

CONFIDENTIALITY AGREEMENT

THIS AGREEMENT, entered into this the day of _____, by and between **Amac Energy LLC**, a Texas Limited Liability Company (hereinafter referred to as the "Disclosing Party") and _____ (hereinafter referred to as the "Receiving Party"),

1. In connection with the evaluation and the possible acquisition by the Receiving Party of certain petroleum exploration and production rights held by the Disclosing Party in the East Pearsall Prospect, Frio County Texas (hereinafter referred to as the "Area", and being outlined on the attached Exhibit "A"), the Disclosing Party is willing, in accordance with the terms and conditions of this Agreement, to disclose to the Receiving Party certain Confidential Information, which is proprietary, relating to the Area which includes, but is not necessarily limited to, maps, models and interpretations and may also include commercial, contractual and financial information, to be disclosed to the Receiving Party, and marked 'Confidential' by the Disclosing Party at the Disclosing Party's office in The Woodlands, Texas (hereinafter referred to as the "Confidential Information").

2. In consideration of the disclosure referred to in paragraph 1 hereof, the Receiving Party agrees that the Confidential Information shall be kept strictly confidential and shall not be sold, traded, published or otherwise disclosed to anyone in any manner whatsoever, including by means of photocopy or reproduction, without the Disclosing Party's prior written consent, except as provided in Paragraphs 3, 4 and 5 below.

3. The Receiving Party may disclose the Confidential Information without the Disclosing Party's prior written consent only to the extent such Confidential Information:

- a) is already known to the Receiving Party as of the date of disclosure hereunder;
- b) is already in possession of the public or becomes available to the public other than through the act or omission of the Receiving Party;
- c) is required to be disclosed under applicable law or by a governmental order, decree, regulation or rule (provided that the Receiving Party shall give written notice to the Disclosing Party prior to such disclosure); or

- d) is acquired independently from a third party that represents that it has the right to disseminate such information at the time it is acquired by the Receiving Party; or
- e) is independently developed by the Receiving Party

4. The Receiving Party may disclose the Confidential Information without the Disclosing Party's prior written consent to an Affiliated Company (as hereinafter defined), provided that the Receiving Party guarantees the adherence of such Affiliated Company to the terms of this Agreement. "Affiliated Company" shall mean any company or legal entity which (a) controls either directly or indirectly the Receiving Party, or (b) which is controlled directly or indirectly by such Receiving Party, or (c) is directly or indirectly controlled by a company or entity which directly or indirectly controls such Receiving Party. "Control" means the right to exercise 50% or more of the voting rights in the appointment of the directors of such company.

5. The Receiving Party shall be entitled to disclose the Confidential Information without the Disclosing Party's prior written consent to such of the following persons who have a clear need to know in order to evaluate the Area:

- (a) employees, officers and directors of the Receiving Party;
- (b) employees, officers and directors of an Affiliated Company;
- (c) any professional consultant or agent retained by the Receiving Party for the purpose of evaluating the Confidential Information; or
- (d) any bank or other financial entity financing Receiving Party's participation in the Area, including any professional consultant retained by such bank for the purpose of evaluating the confidential information.

Prior to making any such disclosures to persons under subparagraphs (c) and (d) above, however, the Receiving Party shall obtain an undertaking of confidentiality, in the same form and content as this Agreement, from each such person.

6. The Receiving Party and its Affiliated Companies, if any, shall only use or permit the use of the Confidential Information disclosed under paragraphs 4 or 5 above to evaluate the Area and determine whether to enter into negotiations concerning the acquisition of all of the Disclosing Party's rights in the Area.

7. The Receiving Party shall be responsible for ensuring that all persons to whom the Confidential Information is disclosed under this Agreement shall keep such information confidential and shall not disclose or divulge the same to any unauthorized person. Neither Party shall be liable in an action initiated by one against the other for special, indirect or consequential damages resulting from or arising out of this Agreement, including, without limitation, loss of profit or business interruptions, however same may be caused.

8. The Confidential Information shall remain the property of the Disclosing Party, and the Disclosing Party may demand the return thereof at any time upon giving written notice to the Receiving Party. Within 30 days of receipt of such notice, the Receiving Party shall return all of the original Confidential Information and shall destroy all copies and reproductions (both written and electronic) in its possession and in the possession of persons to whom it was disclosed pursuant to Paragraphs 4 and 5 hereof provided however Receiving Party shall be permitted to retain copies of Confidential Information held in computer files and records which have been created pursuant to the automatic archiving and back up procedures.

9. The Receiving Party and /or its Representatives, assigns or any other party related to the Receiving party either directly or indirectly shall not acquire or seek to acquire, directly or indirectly, any interest in the oil, gas or other minerals in, on or under, or may be produced and saved from lands within the Area for a period of one and one half (1.5) years from the date of this Agreement. The confidentiality obligations set forth in this Agreement shall terminate two years after the date of this Agreement.

10. The Disclosing Party hereby represents and warrants that it has the right and authority to disclose the Confidential Information to the Receiving Party. The Disclosing Party, however, makes no representations or warranties, express or implied, as to the quality, accuracy and completeness of the Confidential Information disclosed hereunder, and the Receiving Party expressly acknowledges the inherent risk of error in the acquisition,

processing and interpretation of geological and geophysical data. The Disclosing Party, its Affiliated Companies, their officers, directors and employees shall have no liability whatsoever with respect to the use of or reliance upon the Confidential Information by the Receiving Party.

11. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Texas.

12. Unless otherwise expressly stated in writing, any prior or future proposals or offers made in the course of the Parties' discussions are implicitly subject to all necessary management and government approvals and may be withdrawn by either at any time. Nothing contained herein is intended to confer upon the Receiving Party any right whatsoever to the Disclosing Party's interest in the Area.

13. No amendments, changes or modifications to this Agreement shall be valid except if the same are in writing and signed by a duly authorized representative of each of the Parties herein.

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

IN WITNESS WHEREOF, the duly authorized representatives of the Parties have caused this Agreement to be executed on the date first written above.

DISCLOSING PARTY

Amac ENERGY LLC

By: _____

Title:

RECEIVING PARTY

By: _____

Title