereto as of such date which have been credited to the Account of such Participant, as provided herein, less (iii) any distributions made from the Account of such Participant.

2.13. The "**Effective Date**" of the Plan shall be December 31, 2007.

2.14. "**Election Date**" shall have the meaning given to such term in Section 3.4.

2.15. "**Election Form**" shall mean an election form substantially in the form attached hereto as Exhibit A (Elective Deferral Form), Exhibit B (Investment Choice Election Form) or Exhibit C (Election Change Form).

2.16. "**Elective Deferral Amount**" shall have the meaning given to such term in Section 3.2.

2.17. "**Eligible Employee**" shall mean any of the employees set forth on Schedule A attached hereto, as it may be amended by the Board from time to time.

2.18. "**Employment Agreement**" shall mean a written employment agreement, if any, between the Company (and/or any of its affiliates) and the Participant.

2.19. "**ERISA**" shall mean the United States Employee Retirement Income Security Act of 1974, as amended

2.20. "**Investment Choices**" shall have the meaning given to such term in Section 4.2(b).

2.21. "**LLC Interest**" shall have the meaning given to such term in Section 4.2(b)(ii).

2.22. **"McJunkin Red Man Holding Corporation"** shall mean McJunkin Red Man Holding Corporation, a Delaware corporation and direct parent of the Company.

2.23. "**Participant**" shall mean any Eligible Employee who receives a Company Contribution pursuant to Section 3.1 and/or makes a Deferral Election pursuant to Section 3.2.

2.24. "**Permanent Disability**" shall mean, with respect to a Participant, that the Administrator shall have found, upon the basis of medical evidence satisfactory to it, that the Participant (A) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, or (B) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, receiving income replacement benefits for a period of not less than three months under the applicable disability plan or plans of the Company (or successor plan or plans thereto).

2.25. **"Person"** shall mean any individual, corporation (including not-for-profit), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, governmental entity or agency or other entity of any kind or nature.

2.26. "**Plan**" shall mean the "McJunkin Red Man Corporation Deferred Compensation Plan" established hereunder.

2.27. "**Prime Rate**" shall mean the prime rate of interest per annum publicly announced from time to time by The Wall Street Journal; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

2.28. "**Profit Sharing Plan**" shall mean the McJunkin Corporation Profit-Sharing and Savings Plan and Trust, or the Red Man Pipe & Supply Company Retirement Savings Plan, as applicable, or any successor plan thereto, as they may be amended from time to time.

2.29. **"PVF Holdings LLC"** shall mean PVF Holdings LLC, a Delaware limited liability company and indirect parent of the Company.

2.30. "**PVF Holdings LLC Agreement**" shall mean the Amended and Restated Limited Liability Company Agreement of PVF Holdings LLC, dated as of October 31, 2007 (as amended and restated from time to time).

2.31. "**Separation from Service**" shall mean the Participant dies, retires or otherwise has a termination of employment with the Company which constitutes a "separation from service" for purposes of Section 409A of the Code.

2.32. "**Vested Balance**" shall mean the portion of a Participant's Account which is vested in accordance with Section 4.3.

ARTICLE III
Deferral of Awards

3.1. **Company Contributions.** As of the last day of each calendar year, commencing with December 31, 2007, and provided the Participant is employed by the Company on the last day of such year, the Company shall credit to the Account of each Participant the difference between the amount set forth next to such Participant's name on Schedule A attached hereto, as it may be amended from time to time by the Committee, and the amount, if any, the Company contributes or will contribute to such Participant for such calendar year as a discretionary matching contribution pursuant to the 401(k) provisions of the Profit Sharing Plan (such net amount, the "Company Contribution").

3.2. **Elective Participant Contributions.** For each calendar year commencing on the Effective Date, each Participant may elect (a "Deferral Election") to have the payment of a specified percentage or specified dollar amount of Base Salary and Annual Bonus Award for such calendar year deferred pursuant to the Plan (such amount, the "Elective Deferral Amount"); provided, however, that the first Deferral Election shall apply only to compensation paid for services performed after the Deferral Election is made. Each Deferral Election shall be made on an Election Form as set forth on Exhibit A, as it may be amended from time to time by the Committee, and shall specify the percentage or dollar amount of Base Salary and Annual Bonus Award to be deferred. Such Election Form shall also specify a Beneficiary designation. Participants must make a separate Deferral Election in respect of Base Salary and Annual Bonus Award on or before the applicable Election Date as specified in Section 3.4. If a Participant does not timely complete an Election Form as set forth on Exhibit C for a calendar year, the Deferral Election most recently completed shall remain in effect.

3.3. **Irrevocable Election.** Each Deferral Election with respect to a calendar year, once made, shall be irrevocable.

3.4. **Base Salary and Annual Bonus Award Election Date.** The Deferral Election for each calendar year shall be made on a date (the "Election Date") no later than December 31 of the calendar year immediately prior to the calendar year during which the Base Salary and Annual Bonus Award elected to be deferred are earned (for example, the election for the Base Salary and Annual Bonus Award attributable to 2009 performance must be made no later than December 31, 2008); provided, however, that in the case of an employee who becomes an Eligible Employee for the first time after the Effective Date, the "Election Date" shall be thirty days after such employee receives notice that he or she has become an Eligible Employee, and the Deferral Election shall apply only to Base Salary and Annual Bonus Awards to be earned by the Participant in the calendar year immediately following the Election Date.

ARTICLE IV
Treatment of Deferred Amounts

4.1. **Memorandum Account.** The Company shall establish on its books a memorandum account (the "Account") for each Participant. The Company contribution shall be credited as of the time set forth in Section 3.1. For each calendar year, as promptly as practicable (but in no event more than thirty (30) days) following the date on which any Base Salary and Annual Bonus Award in respect of a Deferral Election would otherwise be payable to a Participant, the amount so deferred shall be credited to such Participant's Account. The Committee shall be responsible for maintaining the Accounts with subaccounts for Company Contributions and Elective Deferral Amounts.

4.2. **Investment of Deferred Compensation.**

(a) A Participant's Deferred Amount shall be deemed to be invested as set forth in Section 4.2(b). Participants' Accounts shall be adjusted annually if deemed invested in the manner provided in Section 4.2(b)(ii) and quarterly if deemed invested in the manner provided in Section 4.2(b)(i), in either case to reflect the performance of the Investment Choices of each Participant as reflected on the Election Form set forth on Exhibit B. Participants may elect (but not more often than annually in the month of December) to change the manner in which their Accounts are invested between the Investment Choices (both as to future amounts and as to then existing Deferred Amounts) by completing the Election Form as set forth on Exhibit C and submitting it to the Administrator or his or her designated representative. Any such change will become effective on the immediately succeeding January 1.

(b) If a Participant's Account balance as of the beginning of a calendar year is less than $100,000, then such balance shall be credited quarterly by an amount equal to (x) the amount of such balance at the beginning of such year, multiplied by (y) the Prime Rate plus 1%. If a Participant's Account balance as of the beginning of a calendar year is $100,000 or greater, the Participant may elect between the following choices (the "Investment Choices") pursuant to the Election Form set forth on Exhibit B:

(i) The Participant may elect to have the balance in his or her Account credited quarterly by an amount equal to (x) the amount of such balance at the beginning of such quarter, multiplied by (y) the Prime Rate on the last day of such quarter divided by four plus 0.25%; or

(ii) The Participant may elect to have the balance of his or her Account deemed converted into a number of common units of PVF Holdings LLC determined by dividing the portion of the Account not already so converted by the value of one common unit determined as of the immediately succeeding December 31 (each, an "LLC Interest"). For example, if a Participant's Account balance attributable to Company Contributions is $100,000 on December 31 of a calendar year and the Participant elects on such day the Investment Choice described in this Section 4.2(b)(ii), on the next succeeding December 31, the Participant's Account will be credited with a number of LLC Interests equal to

$100,000 divided by the value of one LLC Interest on such succeeding December 31. Similarly, if the Participant makes the same election with respect to Elective Deferral Amounts to be credited during the immediately succeeding year, the Participant's Account will be credited on the succeeding December 31 with a number of LLC Interests determined by dividing the entire amount of such Elective Deferral Amounts for such year by the value of one LLC Interest on such December 31.

For the avoidance of doubt, a Participant whose Account balance as of the beginning of a calendar year is $100,000 or greater must choose either 4.2(b)(i) or 4.2(b)(ii) (and not a combination of the foregoing) for his or her entire account balance, and if no such election is made, the Participant's Account shall be invested as described in Section 4.2(b)(i).

4.3. **Vesting.**

(a) All Participants who are Participants on the Effective Date shall be fully vested and have a one hundred percent (100%) vested interest in their entire Account.

(b) All Participants at all times shall have an immediate one hundred percent (100%) vested interest in the portion of their Account which is attributable to Elective Deferral Amounts.

(c) Subject to Section 4.3(d), a Participant who was not a Participant on the Effective Date shall have a vested interest in the portion of his or her Account according to such schedule (which may include immediate vesting) as shall be determined by the Administrator at the time of admission as a Participant.

(d) Upon termination of a Participant's employment, the portion of his or her Account which has not vested in accordance with Section 4.3(c) shall be forfeited in its entirety for no consideration.

4.4. **Assets.** The Plan and the crediting of Accounts hereunder shall not constitute a trust and shall be merely for the purpose of recording an unsecured contractual obligation of the Company.

4.5. **Reports.** Until the aggregate of all Deferred Amounts in a Participant's Account shall have been paid in full, the Company will furnish to the Participant a report, on an annual basis, setting forth the amount of his or her Account, the value of the subaccounts and the vested percentage of the Company Contributions.

ARTICLE V
Payment of Deferred Amounts

5.1. **Form of Payment.** All payments of Deferred Amounts under the Plan shall be made in cash.

5.2. **Payment of Deferred Amount.**

(a) Upon termination of a Participant's employment that qualifies as a Separation from Service (other than due to the Participant's death or Permanent Disability), the Vested Balance of a Participant's Account shall be determined as of the date of such separation from service. For this purpose, with respect to a Participant's Account for which the Investment Choice set forth in Section 4.2(b)(ii) has been made, the value of the Vested Balance shall be based on the value of an LLC Interest on the immediately preceding December 31.

(b) The Vested Balance of a Participant's Account, plus interest at the Applicable Federal Rate in effect on the date that the Vested Balance is determined, shall be paid to the Participant in three (3) annual installments commencing on the January 1 of the second calendar year following the calendar year in which the Separation from Service occurs. Each payment shall include interest accrued through the applicable payment date.

5.3. **Effect of Death or Permanent Disability.** Notwithstanding any other provision of the Plan to the contrary, upon a Participant's death or Permanent Disability, the full amount of such Participant's Account, vested and unvested, shall be his or her Vested Balance and shall be paid within thirty (30) days to the Participant's Beneficiary in the case of death, or to the Participant in the case of Permanent Disability. For this purpose, with respect to a Participant's Account for which the Investment Choice set forth in Section 4.2(b)(ii) has been made, the amount of the Vested Balance shall be based on the value of an LLC Interest on the immediately preceding December 31.

5.4. **Effect of a Change in Control of the Company.** Notwithstanding any other provision of the Plan to the contrary, upon a Change in Control of the Company, the full amount of such Participant's Account, vested and unvested, shall be his or her Vested Balance and shall be distributed within thirty (30) days following the date of consummation of the Change of Control. For this purpose, with respect to a Participant's Account for which the Investment Choice set forth in Section 4.2(b)(ii) has been made, the amount of the Vested Balance shall be based on the value of an LLC Interest or the value of the assets of PVF Holdings LLC as determined in connection with the Change in Control.

5.5. **Six-Month Delay**. Notwithstanding anything to the contrary contained herein, if the Participant is a "specified employee" for purposes of Section 409A of the Code and the regulations thereunder, to the extent required to comply with Section 409A of the Code, any distribution hereunder which is subject to Section 409A of the Code shall not commence until one day after the day which is six (6) months from the date of termination, with the first payment equaling the amount of distribution that would have been paid had Section 409A of the Code not applied.

ARTICLE VI
Administration

6.1. **Eligibility.** Participants are limited to certain of the Company's management and highly compensated employees.

6.2. **Administrator.** The Administrator of the Plan shall be comprised of the Committee, except as otherwise determined by the Board. The Administrator shall have full authority to construe and interpret the terms and provisions of the Plan, to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan and to perform all acts, including the delegation of its administrative responsibilities, as it shall, from time to time, deem advisable, and to otherwise supervise the administration of the Plan. The Administrator may correct any defect, supply any omission or reconcile any inconsistency in the Plan, or in any election hereunder, in the manner and to the extent it shall deem necessary to carry the Plan into effect. Any decision, interpretation or other action made or taken in good faith by or at the direction of the Administrator in connection with the Plan shall be within the absolute discretion of the Administrator and shall be final, binding and conclusive on the Company and all Participants and their respective heirs, executors, administrators, successors and assigns. A Participant who is also the Administrator, a member of a committee that is the Administrator or a person to whom the Administrator has delegated responsibility pursuant to this Section 6.2 shall not participate in any decision involving a request made by him or her or relating in any way to his or her rights, duties, and obligations as a Participant (unless such decision relates to all Participants generally and in a similar manner).

6.3. **Liability.** No member of the Board, nor the Administrator or an employee or agent of the Company or any of its affiliates, shall be liable for any act or action hereunder, whether of omission or commission, by any other member or employee or by any agent to whom duties in connection with the administration of the Plan have been delegated or, except in circumstances involving his or her bad faith, gross negligence or fraud, for anything done or omitted to be done by himself. The Company or the Administrator may consult with legal counsel, who may be counsel for the Company or other counsel, with respect to its obligations or duties hereunder, or with respect to any action or proceeding or any question of law, and shall not be liable with respect to any action taken or omitted by it in good faith pursuant to the advice of such counsel.

ARTICLE VII
Unsecured Creditor

Notwithstanding the establishment of the grantor trust, each Participant and Beneficiary shall have only the rights of a general, unsecured creditor of the Company.

ARTICLE VIII
Miscellaneous

8.1. **Amendment or Termination.** Notwithstanding any other provision of the Plan, the Company by action of the Board may at any time, and from time to time, amend, in whole or in part, any or all of the provisions of the Plan, or suspend or terminate it entirely; provided, however, that any such amendment, suspension or termination may not, without a Participant's prior, written consent, adversely affect any Deferred Amount credited to his or her Account prior to such amendment, suspension or termination. The preceding sentence shall not be construed to prohibit the Company from changing or eliminating any or all of the then available Investment Choices provided that if all Investment Choices are eliminated, any remaining Deferred Amounts shall be credited with a money market rate of interest as determined by the Administrator from

time to time. The Plan shall remain in effect until terminated pursuant to this Section 8.1. Upon termination of the Plan, all deferrals under the Plan shall cease, Participants shall be fully vested in their Accounts and Participants shall be paid the Vested Balance (determined as of the date of such termination) pursuant to their Payment Elections then effect. For this purpose, with respect to a Participant's Account for which the Investment Choice set forth in Section 4.2(b)(ii) has been made, the amount of the Vested Balance shall be based on the value of an LLC Interest on the immediately preceding December 31.

8.2. **Expenses.** The Company will bear all expenses incurred in administering the Plan and no part thereof shall be charged against any Participant's Account or any amounts distributable hereunder.

8.3. **Withholding.** The Company shall withhold from Participants' compensation, or from amounts payable hereunder, any federal, state or local taxes required by law to be so withheld.

8.4. **No Obligation.** Neither the Plan nor any elections hereunder shall create any obligation of the Company to establish or continue any other programs, plans or policies of any kind. Neither the Plan nor any election made pursuant to the Plan shall give any Participant or other employee the right to receive benefits not specifically provided for by the Plan, nor any right with respect to continuance of employment by the Company, nor shall there be a limitation in any way on the right of the Company to terminate an employee's employment with the Company at any time.

8.5. **No Assignment.** Except by will or the laws of descent and distribution, no right or interest in any Account or Deferred Amount under the Plan may be assigned, transferred, pledged or hypothecated, and no right or interest of any Participant in any Account hereunder or to any Deferred Amount shall be subject to any lien, pledge, encumbrance, charge, garnishment, execution, alienation, obligation or liability of such Participant, whether voluntary or involuntary, including, but not limited to, any liability that is for alimony or other payments for the support of a spouse or former spouse, or for any other relative of a Participant.

8.6. **Facility of Payment.** Any amounts payable hereunder to any person who is under legal disability or who, in the judgment of the Administrator, is unable to manage his or her financial affairs, may be paid to the legal representative of such person or may be applied for the benefit of such person in any manner that the Company may select. Any such payment shall be deemed to be payment for such person's Account and shall be a complete discharge of all liability of the Company with respect to the amount so paid.

8.7. **Applicable Law.** The Plan and the obligations of the Company hereunder shall be subject to all applicable federal and state laws, rules and regulations and to such approvals by any governmental or regulatory agency as may from time to time be required.

8.8. **Governing Law.** The Plan and actions taken in connection herewith shall be governed and construed in accordance with the laws of the State of New York (regardless of the law that might otherwise govern under applicable New York principles of conflict of laws). Any

provision of the Plan prohibited by the law of any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof.

8.9. **Savings Clause**. The Plan is intended to be administered, operated and construed in compliance with Section 409A of the Code and any regulations and guidance thereunder. Notwithstanding this or any other provision of the Plan to the contrary, the Company may amend the Plan in any manner, or take any other action, that it determines, in its sole discretion, is necessary, appropriate or advisable to cause the Plan to comply with Section 409A and any regulations and guidance issued thereunder, including, without limitation, amendments or other actions that reduce the accruals of Participants hereunder or otherwise impair the rights of Participants hereunder. Any such action, once taken, shall be deemed to be effective from the earliest date necessary to avoid a violation of Section 409A and shall be final, binding and conclusive on all Participants and other individuals having or claiming any right or interest under the Plan.

8.10. **Construction.** Wherever any words are used herein in the singular form they shall be construed as though they were also used in the plural form in all cases where they would so apply. The titles to sections of the Plan are intended solely as a convenience and shall not be used as an aid in construction of any provisions hereof.

8.11. **Effective Date.** The Plan shall be effective as of the Effective Date.

Exhibit 10.21

Execution Version

INDEMNITY AGREEMENT

This Agreement is made and entered into as of this 4th day of December, 2006 by and among McJ Holding Corporation, a Delaware corporation ("Parent"), Hg Acquisition Corp., a West Virginia corporation ("Merger Sub"), McJunkin Corporation, a West Virginia corporation (the "Company") and the persons listed on Annex 1 attached hereto (each such person an "Indemnifying Shareholder" and together the "Indemnifying Shareholders"). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Merger Agreement (as defined below).

WHEREAS, concurrently with the execution of this Agreement, Parent, Merger Sub and the Company, are entering into an Agreement and Plan of Merger, dated as of the date hereof (as amended, restated or supplemented from time to time, the "Merger Agreement"), pursuant to which, upon the terms and subject to the conditions thereof, Merger Sub will be merged with and into the Company (the "Merger");

WHEREAS, pursuant to Section 6.13 of the Merger Agreement, the Surviving Corporation has agreed to use commercially reasonable efforts to sell the Non-Core Assets following consummation of the Merger;

WHEREAS, the Company has agreed to make payments to certain employees of the Company or its Subsidiaries as a result of the signing of the Merger Agreement, the agreements and documents referenced therein, and the transactions contemplated thereby; and

WHEREAS, each of the Indemnifying Shareholders agrees to provide the indemnity as set forth below.

NOW THEREFORE, in consideration for and to induce the Surviving Corporation to enter into and perform the covenants set forth in Section 6.13 of the Merger Agreement, the parties hereby agree that:

1. Indemnification. From and after the Effective Time, the Indemnifying Shareholders shall, jointly and severally, defend, indemnify and hold harmless Parent, Merger Sub, the Company, and their respective shareholders, members, partners, officers, directors, employees, attorneys, accountants, Affiliates, agents, other advisors and successors (each an "Indemnified Party" and together the "Indemnified Parties") (i) from and against any and all costs, charges, fees, expenses, losses, liabilities, obligations, claims, fines, penalties or interest paid or payable with respect thereto (including, without limitation, attorneys', accountants', consultants' and appraisers' fees and amounts paid or payable with respect to any investigation or remediation in connection with any Hazardous Substances at, on, under or migrating to or from any property being sold) ("Costs") incurred by any such Indemnified Parties in connection with, arising out of, or relating in any way to any Non-Core Asset listed on Part B of Annex G of the Merger Agreement, including, without limitation, the holding and disposition thereof and distribution of the Net Proceeds with respect thereto, as provided in Section 6.13 of the Merger Agreement to the extent the Costs for such Non-Core Asset exceed the Net

Proceeds with respect to such Non-Core Asset and (ii) for any amounts paid or payable by the Company or any of its Subsidiaries to any of its or their officers, directors or employees in excess of $965,000 in the aggregate in the nature of any "change in control", closing or signing bonus or similar payment as a result of the signing of the Merger Agreement, the agreements and documents referenced therein, or the transactions contemplated thereby (but excluding any severance payments made as a result of a termination of employment occurring after the Closing), other than the payments to the employees and in the amounts set forth on Schedule I to this Agreement. In addition, from and after the Effective Time, the Indemnifying Shareholders shall, jointly and severally, defend, indemnify and hold harmless the Indemnified Parties from and against payments by the Company or any of its Subsidiaries to the employees in the amounts set forth on Schedule I to this Agreement net of any tax benefit to the Company and its Subsidiaries as result of such payment less the amounts contributed by the Major Stockholders and M. Chilton Mueller after the date hereof and prior to the Effective Time. Notwithstanding anything herein to the contrary, from and after the Effective Time, the Indemnifying Shareholders shall, jointly and severally, defend, indemnify and hold harmless the Indemnified Parties from and against any liability of the Company and each of its Subsidiaries for any failure to properly withhold any amounts required to be deducted and withheld by the Company or any of its Subsidiaries and paid to the applicable taxing authorities under the Code or any applicable state, local or foreign Tax law with respect to any "change in control", closing or signing bonus or similar payment (including, without limitation, payments to the employees and in the amounts set forth on Schedule 1 to this Agreement) made by the Company or any of its Subsidiaries as a result of the signing of the Merger Agreement, the agreements and documents referenced therein, or the transactions contemplated thereby, provided that the indemnity provided in this sentence shall not apply to any withholding obligations that arise after the Effective Time.

2. Notices. Any notice, request, instruction or other document to be given hereunder by any party hereto to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, or by facsimile:

If to Parent or Merger Sub:

c/o GS Capital Partners V Fund, L.P.
85 Broad Street, 10th Floor
New York, NY 10004
Attention: Henry Cornell
Fax: (212) 357-5505

with a copy (which shall not constitute notice) to:

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004

Attention: Robert C. Schwenkel, Esq.
Fax: (212) 859-4000

If to the Indemnifying Shareholders or the Company:

McJunkin Corporation
835 Hillcrest Drive
Charleston, WV 25311
Attention: H.B. Wehrle III
Fax: (304) 348-1557

with a copy (which shall not constitute notice) to:

Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
Attention: Benjamin F. Stapleton III
Fax: (212) 558-3588

or to such other persons or addresses as may be designated in writing by the party to receive such notice as provided above. Any notice, request, instruction or other document given as provided above shall be deemed given to the receiving party upon actual receipt, if delivered personally; three business days after deposit in the mail, if sent by registered or certified mail; upon confirmation of successful transmission if sent by facsimile (provided that if given by facsimile such notice, request, instruction or other document shall be followed up within one business day by dispatch pursuant to one of the other methods described herein); or on the next business day after deposit with an overnight courier, if sent by an overnight courier.

3. Interpretation, Construction.

   a. The headings herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof. Where a reference in this Agreement is made to a Section or Annex, such reference shall be to a Section or Annex, of this Agreement unless otherwise indicated. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.”

   b. The parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

4. Entire Agreement; Binding Effect; Assignment. This Agreement constitutes the entire agreement, and supersedes all other prior agreements, understandings, representations and warranties both written and oral, among the parties, with respect to

the subject matter hereof and thereof. This Agreement shall be binding upon, inure to the benefit of and be enforceable only by the parties hereto and their respective successors and permitted assigns. No party may assign its rights or obligations under this Agreement to any other person or entity without the prior written consent of the other parties and any purported assignment without such consent is void.

5. Modification or Amendment; Waiver. This Agreement may only be amended, modified, supplemented or waived with the written approval of each party hereto. No failure or delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof or of any other or future exercise of any such right, power or privilege.

6. Counterparts. This Agreement may be executed in any number of counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

7. Governing Law and Venue; Waiver of Jury Trial; Specific Performance.

   a. THIS AGREEMENT SHALL BE DEEMED TO BE MADE IN AND IN ALL RESPECTS SHALL BE INTERPRETED, CONSTRUED AND GOVERNED BY AND IN ACCORDANCE WITH THE LAW OF THE STATE OF DELAWARE WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF. The parties hereby irrevocably submit to the personal jurisdiction of the courts of the State of Delaware located in the County of New Castle and the Federal courts of the United States of America located in the County of New Castle solely in respect of the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such courts, and the parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a Delaware State or Federal court located in the County of New Castle. The parties hereby consent to and grant any such court jurisdiction over the person of such parties and, to the extent permitted by law, over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 2 or in such other manner as may be permitted by law shall be valid and sufficient service thereof.

   b. 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 LITIGATION 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 LITIGATION, 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 7.

c. The parties 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 were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in Delaware State or Federal court in the County of New Castle, this being in addition to any other remedy to which such party is entitled at law or in equity.

8. Further Assurances. At any time or from time to time after the date hereof, the parties hereto agree to cooperate with each other, and at the request of any other party, to execute and deliver any further instruments or documents and to take all such further action as the other party may reasonably request in order to evidence or effectuate the provisions of this Agreement and to otherwise carry out the intent of the parties hereunder.

9. Expenses. Except as otherwise provided in the Merger Agreement, each party hereto shall pay its own expenses incurred in connection with the preparation, execution, and performance of this Agreement and the transactions contemplated by this Agreement, including all fees and expenses of agents, representatives, counsel and accountants.

10. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

McJ HOLDING CORPORATION

By: /s/ Christine Vollersten
Name: Christine Vollersten
Title: Vice President

Hg ACQUISITION CORP.

By: /s/ Christine Vollersten
Name: Christine Vollersten
Title: Vice President

MCJUNKIN CORPORATION

By: /s/ H.B. Wehrle III
Name: H.B. Wehrle III
Title: President and Chief Executive Officer

[Indemnity Agreement Signature Page]

H.B. WEHRLE III

By: /s/ H.B. Wehrle III

KATHERINE SCHILLING WEHRLE

By: /s/ H.B. Wehrle III

HELEN LYNNE WEHRLE-ZANDE

By: /s/ H.B. Wehrle III

STEPHEN D. WEHRLE

By: /s/ Stephen D. Wehrle

ELIZABETH M. WEHRLE

By: /s/ H.B. Wehrle III

H.B. WEHRLE JR.

