

SHARE EXCHANGE AGREEMENT

THIS SHARE EXCHANGE AGREEMENT, dated as of the _____th day of September, 2007 (the "Agreement"), by and among, on the one hand, _____, a _____ corporation (the "Acquiror") and its wholly-owned subsidiary, _____, an _____ corporation ("Buyer's Sub"); and, on the other hand, _____, a _____ corporation ("Target's Parent"), and its wholly-owned subsidiary, a _____ corporation ("Target"). Acquiror, Acquiror's Sub, Target's Parent and Target are collectively referred to herein as the "Parties".

WITNESSETH:

WHEREAS, Target's Parent owns all of the issued and outstanding shares of the capital of Target (the "**TARGET SHARES**");

WHEREAS, Target's business is in the oil and natural gas resources industry and is the owner of a fifty-five (55%) interest in an operating company known as the _____, a _____ company (the "Operating Co.");

WHEREAS, Acquiror, through its subsidiary, Acquiror's Sub, is in the business of exploration and development of oil and natural gas resources in _____ and wishes to expand its business;

WHEREAS, Acquiror desires to acquire from Target's Parent, and Target's Parent desires to sell to Acquiror, the Target Shares in exchange for the issuance by Acquiror of an aggregate of _____ shares of Acquiror's Common Stock (the "Company Shares") to Target's Parent on the terms and conditions set forth herein (the "Share Exchange").

WHEREAS, after giving effect to the Share Exchange, as described herein, there will be approximately _____ shares of Acquiror's Common Stock issued and outstanding.

NOW, THEREFORE, in consideration, of the promises and of the mutual representations, warranties and agreements set forth herein, the Parties hereto agree as follows:

NOW THEREFORE THIS AGREEMENT WITNESSES that for and in consideration of the mutual premises and the mutual covenants and agreements contained herein, the Parties covenant and agree each with the other as follows:

ARTICLE I DEFINITIONS

Section 1.01. Definitions. The following terms shall have the following respective meanings:

“Affiliate”	with respect to a Party, a Person that directly or indirectly controls, is controlled by, or is under common control of such Party. For the purpose of this definition, “control” means (i) ownership of more than fifty percent (50%) of the voting shares of a person or (ii) the right or ability to direct the management or policies of a Person through ownership of voting shares or other securities, pursuant to a written agreement or otherwise;
“Business Day”	a day (other than a Saturday) on which banks in _____ and _____ are open for business throughout their normal business hours;
“Company Common Stock”	common stock with a US\$0.001 par value in the capital of Acquiror;
“Completion”	completion of acquisition of Target Shares in accordance with the terms and conditions of this Agreement;
“Closing Date”	the date falling on the first Business Day after all the conditions set out in Articles VII and VIII have been fulfilled or waived, whichever is the earlier;
“Consideration”	the consideration stipulated in Article 2.1;
“Encumbrance”	any mortgage, charge, pledge, lien, (otherwise than arising by statute or operation of law), equities, hypothecation or other encumbrance, priority or security interest, preemptive right deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same and reference to “Encumbrances” shall be construed accordingly;
“Exchange Act”	the US Securities Exchange Act of 1934;
“Person”	any individual, firm, company, government, state or agency of a state or any joint venture, association or partnership (whether or not having separate legal personality);
“Securities Act”	the US Securities Act of 1933;
“SEC”	means the US Securities and Exchange Commission;
“US”	United States of America;
“United States Dollars” or the sign “US\$”	United States dollars;

Section 1.02. Rules of Construction. a) Unless the context otherwise requires, as used in this Agreement: (i) “including” means “including, without limitation”; (ii) words in the singular include the plural; (iii) words in the plural include the singular; (iv) words applicable to one gender shall be construed to apply to each gender; (v) the terms “hereof,” “herein,” “hereby,” “hereto” and derivative or similar words refer to this entire Agreement, including the Schedules hereto; (vi) the terms “Article,” “Section” and “Schedule” shall refer to the specified Article, Section or Schedule of or to this Agreement and references to paragraphs shall refer to the relevant Paragraph of a specified Schedule and (vii) the term “day” shall refer to calendar days.

b) Titles and headings to Articles and Sections are inserted for convenience of reference only, and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

ARTICLE II THE SHARE EXCHANGE

Section 2.01 Exchange. Subject to and upon the terms and conditions of this Agreement, Acquiror shall acquire all of the Target Shares from Target’s Parent, with all of the Target Shares exchanged being free from all Encumbrances together with all rights now or hereafter attaching thereto. Consideration to be issued by Acquiror shall be a total of _____ shares of Acquiror Common Stock (the “Consideration Shares”). The Share Exchange shall take place upon the terms and conditions provided for in this Agreement and in accordance with applicable law. Immediately following Completion through issuance of the Consideration Shares, Acquiror shall have a total of _____ shares of its common stock issued and outstanding. If the closing does not occur by _____, 2008, due to one party’s failure to perform, then the other party may terminate the agreement.

Section 2.02. Closing Location. The closing of the Share Exchange and the other transactions contemplated by this Agreement (the “Closing”) will take place at _____ on _____ the Closing Date at the offices of the _____, or such other date or location as the Parties may agree to in writing.

Section 2.03. Target’s Parent’s and Target’s Closing Documents. At the Closing, Target’s Parent and Target will tender to Acquiror:

- (a) Certified copy of resolutions of the Board of Directors of Target’s Parent in a form satisfactory to Acquiror, acting reasonably, authorizing:
 - (i) the execution and delivery of this Agreement by Target’s Parent; and
 - (ii) the transfer and registration of the Target Shares in the name of Acquiror and the issuance of one new share certificate representing the Target Shares in the name of Acquiror.
- (b) Certified copy of resolution of the Board of Directors of Target in a form satisfactory to Acquiror, acting reasonably, authorizing the execution and delivery of this Agreement by Target.
- (c) Original share certificates issued in the name of Target’s Parent representing all of the Target Shares, duly endorsed for transfer by Target’s Parent and marked “cancelled for

- transfer” or as otherwise directed by Acquiror or its counsel, in accordance with the laws of _____;
- (d) One (1) new share certificate issued by Target in the name of Acquiror representing the Target Shares;
 - (e) A certified copy of the register of shareholders of Target showing Acquiror as the registered owner of the Target Shares;
 - (f) A certificate executed by Target’s Parent certifying that the conditions in Section 8.02(b) have been satisfied;
 - (g) A certificate executed by a duly appointed officer of Target certifying that the conditions in Section 8.02(b) have been satisfied; and
 - (h) Nomination letters executed by Target’s Parent nominating the persons for membership to the Board of Directors of the Company as Target’s Parent’s representatives.

Section 2.04. Acquiror’s Closing Documents. At the Closing, Acquiror will tender to Target’s Parent:

- (a) Certified copy of resolutions of the Board of Directors of Acquiror in a form satisfactory to Target’s Parent, acting reasonably, authorizing:
 - (i) The execution and delivery of this Agreement by Acquiror;
 - (ii) The amendment as specified in 6.08(a);
 - (iii) revoking any delegations of authority and powers of attorney existing on the Completion Date, and to replace the same with new delegations of authority and powers of attorney as the Board of Directors formed as per Section 2.04 (h) of this Section, may so decide.
- (b) Certified copy of resolutions of the Board of Directors of Acquiror’s Sub in a form satisfactory to Target’s Parent, acting reasonably, authorizing the execution and delivery of this Agreement by Acquiror’s Sub;
- (c) Share certificates, registered in the name of Target’s Parent or such other names as Target’s Parent may direct, representing the Consideration Shares;
- (d) A certified copy of Acquiror’s treasury order of showing the persons described in subsection (b) of this Section 2.04 as the registered owners of the Consideration Shares;
- (e) A certified copy of documents issued by the Secretary of State of _____ confirming the amendments as required by Section 6.08(a);
- (f) A certificate executed by a duly appointed officer of Acquiror certifying that the conditions in Section 8.02(b) have been satisfied;
- (g) Duly signed resignation and waiver letters, in the form attached in Exhibit A hereto, from members of the Board of Directors of Acquiror, addressed to the Board of Directors of the Acquiror and declaring his/her resignation from his/her position as a director; and
- (h) Certified copies of the shareholders general assembly of Acquiror accepting the resignation of the officers and directors of Acquiror and appointment of new officers and directors nominated by Target’s Parent.

