

PRIVATE PLACEMENT RISKS

INVESTMENTS IN OIL & GAS ARE HIGHLY SPECULATIVE AND INVOLVE A HIGH DEGREE OF RISK. INTERESTS SHOULD NOT BE PURCHASED BY ANY PERSON WHO CANNOT AFFORD THE LOSS OF ITS ENTIRE INVESTMENT. YOU SHOULD CAREFULLY CONSIDER THE RISKS DESCRIBED BELOW, AS WELL AS SPECIFIC RISKS IN THE OFFERING MATERIALS, WHEN EVALUATING WHETHER TO MAKE AN INVESTMENT. THE RISKS DESCRIBED BELOW ARE NOT THE ONLY RISKS ASSOCIATED WITH AN INVESTMENT. YOU SHOULD ALSO CONSULT WITH YOUR OWN LEGAL, TAX AND FINANCIAL ADVISORS ABOUT AN INVESTMENT IN THE INTERESTS. IF ANY OF THE FOLLOWING RISKS ACTUALLY OCCUR, THE FINANCIAL CONDITION AND RESULTS OF OPERATION COULD BE MATERIALLY AND ADVERSELY AFFECTED AND YOU COULD LOSE ALL OR PART OF YOUR INVESTMENT.

Limited Transferability. Investments in Private Placements are illiquid investments. Investors may not be able to liquidate their interest in an Issuer. Because of a variety of restrictions upon the transferability of the issuance, including restrictions imposed by federal securities laws, an Investor may be required to retain their investment indefinitely. As a result of the foregoing factors, prospective investors must understand that there currently is not, and may never be, a market of any kind for the purchase and sale of the interests.

Investments are Generally Risky and Offer No Guarantee of Success. All investments generally bear the risk of partial or complete loss of capital. There is no guarantee that an investment will be profitable.

As such, any oil projections, forecasts, and/or extrapolations are hypothetical and subject to change even though they were determined by third party industry experts. Any investment in the Issuers is, by definition, a high-risk investment. Prospective investors should understand that they may lose their entire investment, particularly in the case of a dry hole.

Changes in Capital Markets and the Economy. Each Issuer is materially affected by conditions in the global capital markets and the economy generally. Concerns over inflation, energy costs, geopolitical issues, the availability and cost of credit may contribute to increased volatility and diminished expectations for the economy the markets or this investment going forward. These factors, among others not listed, may contribute to increased likelihood of Issuer failure and loss of investment. In addition, small and new businesses may be particularly susceptible to such factors.

Forward-Looking Statements. Issuer and Project materials may contain forward-looking statements. When used in the material, including but not limited to words such as "believe," "anticipate," "intend," "plan," "seek," "will be," "expects," "estimates," "projects" and similar expressions identify such forward-looking statements. Such statements regarding future events and/or the future financial performance of an Issuer are subject to certain risks and uncertainties which could cause actual events or the actual future results of the Issuer to differ materially from such forward-looking statements. Certain of these risks include changes in the markets in which the Issuer operates, technological advances, changes in applicable regulations and new entries into the market. In light of the significant risks and uncertainties inherent in the forward-looking statements included herein, the inclusion of such statements should not be regarded as a representation by the Issuer or any other person that the objective and plans of the Issuer will be achieved.

Tax Risks. The tax matters relating to any Issuers, oil & gas and the transactions described herein are complex and are subject to varying interpretations. Moreover, the effect of existing income tax laws and possible changes in such laws will vary with the particular circumstances of each investor. Each prospective investor should consult with and rely on his or her own advisors with respect to the possible tax consequences, including risks and advantages (federal, state and local) of an investment, and, in that regard, each such prospective investor should not rely in any way on any tax information herein contained.

THIS IS NOT A COMPLETE SET OF RISKS. INVESTORS MUST CAREFULLY REVIEW EACH ISSUER'S OFFERING MATERIALS FOR A MORE COMPLETE SET OF RISK FACTORS SPECIFIC TO THE INVESTMENT.