By: /s/ H.B. Wehrle Jr.

[Indemnity Agreement Signature Page]

Annex 1

Indemnifying Shareholders

H. B. Wehrle, III
Katherine Schilling Wehrle
Helen Lynne Wehrle-Zande
Stephen D. Wehrle
Eizabeth M. Wehrle
H.B. Wehrle, Jr.

Exhibit 10.22

MANAGEMENT STOCKHOLDERS AGREEMENT

by and among

McJ HOLDING LLC

McJ HOLDING CORPORATION

and

THE EXECUTIVES NAMED HEREIN

Dated as of March 27, 2007

TABLE OF CONTENTS

MANAGEMENT STOCKHOLDERS AGREEMENT

THIS MANAGEMENT STOCKHOLDERS AGREEMENT (this "Agreement") is made as of March 27, 2007 by and among McJ HOLDING CORPORATION, a Delaware corporation (the "Company"), McJ HOLDING LLC, a Delaware limited liability company ("Holdco"), and each of the Persons listed on the signature page hereto (each an "Executive" and together, the "Executives").

W I T N E S S E T H :

WHEREAS, pursuant to the Agreement and Plan of Merger, dated as of December 4, 2006, as amended (the "Merger Agreement"), by and among the Company, Hg Acquisition Corp., a West Virginia corporation and a wholly owned subsidiary of Holdco ("Merger Sub"), and Holdco, on the date hereof, Merger Sub merged with and into McJunkin Corporation, a West Virginia corporation ("McJ"), with McJ remaining as the surviving corporation (the "Merger");

WHEREAS, Holdco owns all of the shares of common stock of the Company and the Company owns all of the shares of common stock of McJ;

WHEREAS, the Company has adopted the McJ Holding Corporation 2007 Stock Option Plan (the "Option Plan"), and has granted or will grant options to purchase Common Stock of the Company (the "Plan Options") to certain Executives thereunder;

WHEREAS, the Company has adopted the McJ Holding Corporation 2007 Restricted Stock Plan (the "Restricted Stock Plan") has granted or will grant shares of restricted Common Stock of the Company to certain Executives thereunder; and

WHEREAS, Holdco, the Executives and the Company desire to enter into an agreement establishing and setting forth their agreement with respect to certain rights and obligations associated with ownership of Stock of the Company.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and obligations hereinafter set forth, the parties hereto hereby agree as follows:

Section 1. Certain Definitions. As used herein, the following terms shall have the following meanings:

"Affiliate" means (i) with respect to any Person, any other Person controlling, controlled by or under common control with such Person, where "control" means the possession, directly or indirectly of the power to direct the management and policies of a Person, whether through the ownership of voting securities, contract or otherwise; provided, however, that, for purposes hereof, neither the Company nor any Person controlled by the Company shall be deemed to be an Affiliate of any Stockholder.

"Agreement" has the meaning set forth in the Preamble.

"Board" means the Board of Directors of the Company. "Business Day" shall mean a day other than a Saturday, Sunday, federal or New York State holiday or other day on which commercial banks in New York are authorized or required by law to close.

"Call Option" has the meaning set forth in Section 5(a).

"Call Option Notice" has the meaning set forth in Section 5(b).

"Call Option Price" has the meaning set forth in Section 5(c)

"Call Option Stock" has the meaning set forth in Section 5(a).

"Cause" means, with respect to an Executive's termination of Employment, (a) if the Executive is at the time of termination a party to an employment or retention agreement that defines such term, the meaning given therein, and (b) in all other cases, the Executive's (i) continuing failure, for more than 10 days after the Company's notice to the Executive thereof, to perform such duties as are reasonably requested by the Company; (ii) failure to observe material policies generally applicable to officers or employees of the Company unless such failure is capable of being cured and is cured within 10 days of the Executive receiving notice of such failure; (iii) failure to cooperate with any internal investigation of the Company; (iv) commission of any act of fraud, theft or financial dishonesty with respect to the Company or indictment or conviction of any felony; (v) chronic absenteeism; or (vi) abuse of alcohol or another controlled substance.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Stock" means the common stock, par value $0.01 per share, of the Company and any and all securities of any kind whatsoever of the Company which may be issued after the date hereof in respect of, or in exchange for, such shares of common stock of the Company pursuant to a merger, consolidation, stock split, stock dividend or recapitalization of the Company or otherwise.

"Common Stock Equivalents" means all option, warrants and other securities convertible into, or exchangeable or exercisable for (at any time or upon the occurrence of any event or contingency and without regard to any vesting or other conditions to which such securities may be subject), shares of Common Stock or other equity securities of the Company (including, without limitation, any note or debt security convertible into or exchangeable for Common Stock or other equity securities of the Company).

"Company" has the meaning set forth in the Preamble.

"Director" means a member of the Board.

"Drag-Along Notice" has the meaning set forth in Section 4(b).

"Drag-Along Sale" has the meaning set forth in Section 4(a).

"Drag-Along Transferee" has the meaning set forth in Section 4(a).

"Employment" means (i) an Executive's employment if the Executive is an employee of the Company or any of its Affiliates, (ii) an Executive's services as a consultant, if the Executive is a consultant to the Company or any of its Affiliates and (iii) an Executive's services as a non-employee director, if the Executive is a non-employee member of the Board.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Executive" has the meaning set forth in the Preamble.

"Executive Stockholder" means any Executive and any other Person to whom an Executive Transfers Stock.

"Exit Event" means a bona fide arm's-length transaction or series of transactions (other than a Qualified IPO):

(a) involving the sale, transfer or other disposition by Holdco to one or more Persons that are not, immediately prior to such sale, transfer or other disposition, Affiliates of Holdco, of all or substantially all of the outstanding Common Stock of the Company beneficially owned by Holdco as of the date of such transaction; or

(b) involving the sale, transfer or other disposition of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to one or more Persons that are not, immediately prior to such sale, transfer or other disposition, Affiliates of Holdco.

"Fair Market Value" means, on a given date, (i) if there should be a public market for shares of Common Stock on such date, the arithmetic mean of the high and low prices of the shares of Common Stock as reported on such date on the composite tape of the principal national securities exchange on which such shares are listed or admitted to trading, or, if such shares are not listed or admitted on any national securities exchange, the arithmetic mean of the per-share closing bid price and per-share closing asked price on such date as quoted on the National Association of Securities Dealers Automated Quotation System (or such market in which such prices are regularly quoted) (the "Nasdaq"), or, if no sale of shares of Common Stock shall have been reported on the composite tape of any national securities exchange or quoted on the Nasdaq on such date, the arithmetic mean of the per-share closing bid price and per-share closing asked price on the immediately preceding date on which sales of the shares of Common Stock have been so reported or quoted, and (ii) if there is not a public market for the shares of Common Stock on such date, the value established by the Board in good faith.

"Family Member" means with respect to any Executive, a spouse, lineal ancestor, lineal descendent or legally adopted child, of such Executive.

"Group" means two or more Persons who agree to act together for the purpose of acquiring, holding, voting or disposing of Stock.

"Holdco" has the meaning set forth in the Preamble.

"Merger" has the meaning set forth in the Recitals.

"Merger Agreement" has the meaning set forth in the Recitals.

"Option Plan" has the meaning set forth in the Recitals.

"Option Stock" means Common Stock received upon the exercise of Common Stock Equivalents (including, without limitation, Plan Options).

"Permitted Executive Transferee" has the meaning set forth in Section 5(a).

"Permitted Transfer" means any Transfer of Stock by an Executive Stockholder upon the death of an individual Executive Stockholder, pursuant to the terms of any trust or will of the deceased individual Executive Stockholder or by the laws of intestate succession.

"Person" means any individual, corporation, limited liability company, limited or general partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivisions thereof.

"Plan Options" has the meaning set forth in the Recitals.

"Qualified IPO" means the first underwritten public offering of the Common Stock or the common stock of a successor corporation or a Subsidiary of the Company to the general public through a registration statement filed with the Securities and Exchange Commission that covers (together with prior effective registrations) (i) not less than 25% of the then outstanding shares of Common Stock or common stock of such successor corporation or such Subsidiary of the Company on a fully diluted basis or (ii) shares of the Company or such successor corporation or such Subsidiary of the Company that will be traded on any of the New York Stock Exchange, the American Stock Exchange or the National Association of Securities Dealers Automated Quotation System after the close of any such general public offering.

"Restricted Stock" has the meaning set forth in the Recitals.

"Restricted Stock Plan" has the meaning set forth in the Recitals.

"Securities Act" means the Securities Act of 1933, as amended.

"Stock" means (i) any shares of Common Stock (including Restricted Stock) and (ii) any Common Stock Equivalents, in each case whether owned on the date hereof or acquired hereafter.

"Stockholders" means the Executive Stockholders, Holdco and any other subsequent holder of Stock who is bound by the terms of this Agreement.

"Subsidiary" means, with respect to any Person, (i) any corporation, limited liability company, limited or general partnership or other entity of which shares of capital stock or other ownership interests having ordinary voting power to elect a majority of the board of directors or other similar managing body of such corporation, limited liability company, limited

or general partnership or other entity are at the time directly or indirectly owned or controlled by such Person, or (ii) the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries by such Person.

"Transfer" or "Transferring" means, as the case may be, (i) to directly or indirectly transfer, sell, assign, distribute, pledge, encumber, hypothecate or otherwise dispose of, either voluntarily or involuntarily, including by gift, by way of a merger (forward or reverse) or similar transaction, by operation of law or otherwise or (ii) any direct or indirect transfer, sale assignment, distribution, pledge, encumbrance, hypothecation or other disposition, either voluntarily or involuntarily, including by gift, by way of merger (forward or reverse) or similar transaction, by operation of law or otherwise.

"Voting Shares" means, at any time, any securities of the Company the holders of which are then generally entitled to vote in the election of Directors.

Section 2. Methodology for Calculations. For all purposes of this Agreement, the proposed Transfer or the Transfer of a Common Stock Equivalent shall be treated as the proposed Transfer or the Transfer of the shares of Common Stock receivable upon the conversion, exchange or exercise of such Common Stock Equivalent. Except as otherwise expressly provided in this Agreement, for purposes of calculating (a) the amount of outstanding Common Stock as of any date and (b) the amount of Common Stock owned by a Person hereunder (and the percentage of the outstanding Common Stock owned by a Person), no Common Stock Equivalents shall be treated as having been converted, exchanged or exercised for the underlying Common Stock.

Section 3. Restrictions on Transfers of Stock by Stockholders.

(a) Subject to the remaining subsections of this Section 3, no Executive Stockholder shall Transfer any Stock other than pursuant to (i) a Permitted Transfer, or (ii) Section 4 or Section 5 (to the extent applicable to such Transfer).

(b) Anything to the contrary contained in this Agreement notwithstanding, any Person to whom an Executive Stockholder Transfers Stock and who is not a Stockholder at the time of Transfer shall, upon consummation of, and as a condition to, such Transfer, execute and deliver to the Company (which the Company shall then deliver to all other Stockholders) an agreement pursuant to which such transferee agrees to be bound by the terms of this Agreement and such transferee shall thereafter be deemed to be an Executive Stockholder hereunder, the same rights and obligations as the transferor of such Stock.

(c) Any Transfer or attempted Transfer of Stock in violation of any provision of this Agreement shall be void, and the Company shall not record such Transfer on its books or treat any purported transferee of such Stock as the owner of such Stock for any purpose.

Section 4. Drag-Along Rights.

(a) Prior to a Qualified IPO, if Holdco, whether alone or in concert with any other Stockholder, proposes to (i) Transfer Stock to any Person who is not an Affiliate of Holdco, or (ii) effect an Exit Event (any such Transfer or Exit Event referred to in (i) or (ii) above, a "Drag-Along Sale", and the transferee with respect to a Drag-Along Sale, the "Drag-Along Transferee"), then Holdco may elect to require each (but not fewer than each) Executive Stockholder to Transfer Stock (as calculated below) as a part of such Drag-Along Sale to such Drag-Along Transferee at the same price per share (and, in the case of Common Stock Equivalents, such price per share subject to reduction for the amount per share of the exercise or purchase price (if any) of such Common Stock Equivalent) to be paid to, and upon the same terms and conditions as, Holdco, all of which shall be set forth in the Drag-Along Notice (as defined below). Each Executive Stockholder may be required to sell that number of shares of Stock as shall equal the product of (x) a fraction, the numerator of which is the number of shares of Stock proposed to be Transferred by Holdco and the denominator of which is the aggregate number of shares of Stock owned as of the date of the Drag-Along Notice by Holdco and (y) the number of shares of Stock owned by such Executive Stockholder as of the date of the Drag-Along Notice.

(b) The rights set forth in Section 4(a) shall be exercised by giving written notice (the "Drag-Along Notice") to each Executive Stockholder (with a copy to the Company) at least fifteen (15) business days prior to the proposed closing date of such Drag-Along Sale, which notice shall identify the Drag-Along Transferee, the amount and type of Stock being Transferred, the purchase price therefor, and a summary of the other material terms and conditions of the proposed Drag-Along Sale and the proposed closing date thereof.

(c) All Transfers of Stock to the Drag-Along Transferee pursuant to this Section 4 shall be consummated contemporaneously at the offices of the Company on the later of (i) the proposed closing date set forth in the Drag-Along Notice or (ii) the fifth Business Day following the expiration or termination of all waiting periods under anti-trust or competition laws applicable to such Transfers, or at such other time and/or place as the parties to such Transfers may collectively agree. The delivery of certificates or other instruments evidencing such Stock duly endorsed for transfer shall be made on such date against payment of the purchase price for such Stock in the form specified in the Drag-Along Notice.

(d) Any Exit Event may be structured as an auction and may be initiated by the delivery to the Company and the Drag-Along Transferees of a written notice that Holdco has elected to initiate an auction sale procedure. Holdco and its Affiliates shall be entitled to take all steps reasonably necessary to carry out an auction of the Company, including, without limitation, selecting an investment bank, providing confidential information (pursuant to confidentiality agreements), selecting the winning bidder and negotiating the requisite documentation. The Company and each Drag-Along Transferee shall provide assistance with respect to these actions as reasonably requested by Holdco and its Affiliates.

(e) Each Executive Stockholder will (i) take all such actions, including, without limitation, voting all of its shares of Stock in favor of such proposed Drag-Along Sale and waiving any appraisal, dissenter or similar rights under applicable law (in each case if applicable to such Drag-Along Sale), as may be reasonably requested by Holdco to carry out the

purposes of this Section 4, and (ii) execute all documents containing such terms and conditions, including representations and warranties solely with respect to (x) matters of title to the Executive Stockholders securities and (y) the due authorization (or capacity) and due and valid execution and delivery by such Executive Stockholder of documentation in respect of such Transfer, as those executed by Holdco, and shall execute and deliver such other instruments and agreements as may be reasonably requested by Holdco; provided, however, that such representations and warranties shall be made by the Executive Stockholders severally and not jointly and may be subject to knowledge qualifiers where applicable.

(f) Any transaction costs, including transfer taxes and legal, accounting and investment banking fees incurred by the Company and Holdco and its Affiliates in connection with an Exit Event shall, unless the applicable purchaser refuses, be borne by the Company in the event of a merger, consolidation or sale of assets and shall otherwise be borne by the Stockholders on a pro rata basis based on the consideration received by each Stockholder in such Exit Event.

Section 5. Certain Rights upon Termination of Employment.

(a) If at any time an Executive's Employment with the Company shall be terminated, the Company shall have the right, but not the obligation, to purchase all or any portion of the Restricted Stock and/or Option Stock owned by that Executive and any transferee who obtained Restricted Stock and/or Option Stock as a direct or indirect result of a Permitted Transfer by that Executive (a "Permitted Executive Transferee") (the "Call Option", and such Stock (not including unexercised Common Stock Equivalents to the extent cancelled upon such termination) subject to the Call Option, the "Call Option Stock") at the Call Option Price.

(b) If the Company desires to exercise its Call Option, it shall deliver written notice thereof (which shall include its valuation of the Fair Market Value of the Call Option Stock) (a "Call Option Notice") to the Executive and any Permitted Executive Transferees no later than one hundred and eighty one (181) days following the later of (x) termination of the Executive's Employment and (y) receipt of Option Stock in connection with a post-termination exercise. The Executive and any Permitted Executive Transferees shall deliver to the Company certificates representing the shares of Call Option Stock, free and clear of all claims, liens, or encumbrances, together with blank stock powers, duly executed with all signature guarantees at a closing at the principal office of the Company on the tenth day after the Fair Market Value of the Call Option Stock has been determined, or at such other place and time and in such manner as may be mutually agreed to by Executive and the Company. Subject to the next sentence, the proceeds from the purchase of the Call Option Stock pursuant to the Call Option shall be paid in immediately available funds by wire transfer, which shall be delivered to the Executive and any Permitted Executive Transferees at the closing of such purchase. Notwithstanding the foregoing, if the Company is not permitted by any loan or debt agreement to which the Company or any of its Subsidiaries may be a party, or by which any of them may be bound, or the provisions of any applicable law to purchase the Call Option Stock as provided above in cash, the Company may pay for the Call Option Stock with a note payable in a maximum of five (5) equal consecutive annual installments commencing on the first anniversary of the closing of the Call Option purchase and bearing interest at the prime rate in effect on the date of transfer.

(c) The "Call Option Price" means (i) in the event such termination of Employment of an Executive is by the Company for Cause, the lesser of (x) the Fair Market Value of the Call Option Stock on the date of repurchase and (y) the price paid for the Call Option Stock by such Executive, or (ii) in the event of any other termination of Employment of an Executive, the Fair Market Value of the Call Option Stock on the date of repurchase.

Section 6. Legend. Each Executive Stockholder and the Company shall take all such action necessary (including exchanging with the Company certificates representing shares of Stock issued prior to the date hereof) to cause each certificate representing outstanding shares of Stock owned by an Executive Stockholder to bear a legend containing the following words:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE OFFERED, SOLD, PLEDGED, EXCHANGED, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT IN COMPLIANCE WITH SUCH ACT."

"IN ADDITION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE RESTRICTIONS ON TRANSFER AND VOTING SET FORTH IN THE MANAGEMENT STOCKHOLDERS AGREEMENT DATED AS OF MARCH 27, 2007 BY THE COMPANY AND THE PARTIES THERETO, A COPY OF WHICH IS ON FILE IN THE OFFICE OF THE COMPANY."

The requirement that the above securities legend be placed upon certificates evidencing shares of Stock shall cease and terminate upon the earliest of the following events: (i) when such shares are transferred in a public offering, (ii) when such shares are transferred pursuant to Rule 144, as such Rule may be amended (or any successor provision thereto), under the Securities Act or (iii) when such shares are transferred in any other transaction if the seller delivers to the Company an opinion of its or his counsel, which counsel and opinion shall be reasonably satisfactory to the Company, or a "no-action" letter from the staff of the Securities and Exchange Commission, in either case to the effect that such legend is no longer necessary in order to protect the Company against a violation by it of the Securities Act upon any sale or other disposition of such shares without registration thereunder. Upon the consummation of any event requiring the removal of a legend hereunder, the Company, upon the surrender of certificates containing such legend, shall, at its own expense, deliver to the holder of any such shares as to which the requirement for such legend shall have terminated, one or more new certificates evidencing such shares not bearing such legend.

Section 7. Representations and Warranties; Acknowledgements. Each party hereto represents and warrants to the other parties hereto as follows:

(a) It or he has full power and authority to execute, deliver and perform its or his obligations under this Agreement.

(b) This Agreement has been duly and validly authorized, executed and delivered by it or him, and constitutes a valid and binding obligation of it or him, enforceable against it or him in accordance with its terms except to the extent that enforceability may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally (whether considered in a proceeding in equity or at law).

(c) The execution, delivery and performance of this Agreement by it or him does not (x) violate, conflict with, or constitute a breach of or default under its organizational documents, if any, or any material agreement to which it or he is a party or by which it or he is bound or (y) violate any law, regulation, order, writ, judgment, injunction or decree applicable to it or him.

(d) No consent or approval of, or filing with, any governmental or regulatory body is required to be obtained or made by it or him in connection with the execution and delivery hereof.

Section 8. Duration of Agreement. The rights and obligations of a Stockholder under this Agreement shall terminate at such time as such Stockholder no longer owns any shares of Stock.

Section 9. Further Assurances. Each party hereto shall do and perform or cause to be done and performed all such further acts and things and shall execute and deliver all such other agreements, certificates, instruments, and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

Section 10. Amendment and Waiver. Except as otherwise provided herein, no modification, amendment or waiver of any provision of this Agreement shall be effective unless such modification, amendment or waiver is approved in writing by Stockholders holding a majority of the then outstanding Common Stock; provided, that, notwithstanding the foregoing, any modification, amendment or waiver of any provision of this Agreement that materially and adversely effects any Stockholder shall not be effective against such Stockholder without such Stockholders' written approval. No waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provision hereof (whether or not similar). No failure or delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof or of any other or future exercise of any such right power or privilege.

Section 11. Entire Agreement. This Agreement and the other writings referred to herein or delivered pursuant hereto which form a part hereof contain the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

Section 12. Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Company and its successors and assigns and each Stockholder and their respective successors, assigns, heirs and

personal representatives, so long as they hold Stock. Each Stockholder shall have the right to assign all or part of its or his rights and obligations under this Agreement only to a transferee pursuant to a Permitted Transfer; provided, however, that Holdco may transfer and assign, all or part of, its rights and obligations under this Agreement to one or more of its Affiliates without the consent of the Company or any other Stockholder. Upon any such assignment, such assignee shall have and be able to exercise and enforce all rights of the assigning Stockholder which are assigned to it and, to the extent such rights are assigned, any reference to the assigning Stockholder shall be treated as a reference to the assignee.

Section 13. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

Section 14. Remedies. Each Stockholder shall be entitled to enforce its or his rights under this Agreement specifically, to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights existing in its or his favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that each party may in its or his sole discretion apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive relief (without posting a bond or other security) in order to enforce or prevent any violation of the provisions of this Agreement. All remedies, either under this Agreement, by law, or otherwise afforded to any party, shall be cumulative and not alternative.

Section 15. Notices. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered, or mailed first class mail (postage prepaid) or sent by reputable overnight courier service (charges prepaid) to the Company at the address set forth below and to any other Stockholder at the address indicated on the signature pages hereto and to any subsequent holder of Stock subject to this Agreement at such address as indicated by the Company's records, or at such address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder when received. The Company's address is:

McJ Holding Corporation
c/o GS Capital Partners V Fund, L.P.
85 Broad Street, 10th Floor
New York, New York 10004
Attention: Henry Cornell
Fax: (212) 357-5505

with a copy to:

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
Attention: Robert C. Schwenkel, Esq.
Fax: (212) 859-4000

If to the Executives, to his or her principal residence as reflected in the records of the Company.

Section 16. Governing Law; Waiver of Jury Trial. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without reference to the conflict of laws principles thereof. The parties hereby irrevocably submit to the personal jurisdiction of the courts of the State of Delaware located in the County of New Castle and the Federal courts of the United States of America located in the County of New Castle solely in respect of the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such courts, and the parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a Delaware State or Federal court located in the County of New Castle. The parties hereby consent to and grant any such court jurisdiction over the person of such parties and, to the extent permitted by law, over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 15 or in such other manner as may be permitted by law shall be valid and sufficient service thereof. Each of the parties irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any and all rights to trial by jury in connection with any litigation arising out of or relating to this Agreement or the transactions contemplated hereby.

Section 17. Possession of Certificates; Power of Attorney.

(a) In order to provide for the safekeeping of the certificates representing the shares of Stock issued to the Executive Stockholders and to facilitate the enforcement of the terms and conditions hereof, (i) certificates representing shares of Stock shall be held by the Company on behalf of the Executive Stockholder in accordance with the terms of the Option Plan and Restricted Stock Plan (and any award agreements thereunder), and (ii) to the extent a certificate representing shares of Stock is issued and delivered to an Executive Stockholder, at any time upon the request of the Company (A) the Executive Stockholder shall redeliver to the Company, and the Company shall retain physical possession of, all certificates representing shares of Stock held by such Executive Stockholder pursuant hereto and (B) the Executive Stockholder shall deliver to the Company an undated stock power, duly executed in blank, for

each such certificate. Each Executive Stockholder shall be relieved of any obligation otherwise imposed by this Agreement to deliver certificates representing shares of Stock if the same are in the custody of the Company.

(b) The Executive Stockholder hereby irrevocably appoints the Company as the Executive Stockholder's true and lawful agent and attorney-in-fact, with full powers of substitution, to act in the Executive Stockholder's name, place and stead, to do or refrain from doing all such acts and things, and to execute and deliver all such documents, as the Company shall deem necessary or appropriate in connection with a public offering of securities of the Company or a sale pursuant to Section 4 hereof, including, without in any way limiting the generality of the foregoing, in the case of a sale pursuant to Section 4 hereof, to execute and deliver on behalf of the Executive Stockholder a purchase and sale agreement and any other agreements and documents that the Company deems necessary in connection with any such sale, and in the case of a public offering, to execute and deliver on behalf of the Executive Stockholder an underwriting agreement, a "hold back" agreement, a custody agreement, and any other agreements and documents that the Company deems necessary in connection with any such public offering, and in the case of any sale pursuant to Section 4 hereof and any public offering, to receive on behalf of the Executive Stockholder the proceeds of the sale or public offering of the Executive Stockholder's shares, to hold back from any such proceeds any amount that the Company deems necessary to reserve against the Executive Stockholder's share of any expenses of sale and sale obligations. The Executive Stockholder hereby ratifies and confirms all that the Company shall do or cause to be done by virtue of its appointment as the Executive Stockholder's agent and attorney-in-fact. In acting for the Executive Stockholder pursuant to the appointment set forth in this Section 17(b), the Company shall not be responsible to the Executive Stockholder for any loss or damage the Executive Stockholder may suffer by reason of the performance by the Company of its duties under this Agreement, except for loss or damage arising from willful violation of law or gross negligence by the Company in the performance of its duties hereunder. The appointment of the Company shall be deemed coupled with an interest and as such shall be irrevocable and shall survive the death, incompetency, mental illness or insanity of the Executive Stockholder, and any person dealing with the Company may conclusively and absolutely rely, without inquiry, upon any act of the Company as the act of the Executive Stockholder in all matters referred to in this Section 17(b).