ARTICLE III REPRESENTATIONS AND WARRANTIES

Section 3.01. Each Party represents and warrants to the other Party that each of the warranties it makes is accurate in all respects and not misleading at the date of this Agreement.

Section 3.02. Each Party undertakes to disclose in writing to the other Party anything which is or may constitute a breach of or be inconsistent with any of the warranties immediately upon the same coming to its notice at the time of and after Completion.

Section 3.03. Each Party agrees that each of the warranties it makes shall be construed as a separate and independent warranty and (except where expressly provided to the contrary) shall not be limited or restricted by reference to or inference from the terms of any other warranty or any other term of this Agreement.

Section 3.04. Each Party acknowledges that the restrictions contained in Section 9.1 (Public Notices) and Section 9.9 (Confidentiality) shall continue to apply after the Completion under this Agreement without limit in time.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF Acquiror AND Acquiror's Sub

Section 4.01. Organization, Standing and Authority; Foreign Qualification. (a) Acquiror is a corporation duly organized, validly existing and in good standing under the laws of the State of _____ and has all requisite corporate power and authority to own, lease and operate its properties and to conduct its business as presently conducted and as proposed to be conducted and is duly qualified or licensed as a foreign corporation in good standing in each jurisdiction in which the character of its properties or the nature of its business activities require such qualification.

(b) Acquiror's Sub is a corporation duly organized, validly existing and in good standing under the laws of the _____ and has all requisite corporate power and authority to own, lease and operate its properties and to conduct its business as presently conducted and as proposed to be conducted and is duly qualified or licensed as a foreign corporation in good standing in each jurisdiction in which the character of its properties or the nature of its business activities require such qualification.

Section 4.02. Corporate Authorization. The execution, delivery and performance by Acquiror and Acquiror's Sub of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of each Acquiror and Acquiror's Sub, and this Agreement constitutes a valid and binding agreement of Acquiror and Acquiror's Sub. The Consideration Shares to be issued in accordance with this Agreement shall be duly authorized and, upon such issuance, will be validly issued, fully paid and non-assessable.

Section 4.03. Capitalization. (a) Acquiror's authorized capital stock consists solely of _____ shares of common stock, of which _____ shares of common stock are issued and outstanding as of the date hereof; all of such issued and outstanding shares of Acquiror's common stock are duly authorized, validly issued, fully paid and non-assessable. Except as described on Schedule 4.03, there are no outstanding options, warrants, agreements or rights to subscribe for or to purchase, or commitments to issue, shares of Acquiror's

common stock or any other security of Acquiror or any plan for any of the foregoing. Except as set forth on Schedule 4.0(b), Acquiror is not obligated to register the resale of any Acquiror's Common Stock on behalf of any shareholder of Acquiror under the Securities Act.

Section 4.04 Subsidiaries. (a) Schedule 4.04 contains complete and correct lists (a) of each direct and indirect subsidiary of Acquiror, showing, as to each, the correct name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by Acquiror, (b) of Acquiror's affiliates, other than the direct and indirect subsidiaries; and (c) of Acquiror's directors and senior officers.

(b) Except for any affect of the _____ Litigation, all of the outstanding shares of capital stock or other equity interests of each subsidiary shown in Schedule 4.04 have been validly issued, are fully paid and non-assessable and are owned as indicated by Acquiror or its subsidiary free and clear of any lien, possibility of any lien, encumbrance, security agreement, equity, option, claim, charge, pledge or restriction in favor of any third person upon any of the properties or assets of Acquiror.

Section 4.05 SEC Filings. (a) Acquiror has delivered to the Target and Target's Parent (i) Acquiror's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2005, containing Acquiror's consolidated balance sheet at December 31, 2004 and December 31, 2005 and statements of income, changes in shareholders' equity and cash flows of Acquiror for the two fiscal years ended December 31, 2005, along with a copy of the audit report of _____, independent auditors; (ii) quarterly reports on Form 10-QSB for the three quarters ended March 31, June 30, and September 30, 2005, respectively; and (iii) all Current Reports on Form 8-K filed by Acquiror since December 31, 2005 (collectively, "Acquiror's Reports"). To the best of Acquiror's knowledge and belief, all of Acquiror's Reports as of their respective dates (i) comply in all material respects with the requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the rules and regulations of the Securities and Exchange Commission (the "SEC") thereunder, (ii) do not contain any untrue statement of a material fact and (iii) do not omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) All documents which Acquiror is responsible for filing with the SEC or any regulatory agency in connection with this Agreement will comply as to form in all material respects with the requirements of applicable law, and all of the information relating to Acquiror in any document filed with the SEC or any other regulatory agency in connection with this Agreement or the transactions otherwise contemplated hereby shall be true and correct in all material respects.

Section 4.06 Financial Statements. (a) All consolidated financial statements included in Acquiror's Reports, including the related notes, fairly present, in conformity with generally accepted accounting principles ("GAAP") applied on a consistent basis (except as indicated therein), the consolidated financial position of Acquiror and its Subsidiaries as of the dates thereof and the consolidated results of operations and changes in shareholders' equity and cash flows of Acquiror for the periods then ended, subject, in the case of the interim financial

statements, to normal and recurring year-end audit adjustments and except that the interim financial statements do not contain all of the notes required by generally accepted accounting principles.

(b) Acquiror has furnished to Target's Parent, or shall furnish to Target's Parent immediately following filing with the SEC, the unaudited consolidated balance sheets as of March 31, 2006, and the related consolidated statements of operations, shareholders' equity (deficit) and cash flows for the interim period then ended. To the best of Acquiror's knowledge and belief, such financial statements will have been prepared from and are in accordance with the books and records of Acquiror and are true and correct and fairly present in all material respects the financial position of Acquiror as of such date and the results of its operations for the period then ended, except for the absence of notes and subject to year end adjustments which consist only of normal recurring accruals.

Section 4.07 Tax Returns. Acquiror and Acquiror's Sub has prepared (or caused to be prepared) and timely and properly filed (or caused to be timely and properly filed) with the appropriate federal, state, provincial, municipal or local authorities within _____ all tax returns, information returns and other reports required to be filed. Such tax returns are substantially complete and correct as filed. Acquiror or Acquiror's Sub has paid or accrued (or caused to be so paid or accrued) in full all taxes, interest, penalties, assessments or deficiencies, if any, due to, or claimed to be due by, any taxing authority in _____. The balance sheet included in Acquiror's Reports include appropriate provisions for all such taxes, interest, penalties, assessments or deficiencies owed to the taxing authorities in _____, if any, for the period indicated thereon to the extent not theretofore paid. Acquiror and Acquiror's Sub have not executed or filed with any taxing authority any agreement extending the period for assessment or collection of any taxes. Neither Acquiror nor Acquiror's Sub is a party to any pending action or proceeding, nor is any such action or proceeding threatened, by any governmental authority for the assessment or collection of taxes. There are no liens for taxes, and no claim for assessment or collection of taxes has been asserted against Acquiror or Acquiror's Sub by any taxing authority in _____. To Acquiror's and Acquiror's Sub's best knowledge, there are no tax audits currently in progress or not complete.

Section 4.08 Certificate of Incorporation and By-Laws. (a) Acquiror and Acquiror's Sub has each heretofore delivered to Target's Parent true, correct and complete copies of its respective Certificate or Articles of Incorporation (certified by the applicable government agency that is responsible for the organization of companies or corporations in such party's place or organization) and By-laws or comparable instruments (certified by the corporate secretary thereof).

