

Recommended Dividend Policy

Audit & Finance Committee

January 18th, 2012

Terms: Net Free Cash Flow (NFCF)=Net cash flow from operations after debt curtailment and before any refinance proceeds.

Guideline:

- Distribute 50% of NFCF qualified by the reserve minimum.
- Remaining 50% retained within company for reinvestment.

Criteria:

- Maintain minimum of two million dollars in cash reserves over and above an annually approved capital reserve fund.

The Audit & Finance committee will review the company's dividend policy on an annual basis and provide any recommended changes to the board.