Section 18. Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

Section 19. Construction. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

Section 20. Survival of Representations and Warranties. All representations and warranties contained in this Agreement or made in writing by any party in connection herewith shall survive the execution and delivery of this Agreement and the consummation of

the transactions contemplated hereby regardless of any investigation made by, or on behalf of, any Stockholder.

Section 21. Counterparts. This Agreement may be executed in separate counterparts each of which shall be an original and all of which taken together shall constitute one and the same agreement.

Section 22. Future Stockholders. The parties hereto hereby agree that any person who is granted the right to acquire Stock from the Company subsequent to the date hereof may become a signatory to this Agreement by executing a written instrument setting forth that the person agrees to be bound by the terms and conditions of this Agreement and this Agreement will be deemed to be amended to include such person as a Stockholder.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have executed this Management Stockholders Agreement as of the day and year first above written.

McJ HOLDING CORPORATION

By: /s/ J.F. Underhill
Name: J.F. Underhill
Title: CFO

McJ HOLDING LLC

By: /s/ J.F. Underhill
Name: J.F. Underhill
Title: CFO

Executives:

Exhibit 10.22.1

AMENDMENT NO. 1
TO THE
MANAGEMENT STOCKHOLDERS AGREEMENT

This Amendment No. 1 (this "Amendment") to the Management Stockholders Agreement by and among PVF Holdings LLC (formerly known as McJ Holding LLC), a Delaware limited liability company (the "McJ Holding LLC"), McJunkin Red Man Holding Corporation (formerly known as McJ Holding Corporation), a Delaware corporation (the "Company"), and the other parties thereto, dated as of March 27, 2007 (the "Agreement") is effective as of December 21, 2007.

WHEREAS, pursuant to Section 10 of the Agreement, except as otherwise provided therein, no modification, amendment or waiver of any provision of the Agreement shall be effective unless such modification, amendment or waiver is approved in writing by Stockholders (as defined in the Agreement) holding a majority of the then outstanding common stock of the Company, par value $0.01 per share (the "Common Stock"); and

WHEREAS, the Stockholder of a majority of the outstanding Common Stock consented to the adoption and approval of this Amendment as of the date hereof.

1. Amendments.

1.1. The definition of "Cause" in Section 1 of the Agreement is hereby amended to add the following to the end of the definition:

For the purpose of the definition of "Cause," a reference to "Company" shall mean the Company or its applicable Affiliate that is the employer of the applicable Executive.

1.2. Section 5(a) of the Agreement is hereby amended to add the following after the first instance of the word "Company" in such subsection:

(or an applicable Affiliate that employs the Executive)

2. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the state of Delaware.

AMENDMENT NO. 2
TO THE
MANAGEMENT STOCKHOLDERS AGREEMENT

This Amendment No. 2 (this "Amendment") to the Management Stockholders Agreement by and among PVF Holdings LLC (formerly known as McJ Holding LLC), a Delaware limited liability company (the "McJ Holding LLC"), McJunkin Red Man Holding Corporation (formerly known as McJ Holding Corporation), a Delaware corporation (the "Company"), and the other parties thereto, dated as of March 27, 2007 and amended on December 21, 2007 (as amended, the "Agreement") is effective as of December 26, 2007.

WHEREAS, pursuant to Section 10 of the Agreement, except as otherwise provided therein, no modification, amendment or waiver of any provision of the Agreement shall be effective unless such modification, amendment or waiver is approved in writing by Stockholders (as defined in the Agreement) holding a majority of the then outstanding common stock of the Company, par value $0.01 per share (the "Common Stock"); and

WHEREAS, the Stockholders holding of a majority of the outstanding Common Stock consent to the adoption and approval of this Amendment as of the date hereof.

1. Amendment.

1.1. The definition of "Affiliate" in Section 1 of the Agreement is hereby amended to add the following to the end of the definition:

and (ii) Red Man Distributors LLC.

2. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the state of Delaware.

IN WITNESS WHEREOF, the undersigned has executed this Amendment, effective as of the date first above written.

PVF HOLDINGS LLC

By: /s/ J.F. UNDERHILL
Name: J.F. Underhill
Title: CFO

Exhibit 10.23

Execution Version

PHANTOM SHARES SURRENDER AGREEMENT, RELEASE AND WAIVER

THIS PHANTOM SHARE SURRENDER AGREEMENT, RELEASE AND WAIVER (this "Agreement") is made as of October 30, 2007 by and between Red Man Pipe & Supply Co., an Oklahoma corporation ("Red Man"), McJ Holding LLC, a Delaware limited liability company (the "Company") and Jeffrey Lang (the "Employee"), in connection with the closing of the transactions contemplated by the Stock Purchase Agreement, dated as of July 6, 2007 (the "Purchase Agreement"), between West Oklahoma PVF Company, a Delaware corporation ("Buyer"), Red Man, the Company, and the holders of all outstanding shares of stock of the Company who are signatories thereto (the "Shareholders"). Capitalized terms not otherwise defined herein shall have the same meaning as in the Purchase Agreement.

PRELIMINARY STATEMENT

The Employee has been awarded phantom shares related to Red Man (the "Phantom Shares") pursuant to the Red Man Pipe & Supply Co. Phantom Stock Plan (the "Plan"). The Employee desires to surrender all the Phantom Shares in exchange for the cash consideration set forth below.

NOW THEREFORE, in consideration of the premises, the mutual agreements and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, and intending to be legally bound hereby, the parties hereto hereby covenant and agree as follows:

ARTICLE I

SURRENDER OF PHANTOM SHARES

Section 1.1 *Surrender of Phantom Shares.* Effective as of the Closing, the Employee hereby irrevocably relinquishes, waives, disclaims and surrenders any and all rights, title and interest he may have with respect to all the Phantom Shares and any other options, warrants or other rights to acquire shares of capital stock of or equity interests in Red Man or similar securities or contractual obligations the value of which is derived from the value of an equity interest in Red Man (collectively, "Derivative Securities"), whether vested or unvested, and, except as provided herein, the Employee acknowledges that Red Man shall not have any further liability whatsoever after the Closing to the Employee with respect to the Phantom Shares or any such Derivative Securities or pursuant to the Plan.

Section 1.2 *Phantom Share Surrender Payments.*

(a) The Company agrees to pay the Employee the following payments (the "Surrender Payments"), less any withholding that the Company may be required to make, provided that the Employee remains continuously employed with the Company or its Affiliates until the relevant payment date:

(i) On January 1, 2008, $175,000.00, plus interest for the period from November 1, 2007 until the payment date, calculated at a rate equal to 4.88%, which is 120% of the short-term applicable Federal rate

(determined under Section 1274(d) of the Internal Revenue Code and the regulations thereunder), compounded semi-annually, as published by the Internal Revenue Service for November 2007 (the "Applicable Rate").

(ii) On October 31, 2008, $175,000.00, plus interest for the period from November 1, 2007 until the payment date, calculated at the Applicable Rate.

(iii) On January 1, 2009, $175,000.00, plus interest for the period from November 1, 2007 until the payment date, calculated at the Applicable Rate.

(b) Notwithstanding the foregoing, in the event that the Employee's employment is terminated prior to the payment of all of the Surrender Payments and such termination is due to (i) a termination by the Company without Cause, (ii) a termination by the Employee due to Good Reason or (iii) the Employee's death, any then unpaid Surrender Payments shall be immediately paid in full to the Employee; provided, however, that in no event shall the Surrender Payments be made prior to January 1, 2008.

(i) "Cause" shall mean the Employee's (A) continuing failure, for more than 10 days after the Company's written notice to the Employee thereof, to perform such duties as are reasonably requested by the Company; (B) failure to observe material policies generally applicable to officers or employees of the Company unless such failure is capable of being cured and is cured within 10 days of the Employee receiving written notice of such failure; (C) failure to cooperate with any internal investigation of the Company; (D) commission of any act of fraud, theft or financial dishonesty with respect to the Company or indictment or conviction of any felony; (E) material violation of the provisions of the Employment Agreement between the Company and the Employee dated as of the Closing Date unless such violation is capable of being cured and is cured within 10 days of the Employee receiving written notice of such violation; (F) chronic absenteeism; or (G) abuse of alcohol or another controlled substance.

(ii) "Good Reason" shall mean (A) a material and adverse change in the Employee's duties or responsibilities, (B) a reduction in the Employee's base salary or target annual bonus or (C) a relocation of the Employee's principal place of employment by more than 50 miles.

(c) If the Employee is a "specified employee" for purposes of Section 409A of the United States Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder, to the extent required to comply with Section 409A of the Code, any payments required to be made pursuant to Section 1.2(b) which are subject to Section 409A of the Code shall not commence until one day after the day which is 6 months from the date of termination of employment.

(d) In the event that the Employee's employment is terminated prior to the payment of all of the Surrender Payments and such payments are not accelerated pursuant to Section 1.2(b), then the Employee shall forfeit any then unpaid Surrender Payments (the "Forfeited Payments") and the Forfeited Payments shall be paid to the Shareholders within 30 days of the termination of Employee's employment in accordance with their respective Cash Proceeds Percentages as set forth on Exhibit B of the Purchase Agreement. The parties agree that the Shareholders are intended third party beneficiaries of this Section 1.2(d) and are entitled to enforce this section as if a party thereto.

Section 1.3 *Representations and Warranties of Employee.* The Employee hereby represents, warrants and acknowledges that as of the Closing the Employee will surrender the Phantom Shares free and clear of all liens or other encumbrances, except those liens that may arise as a result of (a) any actions taken by or on behalf of the Company and its Affiliates or (b) applicable securities laws.

Section 1.4 *Condition to Surrender.* The surrender of the Phantom Shares and payment of the related surrender payment under this Agreement is contingent on (i) the occurrence of the Closing and (ii) approval of this Agreement by 75% of the shareholders of the Company in accordance with Section 280G(b)(5) of the Code. If the Purchase Agreement is terminated or if the requisite shareholder approval is not obtained, this Agreement will be void and of no effect.

ARTICLE II

GENERAL PROVISIONS

Section 2.1 *Acknowledgement.* The Employee, on behalf of himself and on behalf of his spouse and all his heirs, predecessors, successors, assigns, representatives or agents (including, without limitation, any trust of which the Employee is the trustee or which is for the benefit of the Employee or a member of his family), to the fullest extent applicable law permits, hereby acknowledges that the payments made pursuant to this Agreement are in full satisfaction of any and all rights the Employee may have under the Phantom Shares.

Section 2.2 *Additional Deliveries.* The Employee, upon request, will execute and deliver any additional documents deemed by Red Man or the Company to be reasonably necessary or desirable to complete the surrender of the Phantom Shares contemplated hereby.

Section 2.3 *Parties in Interest.* This Agreement shall be binding upon and inure solely to the benefit of each party hereto and Buyer, the successors and assigns of Red Man, the Company and Buyer and the heirs and legal representatives of the Employee. Except for the Shareholders' potential right to payments pursuant to Section 1.2(d), nothing in this Agreement is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement except as expressly set forth herein.

Section 2.4 *Amendment and Waivers.* This Agreement and any of the provisions hereof may be amended, waived (either generally or in a particular instance and either

retroactively or prospectively), modified or supplemented, in whole or in part, only by written agreement signed by the parties hereto; provided, that, the observance of any provision of this Agreement may be waived in writing by the party that will lose the benefit of such provision as a result of such waiver. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach, except as otherwise explicitly provided for in such waiver. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

Section 2.5 *Notices.* Unless otherwise provided herein, all notices, requests, demands, claims and other communications provided for under the terms of this Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, (ii) facsimile during normal business hours, with confirmation of receipt, to the number indicated, (iii) reputable commercial overnight delivery service courier or (iv) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to the Company:

McJ Holding LLC
835 Hillcrest Drive
Charleston, WV 25311
Attention: General Counsel
Facsimile: 304-348-1557

and

8023 East 63rd Place, Suite 800
Tulsa, Oklahoma 74133
Attention: General Counsel
Facsimile: 918-461-5375

with a copy to:

GS Capital Partners V Fund, L.P.
85 Broad Street
New York, NY 10004
Attention: Jack Daly
Facsimile: 212-357-5505

and

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004
Attention: Robert C. Schwenkel, Esq.
Facsimile: 212-859-4000

If to the Employee:	Jeffrey Lang, during his employment at his principal office at the Company, and at all times to his principal residence as reflected in the records of the Company.

All such notices, requests, consents and other communications shall be deemed to have been given when received. Either party may change its facsimile number or its address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

Section 2.6 *General Interpretive Principles.* The name assigned this Agreement and headings of the sections, paragraphs, subparagraphs, clauses, and subclauses of this Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof. Words of inclusion shall not be construed as terms of limitation herein, so that references to "include," "includes" and "including" shall not be limiting and shall be regarded as references to non-exclusive and non-characterizing illustrations.

Section 2.7 *Governing Law.* THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OKLAHOMA, WITHOUT GIVING EFFECT TO ANY CONFLICTS OF LAW PROVISIONS.

Section 2.8 *Severability.* Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision or portion of any provision, in any other jurisdiction.

Section 2.9 *Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

Section 2.10 *Entire Agreement.* From and after the date first written above, this Agreement constitutes the entire agreement between the parties hereto, and supersedes all prior representations, agreements and understandings (including any prior course of dealings), both written and oral, between the parties hereto with respect to the subject matter hereof.

Section 2.11 *Section 409A Compliance.* This Agreement is intended to comply with Section 409A of the Code (to the extent applicable) and, to the extent it would not adversely impact the Company, the Company agrees to interpret, apply and administer this Agreement in the least restrictive manner necessary to comply with such requirements and without resulting in any diminution in the value of payments or benefits to Employee.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

RED MAN PIPE & SUPPLY COMPANY

By: /s/ Craig Ketchum
Name: CRAIG KETCHUM
Title: PRESIDENT & CEO

MCJ HOLDING LLC

By: /s/ Tom Graff
Name:
Title:

EMPLOYEE

By: /s/ Jeffrey Lang
Jeffrey Lang

Exhibit 10.24

Execution Verson

PHANTOM SHARES SURRENDER AGREEMENT, RELEASE AND WAIVER

THIS PHANTOM SHARE SURRENDER AGREEMENT, RELEASE AND WAIVER (this "Agreement") is made as of October 30, 2007 by and between Red Man Pipe & Supply Co., an Oklahoma corporation ("Red Man"), McJ Holding LLC, a Delaware limited liability company (the "Company") and Dee Paige (the "Employee"), in connection with the closing of the transactions contemplated by the Stock Purchase Agreement, dated as of July 6, 2007 (the "Purchase Agreement"), between West Oklahoma PVF Company, a Delaware corporation ("Buyer"), Red Man, the Company, and the holders of all outstanding shares of stock of the Company who are signatories thereto (the "Shareholders"). Capitalized terms not otherwise defined herein shall have the same meaning as in the Purchase Agreement.

PRELIMINARY STATEMENT

The Employee has been awarded phantom shares related to Red Man (the "Phantom Shares") pursuant to the Red Man Pipe & Supply Co. Phantom Stock Plan (the "Plan") and the Grant of Phantom Shares dated as of April 15, 2003 (the "Award Agreement"). The Employee desires to surrender all the Phantom Shares in exchange for the cash consideration set forth below.

NOW THEREFORE, in consideration of the premises, the mutual agreements and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, and intending to be legally bound hereby, the parties hereto hereby covenant and agree as follows:

ARTICLE I

SURRENDER OF PHANTOM SHARES

Section 1.1 *Surrender of Phantom Shares.* Effective as of the Closing, the Employee hereby irrevocably relinquishes, waives, disclaims and surrenders any and all rights, title and interest he may have with respect to all the Phantom Shares and any other options, warrants or other rights to acquire shares of capital stock of or equity interests in Red Man or similar securities or contractual obligations the value of which is derived from the value of an equity interest in Red Man (collectively, "Derivative Securities"), whether vested or unvested, and, except as provided herein, the Employee acknowledges that Red Man shall not have any further liability whatsoever after the Closing to the Employee with respect to the Phantom Shares or any such Derivative Securities or pursuant to the Plan or any Award Agreement.

Section 1.2 *Phantom Share Surrender Payments.*

(a) The Company agrees to pay the Employee the following payments (the "Surrender Payments"), less any withholding that the Company may be required to make, provided that the Employee remains continuously employed with the Company or its Affiliates until the relevant payment date:

(i) On January 1, 2008, $433,333.33, plus interest for the period from November 1, 2007 until the payment date, calculated at a rate equal to

4.88%, which is 120% of the short-term applicable Federal rate (determined under Section 1274(d) of the Internal Revenue Code and the regulations thereunder), compounded semi-annually, as published by the Internal Revenue Service for November 2007 (the "Applicable Rate").

(ii) On October 31, 2008, $433,333.33, plus interest for the period from November 1, 2007 until the payment date, calculated at the Applicable Rate.

(iii) On October 31, 2009, $433.333.33, plus interest for the period from November 1, 2007 until the payment date, calculated at the Applicable Rate.

(b) Notwithstanding the foregoing, in the event that the Employee's employment is terminated prior to the payment of all of the Surrender Payments and such termination is due to (i) a termination by the Company without Cause, (ii) a termination by the Employee due to Good Reason or (iii) the Employee's death, any then unpaid Surrender Payments shall be immediately paid in full to the Employee; provided, however, that in no event shall the Surrender Payments be made prior to January 1, 2008.

(i) "Cause" shall mean the Employee's (A) continuing failure, for more than 10 days after the Company's written notice to the Employee thereof, to perform such duties as are reasonably requested by the Company; (B) failure to observe material policies generally applicable to officers or employees of the Company unless such failure is capable of being cured and is cured within 10 days of the Employee receiving written notice of such failure; (C) failure to cooperate with any internal investigation of the Company; (D) commission of any act of fraud, theft or financial dishonesty with respect to the Company or indictment or conviction of any felony; (E) material violation of the provisions of the Employment Agreement between the Company and the Employee dated as of the Closing Date unless such violation is capable of being cured and is cured within 10 days of the Employee receiving written notice of such violation; (F) chronic absenteeism; or (G) abuse of alcohol or another controlled substance.

(ii) "Good Reason" shall mean (A) a material and adverse change in the Employee's duties or responsibilities, (B) a reduction in the Employee's base salary or target annual bonus or (C) a relocation of the Employee's principal place of employment by more than 50 miles.

(c) If the Employee is a "specified employee" for purposes of Section 409A of the United States Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder, to the extent required to comply with Section 409A of the Code, any payments required to be made pursuant to Section 1.2(b) which are

subject to Section 409A of the Code shall not commence until one day after the day which is 6 months from the date of termination of employment.

(d) In the event that the Employee's employment is terminated prior to the payment of all of the Surrender Payments and such payments are not accelerated pursuant to Section 1.2(b), then the Employee shall forfeit any then unpaid Surrender Payments (the "Forfeited Payments") and the Forfeited Payments shall be paid to the Shareholders within 30 days of the termination of Employee's employment in accordance with their respective Cash Proceeds Percentages as set forth on Exhibit B of the Purchase Agreement. The parties agree that the Shareholders are intended third party beneficiaries of this Section 1.2(d) and are entitled to enforce this section as if a party thereto.

Section 1.3 *Representations and Warranties of Employee.* The Employee hereby represents, warrants and acknowledges that as of the Closing the Employee will surrender the Phantom Shares free and clear of all liens or other encumbrances, except those liens that may arise as a result of (a) any actions taken by or on behalf of the Company and its Affiliates or (b) applicable securities laws.

Section 1.4 *Conditions to Surrender.* The surrender of the Phantom Shares and payment of the related surrender payment under this Agreement is contingent on (i) the occurrence of the Closing and (ii) approval of this Agreement by 75% of the shareholders of the Company in accordance with Section 280G(b)(5) of the Code. If the Purchase Agreement is terminated or if the requisite shareholder approval is not obtained, this Agreement will be void and of no effect.

ARTICLE II

GENERAL PROVISIONS

Section 2.1 *Acknowledgement.* The Employee, on behalf of himself and on behalf of his spouse and all his heirs, predecessors, successors, assigns, representatives or agents (including, without limitation, any trust of which the Employee is the trustee or which is for the benefit of the Employee or a member of his family), to the fullest extent applicable law permits, hereby acknowledges that the payments made pursuant to this Agreement are in full satisfaction of any and all rights the Employee may have under the Phantom Shares.

Section 2.2 *Additional Deliveries.* The Employee, upon request, will execute and deliver any additional documents deemed by Red Man or the Company to be reasonably necessary or desirable to complete the surrender of the Phantom Shares contemplated hereby.

Section 2.3 *Parties in Interest.* This Agreement shall be binding upon and inure solely to the benefit of each party hereto and Buyer, the successors and assigns of Red Man, the Company and Buyer and the heirs and legal representatives of the Employee. Except for the Shareholders' potential right to payments pursuant to Section 1.2(d), nothing in this Agreement is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement except as expressly set forth herein.

Section 2.4 *Amendment and Waivers.* This Agreement and any of the provisions hereof may be amended, waived (either generally or in a particular instance and either retroactively or prospectively), modified or supplemented, in whole or in part, only by written agreement signed by the parties hereto; provided, that, the observance of any provision of this Agreement may be waived in writing by the party that will lose the benefit of such provision as a result of such waiver. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach, except as otherwise explicitly provided for in such waiver. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

Section 2.5 *Notices.* Unless otherwise provided herein, all notices, requests, demands, claims and other communications provided for under the terms of this Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, (ii) facsimile during normal business hours, with confirmation of receipt, to the number indicated, (iii) reputable commercial overnight delivery service courier or (iv) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to the Company:

McJ Holding LLC
835 Hillcrest Drive
Charleston, WV 25311
Attention: General Counsel
Facsimile: 304-348-1557

and

8023 East 63rd Place, Suite 800
Tulsa, Oklahoma 74133
Attention: General Counsel
Facsimile: 918-461-5375

with a copy to:

GS Capital Partners V Fund, L.P.
85 Broad Street
New York, NY 10004
Attention: Jack Daly
Facsimile: 212-357-5505

and

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004

Attention: Robert C. Schwenkel, Esq.
Facsimile: 212-859-4000

If to the Employee: Dee Paige, during his employment
at his principal office at the Company, and
at all times to his principal residence as
reflected in the records of the Company.

All such notices, requests, consents and other communications shall be deemed to have been given when received. Either party may change its facsimile number or its address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

Section 2.6 *General Interpretive Principles.* The name assigned this Agreement and headings of the sections, paragraphs, subparagraphs, clauses, and subclauses of this Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof. Words of inclusion shall not be construed as terms of limitation herein, so that references to "include," "includes" and "including" shall not be limiting and shall be regarded as references to non-exclusive and non-characterizing illustrations.

Section 2.7 *Governing Law.* THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OKLAHOMA, WITHOUT GIVING EFFECT TO ANY CONFLICTS OF LAW PROVISIONS.

Section 2.8 *Severability.* Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision or portion of any provision, in any other jurisdiction.

Section 2.9 *Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

Section 2.10 *Entire Agreement.* From and after the date first written above, this Agreement constitutes the entire agreement between the parties hereto, and supersedes all prior representations, agreements and understandings (including any prior course of dealings), both written and oral, between the parties hereto with respect to the subject matter hereof.

Section 2.11 *Section 409A Compliance.* This Agreement is intended to comply with Section 409A of the Code (to the extent applicable) and, to the extent it would not adversely impact the Company, the Company agrees to interpret, apply and administer this Agreement in the least restrictive manner necessary to comply with such requirements and without resulting in any diminution in the value of payments or benefits to Employee.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

RED MAN PIPE & SUPPLY COMPANY

By: /s/ Craig Ketchum
Name: CRAIG KETCHUM
Title: PRESIDENT & CEO

MCJ HOLDING LLC

By: /s/ Tom Graff
Name:
Title:

EMPLOYEE

/s/ Dee Paige
Dee Paige

Exhibit 10.27

Execution Copy

AMENDED AND RESTATED
LIMITED LIABILITY COMPANY OPERATING AGREEMENT
OF
RED MAN DISTRIBUTORS LLC

Table of Contents

AMENDED AND RESTATED LIMITED LIABILITY COMPANY OPERATING
AGREEMENT OF
RED MAN DISTRIBUTORS LLC

This Amended and Restated Limited Liability Company Operating Agreement of Red Man Distributors LLC (the "**Company**"), is dated as of September 18, 2008, between Craig Ketchum, Kevin Ketchum, Brian Ketchum and Kent Ketchum (each, a "**Ketchum Member**" and, collectively, the "**Ketchum Members**"), McJunkin Red Man Corporation, a West Virginia corporation ("**MRM**"), and the Company. The Ketchum Members and MRM each may be referred to individually as a "Member," or collectively as the "Members." Any capitalized term used herein without definition shall have the meaning set forth in Article XIV.

WITNESSETH:

WHEREAS, on November 1, 2007 the Members entered into an agreement establishing and setting forth their agreement with respect to certain rights and obligations associated with their interests in the Company (the "**Original Agreement**").

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and obligations hereinafter set forth, the parties hereto hereby agree to amend and restate the Original Agreement as follows:

ARTICLE I

FORMATION OF THE COMPANY

Section 1.1 Formation. The Company was formed by the filing of Articles of Organization with the Secretary of the State of Oklahoma on November 1, 2007.

Section 1.2 Company Name. The name of the Company is "Red Man Distributors LLC". The business of the Company may be conducted under such other names as the Board may from time to time designate, provided that the Company complies with all relevant state laws relating to the use of fictitious and assumed names.

Section 1.3 The Articles, etc. Each Director is hereby authorized to execute, deliver, file and record all such other certificates and documents, including amendments to or restatements of the Articles, and to do such other acts as may be appropriate to comply with all requirements for the formation, continuation and operation of a limited liability company, the ownership of property, and the conduct of business under the laws of the State of Oklahoma and any other jurisdiction in which the Company may own property or conduct business.

Section 1.4 Term of Company. The term of the Company commenced on the date of the initial filing of the Articles with the Secretary of State of the State of Oklahoma. The Company may be terminated in accordance with the terms and provisions hereof, and shall continue unless and until dissolved as provided in Article XII. The existence of the Company as

a separate legal entity shall continue until the cancellation of the Articles as provided in the Oklahoma Act.

Section 1.5 Registered Agent and Office. The Company's registered agent and office in the State of Oklahoma is Kevin Ketchum, 8023 E. 63rd Place, Suite 800, Tulsa, Oklahoma 74133. The Board may designate another registered agent and/or registered office from time to time in accordance with the then applicable provisions of the Oklahoma Act and any other applicable laws.

Section 1.6 Principal Place of Business. The principal place of business of the Company is located at 8023 East 63rd Place, Suite 600, Tulsa, Oklahoma 74133. The location of the Company's principal place of business may be changed by the Board from time to time in accordance with the then applicable provisions of the Oklahoma Act and any other applicable laws.