Section 4.09 No Conflict. The execution, delivery and performance of this Agreement and the completion of the transactions contemplated herein will not:

- (a) violate any provision of the Articles or Certificate of Incorporation, By-laws or other charter or organizational document of Acquiror or Acquiror's Sub;
- (b) violate, conflict with or result in the breach of any of the terms of, result in any modification of the effect of, otherwise give any other contracting party the right to

- terminate, or constitute (or with notice or lapse of time or both constitute) a default under, any contract to which Acquiror or Acquiror's Sub is a party or by or to which either of its assets or properties, may be bound or subject;
- (c) violate any order, judgment, injunction, award or decree of any court, arbitrator or governmental or regulatory body against, or binding upon, or any agreement with, or condition imposed by, any governmental or regulatory body, foreign or domestic, binding upon Acquiror or Acquiror's Sub or upon the securities, assets or business of Acquiror or Acquiror's Sub;
 - (d) violate any statute, law or regulation of any jurisdiction as such statute, law or regulation relates to Acquiror or Acquiror's Sub or to the securities, properties or business of Acquiror or Acquiror's Sub; or
 - (e) result in the breach of any of the terms or conditions of, constitute a default under, or otherwise cause an impairment of, any permit or license held by Acquiror or Acquiror's Sub.

Section 4.10 Litigation. Except as set forth in Schedule 4.10 hereto, there is no litigation, suit, proceeding, action or claim at law or in equity, pending or to Acquiror's or Acquiror's Sub's best knowledge threatened against or affecting Acquiror or Acquiror's Sub or involving any of Acquiror's or Acquiror's Sub's property or assets, before any court, agency, authority or arbitration tribunal, including, without limitation, any product liability, workers' compensation or wrongful dismissal claims, or claims, actions, suits or proceedings relating to toxic materials, hazardous substances, pollution or the environment. Except as set forth in such Schedule 4.10 hereto, Acquiror and Acquiror's Sub are not subject to or in default with respect to any notice, order, writ, injunction or decree of any court, agency, authority or arbitration tribunal.

Section 4.11 Compliance with Laws. To the best knowledge of Acquiror and Acquiror's Sub, each has complied with all laws, municipal by-laws, regulations, rules, orders, judgments, decrees and other requirements and policies imposed by any governmental authority applicable to it, its properties or the operation of its business, except where the failure to comply will not have a material adverse effect on the business, properties, financial condition or earnings of Acquiror or Acquiror's Sub.

Section 4.12 True and Correct Copies. All documents furnished or caused to be furnished to Target's Parent by Acquiror and/or Acquiror's Sub are true and correct copies, and there are no amendments or modifications thereto except as set forth in such documents.

Section 4.13 Compliance with Securities Act. (a) Neither Acquiror nor to the knowledge of Acquiror anyone authorized to act on its behalf has taken, or will take, any action that would subject the issuance or sale of the Consideration Shares hereunder to the registration requirements of Section 5 of the Securities Act; provided however, the availability of an exemption from the registration requirements of Section 5 is based upon the accuracy and completeness of the representations and warranties of Target's Parent on which Acquiror will rely. In connection with the offer and sale of the Consideration Shares, Acquiror has not conducted any form of general solicitation or general advertising including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or broadcast over radio,

the Internet or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

(b) Acquiror, in connection with the transaction contemplated by this Agreement has complied with the provisions of, and restrictions contained in Regulation S, promulgated by the SEC under the Securities Act.

Section 4.14 Contracts. (a) There have been delivered or made available to Target's Parent, or prior to the Closing there will have been delivered or made available to Target's Parent, true, correct and complete copies of each of the contracts set forth in Schedule 4.14 or in any other Schedule. Each such contract is valid, subsisting, in full force and effect and binding upon the parties thereto in accordance with its terms, and neither Acquiror nor any of its affiliates, as the case may be, is in default in any respect under any of them.

(b) Except for the contracts set forth on Schedule 4.14 and excluding any obligation referenced in this Agreement, neither Acquiror nor Acquiror's Sub is a party to any:

- (i) contracts with any current or former officer, director, employee, consultant, agent or other representative having more than three months to run from the date hereof or providing for an obligation to pay and/or accrue compensation of \$500,000 or more per annum, or providing for the payment of fees or other consideration in excess of \$500,000 in the aggregate to any officer or director of Acquiror, or to any other entity in which Acquiror has an interest;
- (ii) contracts for the purchase or sale of equipment or services that contain an escalation, renegotiation or re-determination clause or that can be cancelled without liability, premium or penalty only on ninety days' or more notice;
- (iii) contracts for the sale of any of its assets or properties or for the grant to any person of any preferential rights to purchase any of its or their assets or properties;
- (iv) contracts (including with limitation, leases of real property) calling for an aggregate purchase price or payments in any one year of more than \$2 million in any one case (or in the aggregate, in the case of any related series of contracts);
- (v) contracts relating to the acquisition by Acquiror or Acquiror's Sub of any operating business of, or the disposition of any operating business by, any other person;
- (vi) executory contracts relating to the disposition or acquisition of any investment or of any interest in any person;
- (vii) joint venture contracts or agreements;
- (viii) contracts under which Acquiror or Acquiror's Sub agrees to indemnify any party, other than in the ordinary course of business or in amounts not in excess of \$2 million, or to share tax liability of any party;
- (ix) contracts containing covenants of Acquiror or Acquiror's Sub not to compete in any line of business or with any person in any geographical area or covenants of any other person not to compete with Acquiror or Acquiror's Sub in any line of business or in any geographical area;
- (x) contracts for or relating to computers, computer equipment, computer software or computer services; or

- (xi) contracts relating to the borrowing of money by Acquiror or the direct or indirect guarantee by Acquiror of any obligation for, or an agreement by Acquiror to service, the repayment of borrowed money, or any other contingent obligations in respect of indebtedness of any other Person, including, without limitation:
 - (1) any contract with respect to lines of credit;
 - (2) any contract to advance or supply funds to any other person other than in the ordinary course of business;
 - (3) any contract to pay for property, products or services of any other person even if such property, products or services are not conveyed, delivered or rendered;
 - (4) any keep-well, make-whole or maintenance of working capital or earnings or similar contract; or
 - (5) any guarantee with respect to any lease or other similar periodic payments to be made by any other person;

- (xii) any other material contract whether or not made in the ordinary course of business.

Section 4.15 Operations of Acquiror and Acquiror's Sub. Except as disclosed on Schedule 4.14 or as contemplated by this Agreement, since the latest filing date of Acquiror's Reports, neither Acquiror nor Acquiror's Sub has:

- (a) amended its Certificate or Articles of Incorporation or By-laws or merged with or into or consolidated with any other person or entity, subdivided or in any way reclassified any shares of its capital stock or changed or agreed to change in any manner the rights of its outstanding capital stock or the character of its business;
- (b) issued, reserved for issuance, sold or redeemed, repurchased or otherwise acquired, or issued options or rights to subscribe to, or entered into any contract or commitment to issue, sell or redeem, repurchase or otherwise acquire, any shares of its capital stock or any bonds, notes, debentures or other evidence or indebtedness;
- (c) incurred any indebtedness for borrowed money or incurred or assumed any other liability in excess of \$3 million in any one case (or, in the aggregate, in the case of any related series of occurrences) or \$6 million in the aggregate;
- (d) declared or paid any dividends or declared or made any other distributions of any kind to its shareholders;
- (e) made any change in its accounting methods or practices or made any change in depreciation or amortization policies, except as required by law or generally accepted accounting principles;
- (f) made any loan or advance to any of its shareholders or to any of its directors, officers or employees, consultants, agents or other representatives, or made any other loan or advance, otherwise than in the ordinary course of business;
- (g) entered into any lease (as lessor or lessee) under which it is obligated to make or would receive payments in any one year of \$500,000 or more;
- (h) sold, abandoned or made any other disposition of any of its assets or properties;
- (i) granted or suffered any lien on any of its assets or properties;

- (j) entered into or amended any contracts to which it is a party, or by or to which it or its assets or properties are bound or subject which if existing on the date hereof would be required to be disclosed in Schedule 4.14;
- (k) made any acquisition of all or a substantial part of the assets, properties, securities or business of any other person or entity;
- (l) paid, directly or indirectly, any of its material liabilities before the same became due in accordance with its terms or otherwise than in the ordinary course of business;
- (m) terminated or failed to renew, or received any written threat (that was no subsequently withdrawn) to terminate or fail to renew, any contract that is or was material to the assets, liabilities, business, property, operations, prospects, results of operations or condition (financial or otherwise) of Acquiror or Acquiror's Sub; or
- (n) entered into any other contract or other transaction that materially increases the liabilities of Acquiror or Acquiror's Sub.