Section 1.7 Qualification in Other Jurisdictions. Any authorized person of the Company shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

Section 1.8 Fiscal Year. The fiscal year of the Company for financial accounting purposes shall end on December 31.

ARTICLE II

PURPOSE AND POWERS OF THE COMPANY

Section 2.1 Purpose. The purposes of the Company are, and the nature of the business to be conducted and promoted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Oklahoma Act and engaging in all acts or activities as the Company deems necessary, advisable or incidental to the furtherance of the foregoing.

Section 2.2 Powers of the Company. The Company shall have the power and authority to take any and all actions that are necessary, appropriate, advisable, convenient or incidental to or for the furtherance of the purposes set forth in Section 2.1; provided that without the consent of MRM, the Company shall not have the power or authority to take any action that would result in any Member of the Company having (a) "unrelated business taxable income" (as that term is defined in Section 512(a) of the Code) or (b) income which is "effectively connected with the conduct of a trade or business within the United States" (within the meaning of the Code).

Section 2.3 Certain Tax Matters. The Company shall not elect, and the Board shall not permit the Company to elect, to be treated as an association taxable as a corporation for U.S. federal, state or local income tax purposes under Treasury Regulations section 301.7701-3 or under any corresponding provision of state or local law. The Company and the Board shall not

permit the registration or listing of the Interests on an "established securities market," as such term is used in Treasury Regulations section 1.7704-1.

ARTICLE III

MANAGEMENT

Section 3.1 Board.

(a) Generally. The business and affairs of the Company shall be managed by or under the direction of a Board of Directors (the "**Board**") consisting of such number of natural persons (each a "**Director**") as shall be established in accordance with this Section 3.1. Directors need not be Members. Subject to the provisions of this Article IV, the Board shall have full, exclusive and complete discretion to manage and control the business and affairs of the Company, including to delegate to agents, officers and employees of the Company, and to make all decisions affecting the business and affairs of the Company and to take all such actions as it deems necessary or appropriate to accomplish the purposes of the Company as set forth herein, including, without limitation, to exercise all of the powers of the Company set forth in Section 2.2 of this Agreement.

(b) Board Composition.

(i) The Board shall be comprised of five (5) Directors.

(ii) Subject to Section 3.1(c), (A) Ketchum Members holding greater than 50% of the number of Units held by all Ketchum Members shall have the right to designate three (3) Directors (the persons from time to time designated by the Ketchum Members in accordance with the foregoing being referred to herein as the "**Ketchum Directors**"), and (B) MRM shall have the right to designate two (2) Directors (the persons from time to time designated by MRM in accordance with the foregoing being referred to herein as the "**MRM Directors**"). As of the date hereof, (i) the Ketchum Directors shall be Craig Ketchum, Kent Ketchum, and Brian Ketchum, and (ii) the MRM Directors shall initially be Stephen W. Lake and Dee Paige.

(iii) Each person named as a Director herein or subsequently appointed as a Director is hereby designated as a "manager" (within the meaning of the Oklahoma Act) of the Company. Except as otherwise provided herein, and notwithstanding the first sentence of Section 2019 of the Oklahoma Act, no single Director shall have the authority to bind the Company, and the Board shall have the power to act only collectively in accordance with the provisions and in the manner specified herein.

(c) Board Vacancies; Resignation; Removal.

(i) Subject to Section 3.1(c)(ii), each Director shall hold his office until his death or until his successor shall have been duly elected and qualified in accordance with this Section 3.1. If any Ketchum Director shall cease for any reason to serve as a Director (including for Director Cause pursuant to Section 3.1(c)(ii)), the vacancy resulting thereby shall be filled by another person designated by Ketchum Members holding greater than 50% of the number of

Units held by all Ketchum Members. If any MRM Director shall cease for any reason to serve as a Director (including for Director Cause pursuant to Section 3.1(c)(ii)), the vacancy resulting thereby shall be filled by another person designated by MRM.

(ii) (A) The removal from the Board of any Ketchum Director shall be only at the written request of Ketchum Members holding greater than 50% of the number of Units held by all Ketchum Members, and (B) the removal from the Board of any MRM Director shall be only at the written request of MRM. Upon receipt of any such written request, the Board and the Members shall promptly take all such action necessary or desirable to cause the removal of such Director from office. Notwithstanding the foregoing, any Ketchum Director may be removed for Director Cause by MRM, and any MRM Director may be removed for Director Cause by Ketchum Members holding greater than 50% of the number of Units held by all Ketchum Members. Upon removal from the Board, such Director shall cease to be a "manager" (within the meaning of the Oklahoma Act).

(d) Meetings of the Board. The Board shall meet at least once every quarter, at such time as determined by the Board to discuss the business of the Company. The Board may hold meetings either within or without the State of Oklahoma. The Company and the Board shall give all Directors at least two days' prior notice of all meetings of the Board. Special meetings of the Board may be called by any Director.

(e) Quorum and Acts of the Board. At all meetings of the Board, a quorum shall consist of all Directors. Except as set forth in Section 3.4, all actions of the Board shall require the affirmative vote of at least a majority of the votes held by all Directors (whether or not present at the meeting) and each Director shall be entitled to one vote on each matter that comes before the Board. Any action that may be taken at a meeting of the Board may also be taken by written consent of Directors holding the minimum number of the votes of Directors necessary to authorize or take such action.

(f) Telephonic Board Meetings. The Company shall take or cause to be taken all necessary actions to allow any Director to attend telephonically any meeting of the Board or any committee thereof.

(g) Expenses. The Company shall pay the reasonable out-of-pocket expenses incurred by each Director in connection with performing his duties as a Director, including, without limitation, the reasonable out-of-pocket expenses incurred by such person for attending meetings of the Board or meetings of any board of directors or other similar managing body of any Subsidiary of the Company.

Section 3.2 Directors as Agents. The Directors, to the extent of their powers set forth in this Agreement, are agents of the Company for the purpose of the Company's business, and the actions of the Directors taken in accordance with such powers shall bind the Company.

Section 3.3 Officers. The Board shall appoint an individual or individuals to serve as the Company's Chairman, Chief Executive Officer, President and Vice President(s) and may, from time to time as it deems advisable, appoint additional officers of the Company (together

with the Chairman, Chief Executive Officer, President and Vice President(s), the "**Officers**") and assign such officers titles (including, without limitation, Vice President, Secretary and Treasurer). Unless the Board decides otherwise, if the title is one commonly used for officers of a business corporation formed under the Oklahoma General Corporation Act, the assignment of such title shall constitute the delegation to such person of the authorities and duties that are normally associated with that office. Any delegation pursuant to this Section 3.3 may be revoked at any time by the Board. Any Officer may be removed with or without cause by the Board, except as otherwise provided in any services or employment agreement between such Officer and the Company.

Section 3.4 Affiliate Transactions. Notwithstanding anything to the contrary in this Agreement, each of the Members shall not, and shall not permit any of their Affiliates to, directly or indirectly (or agree to or delegate any Person to), without the prior written consent of MRM and Ketchum Members holding a majority of the Common Units held by all Ketchum Members, (a) enter into any transactions (except as expressly contemplated by this Agreement or the Services Agreement) with the Company, or any Subsidiary of the Company, or (b) acquire any securities of the Company.

ARTICLE IV

MEMBERS AND INTERESTS GENERALLY

Section 4.1 Powers of Members. The Members shall have the power to exercise any and all rights or powers granted to the Members pursuant to the Oklahoma Act and the express terms of this Agreement. The approval or consent of the Members shall not be required in order to authorize the taking of any action by the Company unless and then only to the extent that (a) this Agreement shall expressly provide therefor, (b) such approval or consent shall be required by non-waivable provisions of the Oklahoma Act or (c) the Board shall have determined in its sole discretion that obtaining such approval or consent would be appropriate or desirable. The Members, as such, shall have no power to bind the Company.

Section 4.2 Interests Generally. As of the date hereof, the Company has one authorized class of Interests: Common Units. Subject to the terms of this Agreement, additional classes of Interests denominated in the form of Units may be authorized from time to time by the Board without obtaining the consent of any Member or class of Members. Except as otherwise provided in this Agreement, Units in a particular class may be issued from time to time, at such prices and on such terms as the Board may determine, without obtaining the consent of any Member or class of Members. The holders of Common Units will have voting rights with respect to their Common Units as provided in Section 4.3(d) and shall have the rights with respect to profits and losses of the Company and distributions from the Company as are set forth herein. The number of Common Units of each Member as of any given time shall be set forth on Schedule A, as it may be updated from time to time in accordance with this Agreement.

Section 4.3 Meetings of Members.

(a) Meetings; Notice of Meetings. Meetings of the Members may be called by the Board or any Member from time to time. Notice of any such meeting shall be given to all Members entitled to vote at such meeting not less than two nor more than 60 days prior to the date of such meeting and shall state the location, date and hour of the meeting and, in the case of a special meeting, the nature of the business to be transacted. Meetings shall be held at the location (within or without the State of Oklahoma) at the date and hour set forth in the notice of the meeting.

(b) Waiver of Notice. No notice of any meeting of Members need be given to any Member who submits a signed waiver of notice, whether before or after the meeting. Neither the business to be transacted at, nor the purpose of, any meeting of the Members need be specified in a written waiver of notice. The attendance of any Member at a meeting of Members shall constitute a waiver of notice of such meeting, except when the Member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened.

(c) Quorum. Except as otherwise required by applicable law or by this Agreement, the presence in person or by proxy of the holders of record of all of the Common Units, shall constitute a quorum for the transaction of business at such meeting.

(d) Voting. If the Board has fixed a record date, every holder of record of Common Units shall be entitled to vote at a meeting of Members or to consent in writing in lieu of a meeting of Members as of such date and shall be entitled to one vote for each Common Unit outstanding in such Member's name at the close of business on such record date. If no record date has been so fixed, then every holder of record of such Common Units entitled to vote at a meeting of Members or to consent in writing in lieu of a meeting of Members shall be entitled to one vote for each such Unit outstanding in such Member's name at the close of business on the day next preceding the day on which notice of the meeting is given or the first consent in respect of the applicable action is executed and delivered to the Company, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

(e) Proxies. Each Member may authorize any Person to act for such Member by proxy on all matters in which a Member is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed by the Member or such Member's attorney-in-fact. No proxy shall be valid after the expiration of three years from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it unless otherwise provided in such proxy, provided that such right to revocation shall not invalidate or otherwise affect actions taken under such proxy prior to such revocation.

(f) Organization. Each meeting of Members shall be conducted by such Person as the Board may designate.

(g) Action Without a Meeting. Unless otherwise provided in this Agreement, any action which may be taken at any meeting of the Members 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 Members holding not less than the minimum number of Common Units necessary to authorize or take such action at a meeting at which a quorum was present.

Section 4.4 Business Transactions of a Member with the Company. A Member may lend money to, borrow money from, act as surety or endorser for, guarantee or assume one or more specific obligations of, provide collateral for, or transact any other business with the Company or any of its Subsidiaries, provided that any such transaction shall require the approval of the Board.

Section 4.5 No Cessation of Membership upon Bankruptcy. A Person shall not cease to be a Member of the Company upon the happening, with respect to such Person, of any assignment for the benefit of creditors, filing of a voluntary petition in bankruptcy, seeking the appointment of a trustee, receiver or liquidator or other similar event.

Section 4.6 Confidentiality. Without the prior written consent of the Board, except (a) to the extent required by law, rule, regulation or court order, (b) for disclosure made by a Member to any Person who is an officer, director, employee or agent of such Member or counsel to, accountants of, consultants to or other advisors for, such Member, and (c) for disclosure to the shareholders, limited partners, partners or members of a Member and their respective advisors; provided any disclosure pursuant to this clause (c) is generally consistent with the scope and nature of disclosure made by a Member to such Persons in respect of such Member's other investments, no Member shall disclose any trade secrets, customer lists, drawings, designs, information regarding product development, marketing plans, sales plans, management organization information (including data and other information relating to members of the Board or management), operating policies or manuals, business plans, financial records, packaging design or other financial, commercial, business or technical information relating to the Company or any of its Subsidiaries or information designated as confidential or proprietary that the Company or any of its Subsidiaries may receive belonging to suppliers, customers or others who do business with the Company or any of its Subsidiaries (collectively, "**Confidential Information**") to any third Person unless such Confidential Information has been previously disclosed to the public by the Company or any of its Subsidiaries or is in the public domain (other than by reason of such Member's breach of this Section 4.6).

Section 4.7 Other Business for MRM. The Company and each of the Members agrees and acknowledges that MRM or any of its Affiliates, or any of its or their respective partners, officers, members, shareholders, subsidiaries, directors, employees, agents, consultants, or legal or other advisors may at any time possess or acquire knowledge of a potential transaction or matter which may be a Competitive Opportunity and may exploit a Competitive Opportunity or engage in, or hold interests in, one or more businesses that may compete with a business of the Company or any of its Subsidiaries. The Company and the Ketchum Members agree and acknowledge that neither the Company nor any of its Subsidiaries shall have an interest in such Competitive Opportunity, or expectation that such Competitive Opportunity be offered to it, any such interest or expectation being hereby renounced so that MRM and its respective Affiliates,

and its and their respective partners, officers, members, shareholders, subsidiaries, directors, employees, agents, consultants, or legal or other advisors (i) shall have no duty to communicate or present such Competitive Opportunity to the Company or any of its Subsidiaries, (ii) shall have the right to hold any such Competitive Opportunity for their own account, or to recommend, assign or otherwise transfer such Competitive Opportunity to Persons other than the Company or any of its Subsidiaries and (iii) shall not be liable to the Company or any of its Subsidiaries or their respective members or shareholders by reason of the fact that they pursue or acquire such Competitive Opportunity for themselves, direct, sell, assign or otherwise transfer such Competitive Opportunity to another Person, do not communicate information regarding such Competitive Opportunity to the Company or any of its Subsidiaries, or engage in, or hold any interest in, any business that competes with any business of the Company or any of its Subsidiaries.

Section 4.8 Preemptive Rights.

(a) Subject to the terms and conditions of this Section 4.8, if the Company or any of its Subsidiaries proposes to issue or sell any Units or other securities of the Company or any of its Subsidiaries ("Additional Securities") to any Person, the Company shall first offer a portion of such Additional Securities to MRM, as set forth in this Section 4.8. MRM shall be entitled to apportion the right of first offer hereby granted to it among itself and its Affiliates in such proportions as it deems appropriate.

(b) The Company shall provide written notice (the "Participation Notice") to MRM of the material terms of the proposed issuance of Additional Securities, including (i) its or its Subsidiaries' bona fide intention to offer such Additional Securities, (ii) the number of such Additional Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such Additional Securities.

(c) By notification to the Company within twenty (20) days after the Participation Notice is given, MRM may elect to purchase or otherwise acquire, at the price and on the terms specified in the Participation Notice, up to that portion of such Additional Securities which equals the proportion that the Units or other securities issued and held by MRM (directly or indirectly) bears to the total Units or other securities of the Company or its Subsidiaries then outstanding (the "Preemption Right"). If MRM fails to exercise its Preemption Right in whole or in part within twenty (20) days of receipt of the Participation Notice, the Additional Securities in respect of which the Preemption Right is not exercised may be offered by the Company or any of its Subsidiaries to any other Person on terms no less favorable to the Company or its Subsidiaries than those offered to MRM.

(d) Notwithstanding anything to the contrary contained in this Agreement, in no event shall the Company or any of its Subsidiaries issue or sell any Additional Securities if such issuance would cause the Company to be decertified under the certification requirements of any State or Federal minority supplier development council (or similar certifications).

ARTICLE V

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 5.1 Investment Representations, Warranties and Covenants of Members.

(a) Investment Intention and Restrictions on Disposition. Each Member represents and warrants that such Member is acquiring the Interests solely for such Member's own account for investment and not with a view to resale in connection with any distribution thereof.

(b) Securities Laws Matters. Each Member acknowledges receipt of advice from the Company that (i) the Interests have not been registered under the Securities Act or qualified under any state securities or "blue sky" laws; (ii) it is not anticipated that there will be any public market for the Interests; (iii) the Interests must be held indefinitely and such Member must continue to bear the economic risk of the investment in the Interests unless the Interests are subsequently registered under the Securities Act and such state laws or an exemption from registration is available; (iv) Rule 144 is not presently available with respect to sales of any securities of the Company and the Company has made no covenant to make Rule 144 available and Rule 144 is not anticipated to be available in the foreseeable future; (v) when and if the Interests may be disposed of without registration in reliance upon Rule 144, such disposition can be made only in limited amounts and in accordance with the terms and conditions of such Rule and the provisions of this Agreement; (vi) if the exemption afforded by Rule 144 is not available, public sale of the Interests without registration will require the availability of an exemption under the Securities Act; (vii) restrictive legends shall be placed on any certificate representing the Interests; and (viii) a notation shall be made in the appropriate records of the Company indicating that the Interests are subject to restrictions on transfer and, if the Company should in the future engage the services of a transfer agent, appropriate stop-transfer instructions will be issued to such transfer agent with respect to the Interests.

(c) Ability to Bear Risk. Each Member represents and warrants that (i) such Member's financial situation is such that such Member can afford to bear the economic risk of holding the Interests for an indefinite period and (ii) such Member can afford to suffer the complete loss of such Member's investment in the Interests.

(d) Access to Information; Sophistication; Lack of Reliance. Each Member represents and warrants that (i) such Member is familiar with the business and financial condition, properties, operations and prospects of the Company and that such Member has been granted the opportunity to ask questions of, and receive answers from, representatives of the Company concerning the Company and the terms and conditions of the purchase of the Interests and to obtain any additional information that such Member deems necessary; (ii) such Member's knowledge and experience in financial and business matters is such that such Member is capable of evaluating the merits and risk of the investment in the Interests; and (iii) such Member has carefully reviewed the terms and provisions of this Agreement and has evaluated the restrictions and obligations contained therein. In furtherance of the foregoing, each Member represents and warrants that (i) no representation or warranty, express or implied, whether written or oral, as to the financial condition, results of operations, prospects, properties or business of the Company or

as to the desirability or value of an investment in the Company has been made to such Member by or on behalf of the Company; (ii) such Member has relied upon such Member's own independent appraisal and investigation, and the advice of such Member's own counsel, tax advisors and other advisors, regarding the risks of an investment in the Company; and (iii) such Member will continue to bear sole responsibility for making its own independent evaluation and monitoring of the risks of its investment in the Company.

(e) Accredited Investor. Each Member represents and warrants that such Member is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act and, in connection with the execution of this Agreement, agrees to deliver such certificates to that effect as the Board may request.

Section 5.2 Covenant Not to Compete. Other than the distribution of oil country tubular goods in North America, the Company shall not, anywhere in the world, directly or indirectly, engage or otherwise participate, whether as an agent, director, officer, shareholder, partner, joint venturer, investor, consultant, advisor, or otherwise, in any business in which, at the time the Company first engages or participates in such business, MRM or any of its Affiliates is then engaged.

Section 5.3 Independent Accountants. Notwithstanding anything to the contrary in this Agreement, the Company shall not, and neither the Company nor the Board shall permit any of the Company's Subsidiaries or Officers to, directly or indirectly (or agree to or delegate any Person to), replace the Company's independent accountants with an accounting firm that is not a nationally-recognized independent accounting firm.

ARTICLE VI

CAPITAL ACCOUNTS; CAPITAL CONTRIBUTIONS

Section 6.1 Capital Accounts. A separate capital account (a "**Capital Account**") shall be established and maintained for each Member. The initial balance in each Member's Capital Account shall be set forth in Schedule A.

Section 6.2 Adjustments. The balance in each Member's Capital Account shall be adjusted by (i) increasing such balance by such Member's (A) allocable share of items of income and gain (allocated in accordance with Section 7.1) and (B) the amount of cash and the Fair Market Value of any property (as of the date of the contribution thereof and net of any liabilities encumbering such property) contributed to the Company by such Member, and (ii) decreasing such balance by (A) the amount of cash and the Fair Market Value of any property (as of the date of the distribution thereof and net of any liabilities encumbering such property) distributed to such Member and (B) such Member's allocable share of items of loss and deduction (allocated in accordance with Section 7.1). Each Member's Capital Account shall be further adjusted with respect to any special allocations pursuant to Section 7.2. The provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations section 1.704-1(b) and section 1.704-2 and shall be interpreted and applied in a manner consistent with such Treasury Regulations.

Section 6.3 Additional Capital Contributions. Except as provided in this Section 6.3, no Member shall be required to make any additional Capital Contribution to the Company in respect of the Interests then owned by such Member (including, without limitation, with respect to any amount owed by the Company pursuant to Article XI). A Member may make further Capital Contributions to the Company, but only with the written consent of the Board. The provisions of this Section 6.3 are intended solely to benefit the Members and, to the fullest extent permitted by applicable law, shall not be construed as conferring any benefit upon any creditor of the Company (and no such creditor shall be a third party beneficiary of this Agreement), and, to the maximum extent permitted by law, no Member shall have any duty or obligation to any creditor of the Company to make any additional Capital Contributions or to cause the Board to consent to the making of additional Capital Contributions.

Section 6.4 Negative Capital Accounts. No Member shall be required to make up a negative balance in its Capital Account.

ARTICLE VII

ALLOCATIONS

Section 7.1 Book Allocations of Income and Loss. Except as provided in Section 7.2, each item of income, gain, loss and deduction of the Company shall be allocated among the Capital Accounts as of the end of the applicable Accounting Period in a manner that as closely as possible gives effect to the provisions of Article VIII and the other relevant provisions of this Agreement.

Section 7.2 Special Book Allocations.

(a) Qualified Income Offset. If any Member unexpectedly receives any adjustment, allocation or distribution described in Treasury Regulations section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) and such adjustment, allocation or distribution causes or increases a deficit in such Member's Capital Account (a "**Deficit**"), items of gross income and gain for such Accounting Period and each subsequent Accounting Period shall be specifically allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Deficit of such Member as quickly as possible; provided that an allocation pursuant to this Section 7.2(a) shall be made only if and to the extent that such Member would have a Deficit after all other allocations provided for in this Article VII have been tentatively made as if this Section 7.2(a) were not in this Agreement. This Section 7.2(a) is intended to comply with the qualified income offset provision of Treasury Regulations section 1.704-1(b)(2)(ii)(d) and shall be interpreted in a manner consistent therewith.

(b) Restorative Allocations. Any special allocations of items of income or gain pursuant to this Section 7.2 shall be taken into account in computing subsequent allocations pursuant to this Agreement, so that the net amount for any item so allocated and all other items allocated to each Member pursuant to this Agreement shall be equal, to the extent possible, to the net amount that would have been allocated to each Member pursuant to the provisions of this Agreement if such special allocations had not occurred.

(c) Allocation Adjustments. Notwithstanding anything to the contrary herein, the Board is authorized to allocate items of income, gain, loss and expense and to otherwise modify the distributions and allocations provisions, to reflect any admission of new Members, or distributions of property, as determined by the Board in its sole discretion.

Section 7.3 Tax Allocations. The income, gains, losses, credits and deductions recognized by the Company shall be allocated among the Members, for U.S. federal, state and local income tax purposes, to the extent permitted under the Code and the Treasury Regulations, in the same manner that each such item is allocated to the Members' Capital Accounts. Notwithstanding the foregoing, the Board shall have the power to make such allocations for U.S. federal, state and local income tax purposes so long as such allocations have substantial economic effect, or are otherwise in accordance with the Members' Interests, in each case within the meaning of the Code and the Treasury Regulations. In accordance with section 704(c) of the Code and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for U.S. federal income tax purposes and its fair market value at the time of contribution.

ARTICLE VIII

DISTRIBUTIONS

Section 8.1 Distributions Generally. In the sole discretion of the Board, the Company may from time to time distribute its available cash to the Members on a pro rata basis in proportion to the number of Common Units outstanding at the time of such distribution.

Section 8.2 Distributions In Kind. In the event of a distribution of Company property, such property shall for all purposes of this Agreement be deemed to have been sold at its Fair Market Value and the proceeds of such sale shall be deemed to have been distributed to the Members.

Section 8.3 No Withdrawal of Capital. Except as otherwise expressly provided in Section 12.10 or Article XII, no Member shall have the right to withdraw capital from the Company or to receive any distribution or return of such Member's Capital Contributions.

Section 8.4 Withholding.

(a) Each Member shall, to the fullest extent permitted by applicable law, indemnify and hold harmless each Person who is or who is deemed to be the responsible withholding agent for U.S. federal, state or local income tax purposes against all claims, liabilities and expenses of whatever nature (other than any claims, liabilities and expenses in the nature of penalties and accrued interest thereon that result from such Person's fraud, willful misfeasance, bad faith or gross negligence) relating to such Person's obligation to withhold and to pay over, or otherwise pay, any withholding or other taxes payable by the Company or as a result of such Member's participation in the Company.

(b) Notwithstanding any other provision of this Article VIII, (i) each Member hereby authorizes the Company to withhold and to pay over, or otherwise pay, any withholding or other taxes payable by the Company or any of its Affiliates with respect to such Member or as a result of such Member's participation in the Company and (ii) if and to the extent that the Company shall be required to withhold or pay any such taxes (including any amounts withheld from amounts payable to the Company to the extent attributable, in the judgment of the Members, to such Member's Interest), such Member shall be deemed for all purposes of this Agreement to have received a payment from the Company as of the time such withholding or tax is required to be paid, which payment shall be deemed to be a distribution with respect to such Member's Interest to the extent that the Member (or any successor to such Member's Interest) is then entitled to receive a distribution. To the extent that the aggregate of such payments to a Member for any period exceeds the distributions to which such Member is entitled for such period, such Member shall make a prompt payment to the Company of such amount.

(c) If the Company makes a distribution in kind and such distribution is subject to withholding or other taxes payable by the Company on behalf of any Member, such Member shall make a prompt payment to the Company of the amount of such withholding or other taxes by wire transfer.

Section 8.5 Restricted Distributions. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to any Member on account of its Interest if such distribution would violate Sections 2030 or 2040 of the Oklahoma Act or other applicable law.

Section 8.6 Tax Distributions. In the event that the Members are otherwise allocated taxable income from the Company, the Company may make distributions to the Members to the extent of available cash (as determined by the Board in its discretion) in an amount equal to such income multiplied by a reasonable tax rate determined by the Board; it being understood that, if the Members are allocated material taxable income without corresponding cash distributions sufficient to pay the resulting tax liabilities, it is the Company's intention to make the tax distributions referred to herein, provided that the Board in its sole discretion shall determine whether any such tax distributions will be made. Any distributions made to a Member pursuant to this Section 8.6 shall reduce the amount otherwise distributable to such Member pursuant to the other provisions of this Agreement, so that to the maximum extent possible, the total amount of distributions received by each Member pursuant to this Agreement at any time is the same as such Member would have received if no distribution had been made pursuant to this Section 8.6. To the extent the cumulative sum of tax distributions made to a Member under this Section 8.6 has not been applied pursuant to the preceding sentence to reduce other amounts distributable to such Member, such Member shall contribute to the Company the remaining amounts necessary to give full effect to the preceding sentence on the date of the final liquidating distribution made by the Company pursuant to Section 12.2.

ARTICLE IX

BOOKS AND RECORDS

Section 9.1 Books, Records and Financial Statements. At all times during the continuance of the Company, the Company shall maintain, at its principal place of business, in addition to information required to be maintained under the Oklahoma Act, separate books of account for the Company that shall show a true and accurate record of all costs and expenses incurred, all charges made, all credits made and received and all income derived in connection with the operation of the Company's business in accordance with generally accepted accounting principles consistently applied, and, to the extent inconsistent therewith, in accordance with this Agreement. Such books of account, together with a copy of this Agreement and the Articles, shall at all times be maintained at the principal place of business of the Company and shall be open to inspection and examination at reasonable times by each Member and its duly authorized representative for any purpose reasonably related to such Member's Interest.

Section 9.2 Filings of Returns and Other Writings; Tax Matters Partner.

(a) The Company shall timely file all Company tax returns and shall timely file all other writings required by any governmental authority having jurisdiction to require such filing. Within ninety (90) days after the end of each taxable year (or as soon as reasonably practicable thereafter), the Company shall send to each Person that was a Member at any time during such year copies of Schedule K-1, "Partner's Share of Income, Credits, Deductions, Etc.", or any successor schedule or form, with respect to such Person, together with such additional information as may be necessary for such Person to file his, her or its United States federal income tax returns.

(b) MRM shall be the tax matters partner of the Company, within the meaning of section 6231 of the Code (the "**Tax Matters Partner**"). Each Member hereby consents to such designation and agrees that upon the request of the Tax Matters Partner, such Member will execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such consent. The Tax Matters Partner shall, in its sole discretion, determine whether to make or revoke any tax election available to the Company pursuant to the Code.

(c) Promptly following the written request of the Tax Matters Partner, the Company shall, to the fullest extent permitted by applicable law, reimburse and indemnify the Tax Matters Partner for all reasonable expenses, including reasonable legal and accounting fees, claims, liabilities, losses and damages incurred by the Tax Matters Partner in connection with any administrative or judicial proceeding with respect to the tax liability of the Members, except to the extent arising from the bad faith, gross negligence, willful violation of law, fraud or breach of this Agreement by such Tax Matters Partner.

(d) The provisions of this Section 9.2 shall survive the termination of the Company or the termination of any Member's Interest and shall remain binding on the Members for as long a

period of time as is necessary to resolve with the Internal Revenue Service any and all matters regarding the U.S. federal income taxation of the Company or the Members.

Section 9.3 Accounting Method. For both financial and tax reporting purposes, the books and records of the Company shall be kept on the accrual method of accounting applied in a consistent manner and shall reflect all Company transactions and be appropriate and adequate for the Company's business.

ARTICLE X

LIABILITY, EXCULPATION AND INDEMNIFICATION

Section 10.1 Liability. Except as otherwise provided by the Oklahoma Act or other applicable law, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Covered Person shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Covered Person.

Section 10.2 Exculpation. Except as otherwise provided by the Oklahoma Act or other applicable law, no Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any act or omission of such Covered Person in good faith on behalf of the Company and in a manner believed to be within the scope of authority conferred on such Covered Person by this Agreement, provided that nothing contained herein shall limit or eliminate the liability of a Director for (i) any breach of the Director's duty of loyalty to the Company or its Members, (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (iii) any transaction from which the Director derived an improper personal benefit.

Section 10.3 Fiduciary Duty. Any duties (including fiduciary duties) of a Covered Person to the Company or to any other Covered Person that would otherwise apply at law or in equity are hereby eliminated to the fullest extent permitted under the Oklahoma Act and any other applicable law, provided that (i) the foregoing shall not eliminate the obligation of each Covered Person to act in compliance with the express terms of this Agreement and (ii) the foregoing shall not be deemed to eliminate the duty of loyalty or the obligation of good faith and fair dealing. Notwithstanding anything to the contrary contained in this Agreement, each of the Members hereby acknowledges and agrees that each Director, in determining whether or not to vote in support of or against any particular decision for which the Board's consent is required, may act in and consider the best interest of the Member or Members who designated such Director and shall not be required to act in or consider the best interests of the Company, any Subsidiary of the Company or any other Members.

Section 10.4 Indemnification. To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that

(a) no Covered Person shall be entitled to be indemnified in the case of action or failure to act by the Covered Person which constitutes willful misconduct or recklessness, and (b) nothing in this Section 10.4 shall limit or eliminate the liability of a Director for (i) for any breach of the Director's duty of loyalty to the Company or its Members, (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (iii) any transaction from which the Director derived an improper personal benefit; provided, that any indemnity under this Section 10.4 shall be provided out of and to the extent of Company assets only, and no Covered Person shall have any personal liability on account thereof.

Section 10.5 Expenses. To the fullest extent permitted by applicable law, expenses (including, without limitation, reasonable attorneys' fees, disbursements, fines and amounts paid in settlement) incurred by a Covered Person in defending any claim, demand, action, suit or proceeding relating to or arising out of their performance of their duties on behalf of the Company shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall ultimately be determined by a court of competent jurisdiction that the Covered Person is not entitled to be indemnified as authorized in this Section 10.1.

Section 10.6 Severability. To the fullest extent permitted by applicable law, if any portion of this Article shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify each Covered Person and may indemnify each employee or agent of the Company as to costs, charges and expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Company, to the fullest extent permitted by any applicable portion of this Article that shall not have been invalidated.

ARTICLE XI

TRANSFERS OF INTERESTS

Section 11.1 Restrictions on Transfers of Interests by Members. The Ketchum Members shall not Transfer any Units at any time to any Person, directly or indirectly without the prior written consent of MRM; provided that MRM shall not unreasonably withhold or delay its consent of a Permitted Transfer by any Ketchum Member. MRM shall not Transfer any Units at any time, directly or indirectly, without the prior written consent of Ketchum Members holding greater than 50% of the number of Units held by all Ketchum Members; provided that MRM may Transfer all or any part of its Units at any time to any Affiliate of MRM or in connection with a Transfer of interests or equity in PVF Holdings LLC, or any of its Subsidiaries, in each case without the prior written consent of Ketchum Members holding greater than 50% of the number of Units held by all Ketchum Members.

Section 11.2 Overriding Provisions. Notwithstanding anything to the contrary in this Agreement:

(a) Any Transfer in violation of this Article XI shall be null and void *ab initio*, and the provisions of Section 11.2(e) shall not apply to any such Transfers. The approval of any Transfer in any one or more instances shall not limit or waive the requirement for such approval in any other or future instance.

(b) All Transfers permitted under this Article XI are subject to this Section 11.2 and Sections 11.3 and 11.4.

(c) In addition to meeting all of the other requirements of this Agreement, no Transfer by a Member pursuant to the terms of this Article XI shall be effected that could result in any risk that the Company would be treated as a publicly traded partnership or otherwise be taxable as an association for U.S. federal income tax purposes.

(d) The Company shall promptly amend Schedule A to reflect any Transfers of Interests pursuant to and permitted in accordance with this Article XI.

(e) The Company shall, from the effective date of any permitted assignment of an Interest (or part thereof), thereafter pay all further distributions on account of such Interest (or part thereof) to the assignee of such Interest (or part thereof), provided that such assignee shall have no right or powers as a Member unless such assignee complies with Section 11.4.

Section 11.3 Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Company and its successors and assigns and each Member and his, her and its respective successors, permitted assigns, heirs and personal representatives, so long as they hold Units. Each Member shall have the right to assign all or part of its or his rights and obligations under this Agreement only to a transferee pursuant to a Transfer of Units in compliance with the terms of this Agreement. Upon any such assignment, such assignee shall have and be able to exercise and enforce all rights of

the assigning Member which are assigned to it and, to the extent such rights are assigned, any reference to the assigning Member shall be treated as a reference to the assignee.

Section 11.4 Substitute Members. In the event any Member Transfers its Interest in compliance with the other provisions of this Article XI, the transferee thereof shall have the right to become a substitute Member, but only upon satisfaction of the following:

(a) execution of such instruments as the Board deems reasonably necessary or desirable to effect such substitution; and

(b) the parties hereto hereby agree that any person who acquires any Units from the Company on or after the date hereof shall become, prior to such acquisition, a signatory to this Agreement by executing a written instrument setting forth that the person agrees to be bound by the terms and conditions of this Agreement and this Agreement will be deemed to be amended to include such person as a Member. Upon the execution of the instrument of assumption by such transferee and, such transferee shall enjoy all of the rights and shall be subject to all of the restrictions and obligations of the transferor of such transferee.

Section 11.5 Release of Liability. In the event any Member shall Transfer such Member's entire Interest in compliance with the provisions of this Agreement, without retaining any interest therein, directly or indirectly, then the selling Member shall, to the fullest extent permitted by applicable law, be relieved of any further liability arising hereunder for events occurring from and after the date of such Transfer, provided, however, that no such Transfer shall relieve any Member of its obligations pursuant to Section 3.6 hereof and such obligations shall survive any termination of such Member's membership in the Company.

Section 11.6 MRM Call Right.

(a) MRM shall have the right, but not the obligation, at any time after the date hereof, to purchase, for cash, in one or more transactions, all (but not less than all) of the Common Units held by the Ketchum Members (the "**Equity Call Option**" and such Common Units subject to the Equity Call Option, the "**Call Equity Securities**") at the Equity Call Purchase Price.

(b) If MRM desires to exercise the Equity Call Option, it shall deliver written notice thereof (a "**Call Notice**") to the Ketchum Members, which notice shall set forth the number of and identify the Call Equity Securities of the Ketchum Members MRM desires to purchase, the Equity Call Purchase Price for each such Call Equity Security, and the proposed closing date of the transaction.

(c) All sales of Call Equity Securities to MRM pursuant to this Section 11.6 shall be consummated at the offices of the Company at such time specified in the Call Notice, or at such other time and/or place as MRM may otherwise agree. The delivery of certificates, if applicable, or other instruments reasonably requested by MRM evidencing such Call Equity Securities and transfer duly endorsed for transfer shall be made on such date against payment of the purchase price for such Call Equity Securities.

ARTICLE XII

DISSOLUTION, LIQUIDATION AND TERMINATION

Section 12.1 Dissolving Events. The Company shall be dissolved and its affairs wound up in the manner hereinafter provided upon the first to occur of any of the following events:

(a) the Board shall vote or agree in writing to dissolve the Company;

(b) any event which under applicable law would cause the dissolution of the Company, provided that, unless required by applicable law, the Company shall not be wound up as a result of any such event and the business of the Company shall continue.

Notwithstanding the foregoing, the death, retirement, resignation, expulsion, bankruptcy or dissolution of any Member or the occurrence of any other event that terminates the continued membership of any Member in the Company under the Oklahoma Act shall not, in and of itself, cause the dissolution of the Company. In such event, the remaining Member(s) shall continue the business of the Company without dissolution.

Section 12.2 Dissolution and Winding-Up. Upon the dissolution of the Company, the assets of the Company shall be liquidated or distributed under the direction of and to the extent determined by the Board and the business of the Company shall be wound up. Within a reasonable time after the effective date of dissolution of the Company, the Company's assets shall be distributed in the following manner and order:

First, to creditors in satisfaction of indebtedness (other than any loans or advances that may have been made by any of the Members to the Company), whether by payment or the making of reasonable provision for payment, and the expenses of liquidation, whether by payment or the making of reasonable provision for payment, including the establishment of reasonable reserves (which may be funded by a liquidating trust) determined by the Board or the liquidating trustee, as the case may be, to be reasonably necessary for the payment of the Company's expenses, liabilities and other obligations (whether fixed, conditional, unmatured or contingent);

Second, to the payment of loans or advances that may have been made by any of the Members to the Company; and

Third, to the Members in accordance with their respective Capital Accounts.

provided that no payment or distribution in any of the foregoing categories shall be made until all payments in each prior category shall have been made in full, and provided, further, that if the payments due to be made in any of the foregoing categories exceed the remaining assets available for such purpose, such payments shall be made to the Persons entitled to receive the same pro rata in accordance with the respective amounts due to them.

Section 12.3 Distributions in Cash or in Kind. Upon the dissolution of the Company, the Board shall use all commercially reasonable efforts to liquidate all of the Company's assets

in an orderly manner and apply the proceeds of such liquidation as set forth in Section 12.2, provided that if in the good faith judgment of the Board, a Company asset should not be liquidated, the Board shall cause the Company to allocate, on the basis of the Fair Market Value of any Company assets not sold or otherwise disposed of, any unrealized gain or loss based on such value to the Members' Capital Accounts as though the assets in question had been sold on the date of distribution and, after giving effect to any such adjustment, distribute such assets in accordance with Section 12.2 as if such Fair Market Value had been received in cash, subject to the priorities set forth in Section 12.2, and provided, further, that the Board shall in good faith attempt to liquidate sufficient Company assets to satisfy in cash (or make reasonable provision for) the debts and liabilities referred to in Section 12.2.

Section 12.4 Termination. The Company shall terminate when the winding up of the Company's affairs has been completed, all of the assets of the Company have been distributed and the Articles have been canceled, all in accordance with the Oklahoma Act.

Section 12.5 Claims of the Members. The Members and former Members shall look solely to the Company's assets for the return of their Capital Contributions, and if the assets of the Company remaining after payment of or due provision for all debts, liabilities and obligations of the Company are insufficient to return such Capital Contributions, the Members and former Members shall have no recourse against the Company or any other Member.

ARTICLE XIII

MISCELLANEOUS

Section 13.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, or by facsimile to the Company at the address set forth below and to any Member at the address indicated on the signature pages hereto and to any subsequent holder of Units subject to this Agreement at such address as indicated by the Company's records, or at such address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Any notice, request, instruction or other document given as provided above shall be deemed given to the receiving party upon actual receipt, if delivered personally; three (3) business days after deposit in the mail, if sent by registered or certified mail; upon confirmation of successful transmission if sent by facsimile (provided that if given by facsimile such notice, request, instruction or other document shall be followed up within one (1) business day by dispatch pursuant to one of the other methods described herein); or on the next business day after deposit with an overnight courier, if sent by an overnight courier. The Company's address is:

Two Memorial Place 8023 East 63rd Place
Suite 600
Tulsa, Oklahoma 74133
Fax: (918) 461-5375

Section 13.2 Interpretation, Construction.

(a) The table of contents and headings herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof. Where a reference in this Agreement is made to a Section, Article or Schedule, such reference shall be to a Section, Article or Schedule of this Agreement unless otherwise indicated. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.”

(b) The parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

Section 13.3 Entire Agreement. This Agreement and the other writings referred to herein or delivered pursuant hereto which form a part hereof constitute the entire agreement, and supersede all other prior agreements, understandings, representations and warranties both written and oral, including, without limitation, the Original Agreement and any other limited liability company operating agreements, among the parties, with respect to the subject matter hereof. EACH PARTY HERETO AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT, THE PARTIES HERETO DO NOT MAKE ANY OTHER REPRESENTATIONS OR WARRANTIES, AND EACH HEREBY DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING AS TO THE ACCURACY OR COMPLETENESS OF ANY OTHER INFORMATION, MADE BY, OR MADE AVAILABLE BY, ITSELF OR ANY OF ITS REPRESENTATIVES, WITH RESPECT TO, OR IN CONNECTION WITH, THE NEGOTIATION, EXECUTION OR DELIVERY OF THIS AGREEMENT, NOTWITHSTANDING THE DELIVERY OR DISCLOSURE TO THE OTHER OR THE OTHER’S REPRESENTATIVES OF ANY DOCUMENTATION OR OTHER INFORMATION WITH RESPECT TO ANY ONE OR MORE OF THE FOREGOING.

Section 13.4 Counterparts. This Agreement may be executed in separate counterparts (including by facsimile), all of which taken together shall constitute one and the same agreement.

Section 13.5 Governing Law; Waiver of Jury Trial.

(a) THIS AGREEMENT SHALL BE DEEMED TO BE MADE IN AND IN ALL RESPECTS SHALL BE INTERPRETED, CONSTRUED AND GOVERNED BY AND IN ACCORDANCE WITH THE LAW OF THE STATE OF OKLAHOMA WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF. The parties hereby irrevocably submit to the personal jurisdiction of the courts of the State of Oklahoma located in the County of Tulsa and the Federal courts of the United States of America located in the County of Tulsa solely in respect of the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Agreement or any such document may

not be enforced in or by such courts, and the parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a Oklahoma State or Federal court located in the County of Tulsa. The parties hereby consent to and grant any such court jurisdiction over the person of such parties and, to the extent permitted by law, over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 13.1 or in such other manner as may be permitted by law shall be valid and sufficient service thereof.

(b) 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 LITIGATION 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 LITIGATION, 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 13.5(b).

Section 13.6 Specific Performance. The parties 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 were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in Oklahoma State or Federal court located in the County of Tulsa, this being in addition to any other remedy to which such party is entitled at law or in equity.

Section 13.7 Invalidity of Provision. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision, in any other jurisdiction.

Section 13.8 Further Actions. Each Member shall execute and deliver such other certificates, agreements and documents, and take such other actions, as may reasonably be requested by the Company in connection with the continuation of the Company and the achievement of its purposes, including, without limitation, (a) any documents that the Company deems necessary or appropriate to continue the Company as a limited liability company in all jurisdictions in which the Company or its Subsidiaries conduct or plan to conduct business and (b) all such agreements, certificates, tax statements and other documents as may be required to be filed in respect of the Company.

Section 13.9 Legend. In the sole discretion of the Board, the issued and outstanding Units may be represented by certificates. Each Member and the Company shall take all such action necessary to cause any certificate representing outstanding Units owned by each Member to bear a legend containing the following words:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED OR APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, PLEDGED, EXCHANGED, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT IN COMPLIANCE WITH SUCH ACT AND SUCH LAWS."
>
> "IN ADDITION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE RESTRICTIONS ON TRANSFER AND VOTING SET FORTH IN THE AMENDED AND RESTATED LIMITED LIABILITY COMPANY OPERATING AGREEMENT OF THE COMPANY DATED AS OF SEPTEMBER 18, 2008 AS AMENDED AND IN EFFECT FROM TIME TO TIME, A COPY OF WHICH IS ON FILE IN THE OFFICE OF THE COMPANY."

The requirement that the above securities legend be placed upon certificates evidencing Units shall cease and terminate upon the earliest of the following events: (i) when such Units are transferred in a public offering; (ii) when such Units are transferred pursuant to Rule 144 promulgated under the Securities Act ("**Rule 144**"), as such Rule may be amended (or successor provision thereto); or (iii) when such Units are transferred in any other transaction if, in each such case, the seller delivers to the Company an opinion of his, her or its counsel, which counsel and opinion shall be reasonably satisfactory to the Company, or a "no-action" letter from the staff of the Securities and Exchange Commission, in either case to the effect that such legend is no longer necessary in order to protect the Company against a violation by it of the Securities Act upon any sale or other disposition of such Units without registration thereunder. Upon the consummation of any event requiring the removal of a legend hereunder, the Company, upon the surrender of certificates containing such legend, shall, at its own expense, deliver to the holder of any such Units as to which the requirement for such legend shall have terminated, one or more new certificates evidencing such Units not bearing such legend.

Section 13.10 Expenses. Each party hereto shall pay its own expenses incurred in connection with the preparation, execution, and performance of this Agreement and the transactions contemplated by this Agreement, including all fees and expenses of agents, representatives, counsel and accountants.

Section 13.11 Amendment and Waiver. Except as otherwise expressly provided in this Agreement, any provisions of this Agreement may be amended, modified, supplemented or waived with the written approval of Ketchum Members holding greater than 50% of the number Units held by all Ketchum Members and MRM. No waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provision hereof (whether or not similar). No failure or delay on the part of any party in exercising any right, power or

privilege hereunder shall operate as a waiver thereof or of any other or future exercise of any such right, power or privilege.

Section 13.12 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

Section 13.13 No Third Party Beneficiaries. Except for Covered Persons with respect to Article XI, this Agreement is not intended to confer upon any Person, except for the parties hereto, any rights or remedies hereunder.

Section 13.14 Survival of Representations and Warranties. All representations and warranties contained in this Agreement or made in writing by any party in connection herewith shall survive the execution and delivery of this Agreement regardless of any investigation made by, or on behalf of, any Member.

Section 13.15 Conflicting Agreements. Each Member represents and warrants that such Member has not granted and is not a party to any proxy, voting trust or other agreement which conflicts with any provision of this Agreement, and no holder of any Units shall grant any proxy or become party to any voting trust or other agreement which conflicts with any provision of this Agreement.

Section 13.16 Each Interest in the Company is a Security. It is expressly acknowledged and agreed that (a) each interest in the Company is a security governed by Article 8 of the OKUCC and the Uniform Commercial Code of any other relevant jurisdiction and (b) this Agreement establishes the terms of the interests in the Company. The issuer's jurisdiction (within the meaning of Section 8-110 of the OKUCC) of the Company shall be the State of Oklahoma.

Section 13.17 Additional Credit Agreement Obligations.

(a) RMD will not create, incur or suffer to exist any Lien (other than tax Liens) upon any of its Accounts (as defined in the Uniform Commercial Code as from time to time in effect in the State of New York).

(b) (i) Each of the Company and MRM hereby acknowledges that the Company's Accounts owing to MRM or any of its subsidiaries (the "Intercompany Accounts") have been pledged as collateral for MRM's obligations under its primary revolving credit facility (the "Credit Facility"), and (ii) each of the Company and MRM hereby agrees that, upon the

occurrence and during the continuance of an Event of Default (as defined in the Credit Facility) and following notice to MRM by the collateral agent under the Credit Facility of its intent to exercise such right, the collateral agent under the Credit Facility shall be subrogated to the rights of MRM with respect to the Intercompany Accounts.

ARTICLE XIV

DEFINED TERMS

Section 14.1 Definitions.

"Accounting Period" means, for the first Accounting Period, the period commencing on the date hereof and ending on the next Adjustment Date. All succeeding Accounting Periods shall commence on the day after an Adjustment Date and end on the next Adjustment Date.

"Additional Securities" has the meaning set forth in Section 4.8(a).

"Adjustment Date" means the last day of each fiscal year of the Company or any other date determined by the Board, in its sole discretion, as appropriate for an interim closing of the Company's books.

"Affiliate" means, with respect to any Person, any other Person controlling, controlled by or under common control with such Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person, whether through the ownership of voting securities, contract or otherwise; provided, however, that, for purposes hereof, neither the Company nor any Person controlled by the Company shall be deemed to be an Affiliate of any Member.

"Agreement" means this Amended and Restated Limited Liability Company Operating Agreement of the Company, as this agreement may be amended, modified, supplemented or restated from time to time after the date hereof.

"Articles" means the Articles of Organization of the Company and any and all amendments thereto and restatements thereof filed on behalf of the Company with the office of the Secretary of State of the State of Oklahoma pursuant to the Oklahoma Act.

"Board" has the meaning set forth in Section 3.1.

"Call Equity Securities" has the meaning set forth in Section 11.6(a).

"Call Notice" has the meaning set forth in Section 11.6(b).

"Call Period" has the meaning set forth in Section 11.6(b).

"Capital Account" has the meaning set forth in Section 6.1.

"Capital Contribution" means, for any Member, the total amount of cash and the Fair Market Value of any property contributed to the Company by such Member.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Units" mean a class of Interests in the Company, as described in Section 4.2.

"Company" has the meaning set forth in the Preamble.

"Competitive Opportunity" means an investment or business opportunity or prospective economic or competitive advantage in which the Company or any of its Subsidiaries could have an interest or expectancy.

"Confidential Information" has the meaning set forth in Section 4.6.

"Covered Person" means a current or former Member or Director, an Affiliate of a current or former Member or Director, any officer, director, shareholder, partner, member, employee, representative or agent of a current or former Member or Director or any of their respective Affiliates, or any current or former officer, employee or agent of the Company or any of its Subsidiaries.

"Credit Facility" has the meaning set forth in Section 13.17(b)(i).

"Deficit" has the meaning set forth in Section 7.2(a)

"Director" has the meaning set forth in Section 3.1(a).

"Director Cause" means, with respect to a Director's removal from the Board, the Director's (i) continuing failure, for more than 10 days after the Company's written notice to the Director thereof, to perform such duties as a Director as are reasonably requested by the Company; (ii) failure to observe material policies generally applicable to Directors unless such failure is capable of being cured and is cured within 10 days of the Director receiving written notice of such failure; (iii) failure to cooperate with any internal investigation of the Company or any of its Subsidiaries; (iv) commission of any act of fraud, theft or financial dishonesty with respect to the Company or any of its Subsidiaries or indictment or conviction of any felony; (v) chronic absenteeism; or (vi) abuse of alcohol or another controlled substance.

"Equity Call Option" has the meaning set forth in Section 11.6(a).

"Equity Call Purchase Price" means the Fair Market Value of the Call Equity Securities, determined as of date of the Call Notice by the Company.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Fair Market Value" means, as of any date,

(a) for purposes of determining the value of any property owned by, contributed to or distributed by the Company, (i) in the case of publicly traded securities, the average of their last sales prices on the applicable trading exchange or quotation system on each trading day during the five trading-day period ending on such date and (ii) in the case of any other property, the fair market value of such property, as determined in good faith by the Board, or

(b) for purposes of determining the value of any Member's Interest in connection with Section 11.6 (MRM Call Right), the fair market value of such Interest as reflected in an appraisal report prepared, following delivery of a Call Notice by MRM to the Ketchum Members, by an independent valuation consultant or appraiser of recognized national standing, reasonably satisfactory to the Board and MRM and assuming for the purpose of such determination that the Company is wholly owned by MRM.

"Family Member" means, for any Ketchum Member who is an individual, a spouse, lineal ancestor, lineal descendant, legally adopted child, or brother or sister of such Ketchum Member.

"Intercompany Accounts" has the meaning set forth in Section 13.17(b)(i).

"Interest" means a limited liability interest in the Company, which represents the interest of each Member in and to the profits and losses of the Company and such Member's right to receive distributions of the Company's assets, as set forth in this Agreement.

"Lien" shall mean any mortgage, pledge, security interest, hypothecation, assignment, lien (statutory or other) or similar encumbrance (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement or any lease in the nature thereof).