Section 4.16 Absence of Certain Changes. Except as set forth on Schedule 4. Since the date of the Acquiror Financial Statements, there has been no event, change or development which could have a material adverse effect on Acquiror.

Section 4.17 Material Information. This Agreement, the Schedules attached hereto and all other information provided, in writing, by Acquiror or representatives thereof to Target's Parent, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make any statement contained herein or therein not misleading. There are no facts or conditions which have not been disclosed to Target's Parent in writing which, individually or in the aggregate, could have a material adverse effect on Acquiror or Acquiror's Sub or a material adverse effect on the ability of Acquiror to perform any of its obligations pursuant to this Agreement.

Section 4.18 Brokerage. No broker or finder has acted, directly or indirectly, for Acquiror nor did Acquiror incur any finder's fee or other commission, in connection with the transactions contemplated by this Agreement.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF TARGET'S PARENT AND TARGET

Target's Parent and Target represent to Acquiror as follows:

Section 5.01. Organization, Standing and Authority; Foreign Qualification. (a) Target is a corporation duly organized, validly existing and in good standing under the laws of the _____ and has all requisite corporate power and authority to own, lease and operate its properties and to conduct its business as presently conducted and as proposed to be conducted and is duly qualified or licensed as a foreign corporation in good standing in each jurisdiction in which the character of its properties or the nature of its business activities require such qualification.

(b) Target's Parent is a corporation duly organized, validly existing and in good standing under the laws of _____ and has all requisite corporate power and authority to own, lease and operate its properties and to conduct its business as presently conducted and as

proposed to be conducted and is duly qualified or licensed as a foreign corporation in good standing in each jurisdiction in which the character of its properties or the nature of its business activities require such qualification.

Section 5.02. Authorization. The execution, delivery and performance by Target's Parent and Target of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Target's Parent and Target. Target's Parent and Target have duly executed and delivered this Agreement and this Agreement constitutes a valid and binding agreement of Target's Parent and Target. The Target Shares to be transferred to Acquiror in accordance with this Agreement have been duly authorized and validly issued, fully paid and non-assessable. Upon transfer of the Target Shares, no Encumbrance shall exist thereon.

Section 5.03 Capitalization. (a) Target's capital stock consists of _____ authorized shares of _____ stock, of which _____ shares are issued and outstanding as of the date hereof; all of such issued and outstanding shares of Target stock are duly authorized, validly issued, fully paid and non-assessable. Except as described on Schedule 5.03, there are no outstanding options, warrants, agreements or rights to subscribe for or to purchase, or commitments to issue, shares of Target's common stock or any other security of Target or any plan for any of the foregoing.

(b) None of the Target Shares are subject to any option, right of first refusal or any other restriction on transfer, whether by contract, agreement, applicable law, regulation or statute, as the case may be.

Section 5.04 Subsidiaries. (a) Schedule 5.04 contains complete and correct lists (a) of each direct and indirect subsidiary of Target's Parent, showing, as to each, the correct name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by Target's Parent, (b) of Target's Parent's affiliates, other than the direct and indirect subsidiaries; and (c) of Target's Parent's directors and senior officers.

(b) All of the outstanding shares of capital stock or other equity interests of each subsidiary shown in Schedule 5.04 have been validly issued, are fully paid and non-assessable and are owned as indicated by Target or its subsidiary free and clear of any lien, possibility of any lien, encumbrance, security agreement, equity, option, claim, charge, pledge or restriction in favor of any third person upon any of the properties or assets of Target.

(c) Notwithstanding the provisions of subsections (a) and (b) of this Section 5.04, Target validly owns and possess all of the rights, duties, privileges and obligations that pertain to Target as set forth in the Production Sharing Agreement dated _____, 200__, entered into by Target with the _____ government pertaining to the _____ License Area in _____.

Section 5.05 Sale of Consideration Shares. Upon completion of the purchase and sale of the Consideration Shares, Target's Parent, or its assigns, shall be the beneficial and record holder or holders of the Consideration Shares. Target's Parent, or its assigns, is acquiring the

Consideration Shares as principal for its own account to be held for investment purposes only, not for the benefit of any other person and not with a view to the resale, distribution or other disposition of all or any of the Consideration Shares, and reside outside of the United States and are delivering concurrently with this Agreement, a Certificate in the form attached to this Agreement as Exhibit B.

Section 5.06 Restriction on Consideration Shares. Target's Parent consents to Acquiror making a notation on its records or giving instructions to any transfer agent of the Consideration Shares in order to implement the restriction on transfer set forth and described herein. Target's Parent has been independently advised as to, and are aware of, the restrictions with respect to trading in the Consideration Shares pursuant to the applicable securities laws and further agrees that it is solely responsible for compliance with all such restrictions as set forth in Exhibit B.

Section 5.07 Investment Risk. Target's Parent understands that an investment in Acquiror includes a high degree of risk, have such knowledge and experience in financial and business matters, investments, securities and private placements as to be capable of evaluating the merits and risks of their investment in the Consideration Shares, are in a financial position to hold the Consideration Shares for an indefinite period of time, and are able to bear the economic risk of, and withstand a complete loss of such investment in the Consideration Shares.

Section 5.08 Cooperation. If required by applicable securities laws or order of a securities regulatory authority, stock exchange or other regulatory authority, Target's Parent will execute, deliver, file and otherwise assist Acquiror in filing such reports, undertakings and other documents as may be required with respect to the issuance of the Consideration Shares.

Section 5.09 Tax Advice. Target's Parent is responsible for obtaining such legal, including tax, advice as it considers necessary or appropriate in connection with the execution, delivery and performance by it of this Agreement and the transactions contemplated herein.

Section 5.10 Investment Representations. (a) All of the acknowledgements, representations, warranties and covenants set out in Exhibit B hereto are true and correct as of the date hereof and as of the Closing Date.

(b) All acts of solicitation, conduct or negotiations directly or indirectly in furtherance of the purchase of the Consideration Shares occurred outside of the United States.

(c) Target's Parent confirms that, to the extent applicable to it, it is aware of, have complied and will comply with its obligations in connection with the Criminal Justice Act 1993, the Proceeds of Crime Act 2002 and Part VIII of the Financial Services and Markets Act 2000.

Section 5.11 No Conflict. The execution, delivery and performance of this Agreement and the completion of the transactions contemplated herein will not:

(a) violate any provision of the Articles or Certificate of Incorporation, By-laws or other charter or organizational document of Target's Parent or Target;

(b) violate, conflict with or result in the breach of any of the terms of, result in any modification of the effect of, otherwise give any other contracting party the right to terminate, or constitute (or with notice or lapse of time or both constitute) a default under, any contract to which Target's Parent or Target is a party or by or to which either of its assets or properties, including the Target Shares, may be bound or subject;

(c) violate any order, judgment, injunction, award or decree of any court, arbitrator or governmental or regulatory body against, or binding upon, or any agreement with, or condition imposed by, any governmental or regulatory body, foreign or domestic, binding upon Target's Parent or Target or upon the securities, assets or business of Target's Parent or Target;

(d) violate any statute, law or regulation of any jurisdiction as such statute, law or regulation relates to Target's Parent or Target or to the securities, properties or business of Target's Parent or Target; or

(e) result in the breach of any of the terms or conditions of, constitute a default under, or otherwise cause an impairment of, any permit or license held by Target's Parent or Target.

Section 5.12 Certificate of Incorporation and By-Laws. (a) Target's Parent and Target has each heretofore delivered to Acquiror true, correct and complete copies of its respective Certificate or Articles of Incorporation (certified by the applicable government agency that is responsible for the organization of companies or corporations in such party's place or organization) and By-laws or comparable instruments (certified by the corporate secretary thereof).

(b) The minute books of Target's Parent and Target accurately reflects all actions taken at all meetings and consents in lieu of meetings of its respective shareholders, and all actions taken at all meetings and consents in lieu of meetings of its board of directors and all committees for the period from December 31, 2004 to the date hereof.