"Member" means, initially, the Ketchum Members and MRM and includes any Person admitted as an additional or substitute Member of the Company pursuant to this Agreement.

"MRM" has the meaning set forth in the recitals.

"Officers" has the meaning set forth in Section 3.3.

"Oklahoma Act" means the Oklahoma Limited Liability Company Act, OKLA. STAT. tit. 18, §2000, et seq., as amended from time to time.

"OKUCC" means the Uniform Commercial Code in effect in the state of Oklahoma.

"Original Agreement" has the meaning set forth in the recitals.

"Participation Notice" has the meaning set forth in Section 4.8(b).

"Permitted Transfer" means any Transfer of Units by a Ketchum Member (i) if such Ketchum Member is an individual, to a Family Member of such Ketchum Member, or to a trust or other entity whose sole and exclusive beneficiaries are such Ketchum Member, and/or Family Members of such Ketchum Member, or (ii) upon the death of an individual Ketchum Member, pursuant to the terms of any trust or will of the deceased individual Ketchum Member, or by the laws of intestate succession.

"Person" means any individual, corporation (including not-for-profit), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, governmental entity or agency or other entity of any kind or nature.

"Preemption Right" has the meaning set forth in Section 4.8(c).

"Rule 144" has the meaning set forth in Section 14.9.

"Securities Act" means the Securities Act of 1933 as amended from time to time.

"Services Agreement" means that certain Amended and Restated Services Agreement, dated as of the date hereof, between MRM and the Company.

"Subsidiary" means any direct or indirect subsidiary of the Company on the date hereof and any direct or indirect subsidiary of the Company organized or acquired after the date hereof.

"Tax Matters Partner" has the meaning set forth in Section 9.2(b).

"Transfer" means, as the case may be, (i) to directly or indirectly transfer, sell, assign, distribute, pledge, encumber, hypothecate or otherwise dispose of, either voluntarily or involuntarily, including by gift, by way of a merger (forward or reverse) or similar transaction, by operation of law or otherwise or (ii) any direct or indirect transfer, sale assignment, distribution, pledge, encumbrance, hypothecation or other disposition, either voluntarily or involuntarily, including by gift, by way of merger (forward or reverse) or similar transaction, by operation of law or otherwise.

"Treasury Regulations" means the Regulations of the Treasury Department of the United States issued pursuant to the Code.

"Units" means any class of Interests provided for herein.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

KETCHUM MEMBERS:

/s/ Craig Ketchum
Craig Ketchum

/s/ Kent Ketchum
Kent Ketchum

/s/ Kevin Ketchum
Kevin Ketchum

/s/ Brian Ketchum
Brian Ketchum

MRM:

McJUNKIN RED MAN CORPORATION

By: /s/ JF Underhill
Name: JF Underhill
Title: Executive VP & CFO

COMPANY:

RED MAN DISTRIBUTORS LLC

By: /s/ Craig Ketchum
Name: Craig Ketchum
Title: Chairman & CEO

Exhibit 10.28

Execution Copy

AMENDED AND RESTATED SERVICES AGREEMENT

THIS AMENDED AND RESTATED SERVICES AGREEMENT ("Agreement") is entered into as of September 18, 2008 (the "Effective Date"), by and between Red Man Distributors LLC, an Oklahoma limited liability company ("RMD") and McJunkin Red Man Corporation, a West Virginia corporation ("MRM"). MRM and RMD are referred to collectively as the "Parties" and individually as a "Party".

RECITALS

WHEREAS, pursuant to that certain services agreement effective as of December 1, 2007, RMD engaged MRM to provide certain services in connection with the business of RMD, and MRM accepted such engagement under the terms and conditions set forth therein (the "Original Services Agreement").

NOW, THEREFORE, for and in consideration of the foregoing, and the mutual promises and agreements set forth herein, the sufficiency of which is hereby acknowledged, the parties agree to amend and restate the Original Agreement in its entirety as follows:

1. Engagement.

   A. RMD hereby engages and retains MRM as an independent contractor. MRM hereby accepts said engagement and retention under the terms and conditions contained herein.

   B. During the term of this Agreement, upon the request of RMD, MRM agrees to provide general corporate and administrative services to RMD, including services relating to accounting, treasury, legal and tax departments, and miscellaneous office and administrative services, including management information systems, computer network and telecommunications services, insurance administration and risk management (the "Services").

   C. MRM hereby grants to RMD a non-exclusive, non-transferable, royalty-free, limited right and license to use the "Red Man" name solely as part of the trade name and corporate name "Red Man Distributors LLC" in connection with operating the business of RMD (the "License"). The License shall automatically terminate on each six month anniversary of the date of this Agreement unless prior to each such six month anniversary, MRM delivers written notice to RMD extending the License for the subsequent six month period. RMD agrees that MRM shall have the right to review RMD's use of the "Red Man" name in order to ensure that such use meets the quality control standards of MRM. RMD shall cooperate with MRM to correct any such use that fails to meet MRM's quality control standards. RMD agrees that MRM may at any time (at its sole discretion), revoke and terminate the License and License Fee (as defined below).

2. Compensation for Services.

A. RMD shall make the following payments to MRM:

(i) If RMD requests MRM to provide the Services, RMD shall pay MRM an annual services fee of $725,000, payable not more frequently than quarterly in arrears within thirty (30) days following the end of each quarter (the "Services Fee") representing the allocable portion of MRM's overhead costs and other expenses associated with the provision of the Services, including personnel and compensation thereof, building and equipment usage, working capital management, and general administration, each to the extent provided as of the date of this Services Agreement. For the avoidance of doubt, the Services Fee does not include the direct, out-of-pocket costs incurred by MRM on behalf of RMD in connection with the performance of the Services, which will be passed through to RMD at cost ("Third Party Expenses"). All Third Party Expenses shall be paid not more frequently than quarterly in arrears within thirty (30) days following the end of each quarter; and

(ii) RMD shall pay MRM a license fee, payable not more frequently than quarterly in arrears within thirty (30) days following the end of each quarter, equal to 0.215% of RMD's gross monthly revenue for the relevant month, for the License (the "License Fee").

B. MRM shall pay RMD a monthly commission, payable not more frequently than quarterly in arrears within thirty (30) days following the end of each quarter, equal to 1.4% of RMD's gross monthly revenue for the relevant month from sales of products by RMD that are sourced from MRM (the "Commission").

C. Payments of the Services Fee, Commission, License Fee and Third Party Expenses shall be made by check payable to the recipient or by wire transfer of the relevant amount to a bank account previously designated by the recipient.

D. MRM will maintain reasonably complete and detailed books and records in accordance with MRM's standard business practices with respect to its provision of the Services to RMD pursuant to this Agreement, including records supporting the Services Fee. MRM will give RMD and its duly authorized representatives, agents, and attorneys reasonable access to all such books and records during MRM's regular business hours after reasonable advance notice.

E. The Parties shall review the Services Fee, Commission and License Fee at least annually, and subject to the mutual agreement of the Parties, such amounts may be adjusted to reflect the then current value of the Services, License and Commission, as applicable.

3. Term. Unless this Agreement is terminated in accordance with Section 4 below, this Agreement shall become effective on the Effective Date and shall remain in effect until the 15th anniversary of the Effective Date; *provided* that the term of this Agreement shall be automatically extended for successive 15 year terms unless either MRM or RMD provides

written notice to the other party at least six months prior to then end of any such 15 year period.

4. Termination.

A. Termination by MRM.

(i) Termination for Cause. In the event that RMD fails to pay MRM any amounts due under this Agreement, and RMD continues to fail to make such payment for thirty (30) days after RMD's receipt of MRM's written notice of termination for cause, MRM may terminate this Agreement, in whole or in part, by written notice to RMD specifying a date for termination. If RMD materially breaches any provision of this Agreement, and (a) such breach is incapable of cure, or (b) with respect to any such breaches capable of cure, RMD does not cure such breach within thirty (30) days after written notice of material breach, MRM may terminate this Agreement, including, without limitation, the License, upon written notice to RMD.

(ii) Termination for Insolvency of RMD. This Agreement, including, without limitation, the License, shall automatically terminate if RMD: (a) files for bankruptcy; (b) becomes or is declared insolvent; (c) is the subject of any proceedings related to its liquidation, insolvency or the appointment of a receiver or similar officer, which proceedings are not dismissed within sixty (60) days after their commencement; (d) makes an assignment for the benefit of all or substantially all of its creditors or (e) enters into an agreement for the composition, extension, or readjustment of substantially all of RMD's obligations.

B. Termination by RMD.

(i) Termination For Cause. If MRM materially breaches any provision of this Agreement and (a) such breach is incapable of cure, or (b) with respect to any such breaches capable of cure, MRM does not cure such breach within thirty (30) days after written notice of material breach, RMD may terminate this Agreement upon written notice to MRM.

(ii) Termination for Insolvency of MRM. This Agreement, including, without limitation, the License, shall automatically terminate if MRM: (a) files for bankruptcy; (b) becomes or is declared insolvent; (c) is the subject of any proceedings related to its liquidation, insolvency or the appointment of a receiver or similar officer, which proceedings are not dismissed within sixty (60) days after their commencement; (d) makes an assignment for the benefit of all or substantially all of its creditors or (e) enters into an agreement for the composition, extension, or readjustment of substantially all of MRM's obligations.

C. Effect of Termination. The expiration or termination of this Agreement pursuant to the terms of this Section 4 or otherwise shall not relieve any of the Parties of any obligations accruing prior to such termination, and any such termination shall be without prejudice to the rights of either Party against the other conferred on it by this Agreement. In the event of the termination of this Agreement pursuant to this Section 4, both Parties shall retain all rights existing at law or equity.

5. Additional Credit Agreement Obligations.

A. Negative Pledge. RMD will not create, incur or suffer to exist any Lien (other than tax Liens) upon any of its Accounts (as defined in the Uniform Commercial Code as from time to time in effect in the State of New York).

B. Reporting. RMD will furnish to MRM, within 15 days of the end of each calendar month, or more frequently as MRM may reasonably request to permit MRM to comply with its obligations under its primary revolving credit facility (the "Credit Facility"), (i) an Accounts Receivable Certificate substantially in the form of Exhibit A hereto, together with supporting information in connection therewith as of the end of such month, (ii) a Collateral Report, substantially in the form of Exhibit B hereto, setting forth (a) a detailed aging of RMD's Accounts reconciled to the Accounts Receivable Certificate delivered as of such date, (b) calculations prepared by RMD to assist MRM with its determination of Eligible Accounts and Eligible Inventory (as those terms are defined in the Credit Facility) and (c) a schedule and aging of RMD's accounts payable presented at the vendor level, and (iii) other information or documents MRM may reasonably request to satisfy the reporting obligations under the Credit Facility.

C. Subrogation. (i) Each of RMD and MRM hereby acknowledges that RMD's Accounts owing to MRM or any of its subsidiaries (the "Intercompany Accounts") have been pledged as collateral for MRM's obligations under its Credit Facility, and (ii) each of RMD and MRM hereby agrees that, upon the occurrence and during the continuance of an Event of Default (as defined in the Credit Facility) and following notice to MRM by the collateral agent under the Credit Facility of its intent to exercise such right, the collateral agent under the Credit Facility shall be subrogated to the rights of MRM with respect to the Intercompany Accounts.

6. Limitation on Liabilities.

A. Limitations. Notwithstanding any provision of this Agreement to the contrary (except for Section 6.B) or as otherwise required by applicable Law, neither Party shall be liable to other Party or its respective officers, employees, agents, members, partners, Affiliates, contractor or subcontractors, for any incidental, indirect, punitive, exemplary, consequential or special damages, including damages for loss of profits, loss of revenue, loss of savings, or losses by reason of cost of capital connected with or arising or resulting from any performance or lack of performance under this Agreement, even if such damages were foreseeable or a Party was advised of the

possibility of such damages, and regardless of whether a claim is based on contract, warranty, tort (including negligence or strict liability), violations of any applicable deceptive trade practices act, or any other legal or equitable principle.

B. Exclusions. The limitations of liability set forth in Section 6.A are not applicable to: (a) to any liability caused by or arising from (i) gross negligence, willful misconduct, or fraud of a Party or any of its directors, officers, employees, agents or other representatives in connection with the performance of this Agreement or (ii) any bodily injury or physical damage to tangible property where such injury or damage results from the gross negligence or willful misconduct of a Party or any of its directors, officers, employees, agents or other representatives, except to the extent due to the negligence or willful misconduct of the other Party or its directors, officers or employees.

7. Covenant Not to Compete. Other than the distribution of oil country tubular goods in North America, RMD shall not, anywhere in the world, directly or indirectly, engage or otherwise participate, whether as an agent, director, officer, shareholder, partner, joint venturer, investor, consultant, advisor, or otherwise, in any business in which, at the time RMD first engages or participates in such business, MRM or any of its Affiliates is then engaged.

8. Conduct of Business. During the term of this Agreement, at all times when conducting the business of RMD, RMD shall and RMD shall cause its employees, directors and officers to, hold themselves out as employees, directors or officers, as applicable, of RMD, and not hold themselves out as employees, directors, officers, consultants, advisors or otherwise of MRM or any of its Affiliates (other than RMD).

9. Notice. Any notice required or permitted to be given under this Agreement shall be given in writing and shall be effective from the date sent by registered or certified mail, by hand, facsimile or overnight courier to the addresses set forth below:

To RMD:
Red Man Distributors LLC
450 Gears Road
Suite 300
Houston, TX 77067
Attention: Kent Ketchum
Fax: (281) 872-4708

To MRM:
McJunkin Red Man Corporation
8023 East 63rd Street
Suite 800
Tulsa, Oklahoma 74133
Attention: Stephen W. Lake
Fax: (918) 461-5375

with a copy (which shall not constitute notice) to:

McJunkin Red Man Corporation
8023 East 63rd Street
Suite 800
Tulsa, Oklahoma 74133
Attention: Craig Ketchum
Fax: (918) 461-5375

10. Governing Law. This Agreement is deemed to have been made and entered into in the State of Oklahoma, and the law governing this Agreement and the transactions contemplated hereby shall be that of the State of Oklahoma as in effect from time to time (without giving effect to its conflict of law principles). The law of the State of Oklahoma shall apply to any and all matters arising from or related to this Agreement. The Parties agree that any legal proceeding based upon the provisions of this Agreement or breach thereof shall be brought exclusively in any federal or state court located in the State of Oklahoma located in the County of Tulsa, to the exclusion of all other courts and tribunals, except for matters for which such courts do not exercise jurisdiction. The Parties hereby irrevocably and unconditionally consent and agree to be subject to the jurisdiction of the aforesaid courts in such proceedings. Each Party hereby irrevocably and unconditionally waives any objection to the above courts based on lack of personal jurisdiction or inconvenient forum. Each of the Parties hereto waives any right it may have to trial by jury in respect of any litigation based on, arising out of, under or in connection with this Agreement or any course of conduct, course of dealing, verbal or written statement or action of any Party hereto.

11. Waiver. Any failure on the part of any Party hereto to comply with any of its obligations, agreements or conditions hereunder may only be waived in writing by the Party to whom such compliance is owed. Any such waiver by any Party shall not be considered as a waiver of any subsequent failure to comply with any such obligation, agreement or condition or any other hereunder. Any forbearance or delay on the part of either Party in notifying the other Party of such Party's failure to comply with any of its obligations, agreements or conditions hereunder, shall not be construed as a waiver of the non-breaching Party's right to enforce such obligations, agreements or conditions for such failure to comply or any other failure to comply.

12. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13. Headings. The descriptive headings of the provisions of this Agreement are formulated and used for convenience only and shall not be deemed to affect the meaning and construction of any such provision.

14. Binding Effect. The terms and conditions of this Agreement shall be binding upon, and shall inure to the benefit of, the Parties hereto and their respective permitted successors and assigns.

15. Assignment. Neither this Agreement nor the rights or obligations of MRM or RMD hereunder are assignable in whole or in part by either party without the prior written consent of the other; *provided, however*, that MRM may assign its rights or delegate its obligations under this Agreement in whole or in part to any Affiliate which has the resources, capabilities and personnel necessary to fulfill MRM's obligations under this Agreement without the consent of RMD; *provided further, however,* that MRM shall guarantee the performance of this Agreement by any such Affiliate.

16. Independent Contractor. Each Party is an independent contractor engaged in the operation of its own respective business, and nothing in this Agreement shall be construed to create a partnership, agency, joint venture, pooling, franchise or employer-employee relationship between the Parties or between any Party and the other Party's employees. Neither Party shall be responsible for the compensation, payroll-related taxes, workers' compensation, accident or health insurance or other benefits of employees of the other Party. Neither Party has the power or authority to act for, represent, or bind the other Party (or any of the other Party's Affiliates) in any manner.

17. Force Majeure. Continued performance of the Services, or any of them, may be suspended immediately to the extent caused by any event or condition beyond the reasonable control of the party suspending such performance including acts of God, fire, labor or trade disturbance, war, civil commotion, compliance in good faith with any Law, unavailability of materials or other event or condition whether similar or dissimilar to the foregoing (a "Force Majeure Event"). MRM shall give prompt notice to RMD of the occurrence, nature and anticipated duration of a Force Majeure Event giving rise to any suspension of the Services, and the parties shall cooperate with each other to find alternative means and methods for the provision of the suspended Service.

18. Specific Performance. The parties hereto agree that irreparable damage would occur in the event that any provision of this Agreement was not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at Law or equity.

19. Amendment. This Agreement may not be amended except by an instrument in writing signed by a duly authorized officer or representative of each of the Parties hereto.

20. Definitions. As used in this Agreement, the following terms when used herein with initial capital letters, shall have the respective meanings as defined below:

    A. "Affiliate" means, with respect to any Person, any other Person controlling, controlled by or under common control with such Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person, whether through the ownership of voting securities, contract or otherwise.

B. "Law" means all statutes, regulations, directives, ordinances, orders, rulings, agency or court interpretations, or other action of any governmental authority in any jurisdiction in the world, whether currently in force or enacted during the Term.

C. "Lien" shall mean any mortgage, pledge, security interest, hypothecation, assignment, lien (statutory or other) or similar encumbrance (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement or any lease in the nature thereof).

D. "Person" means an individual, partnership, limited liability company, corporation, joint stock company, trust (including a business trust), unincorporated association, joint venture, firm, enterprise or other entity.

21. Entire Agreement. This Agreement constitutes the entire agreement between the Parties regarding the subject matter of this Agreement, and supersedes all other prior agreements, understandings and negotiations, both written and oral, including, without limitation, the Original Services Agreement and the Limited Liability Company Operating Agreement of RMD, among the Parties with respect to the subject matter of this Agreement.

IN WITNESS WHEREOF, RMD and MRM have caused this Agreement to be executed as of the date above first written.

RED MAN DISTRIBUTORS LLC

By: /s/ Craig Ketchum
Name: Craig Ketchum
Title: Chairman & CEO

MCJUNKIN RED MAN CORPORATION

By: /s/ J.F. Underhill
Name: J.F. Underhill
Title: Executive VP & CFO

Exhibit A
Accounts Receivable Report

Exhibit B
Collateral Report

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of September 10, 2008 (this "Agreement"), by McJunkin Red Man Holding Corporation, a Delaware corporation (the "Company"), and Andrew Lane (the "Executive").

WHEREAS, the Company desires to employ the Executive as Chief Executive Officer and to utilize his management services as indicated herein, and the Executive has agreed to provide such management services to the Company; and

WHEREAS, the Executive desires to accept the Company's offer of employment.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valid consideration, the sufficiency of which is acknowledged, the parties hereto agree as follows:

1. Employment

1.1. Term. The Company agrees to employ the Executive, and the Executive agrees to be employed by the Company pursuant to this Agreement, for a period commencing on September 10, 2008 (such date, the "Effective Date") and ending on the earlier of (i) the fifth (5th) anniversary of the Effective Date and (ii) the termination of the Executive's employment in accordance with Section 3 hereof (the "Term"); provided, however, that on the fifth (5th) anniversary of the Effective Date and each subsequent anniversary thereof, the Term shall automatically be extended for one (1) year unless ninety (90) days' written notice of non-renewal is given by the Executive or the Company to the other party.

1.2. Duties. During the Term, the Executive shall serve as Chief Executive Officer of the Company and in such other positions as an officer or director of the Company or its affiliates as the Executive and the Board of Directors of the Company (the "Board") shall mutually agree from time to time. In addition, the Executive shall serve as a member of the Board during the Term. The Executive shall perform such duties, functions and responsibilities commensurate with the Executive's positions as reasonably directed by the Board.

1.3. Exclusivity. During the Term, the Executive shall devote his full time and attention to the business and affairs of the Company, shall faithfully serve the Company, and shall in all material respects conform to and comply with the lawful and reasonable directions and instructions given to him by the Board, consistent with Section 1.2 hereof. During the Term, the Executive shall use his best efforts to promote and serve the interests of the Company and shall not engage in any other business activity, whether or not such activity shall be engaged in for pecuniary profit, except that the Executive may sit on the boards of other companies with the consent of the Board, which shall not be unreasonably withheld.

2. Compensation

2.1. Salary. As compensation for the performance of the Executive's services hereunder, during the Term, the Company shall pay to the Executive a salary at an annual rate of seven hundred thousand dollars ($700,000) payable in accordance with the Company's standard payroll policies (the "Base Salary"). The Base Salary shall be reviewed annually and may be adjusted upward by the Board (or a committee thereof) in its discretion, based on competitive data and the Executive's performance. No increase in Base Salary shall limit or reduce any other right or obligation to the Executive under this Agreement and the Base Salary shall not be reduced at any time (including after any such increase).

2.2. Annual Bonus. Beginning with the fiscal year that commences on January 1, 2009, for each completed fiscal year during the Term, the Executive shall be eligible to receive additional cash incentive compensation pursuant to the annual bonus plan of the Company in effect at such time (the "Annual Bonus"). The target Annual Bonus shall be 100% of the Executive's Base Salary as in effect at the beginning of such fiscal year with the actual Annual Bonus to be based upon such individual and/or Company performance criteria established for each such fiscal year by the Board in consultation with the Executive. The Executive shall be eligible to receive a pro-rata Annual bonus for fiscal year 2008 based on a target bonus of 100% of Base Salary and the Company performance criteria established for 2008.

2.3. Equity

a) Stock Purchase. The Executive shall acquire $3 million of the Company's common stock ("Common Stock") within thirty (30) days of the commencement of employment. Such purchase will be at the fair market value of the Common Stock on the date of purchase (such Common Stock so acquired, the "Purchased Equity") and will be pursuant to a subscription agreement provided by the Company containing customary representations and other terms. The Executive shall execute and become a party to the Stockholders Agreement in the form attached hereto (the "Stockholders Agreement"). The Stockholders Agreement will apply to all shares of the Common Stock held by the Executive, including Purchased Equity and shares obtained through the exercise of the Options (as defined below).

b) Stock Options. The Executive shall be granted options in respect of $31 million of Common Stock. All such stock options (the "Options") shall be governed by the terms of the McJ Stock Option Plan and shall become vested over time in equal installments on the second (2nd), third (3rd), fourth (4th) and fifth (5th) anniversaries of the date of grant, conditioned on continued employment through each applicable vesting date and subject to the accelerated vesting as provided below in the event of certain

terminations of employment or the occurrence of a Change in Control (as defined herein).

2.4. Employee Benefits. During the Term, the Executive shall be eligible to participate in such health and other group insurance and other employee benefit plans and programs of the Company and its affiliates as in effect from time to time on the same basis as other senior executives of the Company.

2.5. Vacation. During the Term, the Executive shall be entitled to paid vacation in accordance with the Company's vacation policy as in effect from time to time.

2.6. Business Expenses. The Company shall pay or reimburse the Executive for all commercially reasonable business out-of-pocket expenses that the Executive incurs during the Term in performing his duties under this Agreement upon presentation of documentation and in accordance with the expense reimbursement policy of the Company as approved by the Board (or a committee thereof) and in effect from time to time.

3. Termination of Employment

3.1. Generally. The Company may terminate the Executive's employment for any reason during the Term, and the Executive may voluntarily terminate his employment for any reason during the Term, in each case (other than a termination by the Company for Cause (as defined herein)) at any time upon not less than thirty (30) days' notice to the other party. Upon the termination of the Executive's employment with the Company for any reason, the Executive shall be entitled to any Base Salary earned but unpaid through the date of termination, any earned but unpaid Annual Bonus for completed fiscal years, any unreimbursed expenses in accordance with Section 2.6 hereof and, to the extent not theretofore paid or provided, any other amounts or benefits required to be paid or provided under any plan, program, policy or practice or other contract or agreement of the Company and its affiliates through the date of termination of employment (collectively, the "Accrued Amounts").

3.2. Certain Terminations

a) Termination by the Company other than for Cause or Disability; Termination by the Executive for Good Reason. If the Executive's employment is terminated during the Term by the Company other than for Cause or Disability, or by the Executive for Good Reason (as defined herein), the Executive shall be entitled to: (i) the Accrued Amounts, (ii) a pro-rata bonus for the fiscal year of termination, based on actual performance through the end of the applicable fiscal year and the number of days that have elapsed in the fiscal year through the date of termination (a "Pro-Rata Bonus"), (iii) payment of an amount equal to the sum of 1/12 of Base Salary and 1/12 of the target Annual Bonus each month for eighteen (18) months following termination (the "Severance Payments")

and (iv) continuation of medical benefits on the same terms as active senior executives for eighteen (18) months following termination ("Medical Continuation"). In addition, a portion of the Options granted pursuant to Section 2.3(b) that are unvested at the time of such termination will become vested, as follows: if termination occurs during the first two (2) years of employment, a pro-rata portion of 1/4 of the shares subject to the Options will vest, such pro-rata portion to be determined based on the number of months worked since the date of grant divided by twenty four (24), and if termination occurs during the third (3rd), fourth (4th) or fifth (5th) years of employment, a pro-rata portion of 1/4 of the shares subject to the Options will vest, such pro-rata portion to be determined based on the number of months worked since the previous vesting date divided by twelve (12) ("Pro-Rata Option Vesting"). Receipt of the Severance Payments, Medical Continuation and Pro-Rata Option Vesting shall be conditioned on: (i) the Executive's continued compliance with his obligations under Section 5 of this Agreement and (ii) the Executive's execution, delivery and non-revocation of a valid and enforceable general release of claims (the "Release") in the form attached hereto as Exhibit A. In the event that the Executive breaches any of the covenants set forth in Section 5 of this Agreement, the Executive shall immediately return to the Company any portion of the Severance Payments that have been paid to the Executive pursuant to this Section 3.2(a) and any shares or other amounts received in respect of the Options that became vested pursuant to this Section 3.2(a), and the Medical Continuation shall immediately terminate. Subject to Section 3.2(c), the Company will commence payment of the Severance Payments as soon as practicable following the effectiveness of the Release. The Pro-Rata Bonus will be paid at the time the Company ordinarily pays incentive bonuses to its executives with respect to the fiscal year in which the termination occurs.

b) Termination upon Death or Disability. If the Executive's employment is terminated due to the Executive's death or Disability, the Executive (or the Executive's estate, if applicable) will receive (i) the Accrued Amounts, (ii) a Pro-Rata Bonus and (iii) Pro-Rata Option Vesting.

c) Section 409A Specified Employee. Notwithstanding anything to the contrary contained herein, if the Executive is a "specified employee" for purposes of Section 409A of the Internal Revenue Code (the "Code") and regulations and other interpretive guidance issued thereunder ("Section 409A"), the Company shall not commence payment of the Severance Payments to the Executive until one (1) day after the day which is six (6) months after the Executive's termination date (the "Delay Period"), with the first (1st) payment equaling the total of all payment that would have been paid during the Delay Period but for the application of Section 409A to such payments. For purposes of this Agreement, the Executive's employment with the Company shall be considered to have terminated when the 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.

d) Exclusive Remedy. The foregoing payments upon termination of the Executive's employment shall constitute the exclusive severance payments due the Executive upon a termination of his employment under this Agreement. The Executive acknowledges that the Medical Continuation is in full satisfaction of the Company's obligation under COBRA.