Section 5.13 Compliance with Laws. To the best of Target's Parent's knowledge, Target is not in violation of any applicable order, judgment, injunction, award or decree nor is it in violation of any federal, state, local or foreign law, ordinance or regulation or any other requirement of any governmental or regulatory body, court or arbitrator, other than those violations which, in the aggregate, would not have a material adverse effect on Target and Target has not received written notice that any violation is being alleged.

Section 5.14 Material Information. This Agreement, the Schedules attached hereto and all other information provided, in writing, by Target's Parent or Target or representatives thereof, to Acquiror, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make any statement contained herein or therein not misleading. There are no facts or conditions which have not been disclosed to Acquiror in writing which, individually or in the aggregate, could have a material adverse effect on Target's Parent or Target or a material adverse effect on the ability of Target's Parent or Target to perform any of its obligations pursuant to this Agreement.

Section 5.15 Actions and Proceedings. Except as may be reflected or included on Target Financial Statements, there are no outstanding orders, judgments, injunctions, awards or decrees of any court, governmental or regulatory body or arbitration tribunal against or involving Target. There are no actions, suits or claims or legal, regulatory, administrative or arbitration proceedings pending or, to the knowledge of Target's Parent and Target, threatened against or involving Target's Parent or Target, their respective assets or the Target Shares.

Section 5.16 Contracts. (a) There have been delivered or made available to Acquiror true, correct and complete copies of each of the contracts set forth in Schedule 5.16 or in any other Schedule. Each such contract is valid, subsisting, in full force and effect and binding upon the parties thereto in accordance with its terms, and neither Target nor any of Target's other affiliates, as the case may be, is in default in any respect under any of them; and

(b) Except for the list of contracts and agreements contained in Schedule 5.16 and excluding any obligation referenced in this Agreement, Target is not a party to any:

- (i) contracts with any current or former officer, director, employee, consultant, agent or other representative having more than three months to run from the date hereof or providing for an obligation to pay and/or accrue compensation of \$1 million or more per annum, or providing for the payment of fees or other consideration in excess of \$1 million in the aggregate to any officer or director of Target, or to any other entity in which Target has an interest;
- (ii) contracts for the purchase or sale of equipment or services that contain an escalation, renegotiation or re-determination clause or that can be cancelled without liability, premium or penalty only on ninety days' or more notice;
- (iii) contracts for the sale of any of its assets or properties or for the grant to any person of any preferential rights to purchase any of its or their assets or properties;
- (iv) contracts (including with limitation, leases of real property) calling for an aggregate purchase price or payments in any one year of more than \$2 million in any one case (or in the aggregate, in the case of any related series of contracts);
- (v) contracts relating to the acquisition by Target of any operating business of, or the disposition of any operating business by, any other person;
- (vi) executory contracts relating to the disposition or acquisition of any investment or of any interest in any person;
- (vii) joint venture contracts or agreements;
- (viii) contracts under which Target agrees to indemnify any party, other than in the ordinary course of business or in amounts not in excess of \$1 million, or to share tax liability of any party;
- (ix) contracts containing covenants of Target not to compete in any line of business or with any person in any geographical area or covenants of any other person not to compete with Target in any line of business or in any geographical area;
- (x) contracts relating to the making of any loan by Target;
- (xi) contracts relating to the borrowing of money by Target or the direct or indirect guarantee by Target of any obligation for, or an agreement by Target to service, the repayment of borrowed money, or any other contingent obligations in respect of indebtedness of any other Person, including, without limitation:

- (1) any contract with respect to lines of credit;
 - (2) any contract to advance or supply funds to any other person other than in the ordinary course of business;
 - (3) any contract to pay for property, products or services of any other person even if such property, products or services are not conveyed, delivered or rendered;
 - (4) any keep-well, make-whole or maintenance of working capital or earnings or similar contract; or
 - (5) any guarantee with respect to any lease or other similar periodic payments to be made by any other person;
- (xii) contracts for or relating to computers, computer equipment, computer software or computer services; or
- (xiii) any other material contract whether or not made in the ordinary course of business.

Section 5.17 Target's Financial Statements.

- (a) Target's Parent has, or will have prior to the Closing Date, provided to Acquiror the unaudited financial statements of each of Target and the Operating Company for the last three (3) fiscal years ended immediately prior to the date of this Agreement (the "Target Financial Statements").
- (b) The Target Financial Statements shall be true, correct and complete in all material respects and fairly present the financial condition of Target and the results of its operations for the period then ended and shall be prepared in conformity with U.S. GAAP applied on a consistent basis.

Section 5.18 Operations of Target. Except as contemplated by this Agreement, since the date of the Target Financial Statements, Target has not:

- (a) amended its Certificate or Articles of Incorporation or By-laws or merged with or into or consolidated with any other person or entity, subdivided or in any way reclassified any shares of its capital stock or changed or agreed to change in any manner the rights of its outstanding capital stock or the character of its business;
- (b) issued, reserved for issuance, sold or redeemed, repurchased or otherwise acquired, or issued options or rights to subscribe to, or entered into any contract or commitment to issue, sell or redeem, repurchase or otherwise acquire, any shares of its capital stock or any bonds, notes, debentures or other evidence of indebtedness;
- (c) incurred any indebtedness for borrowed money or incurred or assumed any other liability in excess of \$2 million in any one case (or, in the aggregate, in the case of any related series of occurrences) or \$5 million in the aggregate;
- (d) declared or paid any dividends or declared or made any other distributions of any kind to its shareholders;

- (e) made any change in its accounting methods or practices or made any change in depreciation or amortization policies, except as required by law or generally accepted accounting principles;
- (f) made any loan or advance to Target's Parent or to any of its directors, officers or employees, consultants, agents or other representatives, or made any other loan or advance, otherwise than in the ordinary course of business;
- (g) entered into any lease (as lessor or lessee) under which Target is obligated to make or would receive payments in any one year of \$2 million or more;
- (h) sold, abandoned or made any other disposition of any of its assets or properties;
- (i) granted or suffered any lien on any of its assets or properties;
- (j) entered into or amended any contracts to which it is a party, or by or to which it or its assets or properties are bound or subject which if existing on the date hereof would be required to be disclosed in Schedule 5.16;
- (k) made any acquisition of all or a substantial part of the assets, properties, securities or business of any other person or entity;
- (l) paid, directly or indirectly, any of its material liabilities before the same became due in accordance with its terms or otherwise than in the ordinary course of business;
- (m) terminated or failed to renew, or received any written threat (that was no subsequently withdrawn) to terminate or fail to renew, any contract that is or was material to the assets, liabilities, business, property, operations, prospects, results of operations or condition (financial or otherwise) of Target; or
- (n) entered into any other contract or other transaction that materially increases the liabilities of Target.

Section 5.19 Absence of Certain Changes. Since the date of the Target Financial Statements, there has been no event, change or development which could have a material adverse effect on Target.

Section 5.20 Brokerage. No broker or finder has acted, directly or indirectly, for Target's Parent nor has Target's Parent incurred any obligation to pay any brokerage, finder's fee or other commission in connection with the transactions contemplated by this Agreement.

ARTICLE VI TARGET'S PARENT'S COVENANTS AND AGREEMENTS

Section 6.01. Conduct of Businesses in the Ordinary Course. From the date of this Agreement to the Closing Date, Target's Parent shall cause Target to conduct its business substantially in the manner in which it is currently conducted and to not undertake any of the actions specified in Sections 5.18, nor enter into any Contract described in Section 5.16, without the prior written consent of Acquiror.

Section 6.02. Preservation of Permits and Services. From the date of this Agreement to the Closing Date, Target's Parent shall cause Target to use its best efforts preserve any permits and licenses in full force and effect and to keep available the services, and preserve the goodwill, of its present officers, employees, agents, and consultants.

Section 6.03. Litigation. From the date of this Agreement to the Closing Date, Target's Parent shall notify Acquiror promptly of any actions or proceedings of the type described in Section 5.16 that from the date hereof are threatened or commenced against any Target's Parent, Target, the Operating Co., or against any officer, director, employee, properties or assets of Target with respect to its affairs, or against any of the Target Shares and of any requests for information or documentary materials by any governmental or regulatory body in connection with the transactions contemplated hereby.