3.3. Resignation from All Positions. Upon the termination of the Executive's employment with the Company for any reason, the Executive shall be deemed to have resigned, as of the date of such termination, from all positions he then holds as an officer, director, employee and member of the Board (and any committee thereof) and the board of directors (and any committee thereof) of any of the Company's affiliates.

3.4. Cooperation. Following the termination of the Executive's employment with the Company for any reason, the Executive agrees to reasonably cooperate with the Company upon reasonable request of the Board and to be reasonably available to the Company with respect to matters arising out of the Executive's services to the Company and its subsidiaries and affiliates. The Company shall pay the Executive a reasonable fee for any such services and promptly reimburse the Executive for expenses reasonably incurred in connection with such matters.

4. Section 280G. If (i) the aggregate of all amounts and benefits due to the Executive under this Agreement and under any other arrangement with the Company would, if received by the Executive in full and valued under Section 280G of the Code, constitute "parachute payments" as defined in and under Section 280G of the Code (collectively, "280G Benefits"), and if (ii) such aggregate would, if reduced by all federal, state and local taxes applicable thereto, including the excise tax imposed pursuant to Section 4999 of the Code, be less than the amount the Executive would receive, after all taxes, if the Executive received aggregate 280G Benefits equal (as valued under Section 280G of the Code) to only three (3) times the Executive's "base amount" as defined in and under Section 280G of the Code, less $1.00, then (iii) such 280G Benefits shall (to the extent that the reduction of such 280G Benefits can achieve the intended result) be reduced or eliminated to the extent necessary so that the aggregate 280G Benefits received by the Executive will not constitute parachute payments. The determinations with respect to this Section 4 shall be made by an independent auditor (the "Auditor") paid by the Company. The Auditor shall be the Company's regular independent auditor unless the Executive reasonably objects to the use of that firm, in which event the Auditor will be a nationally recognized United States public accounting firm chosen by the parties.

5. Unauthorized Disclosure; Non-Competition; Non-Solicitation; Interference with Business Relationships; Proprietary Rights

5.1. Unauthorized Disclosure. The Executive agrees and understands that in the Executive's position with the Company, the Executive will be exposed to and will receive information relating to the confidential affairs of the Company and its affiliates, including, without limitation, technical information, intellectual property, business and marketing plans, strategies, customer information, software, other information concerning the products, promotions, development, financing, expansion plans, business policies and practices of the Company and its affiliates and other forms of information considered by the Company and its affiliates to be confidential or in the nature of trade secrets (including, without limitation, ideas, research and development, know-how, formulas, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals) (collectively, the "Confidential Information"). The Executive agrees that at all times during the Executive's employment with the Company and thereafter, the Executive shall not disclose such Confidential Information, either directly or indirectly, to any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof (each a "Person") other than in connection with the Executive's employment with the Company without the prior written consent of the Company and shall not use or attempt to use any such information in any manner other than in connection with his employment with the Company, unless required by law to disclose such information, in which case the Executive shall provide the Company with written notice of such requirement as far in advance of such anticipated disclosure as possible. This confidentiality covenant has no temporal, geographical or territorial restriction. Upon termination of the Executive's employment with the Company, the Executive shall promptly supply to the Company all property, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data and any other tangible product or document which has been produced by, received by or otherwise submitted to the Executive during the Executive's employment with the Company, and any copies thereof in his (or capable of being reduced to his) possession; provided, however, that the Executive may retain his full rolodex or similar address and telephone directories.

5.2. Non-Competition. By and in consideration of the Company entering into this Agreement and the payments made and the benefits provided hereunder, and in further consideration of the Executive's exposure to the Confidential Information of the Company and its affiliates, the Executive agrees that the Executive shall not, during the Executive's employment with the Company and for eighteen (18) months thereafter (the "Restriction Period"), directly or indirectly, own, manage, operate, join, control, be employed by, or participate in the ownership, management, operation or control of, or be connected in any manner with, including, without limitation, holding any position as a stockholder, director, officer, consultant, independent contractor, employee, partner, or investor in, any

Restricted Enterprise (as defined below); provided, that in no event shall ownership of one percent (1%) or less of the outstanding securities of any class of any issuer whose securities are registered under the Securities Exchange Act of 1934, as amended, standing alone, be prohibited by this Section 5.2, so long as the Executive does not have, or exercise, any rights to manage or operate the business of such issuer other than rights as a stockholder thereof. For purposes of this paragraph, "Restricted Enterprise" shall mean any Person that is actively engaged in any geographic area in any business which is either (i) in competition with the business of the Company or any of its subsidiaries or affiliates or (ii) proposed to be conducted by the Company or any of its subsidiaries or affiliates in their respective business plans as in effect at that time. During the Restriction Period, upon request of the Company, the Executive shall notify the Company of the Executive's then-current employment status.

5.3. Non-Solicitation of Employees. During the Restriction Period, the Executive shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) for employment any person who is, or within twelve (12) months prior to the date of such solicitation was, an employee of the Company or any of its subsidiaries or affiliates.

5.4. Interference with Business Relationships. During the Restriction Period (other than in connection with carrying out his responsibilities for the Company and its affiliates), the Executive shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) any customer or client of the Company or its subsidiaries or affiliates to terminate its relationship or otherwise cease doing business in whole or in part with the Company or its subsidiaries or affiliates, or directly or indirectly interfere with (or assist any Person to interfere with) any material relationship between the Company or its subsidiaries or affiliates and any of its or their customers or clients so as to cause harm to the Company or its affiliates.

5.5. Extension of Restriction Period. The Restriction Period shall be tolled for any period during which the Executive is in breach of any of Sections 5.2, 5.3 or 5.4 hereof.

5.6. Proprietary Rights. The Executive shall disclose promptly to the Company any and all inventions, discoveries, and improvements (whether or not patentable or registrable under copyright or similar statutes), and all patentable or copyrightable works, initiated, conceived, discovered, reduced to practice, or made by him, either alone or in conjunction with others, during the Executive's employment with the Company and related to the business or activities of the Company and its affiliates (the "Developments"). Except to the extent any rights in any Developments constitute a work made for hire under the U.S. Copyright Act, 17 U.S.C. § 101 et seq. that are owned ab initio by the Company and/or its applicable affiliate, the Executive assigns all of his right, title and interest in all Developments (including all intellectual property rights therein) to the Company or its nominee without further compensation, including all rights or benefits

therefor, including without limitation the right to sue and recover for past and future infringement. The Executive acknowledges that any rights in any Developments constituting a work made for hire under the U.S. Copyright Act, 17 U.S.C § 101 et seq. are owned upon creation by the Company and/or its applicable affiliate as the Executive's employer. Whenever requested to do so by the Company, the Executive shall execute any and all applications, assignments or other instruments which the Company shall deem necessary to apply for and obtain trademarks, patents or copyrights of the United States or any foreign country or otherwise protect the interests of the Company and its affiliates therein. These obligations shall continue beyond the end of the Executive's employment with the Company with respect to inventions, discoveries, improvements or copyrightable works initiated, conceived or made by the Executive while employed by the Company, and shall be binding upon the Executive's employers, assigns, executors, administrators and other legal representatives. In connection with his execution of this Agreement, the Executive has informed the Company in writing of any interest in any inventions or intellectual property rights that he holds as of the date hereof as set forth on Exhibit B hereto (the "Existing Inventions"). Notwithstanding anything to the contrary herein, the Developments shall not include any Existing Inventions. If the Company is unable for any reason, after reasonable effort, to obtain the Executive's signature on any document needed in connection with the actions described in this Section 5.6, the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive's agent and attorney in fact to act for and on the Executive's behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 5.6 with the same legal force and effect as if executed by the Executive.

5.7. Confidentiality of Agreement. Other than with respect to information required to be disclosed by applicable law, the parties hereto agree not to disclose the terms of this Agreement to any Person; provided the Executive may disclose this Agreement and/or any of its terms to the Executive's immediate family, financial advisors and attorneys, so long as the Executive instructs every such Person to whom the Executive makes such disclosure not to disclose the terms of this Agreement further.

5.8. Remedies. The Executive agrees that any breach of the terms of this Section 5 would result in irreparable injury and damage to the Company for which the Company would have no adequate remedy at law; the Executive therefore also agrees that in the event of said breach or any threat of breach, the Company shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all Persons acting for and/or with the Executive, without having to prove damages, in addition to any other remedies to which the Company may be entitled at law or in equity, including, without limitation, the obligation of the Executive to return any Severance Payments made by the Company to the Company. The terms of this Section 5.8 shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including, without

limitation, the recovery of damages from the Executive. The Executive and the Company further agree that the provisions of the covenants contained in this Section 5 are reasonable and necessary to protect the businesses of the Company and its affiliates because of the Executive's access to Confidential Information and his material participation in the operation of such businesses.

6. Representation. The Executive and the Company each represents and warrants that (i) he or it is not subject to any contract, arrangement, policy or understanding, or to any statute, governmental rule or regulation, that in any way limits his or its ability to enter into and fully perform his or its obligations under this Agreement and (ii) he or it is not otherwise unable to enter into and fully perform his or its obligations under this Agreement.

7. Non-Disparagement. From and after the Effective Date and following termination of the Executive's employment with the Company, the Executive agrees not to make any statement (other than statements made in connection with carrying out his responsibilities for the Company and its subsidiaries and affiliates) that is intended to become public, or that should reasonably be expected to become public, and that criticizes, ridicules, disparages or is otherwise derogatory of the Company or any of its subsidiaries, affiliates, employees, officers, directors or stockholders. The Company and its affiliates shall cause their officers and directors not to make any such statement regarding the Executive.

8. Withholding. The Company may withhold from any amounts payable under this Agreement such Federal, state local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation. The Executive shall be solely responsible for the payment of all taxes relating to the payment or provision of any amounts or benefits hereunder.

9. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

9.1. "Cause" shall mean the Executive's (i) continuing failure, for more than ten (10) days after the Company's written notice to the Executive thereof, to perform such duties as are reasonably requested by the Company; (ii) failure to observe material policies generally applicable to officers or employees of the Company unless such failure is capable of being cured and is cured within ten (10) days of the Executive receiving written notice of such failure; (iii) failure to cooperate with any internal investigation of the Company or any of its affiliates; (iv) commission of any act of fraud, theft or financial dishonesty with respect to the Company or any of its affiliates or indictment or conviction of any felony; or (v) material violation of the provisions of this Agreement unless such violation is capable of being cured and is cured within ten (10) days of the Executive receiving written notice of such violation.

9.2. "Change in Control" shall mean:

a) An acquisition (other than directly from the Company) of any voting securities of the Company (the "Voting Securities") by any "Person" (for purposes of this Section 9.2, as the term "person" is used for purposes of Section 13(d) or 14(d) of the Exchange Act), immediately after which such Person has "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than fifty percent (50%) of (i) the then-outstanding shares of common stock, par value $.01 per share, of the Company and any other securities into which such shares are changed or for which such shares are exchanged ("Shares") or (ii) the combined voting power of the Company's then-outstanding Voting Securities; provided, however, that in determining whether a Change in Control has occurred pursuant to this paragraph (a), the acquisition of Shares or Voting Securities in a Non-Control Acquisition (as hereinafter defined) shall not constitute a Change in Control. A "Non-Control Acquisition" shall mean an acquisition by (i) an employee benefit plan (or a trust forming a part thereof) maintained by (A) the Company or (B) any corporation or other Person the majority of the voting power, voting equity securities or equity interest of which is owned, directly or indirectly, by the Company (for purposes of this definition, a "Related Entity"), (ii) the Company or any Related Entity, or (iii) any Person in connection with a Non-Control Transaction (as hereinafter defined); or

b) The consummation of:

(i) A merger, consolidation or reorganization (x) with or into the Company or (y) in which securities of the Company are issued (a "Merger"), unless such Merger is a "Non-Control Transaction." A "Non-Control Transaction" shall mean a Merger in which:

(i) the shareholders of the Company immediately before such Merger own directly or indirectly immediately following such Merger at least a majority of the combined voting power of the outstanding voting securities of (1) the corporation resulting from such Merger (the "Surviving Corporation"), if there is no Person that Beneficially Owns, directly or indirectly, fifty percent (50%) or more of the combined voting power of the then-outstanding voting securities of the Surviving Corporation (a "Parent Corporation"), or (2) if there is one or more than one Parent Corporation, the ultimate Parent Corporation;

(ii) the individuals who were members of the Board immediately prior to the execution of the agreement providing for such Merger constitute at least a majority of the members of the board of directors of (1) the Surviving

Corporation, if there is no Parent Corporation, or (2) if there is one or more than one Parent Corporation, the ultimate Parent Corporation; and

(iii) no Person other than (1) the Company or another corporation that is a party to the agreement of Merger, (2) any Related Entity, or (3) any employee benefit plan (or any trust forming a part thereof) that, immediately prior to the Merger, was maintained by the Company or any Related Entity, or (4) any Person who, immediately prior to the Merger had Beneficial Ownership of fifty percent (50%) or more of the then outstanding Shares or Voting Securities, has Beneficial Ownership, directly or indirectly, of fifty percent (50%) or more of the combined voting power of the outstanding voting securities or common stock of (x) the Surviving Corporation, if there is no Parent Corporation, or (y) if there is one or more than one Parent Corporation, the ultimate Parent Corporation.

c) A complete liquidation or dissolution of the Company; or

d) The sale or other disposition of all or substantially all of the assets of the Company and its subsidiaries taken as a whole to any Person (other than (x) a transfer to a Related Entity or (y) the distribution to the Company's shareholders of the stock of a Related Entity or any other assets).

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the then outstanding Shares or Voting Securities as a result of the acquisition of Shares or Voting Securities by the Company which, by reducing the number of Shares or Voting Securities then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons; provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of Shares or Voting Securities by the Company and, after such share acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional Shares or Voting Securities and such Beneficial Ownership increases the percentage of the then outstanding Shares or Voting Securities Beneficially Owned by the Subject Person, then a Change in Control shall occur.

9.3. "Disability" shall mean the Executive is entitled to receive long-term disability benefits under the long-term disability plan of the Company or its affiliates in which Executive participates, or, if there is no such plan, the Executive's inability, due to physical or mental ill health, to perform the essential functions of the Executive's job, with or without a reasonable accommodation, for 180 days during any 365 day period irrespective of whether such days are consecutive.

9.4. "Good Reason" shall mean (i) a material and adverse change in the Executive's duties or responsibilities; (ii) a reduction in the Executive's Base Salary or target Annual Bonus; (iii) a relocation of the Executive's principal place of employment by more than fifty (50) miles; or (iv) breach by the Company of any material provision of this Agreement; provided, that the Executive must give notice of termination for Good Reason within sixty (60) days of the occurrence of the first event giving rise to Good Reason.

10. Miscellaneous.

10.1. Indemnification. The Company shall indemnify the Executive to the fullest extent provided under the Company's By-Laws. The Company shall also maintain director and officer liability insurance in such amounts and subject to such limitations as the Board shall, in good faith, deem appropriate for coverage of directors and officers of the Company.

10.2. Amendments and Waivers. This Agreement and any of the provisions hereof may be amended, waived (either generally or in a particular instance and either retroactively or prospectively), modified or supplemented, in whole or in part, only by written agreement signed by the parties hereto; provided, that, the observance of any provision of this Agreement may be waived in writing by the party that will lose the benefit of such provision as a result of such waiver. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach, except as otherwise explicitly provided for in such waiver. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

10.3. Assignment; No Third-Party Beneficiaries. This Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive, and any purported assignment by the Executive in violation hereof shall be null and void. Nothing in this Agreement shall confer upon any Person not a party to this Agreement, or the legal representatives of such Person, any rights or remedies of any nature or kind whatsoever under or by reason of this Agreement.

10.4. Notices. Unless otherwise provided herein, all notices, requests, demands, claims and other communications provided for under the terms of this Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, (ii) facsimile during normal business hours, with confirmation of receipt, to the number indicated, (iii) reputable commercial overnight delivery service courier or (iv) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set

forth below:

If to the Company:	McJunkin Red Man Holding Corporation 835 Hillcrest Drive Charleston, WV 25311 Attention: General Counsel Facsimile: 304-348-1557
with a copy to:	GS Capital Partners V Fund, L.P. 85 Broad Street New York, NY 10004 Attention: Jack Daly Facsimile: 212-357-5505
	and
	Fried, Frank, Harris, Shriver & Jacobson LLP One New York Plaza New York, NY 10004 Attention: Robert C. Schwenkel, Esq. Facsimile: 212-859-4000
If to the Executive:	Andrew Lane, at his principal office at the Company (during the Term), and at all times to his principal residence as reflected in the records of the Company.

All such notices, requests, consents and other communications shall be deemed to have been given when received. Either party may change its facsimile number or its address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

10.5. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights and obligations of the parties hereto shall be governed by, the laws of the State of New York, without giving effect to the conflicts of law principles thereof.

10.6. Severability. Whenever possible, each provision or portion of any provision of this Agreement, including those contained in Section 4 hereof, will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision or portion of any provision, in any other jurisdiction. In addition, should a court or arbitrator determine that any provision or portion of any provision of this Agreement, including those contained in

Section 5 hereof, is not reasonable or valid, either in period of time, geographical area, or otherwise, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable or valid.

10.7. Entire Agreement. From and after the Effective Date this Agreement shall constitute the entire agreement between the parties hereto, and supersede all prior representations, agreements and understandings (including any prior course of dealings), both written and oral, between the parties hereto with respect to the subject matter hereof.

10.8. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

10.9. Binding Effect. This Agreement shall inure to the benefit of, and be binding on, the successors of each of the parties, including, without limitation, the Executive's heirs and the personal representatives of the Executive's estate and any successor to all or substantially all of the business and/or assets of the Company.

10.10. General Interpretive Principles. The name assigned this Agreement and headings of the sections, paragraphs, subparagraphs, clauses and subclauses of this Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof. Words of inclusion shall not be construed as terms of limitation herein, so that references to "include," "includes" and "including" shall not be limiting and shall be regarded as references to non-exclusive and non-characterizing illustrations.

10.11. Mitigation. Notwithstanding any other provision of this Agreement, (i) the Executive will have no obligation to mitigate damages for any breach or termination of this Agreement by the Company, whether by seeking employment or otherwise and (ii) the amount of any payment or benefit due the Executive after the date of such breach or termination will not be reduced or offset by any payment or benefit that the Executive may receive from any other source.

10.12. Section 409A Compliance. This Agreement is intended to comply with Section 409A (to the extent applicable) and, to the extent it would not adversely impact the Company, the Company agrees to interpret, apply and administer this Agreement in the least restrictive manner necessary to comply with such requirements and without resulting in any diminution in the value of payments or benefits to the Executive.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

MCJUNKIN RED MAN HOLDING CORPORATION

By: /s/ Stephen W. Lake
Name: Stephen W. Lake
Title: Senior Vice-President, General Counsel & Corporate Secretary

EXECUTIVE

/s/ Andrew Lane
Andrew Lane

Exhibit A

Release

1. In consideration of the payments and benefits to be made under the Employment Agreement, dated as of September 10, 2008 (the "Employment Agreement"), to which Andrew Lane (the "Executive") and McJunkin Red Man Holding Corporation (the "Company") (each of the Executive and the Company, a "Party" and collectively, the "Parties") are parties, the sufficiency of which the Executive acknowledges, the Executive, with the intention of binding himself and his heirs, executors, administrators and assigns, does hereby release, remise, acquit and forever discharge the Company and each of its subsidiaries and affiliates (the "Company Affiliated Group"), their present and former officers, directors, executives, shareholders, agents, attorneys, employees and employee benefit plans (and the fiduciaries thereof), and the successors, predecessors and assigns of each of the foregoing (collectively, the "Company Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected, which the Executive, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, arising on or prior to the date hereof, against any Company Released Party that arises out of, or relates to, the Employment Agreement, the Executive's employment with the Company or any of its subsidiaries and affiliates, or any termination of such employment, including claims (i) for severance or vacation benefits, unpaid wages, salary or incentive payments, (ii) for breach of contract, wrongful discharge, impairment of economic opportunity, defamation, intentional infliction of emotional harm or other tort, (iii) for any violation of applicable state and local labor and employment laws (including, without limitation, all laws concerning unlawful and unfair labor and employment practices) and (iv) for employment discrimination under any applicable federal, state or local statute, provision, order or regulation, and including, without limitation, any claim under Title VII of the Civil Rights Act of 1964 ("Title VII"), the Civil Rights Act of 1988, the Fair Labor Standards Act, the Americans with Disabilities Act ("ADA"), the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Age Discrimination in Employment Act ("ADEA"), and any similar or analogous state statute, excepting only:

   1.1. rights of the Executive arising under, or preserved by, this Release or Sections 2.3 and 3 of the Employment Agreement;

   1.2. the right of the Executive to receive COBRA continuation coverage in accordance with applicable law;

   1.3. claims for benefits under any health, disability, retirement, life insurance or other,

similar employee benefit plan (within the meaning of Section 3(3) of ERISA) of the Company Affiliated Group; and

1.4. rights to indemnification the Executive has or may have under the by-laws or certificate of incorporation of any member of the Company Affiliated Group or as an insured under any director's and officer's liability insurance policy now or previously in force.

2. The Employee acknowledges and agrees that the release of claims set forth in this Release is not to be construed in any way as an admission of any liability whatsoever by any Company Released Party, any such liability being expressly denied.

3. The release of claims set forth in this Release applies to any relief no matter how called, including, without limitation, wages, back pay, front pay, compensatory damages, liquidated damages, punitive damages, damages for pain or suffering, costs, and attorneys' fees and expenses.

4. The Executive specifically acknowledges that his acceptance of the terms of the release of claims set forth in this Release is, among other things, a specific waiver of his rights, claims and causes of action under Title VII, ADEA, ADA and any state or local law or regulation in respect of discrimination of any kind; provided, however, that nothing herein shall be deemed, nor does anything contained herein purport, to be a waiver of any right or claim or cause of action which by law the Executive is not permitted to waive.

5. As to rights, claims and causes of action arising under the ADEA, the Executive acknowledges that he has been given but not utilized a period of twenty-one (21) days to consider whether to execute this Release. If the Executive accepts the terms hereof and executes this Release, he may thereafter, for a period of seven (7) days following (and not including) the date of execution, revoke this Release as it relates to the release of claims arising under the ADEA. If no such revocation occurs, this Release shall become irrevocable in its entirety, and binding and enforceable against the Executive, on the day next following the day on which the foregoing seven (7) day period has elapsed. If such a revocation occurs, the Executive shall irrevocably forfeit any right to payment of the Severance Payments (as defined in the Employment Agreement), but the remainder of the Employment Agreement shall continue in full force.

6. Other than as to rights, claims and causes of action arising under the ADEA, the release of claims set forth in this Release shall be immediately effective upon execution by the Executive.

7. The Executive acknowledges and agrees that he has not, with respect to any transaction or state of facts existing prior to the date hereof, filed any complaints, charges or lawsuits against any Company Released Party with any governmental agency, court or tribunal.

8. The Executive acknowledges that he has been advised to seek, and has had the

opportunity to seek, the advice and assistance of an attorney with regard to the release of claims set forth in this Release, and has been given a sufficient period within which to consider the release of claims set forth in this Release.

9. The Executive acknowledges that the release of claims set forth in this Release relates only to claims which exist as of the date of this Release.

10. The Executive acknowledges that the Severance Payments he is receiving in connection with the release of claims set forth in this Release and his obligations under this Release are in addition to anything of value to which the Executive is entitled from the Company and any of its affiliates.

11. Each provision hereof is severable from this Release, and if one or more provisions hereof are declared invalid, the remaining provisions shall nevertheless remain in full force and effect. If any provision of this Release is so broad, in scope, or duration or otherwise, as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

12. This Release constitutes the complete agreement of the Parties in respect of the subject matter hereof and shall supersede all prior agreements between the Parties in respect of the subject matter hereof except to the extent set forth herein.

13. The failure to enforce at any time any of the provisions of this Release or to require at any time performance by another party of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect the validity of this Release, or any part hereof, or the right of any party thereafter to enforce each and every such provision in accordance with the terms of this Release.

14. This Release may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Signatures delivered by facsimile shall be deemed effective for all purposes.

15. This Release shall be binding upon any and all successors and assigns of the Executive and the Company.

16. Except for issues or matters as to which federal law is applicable, this Release shall be governed by and construed and enforced in accordance with the laws of the State of New York without giving effect to the conflicts of law principles thereof.

[signature page follows]

IN WITNESS WHEREOF, this Release has been signed by or on behalf of each of the Parties, all as of _____.

MCJUNKIN RED MAN HOLDING CORPORATION

By: _____
Name:
Title:

EXECUTIVE

_____
Andrew Lane

Exhibit B

Existing Inventions

[none]

MCJUNKIN RED MAN HOLDING CORPORATION
SUBSCRIPTION AGREEMENT

SUBSCRIPTION AGREEMENT (this "Agreement") dated as of September 10, 2008 by and among McJunkin Red Man Holding Corporation, a Delaware corporation (the "Company"), Andrew Lane (the "Subscriber") and, for purposes of Section 7 only, PVF Holdings LLC ("PVF").

RECITALS

WHEREAS, on September 10, 2008, the Company and the Subscriber entered into an employment agreement whereby, subject to the terms set forth therein, the Company agreed to employ the Subscriber as Chief Executive Officer of the Company; and

WHEREAS, in exchange for the Cash Consideration (as defined below), the Subscriber desires to purchase from the Company, and the Company desires to issue to the Subscriber, the Purchased Shares (as defined below).

NOW THEREFORE, in consideration of the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Company and the Subscriber hereby agree as set forth below.

Section 1. Agreement to Sell and Purchase Securities. Subject to the terms and provisions set forth in this Agreement, (a) Subscriber agrees to purchase 340.4379 shares of common stock, par value $0.01 per share, of the Company (the "Common Stock"), at a purchase price of $8,812.18 per share, for an aggregate purchase price of $3,000,000 (the "Cash Consideration") and (b) in consideration for the Cash Consideration, the Company agrees to issue, sell and deliver to the Subscriber 340.4379 shares of Common Stock (the "Purchased Shares").

Section 2. Closing. The delivery of the Purchased Shares to the Subscriber shall take place at a closing (the "Closing") on September 12, 2008 or at such other date as the Company and the Subscriber may agree in writing. The Subscriber shall deliver the Cash Consideration to the Company by wire transfer of immediately available funds or by such other form of payment acceptable to the Company so that at the Closing, the Company can deliver the Purchased Shares against receipt of cleared funds. The time and date upon which the Closing occurs is herein called the "Closing Date."

Section 3. Acceptance. This Agreement is subject to the acceptance of the Company. The Company reserves the right to accept or reject the subscription of Purchased Shares or any portion thereof. Upon such acceptance, this Agreement shall become a binding agreement between the Company, the Subscriber, and for purposes of Section 7 only, PVF.

Section 4. Representations and Warranties of the Subscriber. The Subscriber represents, warrants and agrees that:

(a) The Subscriber has all requisite power and authority to execute and deliver this Agreement and any and all instruments necessary or appropriate in order to effectuate fully the terms and conditions of this Agreement and to perform and consummate his obligations hereunder. This Agreement has been duly and validly executed and delivered by the Subscriber and constitutes a valid and legally binding obligation of the Subscriber, enforceable against the Subscriber in accordance with its terms and conditions, except as enforceability thereof may be limited by any applicable bankruptcy, reorganization, insolvency or other laws affecting creditors' rights generally or by general principles of equity.

(b) The execution, delivery and performance of this Agreement by the Subscriber does not (i) violate, conflict with, or constitute a breach of or default under any agreement to which the Subscriber is a party or which he is bound or (y) violate any law, regulation, order, writ, judgment, injunction or decree applicable to the Subscriber. No consent or approval of, or filing with, any governmental or regulatory body is required to be obtained or made by the Subscriber in connection with the execution and delivery of this Agreement.

(c) The Subscriber is acquiring the Purchased Shares for his own account, for investment and not with a view to the sale or distribution thereof, nor with any present intention of distributing or selling the same. The Purchased Shares have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and, consequently, the materials relating to the offer have not been subject to review and comment by the staff of the Securities and Exchange Commission or any other governmental authority. Furthermore, there is not now and there may never be any public market for the Purchased Shares. Rule 144 promulgated under the Securities Act is not presently available with respect to the sale of any Purchased Shares.

(d) The Subscriber is an "accredited investor," as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act and, in connection with the execution of this Agreement, the Subscriber agrees to deliver such certificates to that effect as the board of directors of the Company may request.

(e) The Subscriber has had an opportunity to ask questions and receive answers concerning the terms and conditions of the offering of the Purchased Shares and has had full access to such other information concerning the Company as he has requested. The Subscriber's knowledge and experience in financial and business matters is such that he is capable of evaluating the merits and risk of the investment in the Purchased Shares. The Subscriber has carefully reviewed the terms and provisions of this Agreement and has evaluated the restrictions and obligations contained herein. In furtherance of the foregoing, the Subscriber represents and warrants that (i) no representation or warranty, express or implied, whether written or oral, as to the financial condition, results of operations, prospects, properties or business of the Company or as to the desirability or value of an investment in the Company has been made to the Subscriber by or on behalf of the Company, (ii) the Subscriber has relied upon his own independent appraisal and investigation, and the advice of his own counsel, tax advisors and other advisors, regarding the risks of an investment in the Company and (iii) the

Subscriber will continue to bear sole responsibility for making his own independent evaluation and monitoring of the risks of his investment in the Company.

(f) The Subscriber's financial situation is such that the Subscriber can afford to bear the economic risk of holding the Purchased Shares for an indefinite period and the Subscriber can afford to suffer the complete loss of his investment in the Purchased Shares.

(g) The Subscriber is not subscribing for the Purchased Shares as a result of or subsequent to any advertisement, article, notice or other communication published in any newspapers, magazine or similar media or broadcast over television or radio, or presented at any seminar or meeting, or any solicitation of a subscription by a person or entity not previously known to the Subscriber in connection with investments in securities generally.

(h) The Subscriber understands and acknowledges that (i) he is being issued the Purchased Shares as part of a written compensatory contract pursuant to Rule 701 of the Securities Act for services to the Company and its affiliates, and (ii) he or she would not be issued the Purchased Shares if he or she were not an employee of the Company or one of its affiliates.

(i) The Subscriber hereby acknowledges that any investment gain attributable to ownership of the Purchased Shares will not be taken into consideration for any compensation purpose.

Section 5. Survival. All of the representations, warranties and agreements of the Subscriber set forth herein shall survive the execution and delivery of this Agreement.

Section 6. Subscriber's Employment. Nothing in this Agreement shall confer upon the Subscriber any right to continue in the employ of the Company or any of its affiliates or interfere in any way with the right of the Company or any of its affiliates, as the case may be, in their sole discretion, to terminate the Subscriber's employment or to increase or decrease the Subscriber's compensation at any time.

Section 7. Stockholders Agreement

(a) The Subscriber hereby agrees to become a party to the Management Stockholders Agreement by and among PVF Holdings LLC, the Company and the Executives parties thereto, dated as of March 27, 2007, as amended, attached hereto as Exhibit A (the "Stockholders Agreement"). Except as otherwise expressly set forth in this Section 7, the Subscriber hereby agrees to be bound by, and subject to, all of the representations, warranties, covenants, terms and conditions set forth in the Stockholders Agreement that are applicable to an Executive (as defined in the Stockholders Agreement). Execution and delivery of this Agreement by the Subscriber shall also constitute execution and delivery by him of the Stockholders Agreement, without further action of any party.

(b) The Company, PVF and the Subscriber hereby agree that effective upon the consummation of a Qualified IPO (as defined in the Stockholders Agreement) of the Company, the Subscriber shall no longer be a party to the Stockholders Agreement and the Stockholders Agreement shall automatically terminate, without further action of any party, with respect to the Subscriber and the Purchased Shares; *provided* that no such termination shall relieve any party thereto (including the Subscriber) of any liability or damages to any other party thereto resulting from a breach of the Stockholders Agreement prior to such termination.

Section 8. Governing Law; Waiver of Jury Trial. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without reference to the conflict of laws principles thereof. The parties hereby irrevocably submit to the personal jurisdiction of the courts of the State of Delaware located in the County of New Castle and the Federal courts of the United States of America located in the County of New Castle solely in respect of the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such courts, and the parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a Delaware State or Federal court located in the County of New Castle. The parties hereby consent to and grant any such court jurisdiction over the person of such parties and, to the extent permitted by law, over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in this Agreement or in such other manner as may be permitted by law shall be valid and sufficient service thereof. *Each of the parties irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any and all rights to trial by jury in connection with any litigation arising out of or relating to this Agreement or the transactions contemplated hereby.*

Section 9. Assignment; Binding Effect; Third Party Beneficiaries. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by the Subscriber (whether by operation of law or otherwise) without the prior written consent of the Company. Subject to the preceding sentence, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Each of the Company's affiliates is a third party beneficiary under this Agreement. Notwithstanding anything contained in this Agreement to the contrary, nothing in this Agreement (other than as set forth in the immediately preceding sentence), express or implied, is intended to confer on any person other than the parties hereto or their respective heirs, successors, executors, administrators and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement.

Section 10. Entire Agreement. This Agreement and the Stockholders Agreement constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and understandings (oral and written) among the parties with respect thereto.

Section 11. Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or otherwise affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

Section 12. Revocability. This Agreement may not be withdrawn or revoked by the Subscriber in whole or in part without the prior written consent of the Company.

Section 13. Notices. All notices, requests, demands, claims and other communications provided for under the terms of this Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, (ii) facsimile during normal business hours, with confirmation of receipt, to the number indicated, (iii) reputable commercial overnight delivery service courier or (iv) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to the Company:

McJunkin Red Man Holding Corporation
835 Hillcrest Drive
Charleston, WV 25311
Attention: General Counsel
Facsimile: 304-348-1557

with a copy to:

GS Capital Partners
85 Broad Street
New York, NY 10004
Attention: Jack Daly
Facsimile: 212-357-5505

and

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004
Attention: Robert C. Schwenkel, Esq.
Facsimile: 212-859-4000

If to the Subscriber: Andrew Lane, at his principal office at the Company (during the term of his employment with the Company), and at all times to his principal residence as reflected in the records of the Company.

All such notices, requests, consents and other communications shall be deemed to have been given when received. Either party may change its facsimile number or its address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first above written.

SUBSCRIBER

/s/ Andrew Lane

Andrew Lane

MCJUNKIN RED MAN HOLDING CORPORATION

By: /s/ Stephen W. Lake
Name: Stephen W. Lake
Title: Sr. Vice President, General Counsel & Corporate Secretary

For purposes of Section 7 only:

PVF HOLDINGS LLC

By: /s/ Stephen W. Lake
Name: Stephen W. Lake
Title: Sr. Vice President, General Counsel & Corporate Secretary

MCJUNKIN RED MAN HOLDING CORPORATION
NONQUALIFIED STOCK OPTION AGREEMENT

THIS AGREEMENT (this "Agreement"), is made effective as of September 10, 2008 (the "Date of Grant"), between McJunkin Red Man Holding Corporation, a Delaware corporation (the "Company"), PVF Holdings LLC, a Delaware limited liability company ("PVF Holdings LLC") (solely for purposes of Section 15 hereof), and Andrew Lane (the "Participant").

RECITALS:

WHEREAS, the Company has adopted the McJ Holding Corporation 2007 Stock Option Plan (the "Plan"), which Plan is incorporated herein by reference and made a part of this Agreement. Capitalized terms not otherwise defined herein shall have the meanings given thereto in the Plan; and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its shareholders to grant an Option to the Participant pursuant to the Plan and the terms set forth herein.

NOW THEREFORE, in consideration of the services to be provided by the Participant to the Company pursuant to the Employment Agreement entered into by the Company and the Executive on September 10, 2008 (the "Employment Agreement"), and of the mutual covenants hereinafter set forth, the parties agree as follows:

1. Grant of the Option. The Company hereby grants to the Participant the right and option (the "Option") to purchase, on the terms and conditions hereinafter set forth, all or any part of an aggregate of 3,517.8582 Shares, subject to adjustment as set forth in the Plan. The Option Price shall be $8,812.18, which the Company and the Participant agree is not less than the Fair Market Value of the Shares as of the date hereof.

2. Vesting; Period of Exercise.

(a) Subject to the earlier termination or cancellation of the Option as set forth herein, the Option shall vest and become exercisable as follows:

(i) Prior to the second (2nd) anniversary of the Date of Grant, no portion of the Option shall vest or be exercisable;

(ii) On and after the second (2nd) anniversary of the Date of Grant, the Option shall vest and be exercisable with respect to an aggregate of one-fourth (1/4) of the Shares originally subject to the Option, provided that the Participant's Employment with the Company has not terminated as of such anniversary;

(iii) On and after the third (3rd) anniversary of the Date of Grant, the Option shall vest and be exercisable with respect to an aggregate of one-half (1/2) of the Shares

originally subject to the Option, provided that the Participant's Employment with the Company has not terminated as of such anniversary;

(iv) On and after the fourth (4th) anniversary of the Date of Grant, the Option shall vest and be exercisable with respect to an aggregate of three-fourths (3/4) of the Shares originally subject to the Option, provided that the Participant's Employment with the Company has not terminated as of such anniversary; and

(v) On and after the fifth (5th) anniversary of the Date of Grant, the Option shall vest and be exercisable with respect to an aggregate of one hundred percent (100%) of the Shares originally subject to the Option, provided that the Participant's Employment with the Company has not terminated as of such anniversary.

(vi) Notwithstanding the foregoing, in the event that the Participant's Employment is terminated (A) by the Company other than for Cause or Disability (as each is defined in the Employment Agreement), (B) by the Executive for Good Reason (as defined in the Employment Agreement) or (C) by reason of the Executive's death or Disability, the Option shall, to the extent not then vested, become vested as follows: if termination occurs during the first two (2) years of employment, a pro-rata portion of 1/4 of the Shares subject to the Option will vest, such pro-rata portion to be determined based on the number of months worked since the date of grant divided by twenty four (24), and if termination occurs during the third (3rd), fourth (4th) or fifth (5th) years of employment, a pro-rata portion of 1/4 of the Shares subject to the Option will vest, such pro-rata portion to be determined based on the number of months worked since the previous vesting date divided by twelve (12).

(vii) Notwithstanding the foregoing, in the event of the occurrence of a Change in Control (as defined in the Employment Agreement), the Option shall, to the extent not then vested, automatically become fully vested and exercisable.

The portion of the Option which has become vested and exercisable as described herein is hereinafter referred to as the "Vested Portion."

(b) If the Participant's Employment is terminated by the Company for Cause, the Option shall, whether or not vested, be automatically canceled without payment of consideration therefor.

(c) If the Participant's Employment with the Company terminates for any reason other than (A) by the Company for Cause or Disability, or (B) by reason of the Participant's death or Disability, the Option shall, to the extent not previously vested, be automatically canceled by the Company without payment of consideration therefor, and the Vested Portion of the Option shall remain exercisable until the earliest to occur of (A) the ten (10) year anniversary of the Date of Grant and (B) ninety (90) days following the date of the Participant's termination of Employment.

(d) If the Participant's Employment with the Company is terminated due to the Participant's death or Disability, the Participant may exercise all or any part of the Vested Portion of the Option at any time prior to the earliest to occur of (A) the ten (10) year

anniversary of the Date of Grant and (B) twenty-four (24) months following such termination of Employment.

3. Method of Exercise.

(a) The Vested Portion of the Option may be exercised by delivering to the Company at its principal office written notice of intent so to exercise. Such notice shall specify the number of Shares for which the Option is being exercised (the "Purchased Shares") and shall be accompanied by payment in full of the Option Price in cash or by check or wire transfer; provided, however, that with the written consent of the Committee (which consent may be withheld for any or no reason), payment of such aggregate exercise price may instead be made, in whole or in part, by (A) the delivery to the Company of a certificate or certificates representing Shares having a Fair Market Value on the date of exercise equal to the aggregate exercise price, duly endorsed or accompanied by a duly executed stock power, which delivery effectively transfers to the Company good and valid title to such shares, free and clear of any pledge, commitment, lien, claim or other encumbrance (such shares to be valued on the basis of the aggregate Fair Market Value thereof on the date of such exercise), or (B) by a reduction in the number of Purchased Shares to be issued upon such exercise having a Fair Market Value on the date of exercise equal to the aggregate exercise price in respect of the Purchased Shares, provided that the Company is not then prohibited from purchasing or acquiring such Shares. The Participant shall not have any rights to dividends or other rights of a stockholder with respect to Shares subject to the Option until the Participant has given written notice of exercise of the Option, paid in full for such Shares and, if applicable, has satisfied any other conditions imposed by the Committee or pursuant to the Plan or this Agreement.

(b) Notwithstanding any other provision of the Plan or this Agreement to the contrary, the Option may not be exercised prior to the completion of any registration or qualification of the Option or the Shares under applicable state and federal securities or other laws, or under any ruling or regulation of any governmental body or national securities exchange (collectively, the "Legal Requirements") that the Committee shall in its sole discretion determine to be necessary or advisable, unless an exemption to such registration or qualification is available and satisfied. The Committee may establish additional procedures as it deems necessary or desirable in connection with the exercise of the Option or the issuance of any Shares upon such exercise to comply with any Legal Requirements. Such procedures may include but are not limited to the establishment of limited periods during which the Option may be exercised or that following receipt of the notice of exercise and prior to the completion of the exercise, the Participant will be required to affirm the exercise of the Option following receipt of any disclosure deemed necessary or desirable by the Committee.

(c) Upon the Company's determination that the Option has been validly exercised as to any of the Shares, the Company shall issue certificates in the Participant's name for such Shares. Such certificates will be held by the Company on behalf of the Participant until such time as the Shares represented by such certificates are transferred as permitted by the Stockholders Agreement.

(d) In the event of the Participant's death or Disability, the Option shall remain exercisable by the Participant's executor or administrator, or the person or persons to

whom the Participant's rights under this Agreement shall pass by will or by the laws of descent and distribution as the case may be, for the period set forth in Section 2(d) (and the term "Participant" shall be deemed to include such heir or legatee). Any such heir or legatee of the Participant shall take rights herein granted subject to the terms and conditions hereof.

(e) In consideration of the grant of this Option, the Participant agrees that, as a condition to the exercise of any option to purchase Shares (whether this Option or any other option), the Participant shall, with respect to such Shares, have become a party to the Stockholders Agreement.

4. No Right to Continued Employment. The granting of the Option evidenced hereby and this Agreement shall impose no obligation on the Company or any Affiliate to continue the Employment of the Participant and shall not lessen or affect the Company's or its Affiliates' right to terminate the Employment of such Participant.

5. Legend on Certificates. The certificates representing the Shares purchased by exercise of the Option shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such Shares are listed, and any applicable federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

6. Transferability. Unless otherwise determined by the Committee, the Option may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance. No such permitted transfer of the Option to heirs or legatees of the Participant shall be effective to bind the Company unless the Committee shall have been furnished with written notice thereof and a copy of such evidence as the Committee may deem necessary to establish the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions hereof. During the Participant's lifetime, the Option is exercisable only by the Participant.

7. Withholding. The Participant shall be required to pay to the Company or any Affiliate, and the Company shall have the right and is hereby authorized to withhold, any applicable withholding taxes in respect of the Option, its exercise or any payment or transfer under, or with respect to, the Option and to take such other action as may be necessary in the opinion of the Committee to satisfy all obligations for the payment of such withholding taxes. The Participant shall be solely responsible for the payment of all taxes relating to the payment or provision of any amounts or benefits hereunder.

8. Securities Laws. Upon the acquisition of any Shares pursuant to the exercise of the Option, the Participant will make or enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws or with this Agreement.

9. Successors in Interest. This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Participant's legal representatives. All obligations imposed upon the Participant and all rights granted to the Company under this Agreement shall be binding upon the Participant's heirs, executors, administrators and successors.

10. Resolution of Disputes. Any dispute or disagreement which may arise under, or as a result of, or in any way relate to, the interpretation, construction or application of this Agreement shall be determined by the Board. Any determination made hereunder shall be final, binding and conclusive on the Participant, the Participant's heirs, executors, administrators and successors, and the Company and its subsidiaries for all purposes.

11. Notices. Any notice necessary under this Agreement shall be addressed to the Company in care of its Secretary at the principal executive office of the Company and to the Participant at the address appearing in the personnel records of the Company for the Participant or to either party hereto at such other address as either party may hereafter designate in writing to the other. Any such notice shall be deemed effective upon receipt thereof by the addressee.

12. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the state of New York, without regard to principles of conflicts of laws.

13. Option Subject to Plan. By entering into this Agreement, the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan. The Option is subject to the Plan. The terms and provisions of the Plan, as it may be amended from time to time, are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan, as applicable, will govern and prevail.

14. Accredited Investor Status Representation of Participant. Please check the box next to any of the following statements that apply:

- o Your individual net worth, or joint net worth with your spouse, as of the date hereof, exceeds $1,000,000;
- o You had individual income in excess of $200,000 in each of the two most recent years, or joint income with your spouse in excess of $300,000 in each of those years, and have a reasonable expectation of reaching the same income level in the current year; or
- o None of the statements above apply.

15. Adoption of Stockholders Agreement.

(a) The parties hereto agree that, upon the grant of the Option hereunder, the Participant shall be made a party to the Management Stockholders Agreement among PVF LLC (formerly known as McJ Holding LLC), the Company, and the other parties thereto (the "Stockholders Agreement") as an "Executive" (as defined in the Stockholders Agreement) with the rights and obligations of holders of "Stock" (as defined in the Stockholders Agreement) and

the Participant hereby agrees to become a party to the Stockholders Agreement and to be bound by, and subject to, all of the representations, covenants, terms and conditions of the Stockholders Agreement that are applicable to an Executive with such rights and obligations. Execution and delivery of this Agreement by the Participant shall also constitute execution and delivery by the Participant of the Stockholders Agreement, without further action of any party. A copy of the Stockholders Agreement is attached hereto as Exhibit A. In addition to the representations and warranties in the Stockholders Agreement that Participant makes as an Executive, the Participant represents and warrants to the Company that (A) the Participant has carefully reviewed the Stockholders Agreement and has also reviewed all other documents the Participant deems necessary or desirable in order for the Participant to become a party to the Stockholders Agreement (by executing this Agreement), (B) the Participant has been granted the opportunity to ask questions of, and receive answers from, representatives of the Company concerning the Stockholders Agreement and the terms and conditions thereof that the Participant deems necessary and (C) this Agreement (and by executing this Agreement, the Stockholders Agreement) has been duly executed and delivered by Participant and constitutes a valid and binding agreement of Participant enforceable against the Participant in accordance with its terms and the terms of the Stockholders Agreement.

(b) The Company, PVF Holdings LLC and the Participant hereby agree that effective upon the consummation of a Qualified IPO (as defined in the Stockholders Agreement) of the Company, the Participant shall no longer be a party to the Stockholders Agreement and the Stockholders Agreement shall automatically terminate, without further action of any party, with respect to the Option granted to the Participant hereunder and any shares received by the Participant upon the exercise of the Option; *provided* that no such termination shall relieve any party thereto (including the Participant) of any liability or damages to any other party thereto resulting from a breach of the Stockholders Agreement prior to such termination.

16. Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, effective as of the Date of Grant.

MCJUNKIN RED MAN HOLDING CORPORATION

By: /s/ Stephen W. Lake
Name: Stephen W. Lake
Title: Senior Vice President, General Counsel and Corporate Secretary

PVF HOLDINGS LLC (for purposes of Section 15 only)

By: /s/ Stephen W. Lake
Name: Stephen W. Lake
Title: Senior Vice President, General Counsel and Corporate Secretary

PARTICIPANT

By: /s/ Andrew Lane
Name: Andrew Lane

EXHIBIT A

Stockholders Agreement

Exhibit 16

SCHNEIDER DOWNS

INSIGHT ▪ INNOVATION ▪ EXPERIENCE

Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Ladies and Gentlemen,

We agree with the statements of McJunkin Red Man Holding Corporation in its registration statement on Form S-l on page 174 in response to Item 304 of Regulation S-K.

/s/ SCHNEIDER DOWNS & CO., INC.

Columbus, Ohio
September 26, 2008

Schneider Downs & Co., Inc.
www.schneiderdowns.com

IGAF

1133 Penn Avenue
Pittsburgh, PA 15222-4205
TEL 412.261.3644
FAX 412.261.4876

41 S. High Street
Suite 2100
Columbus, OH 43215-6102
TEL 614.621.4060
FAX 614.621.4062

LIST OF SUBSIDIARIES OF MCJUNKIN RED MAN HOLDING CORPORATION

The following is a list of all our subsidiaries and their jurisdictions of incorporation or organization.

Entity	Jurisdiction
Greenbrier Development Drilling Partners 1976[1]	West Virginia
Greenbrier Petroleum Corporation	West Virginia
Hagan Oilfield Supply Ltd.	Canada
LBPS Holding Company	Delaware
McJunkin — Nigeria Limited	Delaware
McJunkin — Puerto Rico Corporation	Delaware
McJunkin — West Africa Corporation	Delaware
McJunkin de Angola, LDA	Angola
McJunkin Nigeria Limited[2]	Nigeria
McJunkin Receivables Corporation*	Delaware
McJunkin Red Man Canada Ltd.	Alberta, Canada
McJunkin Red Man Corporation	West Virginia
McJunkin Red Man Development Corporation	Delaware
McJunkin Venezuela*	Venezuela
Mega Production Testing Inc.[3]	Alberta, Canada
Midfield Holdings (Alberta) Ltd.	Alberta, Canada
Midfield Supply ULC	Alberta, Canada
Midway-Tristate Corporation*	New York
Milton Oil & Gas Company	West Virginia
MRM Oklahoma Management LLC**	Delaware
MRM West Virginia Management Company**	West Virginia
PrimeEnergy, Corp.[4]	Connecticut
Red Man Distributors LLC[5]	Oklahoma
Red Man Pipe & Supply Co.	Oklahoma
Red Man Pipe & Supply International Limited	Jamaica
Ruffner Realty Company	West Virginia
Wesco Acquisition Partners, Inc.	Texas
West Oklahoma PVF Company	Delaware
Worldwide Matrix, Inc.[6]	Alberta, Canada

* Inactive

** Management companies (organization not yet complete)

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1 Our company indirectly owns 33% of this entity.

2 Our company indirectly owns 49% of this entity.

3 Our company indirectly owns 51% of this entity.

4 Our company indirectly owns 20.38% of this entity.

5 Our company indirectly owns 49% of this entity.

6 Our company indirectly owns 37.5% of this entity.

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the captions “Prospectus Summary — Summary Consolidated Financial Information”, “Selected Historical Financial Consolidated Data”, and “Experts”, and to the use of our report dated August 15, 2008, in the Registration Statement (Form S-1) and related Prospectus of McJunkin Red Man Holding Corporation for the registration of $750,000,000 of its shares of common stock.

/s/ Ernst & Young LLP

Charleston, West Virginia

September 26, 2008

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement on Form S-l of our reports dated January 13, 2007 relating to the consolidated financial statements and consolidated financial statement schedule of McJunkin Corporation and subsidiaries as of December 31, 2006 and 2005 and for the years then ended appearing in the Preliminary Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the headings “Prospectus Summary — Summary Consolidated Financial Information”, “Selected Historical Financial Consolidated Data”, and “Experts” in such Preliminary Prospectus.

/s/ Schneider Downs & Co., Inc.

Columbus, Ohio
September 26, 2008

Exhibit 23.3

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in this Registration Statement on Amendment No. 1 to Form S-1 of McJunkin Red Man Holding Corporation of our report dated February 15, 2008 relating to the financial statements of Red Man Pipe and Supply Company, 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

Tulsa, OK
September 26, 2008