Section 6.04. Conduct of Target's Parent and Target Pending the Closing Date. From the date of this Agreement to the Closing Date:

- (a) Target's Parent shall use, and Target's Parent shall cause Target to use, its best efforts to conduct its affairs in such a manner so that, except as otherwise contemplated or permitted by this Agreement, the representations and warranties contained in Article V shall continue to be true and correct on and as of the Closing Date as if made on and as of the Closing Date; and
- (b) Target's Parent shall promptly notify Acquiror of any event, condition or circumstance occurring from the date of this Agreement to the Closing Date that would constitute a violation or breach of this Agreement by Target's Parent or by Target.

Section 6.05. Corporate Examinations and Investigations. Prior to the Closing Date, Acquiror shall be entitled, through its employees and representatives, to make such reasonable investigation of the assets, liabilities, properties, business and operations of Target's Parent and Target, and such examination of the books, records, tax returns, results of operations and financial condition of Target's Parent and Target, including the Operating Co. Any such investigation and examination shall be conducted at reasonable times and under reasonable circumstances and Target's Parent and Target and the employees and representatives of each, including without limitation, their counsel and independent public accountants, shall cooperate fully with such representatives in connection with such reasonable review and examination.

Section 6.06. Acquisition Proposals. From the date of this Agreement to the Closing Date, neither Target's Parent nor Target, nor any of the officers, directors, affiliates, employees, representatives or agents of Target, shall, directly or indirectly, solicit, initiate or participate in any way in discussions or negotiations with, or provide any information or assistance to, or enter into any contract with any person, entity or group (other than Acquiror) concerning any acquisition of a substantial equity interest in, or in a merger, consolidation, liquidation, dissolution, disposition of assets of Target's Parent, Target or the Operating Co., or any disposition of any of the Target Shares (other than pursuant to the transactions contemplated by this Agreement) or assignment or transfer of any interest in the Production Sharing Agreement for the _____ License Area in _____ (each, an "Acquisition Proposal"), or assist or participate in, facilitate or encourage any effort or attempt by any other person or entity to do or seek to do any of the foregoing. Target's Parent shall promptly communicate to Acquiror the terms of any Acquisition Proposal, which any of them may receive.

Section 6.07. Expenses. Target's Parent and Target shall bear their own expenses incurred in connection with the preparation, execution and performance of this Agreement and the

transactions contemplated hereby, including, without limitation, all fees and expenses of advisers, agents, representatives, counsel, actuaries, and accountants.

Section 6.08. Further Assurances. Target's Parent and Target shall execute such documents and other papers and take such further actions as may be reasonably required or desirable to carry out the provisions hereof and the transactions contemplated hereby.

ARTICLE VII Acquiror'S COVENANTS AND AGREEMENTS

Section 7.01. Conduct of Businesses in the Ordinary Course. From the date of this Agreement to the Closing Date, Acquiror shall conduct its business substantially in the manner in which it is currently conducted and shall not enter into any Contract described in Section 4.14, or undertake any of the actions specified in Section 4.15, without the prior written consent of Target's Parent.

Section 7.02. Preservation of Permits and Services. From the date of this Agreement to the Closing Date, Acquiror shall use its best efforts to preserve any permits and licenses in full force and effect and to keep available the services of its respective present officers, employees, consultants and agents and to preserve their goodwill.

Section 7.03. Litigation. From the date of this Agreement to the Closing Date, Acquiror shall notify Target's Parent of any actions or proceedings of the type described in Section 4.10 that are threatened or commenced against Acquiror or against any officer, director, employee, properties or assets of Acquiror with respect to its affairs and of any requests for information or documentary materials by any governmental or regulatory body in connection with the transactions contemplated hereby.

Section 7.04. Conduct of Acquiror Pending the Closing. From the date hereof through the Closing Date,

- (a) Acquiror shall use its best efforts to conduct its affairs and the affairs of its subsidiaries in such a manner so that, except as otherwise contemplated or permitted by this Agreement, the representations and warranties contained in Article IV shall continue to be true and correct on and as of the Closing Date as if made on and as of the Closing Date
- (b) Acquiror shall promptly notify Target's Parent of any event, condition or circumstance occurring from the date hereof through the Closing Date that would constitute a violation or breach of this Agreement by Acquiror.

Section 7.05. Corporate Examinations and Investigations. Prior to the Closing Date, Target's Parent shall be entitled, through its employees and representatives, to make any investigation of the assets, liabilities, properties, business and operations of Acquiror and its subsidiaries; and such examination of the books, records, tax returns, results of operations and financial condition of Acquiror and its subsidiaries. Any such investigation and examination shall be conducted at reasonable times and under reasonable circumstances and Acquiror and the employees and representatives of Acquiror, including without limitation, their counsel and independent public

accountants, shall cooperate fully with such representatives in connection with such reasonable review and examination.

Section 7.06. Expenses. Acquiror and Acquiror's Sub shall bear their own expenses incurred in connection with the preparation, execution and performance of this Agreement and the transactions contemplated hereby, including, without limitation, all fees and expenses of advisers, agents, representatives, counsel, actuaries, and accountants.

Section 7.07. Further Assurances. Acquiror shall execute such documents and other papers and take such further actions as may be reasonably required or desirable to carry out the provisions hereof and the transactions contemplated hereby.

Section 7.08. Charter Amendments. (a) Prior to the Closing Date, Acquiror shall take all necessary corporate steps to cause its Articles of Incorporation to be amended to increase the number of authorized shares of common stock from 350 million shares to _____ shares; and;

(b) Prior to the Closing Date, there shall be no other amendments of, or modifications to, the Articles or Certificate of Incorporation or to the By-laws of Acquiror.

ARTICLE VIII CONDITIONS PRECEDENT TO THE OBLIGATION OF Acquiror TO CLOSE

The obligations of Acquiror to be performed by it at the Closing pursuant to this Agreement are subject to the fulfillment on or before the Closing Date, of each of the following conditions, any one or more of which may be waived by it, to the extent permitted by law:

Section 8.01 Fairness Opinion; Shareholder Approval.

- (a) Acquiror shall have obtained from a firm reasonably acceptable to Target a written opinion that is satisfactory Acquiror's Board of Directors opining that the Share Exchange, on the terms stated herein, is substantially fair to Acquiror's shareholders.
- (b) Acquiror shall have received approval of its shareholders owning a majority of the outstanding common shares of the Share Exchange and the actions described in Section 7.08(a) above.

Section 8.02. Representations and Covenants.

- (a) The representations and warranties of Target's Parent and Target contained in this Agreement shall be true and correct on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date, except that any of such representations and warranties that are given as of a particular date and relate solely to a particular date or period shall be true as of such date or period; and
- (b) Target's Parent and Target shall have performed and complied with all covenants and agreements required by this Agreement to be performed or complied with by them on or before the Closing Date. Target's Parent and Target shall each have delivered to Acquiror a certificate, dated the Closing Date, and signed by Target's Parent and Target to the foregoing effect.

Section 8.03. Governmental Permits and Approvals.

- (a) All approvals, authorizations, consents, permits and licenses from governmental and regulatory bodies required for the transactions contemplated by this Agreement and to permit the business currently carried on by Target to continue to be carried on by Target substantially in the same manner immediately following the Closing Date shall have been obtained and shall be in full force and effect, and Target shall have been furnished with appropriate evidence, reasonably satisfactory to it, of the granting of such approvals, authorizations, consents, permits and licenses; and
- (b) There shall not have been any action taken by any court, governmental or regulatory body then prohibiting or making illegal on the Closing Date the transactions contemplated by this Agreement;

Section 8.04. Third Party Consents. All consents, permits and approvals from parties to contracts with Target that may be required in connection with the performance by Target of its obligations under this Agreement or the continuance of such contracts with Target in full force and effect after the Closing Date, shall have been obtained.

Section 8.05. Litigation. No action, suit or proceeding shall have been instituted and be continuing or be threatened by any person to restrain, modify or prevent the carrying out of the transactions contemplated hereby, or to seek damages in connection with such transactions, or that has or could have a material adverse effect on Target or on the Target Shares.

Section 8.06 No Change in Capitalization. On the Closing Date, the capitalization of Target shall be as represented in Schedule 5.03.

Section 8.07 Closing Documents. Target's Parent and Target shall have executed and delivered the documents described in Section 2.03 above.

ARTICLE IX
CONDITIONS PRECEDENT TO THE OBLIGATION OF
TARGET'S PARENT AND TARGET TO CLOSE

The obligations of Target's Parent and Target to be performed by them at the Closing pursuant to this Agreement are subject to the fulfillment, on or before the Closing Date, of each the following conditions, any one or more of which may be waived by it, to the extent permitted by law:

Section 9.01 Fairness Opinion; Shareholder Approval. (a) Target's Parent shall have obtained from a firm reasonably acceptable to Acquiror a written opinion that is satisfactory Target's Parent opining that the Share Exchange, on the terms stated herein, is substantially fair to Target's Parent.

Section 9.02. Representations and Covenants. (a) The representations and warranties of Acquiror contained in this Agreement shall be true and correct on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date, except that any of

such representations and warranties that are given as of a particular date and relate solely to a particular date or period shall be true as of such date or period.

(b) Acquiror shall have performed and complied with all covenants and agreements required by this Agreement to be performed or complied with by it on or before the Closing Date. Acquiror shall have delivered to Target's Parent a certificate dated the Closing Date, and signed by an authorized signatory of Acquiror to the foregoing effect.

Section 9.03. Governmental Permits and Approvals. (a) All approvals, authorizations, consents, permits and licenses from governmental and regulatory bodies required for the transactions contemplated by this Agreement and to permit the business currently carried on by Target to continue to be carried on by Target substantially in the same manner immediately following the Closing Date shall have been obtained and shall be in full force and effect, and Target shall have been furnished with appropriate evidence, reasonably satisfactory to it, of the granting of such approvals, authorizations, consents, permits and licenses.

(b) There shall not have been any action taken by any court, governmental or regulatory body then prohibiting or making illegal on the Closing Date the transactions contemplated by this Agreement;

Section 9.04. Third Party Consents. All consents, permits and approvals from parties to contracts with Target that may be required in connection with the performance by Acquiror of its obligations under this Agreement or the continuance of such contracts with Acquiror in full force and effect after the Closing Date, shall have been obtained.

Section 9.05. Litigation. No action, suit or proceeding shall have been instituted and be continuing or be threatened by any person to restrain, modify or prevent the carrying out of the transactions contemplated hereby, or to seek damages in connection with such transactions, or that has or could have a material adverse effect on Acquiror.

Section 9.06. No Change in Capitalization. On the Closing Date, the capitalization of Acquiror shall be as represented in Schedule 4.03 which represents the complete capitalization as at the Closing Date as per this Agreement, and includes the intended allocation of all shares issued and funds raised pursuant to this Agreement.

Section 9.07. Closing Documents. Acquiror shall have executed and delivered the documents described in Section 2.04 above.

ARTICLE X MISCELLANEOUS

Section 10.01 Public Notices. The Parties agree that all notices to third parties and all other publicity concerning the transactions contemplated by this Agreement shall be jointly planned and coordinated and no party shall act unilaterally in this regard without the prior approval of the others, such approval not to be unreasonably withheld.

Section 10.02 Time. Time shall be of the essence hereof.

Section 10.03 Notices. Any notice or other writing required or permitted to be given hereunder or for the purposes hereof shall be sufficiently given if delivered or faxed to the party to whom it is given or, if mailed, by prepaid registered mail addressed to such party at:

if to Target or Target's Parent, at:

if to Acquiror, at:

Or at such other address as the party to whom such writing is to be given shall have last notified to the party giving the same in the manner provided in this article. Any notice mailed shall be deemed to have been given and received on the fifth Business Day next following the date of its mailing unless at the time of mailing or within five Business Days thereafter there occurs a postal interruption which could have the effect of delaying the mail in the ordinary and usual course, in which case any notice shall only be effectively given if actually delivered or sent by telecopy. Any notice delivered or faxed to the party to whom it is addressed shall be deemed to have been given and received on the Business Day next following the day it was delivered or faxed.

Section 10.04 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Section 10.05 Settlement of Disputes. a) Any dispute arising out of or in connection with this Agreement, including, without limitation, any question regarding its existence, validity, interpretation, breach, or termination (a "Dispute"), which cannot be amicably settled between the Parties, shall be finally and exclusively resolved by arbitration in London, England by the International Centre for Dispute Resolution of the American Arbitration Association (the "ICDR"), under the ICDR International Dispute Resolution Procedures which procedures are deemed to be incorporated by reference into this article.

b) Any Dispute shall be arbitrated by a panel of three (3) arbitrators (the "Tribunal"). Each Party shall appoint an arbitrator of its choice within thirty (30) Business Days of delivery of a notice of arbitration. The Party-appointed arbitrators shall in turn appoint a presiding arbitrator of the tribunal within thirty (30) Business Days following the appointment of both Party-appointed arbitrators. If the Party-appointed arbitrators cannot reach agreement on a presiding arbitrator of the tribunal and/or one Party refuses to appoint its Party-appointed arbitrator within said thirty (30) Business Day period, the appointing authority for the implementation of such

procedure shall be the ICDR. As part of any arbitral award pursuant to this paragraph, the arbitrators shall render a reasoned award.

c) Any arbitrators appointed must not have, or have had in the past five (5) years, a financial interest in either Party or in the Dispute. The appointing authority for the purposes of the Rules shall be the ICDR. The arbitration proceedings shall be conducted in the English language. Any such arbitration and all proceedings and documents thereunder shall be private and confidential between the Parties.

d) Any award made pursuant to this Article 9 may include costs, including attorneys' fees and arbitration costs.

e) Any award of the Tribunal shall be final and binding from the day it is made on, and the sole and exclusive remedy of, the Parties to the arbitration. Judgment may be entered upon any award made hereunder in any court having jurisdiction. The Parties hereby waive any right to refer any question of law and any right of appeal on the law and/or merits to any court.

Section 10.05 Severability. If a court of other tribunal of competent jurisdiction determines that any one or more of the provisions contained in this Agreement is invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, unless in either case as a result of such determination this Agreement would fail in its essential purpose.

Section 10.06 Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings, oral or written, by and between any of the Parties with respect to the subject matter hereof.

Section 10.07 Further Assurances. The Parties shall with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each party shall provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to give effect to the purpose of this Agreement and carry out its provisions whether before or after the Closing Date.

Section 10.08 Enurement. This Agreement and each of the terms and provisions hereof shall enure to the benefit of and be binding upon the Parties and their respective heirs, executors, administrators, personal representatives, successors and assigns.

Section 10.09 Confidentiality. a) All aspects and terms of the transaction contemplated by this Agreement and all information and data in whatever form (including written, oral or electronic) related thereto received by a Party from the other Party (collectively, "Confidential Information") shall be held in strict confidence by the Parties, and not disclosed to any third parties, provided, however, that either Party may, without such approval, disclose Confidential Information to:

- (i) any outside professional advisors, upon obtaining a similar undertaking of confidentiality (but excluding this provision) from such advisor;
- (ii) any bank or financial institution from whom such Party is seeking or obtaining finance, upon obtaining a similar undertaking of confidentiality (but excluding this proviso) from such bank or institution;
- (iii) the extent required by any applicable laws or the requirements of any recognised stock exchange in compliance with its rules and regulations;
- (iv) any government agency or tax authority lawfully requiring such information;
- (v) any court of competent jurisdiction acting in pursuance of its powers; or
- (vi) any Affiliate, any directors, employees of a Party or its Affiliates.

b) If this Agreement is terminated in accordance with Section [*], a Party that has received Confidential Information from the other Party shall return such Confidential Information to the other Party upon its written request.

Section 10.10 Assignment, Successors and Assigns. Neither Party may assign (directly, or indirectly by way of merger, amalgamation, stock sale or any similar procedure) any of its rights or obligations hereunder.

Section 10.11 Waiver. Except as provided in this Article, no action taken or inaction pursuant to this Agreement will be deemed to constitute a waiver of compliance with any warranties, conditions or covenants contained in this Agreement and will not operate or be construed as a waiver of any subsequent breach, whether of a similar or dissimilar nature. No waiver of any right under this Agreement shall be binding unless executed in writing by the Party to be bound thereby.

Section 10.12. Counterparts. This Agreement may be executed in as many counterparts as may be necessary or by facsimile and each such counterpart agreement or facsimile so executed shall be deemed to be an original and such counterparts and facsimile copies together shall constitute one and the same instrument.

Section 10.13 Currency. All amounts expressed in this document are in US Dollars, unless otherwise specified.

IN WITNESS WHEREOF the Parties hereto have set their hand and seal as of the day and year first above written.

[TARGET'S PARENT],
a _____ corporation

[ACQUIROR],
a _____ corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

[TARGET],
a _____ corporation

By: _____
Name:
Title:

[ACQUIROR'S SUB], an
_____ corporation

By: _____
Name:
Title:

EXHIBIT B

CERTIFICATION FOR U.S. SECURITIES LAW COMPLIANCE – REGULATION S

1. In connection with the execution of this Agreement to which this Certificate is attached, each Investor represents and warrants to _____ (“_____”) that:

- (a) It is not a "U.S. person" (as such term is defined by Rule 902 of Regulation S under the U.S. Securities Act) and is not acquiring the Shares, directly or indirectly, for the account or benefit of any U.S. person.

Rule 902 under the U.S. Securities Act, defines a "U.S. person" as:

- (A) Any natural person resident in the United States;
- (B) Any partnership or corporation organized or incorporated under the laws of the United States;
- (C) Any estate of which any executor or administrator is a U.S. person;
- (D) Any trust of which any trustee is a U.S. person;
- (E) Any agency or branch of a foreign entity located in the United States;
- (F) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (G) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (H) Any partnership or corporation if:
 - (1) Organized or incorporated under the laws of any foreign jurisdiction; and
 - (2) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.

The following are not "U.S. persons":

- (A) Any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States;
 - (B) Any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if:
 - (1) An executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate; and
 - (2) The estate is governed by foreign law;
 - (C) Any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settler if the trust is revocable) is a U.S. person;
 - (D) An employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
 - (E) Any agency or branch of a U.S. person located outside the United States if:
 - (1) The agency or branch operates for valid business reasons; and
 - (2) The agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and
 - (F) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.
- (b) the offer and sale of the Shares was made in an "offshore transaction" (as defined under Regulation S under the U.S. Securities Act), in that:
- (i) The Investor was outside the United States at the time of the execution and delivery of this Agreement; and
 - (ii) The offer to sell the Shares was not made to the Investor in the United States.

(c) The transaction contemplated by this Agreement (i) has not been pre-arranged with a purchaser located inside of the United States or who is a U.S. person, and (ii) is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act.

2. Each Investor hereby covenants that:

(a) during the period prior to one year after the Closing (the "Restricted Period") it will not engage in hedging transactions with regard to the Shares unless such transactions are made in compliance with the U.S. Securities Act;

(b) if it decides to offer, sell or otherwise transfer any of the Shares, it will not offer, sell or otherwise transfer any of such Shares directly or indirectly, unless:

(i) the sale is to _____ ;

(ii) the sale is made outside the United States in a transaction meeting the requirements of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations; provided, however, that during the Restrictive Period no sale may be made in reliance on Regulation S to any U.S. person or for the account or benefit of a U.S. person (other than a distributor) and all purchasers of such Shares will be required to execute and deliver to _____, a certificate substantially in the form attached to this Agreement as Schedule "B" (Non-U.S. Person Certificate (for subsequent non-U.S. purchasers));

(iii) the sale is made in the United States pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 there under and in accordance with any applicable state securities or "blue sky" laws, and the Investor has prior to such sale furnished to the Corporation an opinion of counsel reasonably satisfactory to _____ to the effect that such transaction does not require registration pursuant to Rule 144 under the U.S. Securities Act;

(iv) the Shares are sold in the United States in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities, and the Investor has prior to such sale furnished to _____ an opinion of counsel reasonably satisfactory to _____ to the effect that such transaction does not require registration; or

(v) The sale is made in the United States pursuant to an effective registration

statement filed under the U.S. Securities Act.

3. Each Investor hereby acknowledges and agrees that:

- (a) the Shares are and will be "restricted securities" as that term is defined in Rule 144 under the U.S. Securities Act, and the certificates representing the Shares, as well as all certificates issued in exchange for or in substitution of the foregoing, until such time as is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws, will be subject to the terms of and bear, on the face of such certificate, a legend in substantially the following form:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR ANY STATE SECURITIES LAWS, AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. THESE SECURITIES ARE RESTRICTED SECURITIES (AS DEFINED UNDER RULE 144 UNDER THE U.S. SECURITIES ACT) AND MAY NOT BE SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF FOR VALUE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATIONS PROMULGATED UNDER THE U.S. SECURITIES ACT, PURSUANT TO REGISTRATION UNDER THE U.S. SECURITIES ACT, OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION THEREUNDER.

DURING THE PERIOD PRIOR TO _____, 2008 [ONE YEAR AFTER THE CLOSING DATE] (THE "RESTRICTED PERIOD"), THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY WITHIN THE UNITED STATES, TO A U.S. PERSON (AS DEFINED IN REGULATIONS UNDER THE U.S. SECURITIES ACT), OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON, EXCEPT PURSUANT TO REGISTRATION UNDER THE U.S. SECURITIES ACT, OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION THEREUNDER. DURING THE RESTRICTED PERIOD HEDGING TRANSACTIONS INVOLVING THESE AND ANY UNDERLYING SECURITIES MAY NOT BE CONDUCTED UNLESS SUCH TRANSACTIONS ARE MADE IN COMPLIANCE WITH THE U.S. SECURITIES ACT. THIS PARAGRAPH SHALL HAVE NO FURTHER EFFECT SUBSEQUENT TO THE EXPIRATION OF THE RESTRICTED PERIOD AND THEREAFTER MAY BE REMOVED.

- (b) The Corporation will refuse to register any sale of Shares made in breach of the provisions hereof.
- (c) There may be material tax consequences to the Investor of an acquisition or disposition of the Shares. _____ gives no opinion and makes no representation with respect to the tax consequences to the Investor under United States, state, local or foreign

tax law of the undersigned's acquisition or disposition of such Shares.

- (d) The financial statements of _____ have been prepared in accordance with United States generally accepted accounting principles.
- (e) _____ may make a notation on its records or give instructions to its registrar(s) and transfer agent(s) in order to implement the restrictions on transfer set forth and described in this Certificate and the Agreement of which this Certificate is a part.
- (f) The enforcement of civil liabilities under the United States federal securities laws may be affected adversely by the fact that many of _____'s directors and officers are non US residents and that most of or all of the assets of _____ are located outside of the United States;
- (g) It has had an opportunity to review all the pertinent facts concerning _____ and has had access to such financial and other information concerning _____ as the Investor has considered necessary to make a decision to invest in the Shares and has availed itself of such opportunity to the full extent desired;
- (h) It has personally communicated or been given the opportunity to ask questions of and receive answers from an executive officer of _____ regarding the business and financial affairs of _____, its products and activities, and its plans for the future. The Investor acknowledges that if the Investor would like to further avail itself of the opportunity to ask additional questions of _____, _____ has informed the Investor that it will make arrangements for such an opportunity on request.
- (i) It has been advised that no accountant or attorney engaged by _____ is acting as its representative, accountant, or attorney.
- (j) _____ will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements, and the Investor irrevocably authorizes _____ to produce the same or a copy thereof to any interested party in any administrative or legal proceeding or official enquiry with respect to the matters set forth herein. The Investor further agrees that if any of the acknowledgements, representations, warranties or agreements made herein is no longer accurate, it shall promptly notify _____.

_____, a
_____ corporation

By: _____
Name:
Title: