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RADIANT OIL & GAS INC

FORM 10-K
(Annual Report)

Filed 05/07/14 for the Period Ending 12/31/13

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United States
Securities and Exchange Commission
Washington, D. C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2013

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File No. 000-24688

RADIANT OIL & GAS, INC.
(Name of Small Business Issuer in its Charter)

Nevada	**27-2425368**
(State or Other Jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

9700 Richmond Ave., Suite 124
Houston, Texas 77042
(Address of Principal Executive Offices)

Issuer's Telephone Number: **(832) 242-6000**

Securities registered under Section 12(b) of the Act: None

Name of Each Exchange on Which Registered: None

Securities registered under Section 12(g) of the Act:

$0.01 par value common stock
Title of Class

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. (1)

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☐ No ☒

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

On June 30, 2013, the last business day of the registrant's most recently completed second fiscal quarter 9,862,897 shares of its common stock, $0.001 par value per share were held by non-affiliates of the registrant. The market value of those shares was 11,342,331 based on the last sale price of $1.15 per share of the common stock on that date. For this purpose, shares of common stock beneficially owned by each executive officer and director of the registrant, and each person known to the registrant to be the beneficial owner of 10% of more of the common stock then outstanding, have been excluded because such person may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

(APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS)

Not applicable.

(APPLICABLE ONLY TO CORPORATE ISSUERS)

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date:
Common shares outstanding as of May 2, 2014: 14,735,023

DOCUMENTS INCORPORATED BY REFERENCE

A description of “Documents Incorporated by Reference” is contained in Part IV, Item 15 of this Report.

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GLOSSARY OF OIL AND NATURAL GAS TERMS

The following is a description of the meanings of some of the oil and natural gas industry terms used in this report.

"3-D seismic" Geophysical data that depict the subsurface strata in three dimensions. 3-D seismic typically provides a more detailed and accurate interpretation of the subsurface strata than 2-D, or two dimensional, seismic.

"Bbl" One stock tank barrel, or 42 U.S. gallons liquid volume, used in this report in reference to oil and other liquid hydrocarbons.

"*Bcf*" One billion cubic feet of natural gas.

"*Behind Pipe*" Reserves which are expected to be recovered from zones behind casing in existing wells, which require additional completion work or a future recompletion prior to the start of production.

"*Boe*" Barrels of crude oil equivalent, determined using the ratio of six Mcf of natural gas to one Bbl of crude oil, condensate or natural gas liquids.

"*Boepd*" Boe per day.

"*Bopd*" Bbls per day.

"*Btu*" One British thermal unit.

"*Completion*" The installation of permanent equipment for the production of oil or natural gas, or in the case of a dry hole, the reporting of abandonment to the appropriate agency.

"*Condensate*" Hydrocarbons which are in the gaseous state under reservoir conditions and which become liquid when temperature or pressure is reduced. A mixture of pentanes and higher hydrocarbons.

"*Development Well*" A well drilled within the proved area of an oil and gas reservoir to the depth of a stratigraphic horizon known to be productive.

"*Drilling Locations*" Total gross locations specifically quantified by management to be included in the company's multi-year drilling activities on existing acreage. The company's actual drilling activities may change depending on the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, drilling results and other factors.

"*Dry Hole*" An exploratory or development well found to be incapable of producing either oil or gas in sufficient quantities to justify completion as an oil or gas well.

"*Exploratory Well*" A well drilled to find and produce oil or gas in an unproved area, to find a new reservoir in a field previously found to be productive of oil or gas in another reservoir, or to extend a known reservoir.

"*Farm-in*" An agreement between a participant who brings a property into the venture and another participant who agrees to spend an agreed amount to explore and develop the property and has no right of reimbursement but may gain a vested interest in the venture. A "farm-in" describes the position of the participant who agrees to spend the agreed-upon sum of money to gain a vested interest in the venture.

"*Field*" An area consisting of a single reservoir or multiple reservoirs all grouped on, or related to, the same individual geological structural feature or stratigraphic condition. The field name refers to the surface area, although it may refer to both the surface and the underground productive formations.

"*Formation*" An identifiable layer of rocks named after its geographical location and dominant rock type.

"*Gross Wells*" Total number of producing wells in which we have an interest.

"*Held By Production*" or "*HBP*" A provision in an oil and gas lease that perpetuates a company's right to operate a property or concession as long as the property or concession produces a minimum paying quantity of oil or gas.

"*Lease*" A legal contract that specifies the terms of the business relationship between an energy company and a landowner or mineral rights holder on a particular tract of land.

"*Leasehold*" Mineral rights leased in a certain area to form a project area.

"*Lease Operating Expenses*" The expenses, usually recurring, which pay for operating the wells and equipment on a producing lease.

" *LLS* " Light Louisiana Sweet crude oil, being a high quality low-sulfur content premium crude oil.

"*MBbl*" One thousand barrels of oil or other liquid hydrocarbons.

"*MBoe*" Thousand barrels of crude oil equivalent, determined using the ratio of six Mcf of natural gas to one Bbl of crude oil, condensate or natural gas liquids.

"*MBoepd*" Thousand barrels of crude oil equivalent, determined using the ratio of six Mcf of natural gas to one Bbl of crude oil, condensate or natural gas liquids per day.

"*Mcf*" One thousand cubic feet of natural gas.

"*Mcfpd*" Mcf per day.

"*MMBbl*" One million barrels of oil or other liquid hydrocarbons.

"*MMBoe*" Million barrels of crude oil equivalent, determined using the ratio of six Mcf of natural gas to one Bbl of crude oil, condensate or natural gas liquids.

"*MMBtu*" One million British Thermal Units.

"*MMcf*" One million cubic feet of natural gas.

"*Net Acre*" Fractional ownership working interest multiplied by gross acres. The number of net acres is the sum of the fractional working interests owned in gross acres expressed as whole numbers and fractions thereof.

"*Net Revenue Interest*" A share of production after all burdens, such as royalty and overriding royalty, have been deducted from the working interest. It is the percentage of production that each party actually receives.

"*Net Wells*" The sum of our fractional interests owned in gross wells.

"*NGLs*" Natural gas liquids.

"*NYMEX*" The New York Mercantile Exchange.

"*Overriding Royalty Interest*" A right to receive revenues, created out of the working interest, from the production of oil and gas from a well free of obligation to pay any portion of the development or operating costs of the well and limited in life to the duration of the lease under which it is created.

"*Pay*" The vertical thickness of an oil and natural gas producing zone. Pay can be measured as either gross pay, including non-productive zones or net pay, including only zones that appear to be productive based upon logs and test data.

"*PDP*" Proved developed producing.

"*PDNP*" Proved developed nonproducing.

"*Plugging and Abandonment"* Refers to the sealing off of fluids in the strata penetrated by a well so that the fluids from one stratum will not escape into another or to the surface. Regulations of many states require plugging of abandoned wells.

"*Possible Reserves"* Possible reserves are those additional reserves which analysis of geoscience and engineering data suggest are less likely to be recoverable than probable reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of proved plus probable plus possible reserves (3P), which is equivalent to the high estimate scenario. In this context, when probabilistic methods are used, there should be at least a 10-percent probability that the actual quantities recovered will equal or exceed the 3P estimate.

"*Probable Reserves"* Probable reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than proved reserves but more certain to be recovered than possible reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated proved plus probable reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50-percent probability that the actual quantities recovered will equal or exceed the 2P estimate.

"*Production"* Natural resources, such as oil or gas, taken out of the ground.

"*Productive Well"* A well that is found to be capable of producing either oil or gas in sufficient quantities to justify completion as an oil or gas well.

"*Prospect"* A specific geographic area which, based on supporting geological, geophysical or other data and also preliminary economic analysis using reasonably anticipated prices and costs, is deemed to have potential for the discovery of commercial hydrocarbons.

"*Proved Developed Non-Producing Reserves (PDNP)"* Reserves that can be expected to be recovered through existing wells with existing equipment and operating methods that are not currently being produced.

"*Proved Developed Producing Reserves (PDP)"* Reserves that can be expected to be recovered through existing wells with existing equipment and operating methods and that are currently being produced.

"*Proved Reserves* . The estimated quantities of oil, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be commercially recoverable from known reservoirs under current economic and operating conditions, operating methods, and government regulations.

"*Proved Undeveloped Reserves (PUD)"* Proved reserves that are expected to be recovered from new wells on undrilled acreage or from existing wells where a relatively major expenditure is required for recompletion.

"*PV-10"* The discounted present value of the estimated future gross revenue to be generated from the production of proved oil and gas reserves (using pricing assumptions consistent with, and after deducting estimated abandonment costs to the extent required by, SEC guidelines), net of estimated future development and production costs, before income taxes and without giving effect to non-property related expense, discounted using an annual discount rate of 10% and calculated in a manner consistent with SEC guidelines.

"*Recompletion"* After the initial completion of a well, the action and techniques of reentering the well and redoing or repairing the original completion to restore the well's productivity.

"*Reserve Life"* A measure of the productive life of an oil and gas property or a group of properties, expressed in years.

"*Reservoir"* A porous and permeable underground formation containing a natural accumulation of producible oil and/or natural gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

"*Royalties"* The portion of oil and gas retained by the lessor on execution of a lease or the cash value paid by the lessee to the lessor based on a percentage of the gross production from the leased property free and clear of all costs except taxes.

"*Sand*" A geological term for a formation beneath the surface of the earth from which hydrocarbons are produced. Its make-up is sufficiently homogenous to differentiate it from other formations.

"*Shut-in*" To close valves on a well so that it stops producing; said of a well on which the valves are closed.

"*Standardized Measure*" The present value of estimated future cash inflows from proved oil and natural gas reserves, less future development, abandonment, production and income tax expenses, discounted at 10% per annum to reflect timing of future cash flows and using the same pricing assumptions as were used to calculate PV-10. Standardized measure differs from PV-10 because standardized measure includes the effect of future income taxes.

"*Successful*" A well is determined to be successful if it is producing oil or natural gas, or awaiting hookup, but not abandoned or plugged.

"*Undeveloped Acreage*" Lease acreage on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of oil and natural gas regardless of whether such acreage contains proved reserves.

"*Working Interest*" The interest in an oil and natural gas property (normally a leasehold interest) that gives the owner the right to drill, produce and conduct operations on the property and a share of production, subject to all royalties, overriding royalties and other burdens and to all costs of exploration, development and operations and all risks in connection therewith.

"*Workover*" The repair or stimulation of an existing production well for the purpose of restoring, prolonging or enhancing the production of hydrocarbons.

"*WTI*" West Texas Intermediate crude oil, being light, sweet crude oil with high API gravity and low sulfur content used as a benchmark for U.S. crude oil refining and trading.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Our disclosure and analysis in this Form 10-K may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, Section 21E of the Securities Exchange Act of 1934, as amended, that are subject to risks and uncertainties. These statements involve known and unknown risks, uncertainties and other factors that may cause our results, performance or achievements to be materially different from any future results, performance or achievements express or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "could," "would," "expects," "plans," "anticipates," "intends," "believes," "estimates," "projects," "predicts," "potential," and similar expressions intended to identify forward-looking statements. All statements, other than historical facts, included in this Form 10-K that address activities, events or developments that we expect or anticipate will or may occur in the future, including such things as estimated net revenues from oil and gas reserves and the present value thereof, future capital expenditures (including the nature and amount thereof), business strategy and measures to implement strategy, goals, expansion and growth of our business and operations, plans, references to future success, reference to intentions as to future matters and other such matters are forward-looking statements.

These forward-looking statements are largely based on our expectations and beliefs concerning future events, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control.

Although we believe our estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. In addition, management's assumptions about future events may prove to be inaccurate. Management cautions all readers that the forward-looking statements in this Form 10-K are not guarantees of future performance, and we cannot assure any reader that those statements will be realized or the forward-looking events or circumstances will occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to the factors listed in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections and elsewhere in this Form 10-K. All forward-looking statements speak only as of the date of this Form 10-K. We do not intend to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as required by law. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

ITEM 1. DESCRIPTION OF OUR BUSINESS

Radiant Oil and Gas, Inc. ("Radiant" or "the Company") is an independent oil and gas exploration and production company that operates in the Gulf Coast region of the United States of America, specifically, onshore in Louisiana, Mississippi and Texas and the state waters of Louisiana, USA. The Company also has the capacity to operate in the federal waters offshore Texas and Louisiana in the Gulf of Mexico.

In August 2010, Jurasin Oil and Gas, Inc. ("JOG") completed a reverse acquisition transaction ("Reorganization") through an exchange agreement with the Company, whereby the Company acquired 100% of JOG's issued and outstanding capital stock in exchange for 5,000,000 shares of the Company's common stock. The agreement provides for the issuance of up to an additional 1,000,000 shares of the Company's common stock upon the satisfaction of certain performance conditions. The performance conditions have been met and 500,000 of the additional shares have been issued.

As a result of the reverse acquisition, JOG became the Company's wholly-owned subsidiary and the former stockholders of JOG became the controlling stockholders of Radiant. The share exchange with Radiant was treated as a reverse acquisition, with JOG as the accounting acquirer and Radiant as the acquired party.

In March 2012 and June 2012, the Company entered into a joint venture agreement ("Shallow Oil Project") with Grand Synergy Petroleum, LLC ("Grand") and Black Gold Inc. ("Black Gold"), respectively. As a result of an agreement with Grand, two new Louisiana entities were formed, Charenton Oil Company, LLC ("Charenton") on May 8, 2012 and Radiant Synergy Operating, LLC ("Synergy") on June 28, 2012. Charenton is a wholly owned subsidiary of Radiant and Synergy is owned 50% by Radiant and 50 % by Grand.

Acquisitions and Financing

On October 9, 2013, the Company completed the purchase of oil and gas properties located in Louisiana and Mississippi for approximately $18,000,000 ("Vidalia"). The acquired properties contain over eighty (80) wells in Louisiana and Mississippi. The Louisiana properties include over 39 wells and numerous leases located in Concordia, and La Salle Parishes. The Mississippi properties include over 41 wells and numerous leases located in Adams, Amite, Franklin and Wilkinson Counties. At the time of acquisition, the properties included up to 30 productive wells and up to 38 shut-in wells that have been evaluated for work-over and behind pipe opportunities which are expected to provide for cost-effective near-term production increases.

Effective October 4, 2013, the Company, through its wholly-owned subsidiary Radiant Acquisitions 1, LLC ("Radiant Acquisitions"), entered into a First Lien Credit Agreement (the "Credit Agreement") with various financial institutions (the "Lenders"). The maximum aggregate commitment of the Lenders to advance loans under this Agreement was $39,788,000, and the maximum aggregate principal amount to be repaid by the Borrower in respect thereof is $40,600,000 and for any given loan, the amount of funds advanced by any Lender shall be ninety-eight percent (98%) of the amount of principal required to be repaid by the Borrower in respect of such Loan. The Credit Agreement has an original stated maturity date of September 2018. As part of the amendment, the maturity date was extended to December 2018. The outstanding principal balance of the Loans (as may have been advanced from time to time) bears interest at a per annum rate of twelve percent (12%). Any outstanding indebtedness from the Credit Agreement was collateralized by substantially all of the assets of Radiant Acquisitions. In addition, the Company pledged its ownership interest in Radiant Acquisitions and executed a parent company guaranty as additional security. The Credit Facility contains restrictive financial covenants. The proceeds from the Credit Agreement were used to fund the closing of its recent acquisition of oil and gas properties located in Louisiana and Mississippi, as well as to develop multiple re-entry, work-over and drilling opportunities on acquired acreage throughout south Louisiana and Mississippi.

Core Areas of Operation and Certain Key Properties

Our proved oil and gas reserves are concentrated in the fields in the Louisiana Gulf Coast region. The fields tend to have stacked multiple producing horizons with production typically between 3,000 and 13,000 feet. Some of the fields have numerous available wellbores capable of providing workover and recompletion opportunities. We expect the characteristics of these fields to allow us to record significant proved behind pipe and PUD reserves in each annual year-end and mid-year reserve report. At August 1, 2013, our net proved developed producing, or PDP, reserves of 522.2 Mbbls of oil represented 9.3% of our 5,621.2 Mboe of total proved oil and natural gas reserves, our proved developed non-producing, or PDNP, reserves of 208.1 Mbbls were 3.7% of our total proved oil and natural gas reserves and our net proved undeveloped, or PUD, reserves of 4,890.9 Mboe were 87.0% of our total proved oil and natural gas reserves of 6,126.3Mboe. We sell substantially all of our current hydrocarbon production in the St. James market and receive premium Light Louisiana Sweet (LLS) pricing.

Type of Reserves	December 31, 2013	Mboe	December 31, 2012	Mboe
PDP	377.9	6.3%	400.9	6.7%
PDNP	121.6	2.0%	121.6	2.0%
PUD	5,472.4	91.7%	5,472.4	91.3%
Total	**5,971.9**	**100.0%**	**5,994.9**	**100.0%**

Properties

Vidalia

In October 2013, Radiant acquired the Vidalia properties, which include numerous leases in Concordia, and La Salle parishes in Louisiana and Adams, Amite, Franklin and Wilkinson counties in Mississippi. We have an average working interest in these properties of 97.2% and an average net revenue interest of 72.4%.

The acquired leases represent 3,500 gross acres (2,964 net) and over 80 wells. Productive zones range from 3,000 feet to 8,600 feet. The capital plan for Vidalia includes continued spending on work-over activity and drilling of PUD locations. When acquired, Vidalia had 24 productive wells and numerous shut in locations. To date, we have worked over 18 wells, creating a total of 23 wells capable of production. We intend to continue working on our wells with spending expected to continue through 2014.

Ensminger Project

The Company had a minority interest in a well (Ensminger #1) drilled on this prospect. The lease was abandoned in 2011 and agreements with participants in this prospect area expired in mid-2012. Between 2005 to 2007, the Ensminger #1 well produced from the lower Planulina 69 Sand at a maximum productive rate of 10.4 MMCF/D and 205 BO/D, with what we estimate to be cumulative production of over 3.25 BCF and 49 MBO (from only 6 feet of pay; the thinnest of the three pay sands). The operator shut in production while the well was still producing at a rate of 2 MMCF/D and 11 BO/D with no formation water. The plan was to abandon the 69 Sand and re-complete in the 68 Sand with an expected production rate of 18 MMCF/D. During the recompletion, the operator lost tools in the hole, and subsequent failed fishing operations resulted in damage to the casing, making further use of the well bore unfeasible.

During the fourth quarter of 2013, the Company acquired a lease for materially the same area as the area leased and exploited in 2005 to 2007. The Ensminger Project covers 634 acres, in which we own a 100.0% working interest and have a net revenue interest of 75.0%.

We have developed a plan to side-track out of an existing well thereby saving on drilling costs. The Ensminger Project is located onshore in sugar cane fields in St. Mary Parish, Louisiana. The original Ensminger well (“Ensminger #1”), which we intend to side-track, was originally funded by management and was drilled in 2004 in partnership with Exxon Mobil Corp. and Century Exploration New Orleans, Inc. and it discovered a depletion-drive field from the Planulina Pay Sands at approximately 15,000’ Total Vertical Depth.

The estimated net cost to drill and complete the proposed sidetrack is $2.9 million.

Coral Project

During fourth quarter 2013, The Company was a high bidder on two leases in this area covering approximately 1,405 acres. We have a 100% working interest and a 76.0% net revenue interest in the Coral Project. We intend to act as the operator of this project to re-enter and complete a well. Coral consists of 1,405 gross acres in shallow Louisiana state coastal waters of St. Mary Parish.

The Coral Project is a multiple well prospect in an old Shell Oil Company field, which has produced 509 BCF and 65 MMBO. The prospect includes drilling in a new fault block extension of the Eugene Island Block 18 field. The primary objective is the geopressured Tex. W. sands which have produced 103 BCF and 2.8 MMBC in the field proper. Three Tex W sands, ranging in depths from 12,300 feet to 12,800 feet are the specific prospect targets. The initial proposed well will be a re-entry from the inactive COCKRELL #1 SL 14354 borehole. The estimated net cost to re-enter and complete the proposed well is $3.4 million.

The secondary objective in the Coral Project is the Cib. Op (Middle Miocene) sands in a deeper pool reservoir in a gas productive fault block at an estimated depth of 15,500'. The prospect is covered with 3-D seismic. We do not expect to drill to the Cib Op in 2014 unless we are able to sell a portion of our interest and significantly reduce or eliminate our capital requirement.

Our Business Strategy

We intend to become a leading independent oil and gas producer by using our industry expertise and in-depth regional experience to increase reserves, production and cash flow. Key elements to our strategy include:

Focus on Mature Fields with Existing Infrastructure . We currently have in excess of 7,000 Gulf Coast region net acres held by production or under direct leasehold. Our primary focus is on the re-development of existing fields with substantial historical production and relatively low cost of entry.

Exploitation and Development of Our Properties . We will continue to focus on the development and exploration efforts in our Gulf Coast properties, which we recently acquired. We believe that our properties will allow us to grow through low-risk, in-fill and side-track drilling programs that present attractive opportunities to expand our reserve base and through workovers and recompletions, field extensions, delineating deeper formations within existing fields. We also intend to increase our acreage position in those areas in which we currently operate.

Pursue Opportunistic Acquisitions of Underdeveloped Properties . We intend to continually review opportunities to acquire producing properties that include significant drilling prospects in our core operating areas and throughout the Gulf Coast region. We will continue to evaluate acquisition opportunities that we believe will further enhance our operations and reserves in a cost-effective manner.

Actively Manage Our Drilling Program. Our strategy is to increase our oil and natural gas reserves and production while carefully managing the development and operating costs associated with our current and future production. We expect to implement this strategy through drilling relatively low-cost wells and actively managing our contractors and service providers.

Utilize Our Industry and Technological Expertise. On average, each member of our management team has over 30 years of experience in the oil and gas industry. The technical expertise of our management team has led to the discovery of over 300.0 million barrels of oil equivalent of new discoveries during the course of their collective careers. We employ technical advancements, including 3-D seismic data, pre-stack depth and reverse-time migration, to identify and exploit new opportunities in our asset base. We also employ the latest directional drilling, completion and stimulation technology in our wells to enhance recoverability and accelerate cash flows.

2014 Budget. For 2014, we have targeted an initial capital budget of approximately $14.0 million to $20.0 million (including dry-hole costs), primarily focused on our Vidalia, Ensminger, Shallow Oil and Coral field projects. The capital program will include several maintenance projects in addition to field exploitation within Vidalia. Approximately $8.0 million will be expended in the first half of 2014. Success on these programs will provide cash flow and availability under our credit facility to conduct a drilling program across several fields in the second half of 2014.

Competition

We compete against other natural gas and oil companies in all areas of our operations, including the acquisition of exploratory prospects and proven properties. Many of our competitors are large, well-established companies that have been engaged in the natural gas and oil business for much longer than we have and possess substantially larger operating staffs and greater capital resources than we do. Our ability to explore for oil and natural gas reserves and to acquire additional properties in the future will be dependent upon our ability to conduct our operations, to evaluate and select suitable properties and to consummate transactions in this highly competitive environment. We believe that our expertise, our exploration, land, drilling and production capabilities and the experience of our management generally enable us to compete effectively.

Marketing

Our production is marketed to third parties consistent with industry practices. Typically, oil is sold at the wellhead at field-posted prices plus an oil-quality differential and natural gas is sold under contract at a negotiated price based upon factors normally considered in the industry, such as distance from the well to the pipeline, well pressure, estimated reserves, quality of natural gas and prevailing supply and demand conditions.

Our marketing objective is to receive the highest possible wellhead price for our product. We are aided by the presence of multiple outlets near our production in Mississippi and Louisiana. We take an active role in determining the available pipeline alternatives for each property based on historical pricing, capacity, pressure, market relationships, seasonal variances and long-term viability.

Regulation of the Oil and Natural Gas Industry

The oil and natural gas industry is subject to extensive regulation by federal, state and local authorities. Legislation affecting the oil and natural gas industry is frequently amended or reinterpreted, and may increase the regulatory burden on our industry and our company. In addition, numerous federal and state agencies are authorized by statute to issue rules, regulations and policies that are binding on the oil and natural gas industry and its individual participants. Some of these rules and regulations authorize the imposition of substantial penalties for failures to comply. The regulatory burden on the oil and natural gas industry increases the cost of doing business and, consequently, our profitability. However, this regulatory burden generally does not affect us any differently or to a greater or lesser extent than it affects other companies in the oil and natural gas industry with similar types, quantities and locations of oil and natural gas production.

Regulation of Sales and Transportation of Oil

Sales of crude oil, condensate and natural gas liquids are not currently regulated and are made at negotiated prices. Nevertheless, the United States Congress, or Congress, could reenact price controls in the future.

Our sales of crude oil are affected by the availability, terms and cost of transportation. The transportation of oil by common carrier pipelines is subject to rate regulation. The Federal Energy Regulatory Commission, or the FERC, regulates interstate oil pipeline transportation rates under the Interstate Commerce Act. Interstate oil pipeline rates must be just and reasonable and may not be unduly discriminatory or confer undue preference upon any shipper. Rates generally are cost-based, although rates may be market-based or may be the result of settlement, if agreed to by all shippers. Some oil pipeline rates may be increased pursuant to an indexing methodology, whereby the pipeline may increase its rates up to a prescribed ceiling that changes annually based on the change from year to year in the Producer Price Index for Finished Goods. Intrastate oil pipeline transportation rates are subject to regulation by state regulatory commissions. The basis for intrastate oil pipeline regulation, and the degree of regulatory oversight and scrutiny given to intrastate oil pipeline rates, varies from state to state. Insofar as effective interstate and intrastate rates are equally applicable to all comparable shippers, we believe that the regulation of oil transportation rates will not affect our operations in any way that is of material difference from those of our competitors.

Further, interstate and intrastate common carrier oil pipelines must provide service on a non-discriminatory basis. Common carriers must offer service to all similarly situated shippers requesting service on the same terms and under the same rates. Accordingly, we believe that access to oil pipeline transportation services generally will be available to us to the same extent as to our competitors.

Regulation of Sales, Transportation and Gathering of Natural Gas

In the past, the federal government has regulated the prices at which natural gas could be sold. While sales by producers of natural gas can currently be made at uncontrolled market prices, Congress could reenact price controls in the future. Historically, the transportation and sale for resale of natural gas in interstate commerce have been regulated pursuant to the Natural Gas Act of 1938, or the NGA, the Natural Gas Policy Act of 1978 and regulations enacted under those statutes by the FERC. The FERC regulates interstate natural gas transportation rates and service conditions, which affects the marketing of natural gas that we produce, as well as the revenues we receive for sales of our natural gas. Since 1985, the FERC has endeavored to make natural gas transportation more accessible to natural gas buyers and sellers. In general, the interstate pipelines' traditional roles as wholesalers of natural gas have been eliminated and replaced by a structure under which pipelines provide transportation and storage service on an open-access basis to others who buy and sell natural gas. Although the FERC's orders generally do not directly regulate natural gas producers, they are intended to foster increased competition within all phases of the natural gas industry. Failure to comply with the FERC's regulations, policies and orders may result in substantial penalties. Under the Energy Policy Act of 2005, the FERC has civil authority under the NGA to impose penalties for violations of up to $1 million per day per violation.

We cannot accurately predict whether the FERC's actions will achieve the goal of increasing competition in markets in which our natural gas is sold. Additional proposals and proceedings that might affect the natural gas industry are pending before the FERC and the courts. The natural gas industry historically has been very heavily regulated. Therefore, we cannot provide any assurance that the pro-competitive regulatory approach established by the FERC will continue. However, we do not believe that any action taken will affect us in a way that materially differs from the way it affects other natural gas producers.

Intrastate natural gas transportation is subject to regulation by state regulatory agencies. The degree of regulatory oversight and scrutiny given to intrastate natural gas pipeline rates and services varies from state to state. Insofar as such regulation within a particular state will generally affect all intrastate natural gas shippers within the state on a comparable basis, we believe that intrastate natural gas transportation in the states in which we operate will not affect our operations in any way that is of material difference from those of our competitors. Like the regulation of interstate transportation rates, the regulation of intrastate transportation rates affects the marketing of natural gas that we produce, as well as the revenues we receive for sales of our natural gas.

Gathering, which is distinct from transportation, is regulated by state regulatory authorities and is not subject to regulation by the FERC. Under certain circumstances, the FERC will reclassify jurisdictional transportation facilities as non-jurisdictional gathering facilities. This reclassification tends to increase our costs of getting natural gas to point-of-sale locations.

Regulation of Production

The production of oil and natural gas is subject to and affected by regulation under a wide range of local, state and federal statutes, rules, orders and regulations. Federal, state and local statutes and regulations require permits for drilling of wells, drilling bonds and reports concerning operations. Each of the states in which we own and operate properties have regulations governing conservation matters, including provisions for the unitization or pooling of oil and natural gas properties, the establishment of maximum allowable rates of production from oil and natural gas wells, the regulation of well spacing and the plugging and abandonment of wells. The effect of these regulations may be to limit the amount of oil and natural gas that we can produce from our wells and to limit the number of wells or the locations at which we can drill, although we can apply for exceptions to such regulations or to have reductions in well spacing. Moreover, each state generally imposes a production or severance tax with respect to the production and sale of oil, natural gas and natural gas liquids within its jurisdiction.

Our competitors in the oil and natural gas industry are subject to the same regulatory requirements and restrictions that affect our operations.

Environmental Matters and Other Regulation

General

Our operations are subject to stringent and complex federal, state and local laws and regulations governing environmental protection as well as the discharge of materials into the environment. These laws and regulations may, among other things:

- require the acquisition of various permits before drilling commences;
- restrict the types, quantities and concentration of various substances that can be released into the environment in connection with oil and natural gas drilling and production activities;
- limit or prohibit drilling activities on certain lands lying within wilderness, wetlands and other protected areas; and
- require remedial measures to mitigate pollution from former and ongoing operations, such as requirements to close pits and plug abandoned wells.

These laws and regulations may also restrict the rate of oil and natural gas production below the rate that would otherwise be possible. The regulatory burden on the oil and gas industry increases the cost of doing business in the industry and consequently affects profitability. Additionally, the United States Congress and federal and state agencies frequently revise environmental laws and regulations, and any changes that result in more stringent and costly waste handling, disposal and cleanup requirements for the oil and gas industry could have a significant impact on our operating costs.

The following is a summary of some of the existing laws, rules and regulations to which our business operations are subject.

Waste Handling

The Resource Conservation and Recovery Act, or RCRA, and comparable state statutes, regulate the generation, transportation, treatment, storage, disposal and cleanup of hazardous and non-hazardous wastes. Under the auspices of the federal Environmental Protection Agency, or the EPA, the individual states administer some or all of the provisions of RCRA, sometimes in conjunction with their own, more stringent requirements. Drilling fluids, produced waters and most of the other wastes associated with the exploration, development and production of crude oil or natural gas are currently exempted from regulation under RCRA or state hazardous waste provisions, though our operations may produce waste that does not fall within this exemption. However, these oil and gas production wastes may be regulated as solid waste under state law or RCRA. It is possible that certain oil and natural gas exploration and production wastes now classified as non-hazardous could be classified as hazardous wastes in the future. Any such change could result in an increase in our costs to manage and dispose of wastes, which could have a material adverse effect on our results of operations and financial position.

Comprehensive Environmental Response, Compensation, and Liability Act

The Comprehensive Environmental Response, Compensation, and Liability Act, or CERCLA, also known as the Superfund Law, imposes joint and several liability, without regard to fault or legality of conduct, on classes of persons who are considered to be responsible for the release of a hazardous substance into the environment. These persons include the current or former owner or operator of the site where the release occurred and anyone who disposed or arranged for the disposal of a hazardous substance released at the site. Under CERCLA, such persons may be subject to joint and several liability for the costs of cleaning up the hazardous substances that have been released into the environment, for damages to natural resources and for the costs of certain health studies. In addition, it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the hazardous substances released into the environment.

In the course of our operations, we generate wastes that may fall within CERCLA's definition of hazardous substances. Further, we currently own, lease or operate properties that have been used for oil and natural gas exploration and production for many years. Hazardous substances or petroleum may have been released on, at or under the properties owned, leased or operated by us, or on, at or under other locations, including off-site locations, where such hazardous substances or other wastes have been taken for disposal. In addition, some of our properties have been operated by third parties or by previous owners or operators whose handling, treatment and disposal of hazardous substances, petroleum, or other materials or wastes were not under our control. These properties and the substances or materials disposed or released on, at or under them may be subject to CERCLA, RCRA or analogous or other state laws. Under such laws, we could be required to remove previously disposed substances and wastes or released petroleum, remediate contaminated property or perform remedial plugging or pit closure operations to prevent future contamination.

Water Discharges

The Federal Water Pollution Control Act, or the Clean Water Act, and analogous state laws impose restrictions and strict controls with respect to the discharge of pollutants, including spills and leaks of oil and other substances into waters of the United States or state waters. Under these laws, the discharge of pollutants into regulated waters is prohibited except in accordance with the terms of a permit issued by the EPA or an analogous state agency. Federal and state regulatory agencies can impose administrative, civil and criminal penalties for non-compliance with discharge permits or other requirements of the Clean Water Act and analogous state laws and regulations.

The Oil Pollution Act of 1990, or OPA, which amends and augments the Clean Water Act, establishes strict liability for owners and operators of facilities that are the site of a release of oil into waters of the United States. In addition, OPA and regulations promulgated pursuant to OPA impose a variety of regulations on responsible parties related to the prevention of oil spills and liability for damages resulting from such spills. OPA also requires certain oil and natural gas operators to develop, implement and maintain facility response plans, conduct annual spill training for certain employees and provide varying degrees of financial assurance.

Air Emissions

The Federal Clean Air Act and comparable state laws regulate emissions of various air pollutants through air emissions permitting programs and the imposition of other requirements. In addition, the EPA has developed and continues to develop stringent regulations governing emissions of toxic air pollutants at specified sources. Federal and state regulatory agencies can impose administrative, civil and criminal penalties for non-compliance with air permits or other requirements of the Federal Clean Air Act and associated state laws and regulations. Oil and gas operations may in certain circumstances and locations be subject to permits and restrictions under these statutes for emissions of air pollutants, including volatile organic compounds, nitrous oxides and hydrogen sulfide.

Climate Change

In response to findings that emissions of carbon dioxide, methane and other greenhouse gases, or GHGs, present an endangerment to public health and the environment because emissions of such gases are contributing to warming of the earth’s atmosphere and other climatic changes, the EPA had adopted regulations under existing provisions of the Federal Clean Air Act that would require a reduction in emissions of GHGs from motor vehicles and also could trigger permit review for GHG emissions from certain stationary sources. The EPA has asserted that the motor vehicle GHG emission standards triggered Federal Clean Air Act construction and operating permit requirements for stationary sources, commencing when the motor vehicle standards took effect on January 2, 2011. The EPA published its final rule to address the permitting of GHG emissions from stationary sources under the prevention of significant deterioration, or PSD, and Title V permitting programs. This rule “tailors” these permitting programs to apply to certain stationary sources of GHG emissions in a multi-step process, with the largest sources first subject to permitting. It is widely expected that facilities required to obtain PSD permits for their GHG emissions also will be required to reduce those emissions according to “best available control technology” standards for GHGs that have yet to be developed. With regards to the monitoring and reporting of GHGs, on November 30, 2010, the EPA published a final rule expanding its existing GHG emissions reporting rule published in October 2009 to include onshore oil and natural gas production activities, which may include certain of our operations. In addition, both houses of Congress have actively considered legislation to reduce emissions of GHGs, and almost one-half of the states have already taken legal measures to reduce emissions of GHGs, primarily through the planned development of GHG emission inventories and/or regional GHG cap and trade programs. The adoption and implementation of any legislation or regulations imposing reporting obligations with respect to, or limiting emissions of GHGs from, our equipment and operations could require us to incur costs to reduce emissions of GHGs associated with our operations or could adversely affect demand for the oil and natural gas we produce. Finally, it should be noted that some scientists have concluded that increasing concentrations of GHGs in the Earth’s atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, floods and other climatic event; if any such effects were to occur, they could have an adverse effect on our exploration and production operations.

National Environmental Policy Act

Oil and natural gas exploration and production activities on federal lands are subject to the National Environmental Policy Act, or NEPA. NEPA requires federal agencies, including the Department of the Interior, to evaluate major agency actions that have the potential to significantly impact the environment. In the course of such evaluations, an agency will prepare an environmental assessment that assesses the potential direct, indirect and cumulative impacts of a proposed project and, if necessary, will prepare a more detailed environmental impact statement that may be made available for public review and comment. All of our current exploration and production activities, as well as proposed exploration and development plans, on federal lands require governmental permits that are subject to the requirements of NEPA. This process has the potential to delay the development of oil and natural gas projects.

Endangered Species, Wetlands and Damages to Natural Resources

Various state and federal statutes prohibit certain actions that adversely affect endangered or threatened species and their habitat, migratory birds, wetlands and natural resources. These statutes include the Endangered Species Act, the Migratory Bird Treaty Act, the Clean Water Act and CERCLA. Where takings of or harm to species or damages to wetlands, habitat or natural resources occur or may occur, government entities or at times private parties may act to prevent oil and gas exploration or production or seek damages to species, habitat or natural resources resulting from filling or construction or releases of oil, wastes, hazardous substances or other regulated materials.

OSHA and Other Laws and Regulations

We are subject to the requirements of the federal Occupational Safety and Health Act, or OSHA, and comparable state statutes. The OSHA hazard communication standard, the Emergency Planning and Community Right to Know Act and similar state statutes require that we organize or disclose information about hazardous materials stored, used or produced in our operations.

Private Lawsuits

In addition to claims arising under state and federal statutes, where a release or spill of hazardous substances, oil and gas or oil and gas wastes has occurred, private parties or landowners may bring lawsuits against oil and gas companies under state law. The plaintiffs may seek property damages, personal injury damages, remediation costs or injunctions to require remediation or restoration of contaminated property, soil, groundwater or surface water. In some cases, oil and gas operations are located near populated areas and emissions or accidental releases could affect the surrounding properties and population.

Employees

As of May 7, 2014, we had 5 full-time employees. We are not a party to any collective bargaining agreements and have not experienced any strikes or work stoppages. We believe our relationships with our employees are good. From time to time, we utilize the services of independent contractors to perform various field and other services.

ITEM 1A. RISK FACTORS

Risks Related to our Financial Condition

We currently have nominal revenues, have experienced losses, and anticipate that we will continue to incur losses for the foreseeable future.

For the period reported within this 10-K, both as the Successor and the Predecessor, the Company generated nominal oil and gas revenues within each period. Combined with the Company's operating expenses, the Company generated cumulative operating losses over the reported periods. It should be expected that we will continue to experience operating losses at least through 2014. There can be no assurance that we will ever achieve net income from operations or otherwise become profitable.

We may have negative cash flow from operations.

We have historically experienced losses and negative cash flows from operations and these conditions raise substantial doubt about our ability to continue as a going concern and management is attempting to raise additional capital to address our liquidity. We believe that our negative cash flow from operations may continue at least through 2014. There can be no assurance that we will ever be able to raise sufficient capital to generate positive cash flow from operations.

The terms of Amber Energy, LLCs and Rampant Lion Energy, LLC's debt obligation subject us to the risk of foreclosure on all of AE's and RLE's respective assets and imposes restrictions that may limit our ability to take certain actions.

Our subsidiaries Amber Energy, LLC ("AE") and Rampant Lion Energy, LLC ("RLE") both have secured credit facilities with Macquarie Bank Ltd. ("MBL"). All of the RLE and AE assets secure the Credit Facility. As of December 31, 2013, the outstanding balance on its RLE Credit Facility was $818,309. Accrued interest related to this credit facility amounted to $367,757 and $-0- as of December 31, 2013 and 2012, respectively. The Credit Facility matured in September 2011. As of December 31, 2013, the Company had the outstanding balance on its AE of $2,032,188. Accrued interest related to this credit facility amounted to $413,829 as of December 31, 2013. The Credit Facility matured in September 2011.

As of the date of this filing, there are substantially no assets remaining in AE and RLE and we are working with MBL to settle all outstanding amounts owed to MBL.

Failure to retire or refinance either the AE Credit Facility or the RLE Credit Facility could adversely affect our financial condition.

We do not have sufficient funds to repay the AE Credit Facility and the RLE Credit Facility which are now in default. Accordingly, we will be required to obtain funds to repay the Credit Facility either through refinancing or the issuance of additional equity or debt securities. As we have no commitment in place to effect such actions, there is no assurance that we can refinance such indebtedness. The failure to refinance either the AE Credit Facility or the RLE Credit Facility would adversely affect the Company and could cause us to curtail operations. MBL has been working with management on these issues.

We expect to have substantial capital requirements, and we may be unable to obtain needed financing on satisfactory terms.

We expect to make substantial capital expenditures for the acquisition, development, production, exploration and abandonment of oil and gas properties. Our capital requirements will depend on numerous factors, and we cannot predict accurately the timing and amount of our capital requirements. We intend to primarily finance our capital expenditures through best efforts equity and debt offerings. There is no assurance that we will be successful in these capital raising activities. Adverse change in market conditions could make obtaining this financing economically unattractive or impossible.

A significant increase in our indebtedness, or an increase in our indebtedness that is proportionately greater than our issuances of equity, as well as the conditions in the credit market and debt and equity capital market at the time could negatively impact our ability to remain in compliance with the financial covenants under our credit facilities which could have a material adverse effect on our financial condition, results of operations and cash flows. If we are unable to finance our growth as expected, we could be required to seek alternative financing, the terms of which may not be attractive to us, or not purse growth opportunities.

Without additional capital resources, we may be forced to limit or defer our planned natural gas and oil exploration and development program and this will adversely affect the recoverability and ultimate value of our natural gas and oil properties, in turn negatively affecting our business, financial condition and results of operations. As a result, we may lack the capital necessary to capitalize on business opportunities described herein and be successful in our business operations. There is no assurance that we will be successful in raising the capital necessary to implement our business plan.

To service our indebtedness, we will require a significant amount of cash.

Our ability to make payments on and to refinance our indebtedness and to fund planned capital expenditures and development efforts will depend on our future operating performance and financial results will be subject, in part, to factors beyond our control, including interest rates and general economic, financial and business conditions. We cannot assure you that cash flow generated from our operations and drilling programs, or other facilities will be available to us in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs.

We may be required to:

- Obtain additional financing;
- Sell some of our assets or operations;
- Reduce or delay capital expenditures, development efforts and acquisitions; or
- Revise or delay our strategic plans.

If we are required to take any of these actions, it could have a material adverse effect on our business, financial condition and results of operations. In addition, we cannot assure you that we would be able to take any of these actions, that these actions would enable us to continue to satisfy our capital requirements or that these actions would be permitted under the terms of our various debt instruments.

Risks Related to Our Business

Oil and natural gas prices are volatile, and a decline in oil and natural gas prices would affect our financial results and impede growth.

Our future financial condition, revenues, profitability and carrying value of our properties will depend substantially upon the prices and demand for oil and natural gas. The markets for these commodities are volatile and even relatively modest drops in prices can affect our financial results and impede our growth.

Natural gas and oil prices historically have been volatile and are likely to continue to be volatile in the future, especially given current geopolitical and economic conditions. Prices for oil and natural gas fluctuate widely in response to relatively minor changes in the supply and demand for oil and natural gas, market uncertainty and a variety of additional factors beyond our control, such as:

- Domestic and foreign supplies of oil and natural gas;
- Price and quantity of foreign imports of oil and natural gas;
- Actions of the Organization of Petroleum Exporting Countries and other state-controlled oil companies relating to oil and natural gas price and production controls;
- Level of consumer product demand;
- Level of global oil and natural gas exploration and productivity;

- Domestic and foreign governmental regulations;
- Level of global oil and natural gas inventories;
- Political conditions in or affecting other oil-producing and natural gas-producing countries, including the current conflicts in the Middle East and conditions in South America and Russia;
- Weather conditions;
- Technological advances affecting oil and natural gas consumption;
- Overall U.S. and global economic conditions; and
- Price and availability of alternative fuels.

Further, oil prices and natural gas prices do not necessarily fluctuate in direct relationship to each other. Lower oil and natural gas prices may not only decrease our expected future revenues on a per unit basis but also may reduce the amount of oil and natural gas that we can produce economically. This may result in us, in future periods, having to make substantial downward adjustments to any estimated proved reserves and could have a material adverse effect on our financial condition and results of operations.

Our future business will involve many uncertainties and operating risks that can prevent us from realizing profits and can cause substantial losses.

We engage in development drilling activities. Any such activities may be unsuccessful for many reasons. In addition to a failure to find oil or natural gas, drilling efforts can be affected by adverse weather conditions (such as hurricanes and tropical storms in the Gulf of Mexico), cost overruns, equipment shortages and mechanical difficulties. Therefore, the successful drilling of an oil or gas well does not ensure we will realize a profit on our investment. A variety of factors, both geological and market-related, could cause a well to become uneconomic or only marginally economic. In addition to their costs, unsuccessful wells could impede our efforts to replace reserves.

Our business involves a variety of inherent operating risks, including:

- Fires;
- Explosions;
- Blow-outs and surface cratering;
- Uncontrollable flows of gas, oil and formation water;
- Natural disasters, such as hurricanes and other adverse weather conditions;
- Pipe, cement, subsea well or pipeline failures;
- Casing collapses;
- Mechanical difficulties, such as lost or stuck oil field drilling and service tools;
- Abnormally pressured formations; and
- Environmental hazards, such as gas leaks, oil spills, pipeline ruptures and discharges of toxic gases.

If we experience any of these problems, well bores, platforms, gathering systems and processing facilities could be affected, which could adversely affect our ability to conduct operations. We could also incur substantial losses due to costs and/or liability incurred as a result of:

- Injury or loss of life;
- Severe damage to and destruction of property, natural resources and equipment;
- Pollution and other environmental damage;
- Clean-up responsibilities;
- Regulatory investigations and penalties
- Suspension of our operations; and
- Repairs to resume operations.

Reserve estimates depend on many assumptions that may turn out to be inaccurate and any material inaccuracies in the reserve estimates or underlying assumptions of our properties will materially affect the quantities and present value of those reserves.

Estimating crude oil and natural gas reserves is complex and inherently imprecise. It requires interpretation of the available technical data and making many assumptions about future conditions, including price and other economic conditions. In preparing such estimates, projection of production rates, timing of development expenditures and available geological, geophysical, production and engineering data are analyzed. The extent, quality and reliability of this data can vary. This process also requires economic assumptions about matters such as oil and natural gas prices, drilling and operating expenses, capital expenditures, taxes and availability of funds. If our interpretations or assumptions used in arriving at our reserve estimates prove to be inaccurate, the amount of oil and gas that will ultimately be recovered may differ materially from the estimated quantities and net present value of reserves owned by us. Any inaccuracies in these interpretations or assumptions could also materially affect the estimated quantities of reserves shown in the reserve reports summarized herein. Actual future production, oil and natural gas prices, revenues, taxes, development expenditures, operating expenses, decommissioning liabilities and quantities of recoverable oil and gas reserves most likely will vary from estimates. In addition, we may adjust estimates of any proved reserves to reflect production history, results of exploration and development, prevailing oil and natural gas prices and other factors, many of which are beyond our control.

Unless we replace crude oil and natural gas reserves any future reserves and production will decline.

Our future crude oil and natural gas production will depend on our success in finding or acquiring additional reserves. If we are unable to replace any reserves through drilling or acquisitions, our level of production and cash flows will be adversely affected. In general, production from oil and gas properties declines as reserves are depleted, with the rate of decline depending on reservoir characteristics. Our total proved reserves decline as reserves are produced unless we conduct other successful exploration and development activities or acquire properties containing proved reserves, or both. Our ability to make the necessary capital investment to maintain or expand our asset base of crude oil and natural gas reserves would be impaired to the extent cash flow from operations is reduced and external sources of capital become limited or unavailable. We may not be successful in exploring for, developing or acquiring additional reserves. We also may not be successful in raising funds to acquire additional reserves.

The nature and age of our wells may result in fluctuations in our production resulting from mechanical failures and other factors.

The majority of our recently acquired wells has been in operation and has produced for many years. As a result of the age of those wells, they typically experience higher maintenance requirements than newer wells. As a result, some of our wells may periodically be shut-in to perform maintenance or to restore optimal production levels or as a result of maintenance by third parties that operate facilities that serve our wells. Due to the periodic need to shut-in wells, we experience routine fluctuations in production levels with production declining below normal operating capacity during periods of maintenance. Further, we sometimes experience delays in identifying and addressing production declines.

The possible lack of business diversification may adversely affect our results of operations.

Unlike other entities that are geographically diversified, we do not have the resources to effectively diversify our operations or benefit from the possible spreading of risks or offsetting of losses. By consummating acquisitions only in the offshore Gulf of Mexico and Gulf Coast onshore our lack of diversification may:

- Subject us to numerous economic, competitive and regulatory developments, any or all of which may have a substantial adverse impact upon the particular industry in which we operate; and
- Result in our dependency upon a single or limited number of reserve basins.

In addition, the geographic concentration of our properties in the Gulf of Mexico and Gulf Coast onshore means that some or all of the properties could be affected should the region experience:

- Severe weather;
- Delays or decreases in production, the availability of equipment, facilities or services;
- Delays or decreases in the availability of capacity to transport, gather or process production; and/or
- Changes in the regulatory environment.

Because all or a number of the properties could experience many of the same conditions at the same time, these conditions could have a relatively greater impact on our results of operations than they might have on other producers who have properties over a wider geographic area.

Competition for oil and gas properties and prospects is intense and some of our competitors have larger financial, technical and personnel resources that could give them an advantage in evaluating and obtaining properties and prospects.

We operate in a highly competitive environment for reviewing prospects, acquiring properties, marketing oil and gas and securing trained personnel. Many of our competitors are major or independent oil and gas companies that possess and employ financial resources that allow them to obtain substantially greater technical and personnel resources than we. We actively compete with other companies when acquiring new leases or oil and gas properties. These additional resources can be particularly important in reviewing prospects and purchasing properties. Competitors may be able to evaluate, bid for and purchase a greater number of properties and prospects than our financial or personnel resources permit. Competitors may also be able to pay more for productive oil and gas properties and exploratory prospects than we are able or willing to pay. If we are unable to compete successfully in these areas in the future, our future revenues and growth may be diminished or restricted.

Our offshore operations, when and should they commence, will involve special risks that could affect operations adversely.

Offshore operations are subject to a variety of operating risks specific to the marine environment, such as capsizing, collisions and damage or loss from hurricanes or other adverse weather conditions. These conditions can cause substantial damage to facilities and interrupt production. As a result, we could incur substantial liabilities that could reduce or eliminate the funds available for exploration, development or leasehold acquisitions, or result in loss of equipment and properties. In particular, we are not intending to put in place business interruption insurance due to its high cost. We therefore may not be able to rely on insurance coverage in the event of such natural phenomena.

Market conditions or transportation impediments may hinder access to oil and gas markets or delay production.

Market conditions, the unavailability of satisfactory oil and natural gas transportation or the remote location of our drilling operations may hinder our access to oil and natural gas markets or delay production. The availability of a ready market for oil and gas production depends on a number of factors, including the demand for and supply of oil and gas and the proximity of reserves to pipelines or trucking and terminal facilities. We may be required to shut in wells or delay initial production for lack of a market or because of inadequacy or unavailability of pipeline or gathering system capacity. When that occurs, we will be unable to realize revenue from those wells until the production can be tied to a gathering system. This can result in considerable delays from the initial discovery of a reservoir to the actual production of the oil and gas and realization of revenues. In some cases, our wells may be tied back to platforms owned by parties with no economic interests in these wells. There can be no assurance that owners of such platforms will continue to operate the platforms. If the owners cease to operate the platforms or their processing equipment, we may be required to shut in the associated wells, which could adversely affect our results of operations.

We are not the operator on all of our properties and therefore are not in a position to control the timing of development efforts, the associated costs, or the rate of production of the reserves on such properties.

As we carry out our planned drilling program, we will not serve as operator of all planned wells. While we do serve as operator on substantially all of our recently acquired properties and planned development prospects, we can provide no assurance that will always be the case in the future. As a result, we may have limited ability to exercise influence over the operations of some non-operated properties or their associated costs. Dependence on the operator and other working interest owners for these projects, and limited ability to influence operations and associated costs could prevent the realization of targeted returns on capital in drilling or acquisition activities.

The success and timing of development and exploitation activities on properties operated by others depend upon a number of factors that will be largely outside of our control, including:

- The timing and amount of capital expenditures;
- The availability of suitable offshore drilling rigs, drilling equipment, support vessels, production and transportation infrastructure and qualified operating personnel;
- The operator’s expertise and financial resources;
- Approval of other participants in drilling wells;
- Selection of technology; and
- The rate of production of the reserves.

Our insurance may not protect us against business and operating risks.

We maintain insurance for some, but not all, of the potential risks and liabilities associated with our business. For some risks, we may not obtain insurance if we believe the cost of available insurance is excessive relative to the risks presented. Due to market conditions, premiums and deductibles for certain insurance policies can increase substantially, and in some instances, certain insurance policies are economically unavailable or available only for reduced amounts of coverage. Although we will maintain insurance at levels we believe are appropriate and consistent with industry practice, we will not be fully insured against all risks, including high-cost business interruption insurance and drilling and completion risks that are generally not recoverable from third parties or insurance. In addition, pollution and environmental risks generally are not fully insurable. Losses and liabilities from uninsured and underinsured events and delay in the payment of insurance proceeds could have a material adverse effect on our financial condition and results of operations. Due to a number of catastrophic events such as the terrorist attacks on September 11, 2001 and Hurricanes Ivan, Katrina, Rita, Gustav and Ike, insurance underwriters increased insurance premiums for many of the coverages historically maintained and issued general notices of cancellation and significant changes for a wide variety of insurance coverages. The oil and natural gas industry suffered extensive damage from Hurricanes Ivan, Katrina, Rita, Gustav and Ike.

As a result, insurance costs have increased significantly from the costs that similarly situated participants in this industry have historically incurred. Insurers are requiring higher retention levels and limit the amount of insurance proceeds that are available after a major wind storm in the event that damages are incurred. If storm activity in the future is as severe as it was in 2005 or 2008, insurance underwriters may no longer insure Gulf of Mexico assets against weather-related damage. We do not intend to put in place business interruption insurance due to its high cost. This insurance may not be economically available in the future, which could adversely impact business prospects in the Gulf of Mexico and adversely impact our operations. If an accident or other event resulting in damage to our operations, including severe weather, terrorist acts, war, civil disturbances, pollution or environmental damage, occurs and is not fully covered by insurance or a recoverable indemnity from a customer, it could adversely affect our financial condition and results of operations. Moreover, we may not be able to maintain adequate insurance in the future at rates we consider reasonable or be able to obtain insurance against certain risks.

Our operations will be subject to environmental and other government laws and regulations that are costly and could potentially subject us to substantial liabilities.

Oil and gas exploration and production operations in the United States and the Gulf of Mexico are subject to extensive federal, state and local laws and regulations. Companies operating in the Gulf of Mexico are subject to laws and regulations addressing, among others, land use and lease permit restrictions, bonding and other financial assurance related to drilling and production activities, spacing of wells, unitization and pooling of properties, environmental and safety matters, plugging and abandonment of wells and associated infrastructure after production has ceased, operational reporting and taxation. Failure to comply with such laws and regulations can subject us to governmental sanctions, such as fines and penalties, as well as potential liability for personal injuries and property and natural resources damages. We may be required to make significant expenditures to comply with the requirements of these laws and regulations, and future laws or regulations, or any adverse change in the interpretation of existing laws and regulations, could increase such compliance costs. Regulatory requirements and restrictions could also delay or curtail our operations and could have a significant impact on our financial condition or results of operations.

Our oil and gas operations are subject to stringent laws and regulations relating to the release or disposal of materials into the environment or otherwise relating to environmental protection. These laws and regulations:

- Require the acquisition of a permit before drilling commences;
- Restrict the types, quantities and concentration of substances that can be released into the environment in connection with drilling and production activities;
- Limit or prohibit drilling activities on certain lands lying within wilderness, wetlands and other protected areas; and
- Impose substantial liabilities for pollution resulting from operations.

Failure to comply with these laws and regulations may result in:

- The imposition of administrative, civil and/or criminal penalties;
- Incurring investigatory or remedial obligations; and
- The imposition of injunctive relief, which could limit or restrict our operations.

Changes in environmental laws and regulations occur frequently, and any changes that result in more stringent or costly waste handling, storage, transport, disposal or cleanup requirements could require us to make significant expenditures to attain and maintain compliance and may otherwise have a material adverse effect on our industry in general and on our own results of operations, competitive position or financial condition. Although we intend to be in compliance in all material respects with all applicable environmental laws and regulations, we cannot assure you that we will be able to comply with existing or new regulations. In addition, the risk of accidental spills, leakages or other circumstances could expose us to extensive liability.

We are unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially adversely increase our cost of doing business or affect operations in any area.

Under certain environmental laws and regulations, we could be held strictly liable for the removal or remediation of previously released materials or property contamination regardless of whether we were responsible for the release or contamination, or if current or prior operations were conducted consistent with accepted standards of practice. Such liabilities can be significant, and if imposed could have a material adverse effect on our financial condition or results of operations.

Climate change legislation, regulation and litigation could materially adversely affect us.

There is an increased focus by local, state and national regulatory bodies on greenhouse gas ("GHG") emissions and climate change. GHGs are certain gases, including carbon dioxide and methane that may be contributing to warming of the Earth's atmosphere and other climatic changes. Various regulatory bodies have announced their intent to regulate GHG emissions, including the United States Environmental Protection Agency, which promulgated several GHG regulations in 2010 and late 2009. As these regulations are under development or are being challenged in the courts, we are unable to predict the total impact of these potential regulations upon our business, and it is possible that we could face increases in operating costs in order to comply with GHG emission legislation.

Passage of legislation or regulations that regulate or restrict emissions of GHG, or GHG-related litigation instituted against us, could result in direct costs to us and could also result in changes to the consumption and demand for natural gas and carbon dioxide produced from our oil and natural gas properties, any of which could have a material adverse effect on our business, financial position, results of operations and prospects.

The adoption of derivatives legislation by Congress could have an adverse impact on our ability to hedge risks associated with our business.

In conjunction with the closing of the Credit Agreement, we entered into hedges on the acquired producing properties and we believe we will continue to enter into hedges in the future, and may be required to do so in the future. On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was signed into law. The Dodd-Frank Act regulates derivative transactions, which include certain instruments used in some risk management activities we may consider using in the future.

The Dodd-Frank Act requires the Commodity Futures Trading Commission (the "CFTC") and the SEC to promulgate rules and regulations relating to, among other things, swaps, participants in the derivatives markets, clearing of swaps and reporting of swap transactions. In general, the Dodd-Frank Act subjects swap transactions and participants to greater regulation and supervision by the CFTC and the SEC and will require many swaps to be cleared through a CFTC- or SEC-registered clearing facility and executed on a designated exchange or swap execution facility.

Among the other provisions of the Dodd-Frank Act that may affect derivative transactions are those relating to establishment of capital and margin requirements for certain derivative participants; establishment of business conduct standards, recordkeeping and reporting requirements; and imposition of position limits.

The new legislation and regulations promulgated thereunder could increase the operational and transactional cost of derivatives contracts and affect the number and/or creditworthiness of counterparties available to us.

Unanticipated decommissioning costs could materially adversely affect our future financial position and results of operations.

We may become responsible for unanticipated costs associated with abandoning and reclaiming wells, facilities and pipelines. Abandonment and reclamation of facilities and the costs associated therewith is often referred to as "decommissioning." We do not currently anticipate decommissioning any facilities within the next year. Should decommissioning be required that is not presently anticipated or the decommissioning be accelerated, such as can happen after a hurricane, such costs may exceed the value of reserves remaining at any particular time. We may have to draw on funds from other sources to satisfy such costs. The use of other funds to satisfy such decommissioning costs could have a material adverse effect on our financial position and results of operations.

If we are unable to acquire or renew permits and approvals required for operations, we may be forced to suspend or cease operations altogether.

The construction and operation of energy projects require numerous permits and approvals from governmental agencies. We may not be able to obtain all necessary permits and approvals, and as a result our operations may be adversely affected. In addition, obtaining all necessary permits and approvals may necessitate substantial expenditures and may create a risk of expensive delays or loss of value if a project is unable to function as planned due to changing requirements or local opposition.

Risks Related to Our Acquisition Strategy

Our acquisitions may be stretching our existing resources.

We recently acquired our principal properties in October 2013 and may make acquisitions in the future. Future transactions may prove to stretch our internal resources and infrastructure. As a result, we may need to invest in additional resources, which will increase our costs. Any further acquisitions we make over the short term would likely intensify these risks.

We may be unable to successfully integrate the operations of the properties we acquire.

Integration of the operations of the properties we acquire with our existing business is a complex, time-consuming and costly process. Failure to successfully integrate the acquired businesses and operations in a timely manner may have a material adverse effect on our business, financial condition, results of operations and cash flows. The difficulties of combining the acquired operations include, among other things:

- operating a larger organization;
- coordinating geographically disparate organizations, systems and facilities;
- integrating corporate, technological and administrative functions;
- diverting management's attention from other business concerns;
- diverting financial resources away from existing operations;
- an increase in our indebtedness; and
- potential environmental or regulatory liabilities and title problems.

The process of integrating our operations could cause an interruption of, or loss of momentum in, the activities of our business. Members of our senior management may be required to devote considerable amounts of time to this integration process, which will decrease the time they will have to manage our business. If our senior management is not able to effectively manage the integration process, or if any business activities are interrupted as a result of the integration process, our business could suffer.

In addition, we face the risk of identifying, competing for and pursuing other acquisitions, which takes time and expense and diverts management's attention from other activities.

The properties we acquire may not produce as projected, and we may be unable to determine reserve potential, identify liabilities associated with the acquired properties or obtain protection from sellers against such liabilities.

The properties we acquire may not produce as expected, may be in an unexpected condition and we may be subject to increased costs and liabilities, including environmental liabilities. Although we review properties prior to acquisition in a manner consistent with industry practices, such reviews are not capable of identifying all potential conditions. Generally, it is not feasible to review in depth every individual property involved in each acquisition. We focus our review efforts on the higher-value properties or properties with known adverse conditions and will sample the remainder. However, even a detailed review of records and properties may not necessarily reveal existing or potential problems or permit a buyer to become sufficiently familiar with the properties to fully assess their condition, any deficiencies, and development potential. Inspections may not be performed on every well, and environmental problems, such as ground water contamination, are not necessarily observable even when an inspection is undertaken.

Risks Related to our Common Stock

We depend on key personnel, the loss of any of whom could materially adversely affect future operations.

Our success will depend to a large extent upon the efforts and abilities of our executive officer and chairman of the board, John Jurasin. The loss of the services of this key employee could have a material adverse effect on us. Our business will also be dependent upon our ability to attract and retain qualified personnel. Acquiring and keeping these personnel could prove more difficult or cost substantially more than estimated. Furthermore, we have and may continue to issue equity incentives, including stock options, to attract key personnel which may be dilutive to our stockholders and negatively affect our stock price. This could cause us to incur greater costs, or prevent us from pursuing our exploitation strategy as quickly as we would otherwise wish to do. To mitigate this risk, the Company has entered into an employment agreement with Mr. Jurasin, and will periodically monitor and adjust such contracts as necessary.

Future sales of our common stock in the public market could lower our stock price.

We will likely sell additional shares of common stock to raise capital. We may also issue additional shares of common stock to finance future acquisitions, services rendered or equity raises. We cannot predict the size of future issuances of our common stock or the effect, if any, that future issuances and sales of shares of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock, or the perception that such sales could occur, may adversely affect prevailing market prices for our common stock. Moreover, any such sales may be dilutive to our existing stockholders.

There is no assurance of continued public trading market and being a low priced security may affect the market value of stock.

To date, there has been only a limited public market for our common stock. Our common stock is currently quoted on the Pink OTC Market, Inc. As a result, an investor may find it difficult to dispose of, or to obtain accurate quotations as to the market value of our stock. Our stock is subject to the low-priced security or so called “penny stock” rules of the SEC that impose additional sales practice requirements on broker/dealers who sell such securities. Some of such requirements are discussed below.

A broker/dealer selling “penny stocks” must, at least two business (2) days prior to effecting a customer’s first transaction in a “penny stock,” provide the customer with a document containing information mandated by the SEC regarding the risks of investing in our stock, and the broker/dealer must receive a signed and dated written acknowledgement of the customer’s receipt of that document prior to effecting a customer’s first transaction in a “penny stock.”

Subject to limited exceptions, a broker/dealer must obtain information from a customer concerning the customer’s financial situation, investment experience and investment objectives and, based on the information and any other information known by the broker/dealer, the broker/dealer must reasonably determine that transactions in “penny stocks” are suitable for the customer, that the customer has sufficient knowledge and experience in financial matters, and that the customer reasonably may be expected to be capable of evaluating the risks of transactions in “penny stocks.” A broker/dealer must, at least two business (2) days prior to effecting a customer’s first purchase of a “penny stock” send a statement of this determination, together with other disclosures required by the SEC, to the customer, and the broker/dealer must receive a signed and dated copy of the statement prior to effecting the customer’s first purchase of a “penny stock”.

A broker/dealer must also, orally or in writing, disclose prior to effecting a customer's transaction in a "penny stock" (and thereafter confirm in writing):

- the bid and offer price quotes in and for the "penny stock," and the number of shares to which the quoted prices apply;
- the brokerage firm's compensation for the trade; and
- the compensation received by the brokerage firm's sales person for the trade.

In addition, subject to limited exceptions, a brokerage firm must send to its customers trading in "penny stocks" a monthly account statement that gives an estimate of the value of each "penny stock" in the customer's account. Accordingly, the Commission's rules may limit the number of potential purchasers of the shares of our common stock.

Resale restrictions on transferring "penny stocks" are sometimes imposed by some states, which may make transaction in our stock more difficult and may reduce the value of the investment. Various state securities laws pose restrictions on transferring "penny stocks" and as a result, investors in our common stock may have the ability to sell their shares of our common stock impaired.

There can be no assurance we will have market makers in our stock. If the number of market makers in our stock should decline, the liquidity of our common stock could be impaired, not only in the number of shares of common stock which could be bought and sold, but also through possible delays in the timing of transactions, and lower prices for the common stock than might otherwise prevail. Furthermore, the lack of market makers could result in persons being unable to buy or sell shares of the common stock on any secondary market.

We have never paid dividends on our common stock .

We have never paid dividends on our common stock and do not presently intend to pay any dividends in the foreseeable future. We anticipate that for the foreseeable future any funds available for payment of dividends will be re-invested into the Company to further its business strategy.

Because the public market for shares of our common stock is limited, investors may be unable to resell their shares.

Currently, there is only a limited public trading market for our common stock on the "pink sheets" and investors may be unable to resell their shares of our common stock. The development of an active public trading market depends upon the existence of willing buyers and sellers who are able to sell their shares as well as market makers willing to create a market in such shares. Under these circumstances, the market bid and ask prices for the shares may be significantly influenced by the decisions of the market makers to buy or sell the shares for their own account. Such decisions of the market makers may be critical for the establishment and maintenance of a liquid public market in our common stock. Market makers are not required to maintain a continuous two-sided market and are free to withdraw firm quotations at any time. We cannot give you any assurance that an active public trading market for the shares will develop or be sustained.

The price of our common stock is volatile, which may cause investment losses for our stockholders.

The market for our common stock has the potential to be highly volatile, having ranged in the last twelve months from a low of $0.75 to a high of $1.15 on the "pink sheets." The trading price of our common stock on the "pink sheets" is subject to wide fluctuations in response to, among other things, the limited number of shares traded, and general economic and market conditions. In addition, statements or changes in opinions, ratings, or earnings estimates made by brokerage firms or industry analysts relating to our market or relating to us could result in an immediate and adverse effect on the market price of our common stock. The highly volatile nature of our stock price may cause investment losses for our stockholders. In the past, securities class action litigation has often been brought against companies following periods of volatility in the market price of their securities. If securities class action litigation is brought against us, such litigation could result in substantial costs while diverting management's attention and resources.

Securities analysts may elect not to report on our common stock or may issue negative reports that adversely affect the price of our common stock.

At this time, no securities analyst provides research coverage of our common stock. Further, securities analysts may never provide this coverage in the future. Rules mandated by the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") and other restrictions led to a number of fundamental changes in how analysts are reviewed and compensated. In particular, many investment banking firms are required to contract with independent financial analysts for their stock research. It may remain difficult for a company with a smaller market capitalization such as ours to attract independent financial analysts that will cover our common stock. If securities analysts do not cover our common stock, the lack of research coverage may adversely affect our actual and potential market price and trading volume.

If one or more analysts elect to cover us and then downgrade our common stock, the stock price would likely decline rapidly. If one or more of these analysts cease coverage of us, we could lose visibility in the market, which in turn could cause our stock price to decline. This could have a negative effect on the market price of our shares.

Directors, executive officers and principal stockholders own a significant percentage of our capital stock, and they may make decisions that you do not consider to be in the best interests of our stockholders.

As of May 1, 2014, our directors, executive officers and principal stockholders beneficially owned, in the aggregate, approximately 78.8% of our outstanding voting securities. As a result, if some or all of them acted together, they would have the ability to exert substantial influence over the election of our Board of Directors and the outcome of issues requiring approval by our stockholders. This concentration of ownership also may have the effect of delaying or preventing a change in control of the Company that may be favored by other stockholders. This could prevent transactions in which stockholders might otherwise recover a premium for their shares over current market prices.

Failure to maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and operating results.

If we fail to comply with the requirements of Section 404 of the Sarbanes-Oxley Act regarding internal control over financial reporting or to remedy any material weaknesses in our internal controls that we may identify, such failure could result in material misstatements in our financial statements, cause investors to lose confidence in our reported financial information and have a negative effect on the trading price of our common shares.

Pursuant to Section 404 of the Sarbanes-Oxley Act and current SEC regulations, we are required to prepare assessments regarding internal controls over financial reporting. In connection with our on-going assessment of the effectiveness of our internal control over financial reporting, we may discover "material weaknesses" in our internal controls as defined in standards established by the Public Company Accounting Oversight Board, or the PCAOB. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. The PCAOB defines "significant deficiency" as a deficiency that results in more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected. We determined that our disclosure controls and procedures over financial reporting are not effective and were not effective as of December 31, 2013 and 2012.

The process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. We cannot assure you that we will implement and maintain adequate controls over our financial process and reporting in the future or that the measures we will take will remediate any material weaknesses that we may identify in the future.

Our failure to timely file certain periodic reports with the SEC poses significant risks to our business, each of which could materially and adversely affect our financial condition and results of operations.

We failed to timely file our Annual Reports on Form 10-K for the fiscal years ended December 31, 2013, December 31, 2012 and 2011 and our Quarterly Reports on Form 10-Q for the periods ended March 31, 2011, June 30, 2011, September 30, 2011, March 31, 2012, June 30, 2012, September 30, 2012, March 31, 2013, June 30, 2013 and September 30, 2013. Consequently, we were not compliant with the periodic reporting requirements under the Exchange Act. Our failure to timely file those and possibly future periodic reports with the SEC could subject us to enforcement action by the SEC and shareholder lawsuits. Any of these events could materially and adversely affect our financial condition and results of operations and our ability to register with the SEC public offerings of our securities for our benefit or the benefit of our security holders. Additionally, our failure to file our past periodic reports and future periodic reports has resulted in and could result in investors not receiving adequate information regarding the Company with which to make investment decisions.

We do not expect to be able to access the public U.S. capital markets until all of its periodic reporting with the SEC is up to date.

We will be unable to register our common stock with the SEC to access the U.S. public securities markets until we have filed its prior periodic reports and financial statements with the SEC. This precludes us from raising debt or equity financing in registered transactions in the U.S. public capital markets to support growth in its business plan.

Our common stock is quoted on the OTC "pink sheets" market which does not provide investors with a meaningful degree of liquidity.

Bid quotations for our common stock are available on the OTC "pink sheets," an electronic quotation service for securities traded over-the-counter. Bid quotations on the pink sheets can be sporadic and the pink sheets do not provide any meaningful liquidity to investors. An investor may find it difficult to dispose of shares or obtain accurate quotations as to the market value of the common stock. There can be no assurance that our common stock will be listed on a national exchange such as The NASDAQ Stock Market, the New York Stock Exchange or another securities exchange once we become current in our filing obligations with the SEC.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Vidalia

In October 2013, Radiant acquired the Vidalia properties, which include numerous leases in Catahoula, Concordia, La Salle and St. Mary's parishes in Louisiana and Adams, Franklin and Wilkinson counties in Mississippi. We have an average working interest in these properties of 97.2% and an average net revenue interest of 72.4%.

The acquired leases represent about 3,500 gross acres (2,964 net acres) and over 80 wells. The Louisiana properties include over 39 wells and numerous leases located in Concordia and La Salle Parishes. The Mississippi properties include over 41 wells and numerous leases located in Adams, Amite, Franklin, and Wilkinson Counties. The properties include up to 30 productive wells and up to 38 shut-in wells that have been evaluated for work-over and behind pipe opportunities which are expected to provide for cost-effective near-term production increases.

Ensminger Project

The Company had a minority interest in a well (Ensminger #1) drilled on this prospect. The lease was abandoned in 2011 and agreements with participants in this prospect area expired in mid-2012. Between 2005 to 2007, the Ensminger #1 well produced from the lower Planulina 69 Sand at a maximum productive rate of 10.4 MMCF/D and 205 BO/D, with what we estimate to be cumulative production of over 3.25 BCF and 49 MBO (from only 6 feet of pay; the thinnest of the three pay sands). The operator shut in production while the well was still producing at a rate of 2 MMCF/D and 11 BO/D with no formation water. The plan was to abandon the 69 Sand and re-complete in the 68 Sand with an expected production rate of 18 MMCF/D. During the recompletion, the operator lost tools in the hole, and subsequent failed fishing operations resulted in damage to the casing; making further use of the well bore unfeasible.

During fourth quarter 2013, the Company has acquired a lease for materially the same area as the area leased and exploited in 2005 to 2007. The Ensminger Project covers 634 acres, in which we own a 100.0% working interest and have a net revenue interest of 75.0%.

We have developed a plan to side-track out of an existing well thereby saving on drilling costs. The Ensminger Project is located onshore in sugar cane fields in St. Mary Parish, Louisiana. The original Ensminger well (“Ensminger #1”), which we intend to side-track, was originally funded by management and was drilled in 2004 in partnership with Exxon Mobil Corp. and Century Exploration New Orleans, Inc. and it discovered a depletion-drive field from the Planulina Pay Sands at approximately 15,000’ Total Vertical Depth.

The estimated net cost to drill and complete the proposed sidetrack is $2.9 million.

Coral Project

All four leases comprising this prospect expired in 2011.

During fourth quarter 2013, The Company was a high bidder on two leases in this area covering approximately 1,405 acres. We have a 100% working interest and a 76.0% net revenue interest in the Coral Project. We intend to act as the operator of this project to re-enter and complete a well. Coral consists of 1,405 gross acres in shallow Louisiana state coastal waters of St. Mary Parish.

The Coral Project is a multiple well prospect in an old Shell Oil Company field, which has produced 509 BCF and 65 MMBO. The prospect includes drilling in a new fault block extension of the Eugene Island Block 18 field. The primary objectives are the geopressured Tex. W. sands which have produced 103 BCF and 2.8 MMBC in the field proper. Three Tex W sands, ranging in depths from 12,300 feet to 12,800 feet are the specific prospect targets. The initial proposed well will be a re-entry from the inactive COCKRELL #1 SL 14354 borehole. The estimated net cost to drill and complete the proposed sidetrack is $3.4 million.

The secondary objective in the Coral Project is the Cib. Op (Middle Miocene) sands in a deeper pool reservoir in a gas productive fault block at an estimated depth of 15,500 feet. The prospect is covered with 3-D seismic. We do not expect to drill to the Cib Op in 2014 unless we are able to sell a portion of our interest and significantly reduce or eliminate our capital requirement.

Acreage Data

As of December 31, 2013, we controlled approximately in excess of 7,000 Gulf Coast region net acres held by production or in primary term.

General

Our principal place of business is at 9700 Richmond Avenue, Suite 124, Houston, Texas 77042. The Company leases its office space on a month-to-month basis.

ITEM 3. LEGAL PROCEEDINGS

Other than routine litigation arising in the ordinary course of business that we do not expect, individually or in the aggregate, to have a material adverse effect on us, there is no currently pending material legal proceeding and, as far as we are aware, no governmental authority is contemplating any proceeding to which we are a party or to which any of our properties is subject. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters that may arise from time to time may harm our business.

ITEM 4. RESERVED

PART II

ITEM 5. MARKET FOR REGISTRANTS COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Our common stock is quoted on the Pink OTC Market, Inc. under the symbol "ROGI." The market for our common stock on the Pink OTC Market, Inc. is limited, sporadic and potentially highly volatile. The following table sets forth the approximate high and low bid quotations per share of our common stock on the Pink OTC Market for the periods indicated. The closing price of our common stock on December 31, 2013 was $1.04. The quotations reflect inter-dealer prices, without retail markups, markdowns, or commissions and may not represent actual transactions.

Period	High	Low
Fiscal Year Ended December 31, 2013		
Quarter ended March 31	$ 1.15	$ 1.15
Quarter ended June 30	$ 1.15	$ 1.15
Quarter ended September 30	$ 1.15	$ 0.75
Quarter ended December 31	$ 1.04	$ 1.04
Fiscal Year Ended December 31, 2012		
Quarter ended March 31	$ 1.75	$ 1.50
Quarter ended June 30	$ 1.50	$ 0.26
Quarter ended September 30	$ 0.26	$ 0.10
Quarter ended December 31	$ 1.15	$ 0.10

Holders of Record

We had 960 stockholders of record of our common stock as of May 2, 2014 not including an indeterminate number who may hold shares in "street name."

Dividend Policy

We have never paid dividends on our common stock. We currently intend to retain all earnings to fund our operations. Therefore we do not intend to pay any cash dividends on the common stock in the foreseeable future.

Securities Authorized For Issuance under Equity Compensation Plans

In connection with the Reorganization, we have adopted the 2010 Stock Option Plan, for which we have reserved 3,000,000 shares of common stock for issuance thereunder. As of April 30, 2014, there were 1,658,071 stock options issued and outstanding.

Recent Sale of Unregistered Securities

Other than described below, all securities sold by us during the fiscal years ended December 31, 2013 that were not registered under the Securities Act were previously disclosed in our quarterly reports on Form 10-Q or our current reports on Form 8-K.

In August 2013, we entered into a Bridge Loan Agreement with various individuals whereby we borrowed $600,000, and also issued to the note holder warrants to purchase 1,500,000 shares of our common stock at a purchase price of $0.01 per share.

In February 2013, the Company received $100,000 from a third party investor for the sale of 86,956 shares of common stock at a price of $1.15 per share and warrants to purchase additional 86,956 shares of common stock at a price of $1.16. Warrants expire on February 21, 2016.

In January and February 2013, the Company received $90,000 from Black Gold in accordance with the Shallow Oil agreement, in which $45,000 was for the sale of common stock (see Note 2 - Oil & Gas Properties). In accordance with provisions of Shallow Oil agreement, the Company issued 90,000 shares of its stock to Black Gold at a price of $0.50 per share.

We issued all of these securities to persons who were either “accredited investors,” or “sophisticated investors” who, by reason of education, business acumen, experience or other factors, were fully capable of evaluating the risks and merits of an investment in our company; and each had prior access to all material information about us. We believe that the offer and sale of these securities were exempt from the registration requirements of the Securities Act, pursuant to Sections 4(2) and 4(6) thereof, and Rule 506 of Regulation D of the Securities and Exchange Commission and from various similar state exemptions. No sales commissions were paid in connection with such issuances.

ITEM 6. SELECTED FINANCIAL DATA

Not Required.

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion and analysis of financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this report. This discussion contains forward-looking statements that involve risks, uncertainties and assumptions. See “Note Regarding Forward-Looking Statements.” Our actual results could differ materially from those anticipated in the forward-looking statements as a result of certain factors discussed in “Risk Factors” and elsewhere in this report.

Overview

We are an independent oil and gas exploration and production company that operates in the Gulf Coast region of the United States of America, specifically, onshore and the state waters of Louisiana, USA and the federal waters offshore Texas in the Gulf of Mexico. We currently have oil and gas lease interests throughout Louisiana and Mississippi.

Results of Operations

Effective October 9, 2013, the Company acquired oil and gas properties located in Louisiana and Mississippi (the "Vidalia Properties"). Successor references herein are referring to the consolidated information pertaining to the Company and its wholly owned subsidiaries and investments in which the Company has exclusive control. Predecessor references herein relate to the operations of the Vidalia Properties.

The Company has presented the Statement of Operations for the period of October 9, 2013 through December 31, 2013 for Successor, January 1, 2013 through October 8, 2013 for Predecessor and the year ended December 31, 2012 for Predecessor. For comparison purposes, the Predecessor and Successor were combined for the year ended December 31, 2013 as follows:

RADIANT OIL AND GAS, INC.
Consolidated Statements of Operations

	Successor	Predecessor	Pro Forma
	For the Period from October 9, 2013 to December 31, 2013	For the Period from January 1, 2013 to October 8, 2013	For the Year Ended December 31, 2013
OIL AND GAS REVENUES	$ 696,661	$ 1,742,512	$ 2,439,173
OPERATING EXPENSES:			
Lease operating expenses	483,680	2,355,118	2,838,798
Depreciation, depletion, amortization and accretion	60,950	28,659	89,609
General and administrative expense	1,158,032	-	1,158,032
TOTAL OPERATING EXPENSES	1,702,662	2,383,777	4,086,439
OPERATING LOSS	(1,006,001)	(641,265)	(1,647,266)
OTHER INCOME (EXPENSE):			
Unrealized loss on stock and warrant derivative liabilities	(1,192,523)	-	(1,192,523)
Unrealized gain on commodity derivative	146,420	-	146,420
Interest expense	(1,664,342)	-	(1,664,342)
Other income and expense, net	19,375	-	19,375
Total other expense	(2,691,070)	-	(2,691,070)
NET LOSS	$ (3,697,071)	$ (641,265)	$ (4,338,336)

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Oil and gas revenues for the year ended December 31, 2013 decreased by $1,526,844 or 38.5% compared to the year ended December 31, 2012. This decrease was due to shut down of various wells during 2013 that were producing in 2012. The Company is currently undertaking an effort to work over these wells in order to bring them back to producing status.

Lease operating expenses for the year ended December 31, 2013 decreased by $921,639 or 24.5% compared to the year ended December 31, 2012. This decrease was due to shut down of various wells during 2013 that were producing in 2012. The Company is currently undertaking an effort to work over these wells in order to bring them back to producing status.

Depreciation, depletion and amortization expense for the year ended December 31, 2013 was $52,254 compared to $-0- for the year ended December 31, 2012. No information other than revenue and lease operating expenses is available to Radiant regarding Predecessor operations during the year ended December 31, 2012.

Accretion expense for the year ended December 31, 2013 was $37,355 compared to $-0- for the year ended December 31, 2012. No information other than revenue and lease operating expenses is available to Radiant regarding Predecessor operations during the year ended December 31, 2012.

General and administrative expenses for the year ended December 31, 2013 was $1,158,032 compared to $-0- for the year ended December 31, 2012. No information other than revenue and lease operating expenses is available to Radiant regarding Predecessor operations during 2012.

The net loss on derivative liabilities for the year ended December 31, 2013 was $1,046,103, which included a gain on commodity derivative of $146,420, compared to $-0- for the year ended December 31, 2012. No information other than revenue and lease operating expenses is available to Radiant regarding Predecessor operations during 2012.

Interest expense for the year ended December 31, 2013 was $1,664,342 compared to $-0- for the year ended December 31, 2012. No information other than revenue and lease operating expenses is available to Radiant regarding Predecessor operations during 2012.

Other income for the year ended December 31, 2013 was $19,375 compared to $-0- for the year ended December 31, 2012. No information other than revenue and lease operating expenses is available to Radiant regarding Predecessor operations during 2012.

The above mentioned factors resulted in a net loss for the year ended December 31, 2013 of $4,338,336 compared to net income of $205,580 for the year ended December 31, 2012.

Liquidity and Capital Resources

At December 31, 2013, we have current assets of $3,831,067 current liabilities of $9,645,574, and a working capital deficit of $5,814,507.

At December 31, 2013 and 2012, our cash and cash equivalents balance was $1,019,582 and $-0-, respectively. As of December 31, 2013 and 2012, restricted cash balance was $2,067,225 and $-0-, respectively.

In late 2013, we, through our wholly-owned subsidiary Radiant Acquisitions 1, LLC (“Radiant Acquisitions”), entered into a First Lien Credit Agreement (the “Credit Agreement”) with various financial institutions (the “Lenders”). The maximum aggregate commitment of the Lenders to advance loans under this Agreement was $39,788,000, and the maximum aggregate principal amount to be repaid by the Borrower in respect thereof is $40,600,000 and for any given loan, the amount of funds advanced by any Lender shall be ninety-eight percent (98%) of the amount of principal required to be repaid by the Borrower in respect of such Loan. The proceeds from the Credit Agreement were used to fund the closing of our recent acquisition of oil and gas properties located in Louisiana and Mississippi, as well as to develop multiple re entry, work-over and drilling opportunities on acquired acreage throughout south Louisiana and Mississippi.

Concurrent with the closing of the Credit Agreement, a total of $27,050,428 was disbursed to acquire the Vidalia Properties. The Lenders have the right to approve future draw requests made by the Company.

We have significant cash requirements over the next twelve months and anticipate that our cash and cash equivalents balances in conjunction with advances under the Credit Agreement will substantially allow us to meet these requirements.

We intend to raise additional funds through public or private sale of our equity or debt securities, borrowing funds from private or institutional lenders, the sale of our interests in certain oil and gas properties, or farm out of oil and gas interests. If we raise additional funds through the issuance of debt securities, these securities would have rights that are senior to holders of our common stock and could contain covenants that restrict our operations. Any additional equity financing would likely be substantially dilutive to our stockholders, particularly given the prices at which our common stock has been recently trading. In addition, if we raise additional funds through the sale of equity securities, new investors could have rights superior to our existing stockholders. This could also result in a decrease in the fair market value of our equity securities because our assets would be owned by a larger pool of outstanding equity.

If we raise funds through a farm-out or sale of any of our rights, we may be required to relinquish, on terms that are not favorable to us, our interests in those projects. Our need to raise capital soon may require us to accept terms that may harm our business or be disadvantageous to our current stockholders, particularly in light of the current illiquidity. There can be no assurance that we will be successful in obtaining additional funding, or selling or farming-out assets, in sufficient amounts or on terms acceptable to us, if at all.

If we are unable to raise sufficient additional funds when needed, we would be required to further reduce operating expenses by, among other things, curtailing significantly or delaying or eliminating part or all of our operations and properties.

Our ability to obtain additional financing is dependent on the state of the debt and/or equity markets, and such markets' reception of us and our offering terms. In addition, our ability to obtain financing may be dependent on the status of our oil and gas exploration activities, which cannot be predicted. There is no assurance that capital in any form will be available to us, and if available, that it will be on terms and conditions that are acceptable.

Consolidated Statements of Cash Flows Data

	October 9, 2013 to December 31, 2013 (Successor)	January 1, 2013 to October 8, 2013 (Predecessor)	Year Ended December 31, 2013 (Pro Forma)
Net cash used in operating activities	$ (1,438,290)	$ (539,282)	$ (1,977,572)
Net cash used in investing activities	(18,247,675)	-	(18,247,675)
Net cash provided by financing activities	20,588,447	539,282	21,127,729

Cash Used in Operating Activities

Net cash used in operating activities was $1,977,572 for the year ended December 31, 2013 compared to net cash provided by operating activities of $291,611 for the year ended December 31, 2012. In 2013, the Company used its cash mostly to fund its operations related to newly acquired oil & gas properties as well as other overhead expenses.

Cash Used in Investing Activities

For the year ended December 31, 2013, net cash used in investing activities of $18,247,675 was the result of the purchase of oil and gas properties amounting to $16,153,522 and purchase of equipment amounting to $26,928.

For the year ended December 31, 2012, there was no cash used in investing activities.

Cash Provided by Financing Activities

For the year ended December 31, 2013, net cash provided by financing activities of $21,127,729 was primarily attributable to borrowings on notes payable, amounting to $27,525,947 and proceeds from issuance of common stock of $750,000 offset by payments on notes payable and deferred financing costs amounting to $6,445,065.

For the year ended December 31, 2012, there was no cash used in financing activities.

Off-Balance Sheet Arrangements

For the period of October 9, 2013 through December 31, 2013, the period from January 1, 2013 to October 8, 2013 and the year ended December 31, 2012, the Company did not have any off-balance sheet arrangements.

Related Party Transactions

Patriot Agreement

On December 28, 2013, the Company entered into an agreement (the "Patriot Agreement") with Patriot Bridge & Opportunity Fund, L.P. (f/k/a John Thomas Bridge & Opportunity Fund, L.P.) and Patriot Bridge & Opportunity Fund II, L.P., together referred to as the "Funds," Patriot 28, LLC, the Managing Member of the Funds, and George Jarkesy, individually and as Managing Member of Patriot 28. The Patriot 28 Agreement restructured the outstanding $150,000 due to the Funds in the form of general liability promissory note. The maturity date of the Note shall be the earlier of an equity infusion of not less than ten million ($10,000,000) dollars or December 1, 2014. Interests shall be paid monthly at the rate of six percent (6%) per annum.

To the extent any payments are not made timely in accordance with the repayment schedule described in the Patriot 28 Agreement, the Company shall issue 500 shares of Company stock to Fund I and 500 shares of Company stock to Fund II for each default occurrence. This provision does not apply if the Company cures its default within ten (10) days following receipt of written notice that a payment has not been timely made.

The Company, upon execution and delivery of the Patriot Agreement, paid to the Funds the sum of $15,000 in reimbursement for all legal fees and expenses of the Funds related to the Loan and the January 1, 2014 payment for $14,115.

Critical Accounting Policies

We prepare our consolidated financial statements in accordance with generally accepted accounting principles of the United States ("U.S. GAAP"). U.S. GAAP represents a comprehensive set of accounting and disclosure rules and requirements. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions, however, in the past the estimates and assumptions have been materially accurate and have not required any significant changes. Should we experience significant changes in the estimates or assumptions that would cause a material change to the amounts used in the preparation of our financial statements, material quantitative information will be made available to investors as soon as it is reasonably available.

We believe the following critical accounting policies, among others, affect our more significant judgments and estimates used in the preparation of our consolidated financial statements:

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the respective reporting periods. The Company bases its estimates and judgments on historical experience and on various other assumptions and information that are believed to be reasonable under the circumstances. Estimates and assumptions about future events and their effects cannot be perceived with certainty and, accordingly, these estimates may change as new events occur, as more experience is acquired, as additional information is obtained and as our operating environment changes. The Company's estimates include estimates of oil reserves, future cash flows from oil properties, depreciation, depletion, amortization, impairment of oil properties, asset retirement obligations, and calculations related to stock and warrant derivative liabilities and commodity derivative instruments.. Management emphasizes that reserve estimates are inherently imprecise and that estimates of more recent reserve discoveries are more imprecise than those for properties with long production histories. Actual results may differ from the estimates and assumptions used in the preparation of our consolidated financial statements.

Cash and Cash Equivalents

Cash and cash equivalents are all highly liquid investments with an original maturity of three months or less at the time of purchase and are recorded at cost, which approximates fair value. The Company and its subsidiaries maintain its cash in institutions insured by the Federal Deposit Insurance Corporation (FDIC), which insures the balances up to $250,000 per depositor.

Concentrations

Financial instruments which potentially subject us to concentrations of credit risk consist of cash. We periodically evaluate the credit worthiness of financial institutions, and maintain cash accounts only with major financial institutions thereby minimizing exposure for deposits in excess of federally insured amounts. We believe that credit risk associated with cash is remote.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are reflected at net realizable value. The Company establishes provisions for losses on accounts receivable if the Company determines that the Company will not collect all or part of the outstanding balance. The Company regularly reviews collectability and establishes or adjusts the allowance as necessary using the specific identification method. Substantially all of accounts receivable balance relates to the most recent crude oil revenue sales.

Deferred Financing Charges

Deferred finance charges consist of legal and other fees incurred in connection with the issuance of notes payable and are capitalized and shown in the consolidated balance sheets. These charges are being amortized using the effective interest method over the term of the related notes.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related asset: furniture and fixtures - 7 years; vehicles - 5 years; computer equipment and software - 3 to 5 years. Fully depreciated assets are retained in property and accumulated depreciation accounts until they are removed from service. The Company performs ongoing evaluations of the estimated useful lives of the property and equipment for depreciation purposes. Maintenance and repairs are expensed as incurred.

Oil and Natural Gas Properties

The Company accounts for its oil and natural gas producing activities using the full cost method of accounting, as prescribed by the United States Securities and Exchange Commission ("SEC"). Under this method, subject to a limitation based on estimated value, all costs incurred in the acquisition, exploration, and development of proved oil and natural gas properties, including internal costs directly associated with acquisition, exploration, and development activities, the costs of abandoned properties, dry holes, geophysical costs, and annual lease rentals are capitalized within a full cost pool. Costs of production and general and administrative corporate costs unrelated to acquisition, exploration, and development activities are expensed as incurred.

Costs associated with unevaluated properties are capitalized as oil and natural gas properties, but are excluded from the amortization base during the evaluation period. When the Company determines whether the property has proved recoverable reserves or not, or if there is an impairment, the costs are transferred into the amortization base and thereby become subject to amortization. The Company evaluates unevaluated properties for inclusion in the amortization base at least annually. The Company assesses properties on an individual basis, or as a group, if properties are individually insignificant. The assessment includes consideration of the following factors, among others: intent to drill; remaining lease term; geological and geophysical evaluations; drilling results and activity; the assignment of proved reserves; and the economic viability of development if proved reserves are assigned. During any period in which these factors indicate that there would be impairment, or if proved reserves are assigned to a property, the cumulative costs incurred to date for such property are transferred to the amortizable base and are then subject to amortization.

Capitalized costs included in the amortization base are depleted using the units of production method based on proved reserves. Depletion is calculated using the capitalized costs included in the amortization base, including estimated asset retirement costs, plus the estimated future expenditures to be incurred in developing proved reserves, net of estimated salvage values.

The Company includes its pro rata share of assets and proved reserves associated with an investment that is accounted for on a proportional consolidation basis with assets and proved reserves that the Company directly owns. The Company calculates the depletion and net book value of the assets based on the full cost pool's aggregated values. Accordingly, the ratio of production to reserves, depletion and impairment associated with a proportionally consolidated investment does not represent a pro rata share of the depletion, proved reserves, and impairment of the proportionally consolidated venture.

The net book value of all capitalized oil and natural gas properties, less related deferred income taxes, is subject to a full cost ceiling limitation which is calculated quarterly. Under the ceiling limitation, costs may not exceed an aggregate of the present value of future net revenues attributable to proved oil and natural gas reserves discounted at 10 percent using current prices, plus the lower of cost or market value of unproved properties included in the amortization base, plus the cost of unevaluated properties, less any associated tax effects. Any excess of the net book value, less related deferred tax benefits, over the ceiling is written off as expense. Impairment expense recorded in one period may not be reversed in a subsequent period even though higher oil and gas prices may have increased the ceiling applicable to the subsequent period.

Sales or other dispositions of oil and natural gas properties are accounted for as adjustments to capitalized costs, with no gain or loss recorded unless the ratio of cost to proved reserves would significantly change.

Impairment of Long-Lived Assets

The Company periodically reviews non-oil and gas long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value.

Asset Retirement Obligation

The Company records the fair value of an asset retirement cost, and corresponding liability as part of the cost of the related long-lived asset and the cost is subsequently allocated to expense using a systematic and rational method. The Company records an asset retirement obligation to reflect its legal obligations related to future plugging and abandonment of our oil and natural gas wells and gas gathering systems. The Company estimates the expected cash flow associated with the obligation and discounts the amount using a credit-adjusted, risk-free interest rate. At least annually, the Company reassesses the obligation to determine whether a change in the estimated obligation is necessary. The Company evaluates whether there are indicators that suggest the estimated cash flows underlying the obligation have materially changed. Should those indicators suggest the estimated obligation may have materially changed on an interim basis (quarterly), the Company will accordingly update its assessment. Additional retirement obligations increase the liability associated with new oil and natural gas wells and gas gathering systems as these obligations are incurred.

Derivative Financial Instruments

For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported as charges or credits to non-operating income. For warrants and convertible derivative financial instruments, the Company uses the Black-Scholes model to value the derivative instruments at inception and subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period, in accordance with FASB ASC Topic 815, *Derivatives and Hedging* . Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, services have been rendered, the sales price is fixed or determinable, and collectability is reasonably assured. The Company follows the “sales method” of accounting for oil and natural gas revenues, and recognizes revenue on all natural gas or crude oil sold to purchasers, regardless of whether the sales are proportionate to our ownership in the property. A receivable or liability is recognized only to the extent that the Company has an imbalance on a specific property greater than the expected remaining proved reserves.

Income Taxes

The Company accounts for income taxes using the asset and liability method. Under this method, deferred income tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

FASB ASC-740 establishes a more-likely-than-not threshold for recognizing the benefits of tax return positions in the financial statements. Also, the statement implements a process for measuring those tax positions which meet the recognition threshold of being ultimately sustained upon examination by the taxing authorities. There are no uncertain tax positions taken by the Company on its tax returns.

Net Income (Loss) per Common Share

Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted-average number of common shares outstanding during the period. Diluted net income (loss) per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents. In periods when losses are reported, the diluted weighted-average number of common shares outstanding excludes common stock equivalents because their inclusion would be anti-dilutive.

Recent Accounting Pronouncements

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on its results of operations, financial position or cash flows.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT RISK

Not required under Regulation S-K for “smaller reporting companies.”

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

The information required by this item appears beginning on page F-1 following the signature page of this Report

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On April 7, 2014, (the "Dismissal Date"), the Board of Directors of Radiant Oil & Gas, Inc. ("Radiant Oil & Gas" or the "Company") voted to dismiss Malone Bailey ("MB"), terminating its relationship as the Registrant's independent registered public accounting firm.

MB had been engaged by the Company to audit the balance sheet of the Company as of December 31, 2012 and December 31, 2011, and related statements of operations, stockholders' equity, and cash flows for the years then ended, and had performed reviews of ROGI 2013 Form 10-Q filings. None of MB's reports on the Registrant's financial statements during this period (a) contained an adverse opinion or disclaimer of opinion, or (b) was modified as to uncertainty, audit scope, or accounting principles, or (c) contained any disagreements on any matters of accounting principles or practices, financial statements disclosure, or auditing scope or procedures, which disagreements if not resolved to the satisfaction of MB, would have caused it to make reference to the subject matter of the disagreements in connection with its reports. None of the reportable events set forth in Item 304(a)(1)(IV) OF regulation S-K occurred during the period in which MB served as the Registrant's principal independent accountants.

However, while the reports of MB on the financial statements of the Registrant for the years ended December 31, 2012 and 2011 did not contain any adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles, the reports indicated that there was a substantial doubt as to the Registrant's ability to continue as a going concern and that the financial statements did not include any adjustments that might result from the outcome of this uncertainty.

On April 7, 2014, the Company announced that its Audit Committee of the Board of Directors appointed GBH CPAs, PC ("GBH") as the Company's independent registered public accounting firm. GBH replaced MB. The change in auditors was not due to any disagreement between the Company and MB on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures. The appointment of GBH was effective immediately. In deciding to select GBH, the Audit Committee reviewed auditor independence issues and existing commercial relationships with GBH and concluded that GBH had no commercial relationship with the Company that would impair its independence for the two most recent fiscal years and through the date of GBH's engagement. During the Company's two most recent fiscal years and the subsequent interim periods through April 7, 2014, the Company did not consult GBH with respect to any of the matters or events listed in Regulation S-K Item 304(a)(2).

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the year ended December 31, 2013 covered by this Form 10-K. Based upon such evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures were not effective as required under Rules 13a-15(e) and 15d-15(e) under the Exchange Act.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of the fiscal year ended December 31, 2013. In making this assessment, we utilized the criteria set forth in Internal Control—Integrated Framework and the Internal Control over Financial Reporting – Guidance for Smaller Public Companies both issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). A material weakness is a deficiency or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Based on the evaluation, we concluded that our disclosure controls and procedures were not effective and we have identified the following material weaknesses. These material weaknesses affected our ability to make our periodic SEC compliance filings within the prescribed time periods.

Due to a lack of adequate systems, processes, and resources with sufficient GAAP knowledge, experience, and training, we did not maintain effective controls over day-to-day accounting and financial reporting obligations as well as the period-end financial close and reporting processes as of December 31, 2013. Due to the actual and potential effect on financial statement balances and disclosures and the importance of the financial closing and reporting processes, we concluded that, in the aggregate, these deficiencies constituted a material weakness in our internal control over financial reporting. The specific deficiencies contributing to the material weakness were as follows:

a) *Inadequate segregation of duties* . In various accounting processes, applications and systems we did not design, establish and maintain procedures and controls to adequately segregate job responsibilities for initiating, authorizing and recording transactions, nor were there adequate mitigating or monitoring controls in place.

b) *Inadequate policies and procedures* . We did not design, establish and maintain effective GAAP compliant financial accounting policies and procedures.

c) *Inadequate personnel.* We had a lack of experienced personnel with relevant accounting experience, due in part to our limited financial resources.

Changes in Internal Control over Financial Reporting

There were no changes made to our internal control over financial reporting since our last filing for the quarterly period from September 30 2013 through December 31, 2013, nor were any changes made to our internal control over financial reporting from January 1, 2014 through the date of this report. We will continue to monitor and evaluate the effectiveness of our internal controls and procedures and our internal controls over financial reporting on an ongoing basis and are committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow we will remediate material weaknesses. We have engaged additional subject matter experts to assist in the development of the needed financial and operational accounting processes, procedures, as well as manpower resources in conjunction with our expanded operations in the fourth quarter of 2013 and 2014.

Limitations on the Effectiveness of Controls

The Company's management, including the CEO and CFO, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of the control system must reflect that there are resource constraints and that the benefits must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, OFFICERS AND CORPORATE GOVERNANCE

As of May 6, 2014, the Company's directors and executive officers are:

Name	Age	Position
John M. Jurasin	58	Director, Chief Executive Officer, and Chairman of the Board
C. Scott Wilson	61	Chief Financial Officer

Mr. Jurasin has over 30 years of experience in the oil and gas business and has served as the chairman, chief executive officer, chief financial officer and president of JOG since 1990 and of Radiant since August 2010. Prior to establishing JOG, Mr. Jurasin was employed by Getty Oil Company, McMoRan Oil & Gas and Taylor Energy. Mr. Jurasin attended graduate classes in Economic Geology at the University of Arizona and completed Undergraduate studies in Geology at Rutgers University in New Jersey. Mr. Jurasin's affiliations include The New Orleans Geological Society (past committee chair, member since 1980), the Lafayette Geological Society, the Society of Independent Professional Earth Scientists, member since 1987 (certified as a Professional Earth Scientist #1961), the American Association of Petroleum Geologists, member since 1984, recruited into the Division of Professional Affairs(DPA), member since 1990, and duly certified as a "certified petroleum geologist" # 4284 within the organization, the Dallas Geological Society, the Southern Geophysical Society and the American Petroleum Institute. Mr. Jurasin's day-to-day leadership of JOG prior to the Reorganization provides him with detailed strategic perspective and knowledge of our planned operations and industry that are critical to the Board's effectiveness. Mr. Jurasin's specific experience, qualifications, attributes and skills described above led the Board to conclude that Mr. Jurasin should serve as our Chairman and member of the Board of Directors.

Mr. Wilson has more than 35 years of financial services experience focused on the energy sector, including work with oil and gas producers, gathering and transportation pipelines, refineries, and oilfield service providers. He has served as President, CEO and director of a public oil and gas company, and as chief financial officer for privately-held oilfield service and oil and gas producing companies where his responsibilities included equity and debt sourcing, financial forecasting, cash management, SEC and financial reporting, and strategic planning. Through his consulting practice, Mr. Wilson has worked with small-cap oilfield service and upstream producing companies and energy focused financial institutions on restructuring, asset divestment and business development strategies. Prior to his corporate experience, he held senior-level positions at Sterling Bank (energy lending group), CIBC World Markets (energy corporate finance/underwriting & distribution), and First City National Bank of Houston (petroleum & minerals division). Mr. Wilson holds a Master of International Management degree from the Thunderbird School of Global Management and a BA from Ohio Wesleyan University.

Board Composition; Independence of Directors & Board Committees; Code of Ethics

As of December 31, 2013, the Company's board of directors consists of one member, Mr. Jurasin. It is anticipated that the board of directors will not be expanded to include any additional members.

The Company does not have any "independent directors" as that term is defined under independence standards used by any national securities exchange or an inter-dealer quotation system. The board of directors has not established any committees and, accordingly, the board of directors serves as the audit, compensation, and nomination committee.

We have not adopted a code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer, or persons performing similar functions, because of the small number of persons involved in the management of the Company.

Involvement in Certain Legal Proceedings

Except as described in the next paragraph, to the best of our knowledge, during the past ten years from the date of this report, none of the following occurred with respect to a director or executive officer of the Company: (1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (2) any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses); (3) being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of any competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities or banking activities; (4) being found by a court of competent jurisdiction (in a civil action), the SEC or the Commodity Futures Trading Commission to have violated a Federal or State securities or commodities law, and the judgment has not been reversed, suspended or vacated; (5) being subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of any Federal or State securities or commodities law or regulation or any law or regulation respecting financial institutions or insurance companies or prohibiting mail or wire fraud or fraud in connection with any business entity; or (6) being subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization, any registered entity of the Commodity Exchange Act, or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

On March 22, 2013, George R. Jarkesy, was a named party in a Notice and Hearing and Order Instituting Administrative and Cease-And-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Sections 15(b)(4), 15(b)(6) and 21C of the Securities Exchange Act of 1934, Sections 203(e), 203(f), and 203(k) of the Investment Advisers Act of 1940 and Section 9(b) of the Investment Company Act of 1940. The SEC alleged that among other things, that Mr. Jarkesy, as manager and adviser of John Thomas Bridge and Opportunity Fund LP I and John Thomas Bridge and Opportunity Fund LP II (together, the "Funds"): (1) recorded arbitrary valuations without any reasonable basis for certain of the Funds' largest holdings, thus causing the Funds' performance figures to be false and misleading and their own compensation to be inflated; (2) marketed the two hedge funds on the basis of false representations about, among other things, the identities of their auditor and prime broker and (3) breached his fiduciary duty of full and fair disclosure to the Funds by failing to disclose his repeated favoring of the pecuniary interests of Anastasios Belesis, the Chief Executive Officer of John Thomas Financial (JTF), and JTF, which served as the Funds' placement agent. On December 5, 2013, the SEC entered an order of settlement, whereby Mr. Jarkesy was censured and agreed to cease and desist from committing or causing any violations and any future violations of Section 206(2) of the Advisers Act. Mr. Jarkesy resigned as a director from the Company on December 30, 2013.

Indemnification of Officers and Directors

As permitted by Nevada law, our Articles of Incorporation, as amended, provide that we will indemnify its directors and officers against expenses and liabilities as they are incurred to defend, settle, or satisfy any civil or criminal action brought against them on account of their being or having been Company directors or officers unless, in any such action, they are adjudged to have acted with gross negligence or willful misconduct. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the Company pursuant to the foregoing provisions, the Company has been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in that Act and is, therefore, unenforceable.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's directors and executive officers, and persons who beneficially own more than ten percent of a registered class of our equity securities, to file with the SEC initial reports of beneficial ownership and reports of changes in beneficial ownership of our common stock. The rules promulgated by the SEC under Section 16(a) of the Exchange Act require those persons to furnish us with copies of all reports filed with the SEC pursuant to Section 16(a). The information in this section is based solely upon a review of Forms 3, 4, and 5 received by us.

Based solely on our review of the reports filed with the SEC, we believe that all persons subject to Section 16(a) of the Exchange Act timely filed all required reports in fiscal year 2013, except that reports were not filed by the following persons:

Name	Number of Late Reports	Transactions Not Timely Reported	Known Failures to File a Required Form
George Jarkesy	1	0	1
John Thomas Financial, Inc.	1	0	1

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Other Compensation ($)	Total ($)
John M. Jurasin Chief Executive Officer (1)	2013	250,000	-0-	-0-	-0-	30,573(2)	280,573
	2012	200,000	-0-	-0-	-0-	44,372(2)	244,372
C. Scott Wilson Chief Financial Officer (3)							

(1) John M. Jurasin served as JOG's chief executive officer and director in 2008 through August 2010 and Radiant's chief executive officer,chief financial officer and director beginning August 2010.
(2) Mr. Jurasin received notes totaling $1,049,000 as dividends at the closing of the Reorganization in 2010. The notes accrued $30,573 and $44,372 of interest in 2013 and 2012, respectively.
(3) Mr. Wilson became Radiant's chief financial officer on January 30, 2014.

The value attributable to any stock or option awards described in the table above represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718.

Outstanding Equity Awards at Fiscal Year-End Table

Name	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) un-exercisable (1)	Option exercise price ($)	Option expiration date	Number of shares or units of stock that have not vested (#)	Market value of shares or units of stock that have not vested ($)
John M. Jurasin	-0-	-0-	-0-	-0-	-0-	-0-
Timothy N. McCauley (2)	-0-	298,622	$ 1.00	8/5/2020	298,622	$ -0-

(1) Options were granted on August 5, 2010 and vest equally on each of the first three anniversaries of the grant date.
(2) 298,622 options at $1.00 expire on August 5, 2020; a total of 199,081 options vested.

Employment Agreements

The Company has entered into employment agreements with John M. Jurasin. Pursuant to Mr. Jurasin's employment agreement, he serves as the Company's Chief Executive Officer and President and his annual salary is $200,000, which was increased to $250,000 in the fourth quarter 2013.

Director Compensation

Our directors were not compensated for their services during 2013 and 2012, other than as reflected in the "Summary Compensation Table" above.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information regarding beneficial ownership of our common stock as of May 2, 2014 (i) by each person who is known by us to beneficially own more than 5% of our common stock, (ii) by each of our named executive officers and directors, and (iii) by all of our executive officers and directors as a group. The number of shares beneficially owned by each director or executive officer is determined under rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under the SEC rules, beneficial ownership includes any shares as to which the individual has the sole or shared voting power or investment power. In addition, beneficial ownership includes any shares that the individual has the right to acquire within 60 days. Unless otherwise indicated, each person listed below has sole investment and voting power (or shares such powers with his or her spouse). In certain instances, the number of shares listed includes (in addition to shares owned directly), shares held by the spouse or children of the person, or by a trust or estate of which the person is a trustee or an executor or in which the person may have a beneficial interest. As of May 2, 2014, there were 14,735,023 shares of common stock outstanding.

Name and Address of Owner	Number of Shares Owned	Percentage of Voting Power
George Jarkesy (1)(2)	2,775,406	18.5%
John Thomas Financial, Inc. (3)(4)	3,121,500	21%
Rock Exploration LLC (6)	1,135,127	7.7%
Named Executive Officers and Directors:		
John M. Jurasin (3)(5)	4,957,445	33.6%
C. Scott Wilson	-	-
All Executive Officers and Directors as a Group (2 persons)	4,957,445	33.6%

* Less than one percent

(1) Mr. Jarkesy is the record owner of 41,564 shares. He is the beneficial owner of Patriot Bridge & Opportunity Fund, L.P., Patriot Bridge & Opportunity Fund II, L.P. and Patriot 28, LLC. These entities combined own 2,472,342 shares of common stock. The address for Patriot Bridge & Opportunity Fund, L.P. (“Fund I”) (f/k/a John Thomas Bridge & Opportunity Fund, L.P.), Patriot Bridge & Opportunity Fund II, L.P. (“Fund II”) (f/k/a John Thomas Bridge & Opportunity Fund, L.P.) (together, referred to as the “Funds”) and Patriot 28, LLC (the General Partner of the Funds) is 3 Riverway, Suite 1800, Houston, Texas 77056. The Funds are limited partnerships, and the Patriot 28, LLC is the general partner of the Funds (“Patriot 28”).

(2) Mr. Jarkesy owns (i) presently exercisable warrants to purchase 50,000 shares of common stock at an exercise price of $4.00 per share owned by Fund I, (ii) presently exercisable warrants to purchase 50,000 shares of common stock at an exercise price of $3.00 per share owned by Fund I, (iii) presently exercisable warrants to purchase 50,000 shares of common stock at an exercise price of $4.00 per share owned by Fund II, (iv) presently exercisable warrants to purchase 50,000 shares of common stock at an exercise price of $3.00 per share owned by Fund II, (v) presently exercisable warrants to purchase 62,500 shares of common stock at an exercise price of $1.00 per share owned by Fund I.

(3) The address is 14 Wall Street, 5 th floor, New York, New York 10005. Thomas Belesis is the President and sole shareholder of John Thomas Financial. On February 24, 2014, Mr. John Jurasin entered into an Equity Compensation Settlement, whereby John Thomas Financial transferred 2,000,000 shares of common stock to Mr. Jurasin. Upon completion of this transfer and transaction, Mr. Jurasin will be the beneficial owner of 6,957,445 shares, or 41.7% of voting power and Mr. Belesis will be 5.9%.

(4) Mr. Belesis is the beneficial owner of John Thomas Financial and 2008 ANASTASIOS BELESIS IRR TR UA DTD SEPT 2008, ANASTASIOS BELESIS (GRANTOR) GEORGE BELESIS TTEE. John Thomas Financial also currently owns 121,500 warrants issued on October 10, 2010. These warrants are exercisable at $1.05.

(5) The address is 9700 Richmond Ave., Suite 124, Houston, Texas 77042. This number does not include 450,677 shares to be issued pursuant to the Reorganization upon satisfaction of certain vesting requirements.

(6) The address of Rock Exploration LLC is One Information Way, Ste 400, Little Rock, Arkansas 72202. The shares were acquired as part of the sale of the Vidalia properties.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transactions with Related Persons

Related parties include (i) Macquarie Americas Corp. ("MAC"), the owner of 49% equity interest in Amber, (ii) John Jurasin, the Company's CEO and formerly the sole stockholder of JOG, (iii) JTBOF, David R. Strawn, and David M. Klausmeyer, the Company's stockholders, and (iv) Robert M. Gray, the Company's director and former employee. Related party balances as of December 31, 2013 and 2012 are as follows:

	Successor	Predecessor
	December 31, 2013	December 31, 2012
Due from related parties:		
MAC	$ 358,226	$ -
	$ 358,226	$ -
Due to related parties:		
John Jurasin	$ 842,303	$ -
Robert R. Gray	50,606	-
David M. Klausmeyer	12,193	-
David R. Strawn	12,193	-
	$ 917,295	$ -

Successor

MAC

Amber is partially owned by MAC, an affiliate of the Company's lender, MBL, and Radiant uses the proportionate consolidation method to consolidate Amber. JOG, Radiant's wholly owned subsidiary, pays for goods and services on behalf of Amber and passes those charges on to Amber through intercompany billings. Periodically, Amber will reimburse JOG for these expenses, or potentially pays for goods and services on behalf of JOG. These transactions are recorded as a due to/from Amber in JOG's records and as a due to/from JOG in Amber's records. Due to the fact that Radiant only consolidates its proportionate share of balance sheet and income statement amounts, the portion of the amount due from Amber related to the other interest owner does not eliminate and is carried as amounts due from Amber until the balance is settled through a cash payment. Due from related party was $358,226 as of December 31, 2013.

John Jurasin

Effective March 2010, Radiant assigned certain legacy overriding royalty interests ("ORRI") in various projects, including the Baldwin AMI, the Coral, Ruby and Diamond Project, the Aquamarine Project, and the Ensminger Project to a related party entity owned by John M. Jurasin. Radiant retained its working interests in these projects. Additionally, Radiant assigned its working interest in a project, Charenton, to the related party entity. Radiant did not receive any proceeds for the conveyances and the interests assigned had a historical cost basis of $0.

From time to time, John Jurasin advances the Company various amounts in order to pay operating expenses, with no formal repayment terms. The total balance due on these advances was $104,878 as of December 31, 2013.

Additionally, two notes totaling $1,049,000 were issued to Mr. Jurasin in lieu of payment of dividends from JOG, which in turn represented funds advanced by JOG to its subsidiaries Amber and RLE to fund operations. Interest is accrued at a rate of 4% per year. The first note of $884,000, issued on August 5, 2010, matured on May 31, 2013. The additional note for $165,000, issued on October 12, 2010, is due and payable on demand at any time subsequent to the repayment in full of all outstanding indebtedness of the Credit Facilities (Note 4). The balance due on these notes totaled $737,425 as of December 31, 2013. Accrued interest on these notes was $125,015 as of December 31, 2013.

David R. Strawn and David M. Klausmeyer

Mr. Strawn and Mr. Klausmeyer, shareholders of the Company, each loaned the Company a total of $12,193 between March 2002 and June 2005. The notes accrue interest at 8% per annum. The total accrued interest was $36,056 as of December 31, 2013.

Robert M. Gray

As of December 31, 2013, Mr. Gray was owed $50,606 for consulting services rendered prior to becoming an employee of Radiant. This liability is non-interest bearing.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees

The aggregate fees billed to us by our principal accountants for services rendered during the fiscal years ended December 31, 2013 and 2012, are set forth in the table below:

Fee Category	2013	2012
Audit fees (1)	$ 124,000	$ 50,000
Audit-related fees (2)	35,000	-
Tax fees (3)	-	-
All other fees (4)	-	-
Total fees	$ 159,000	$ 50,000

(1) Audit fees consists of fees incurred for professional services rendered for the audit of consolidated financial statements, for reviews of our interim consolidated financial statements included in our quarterly reports on Forms 10-Q and for services that are normally provided in connection with statutory or regulatory filings or engagements.
(2) Audit-related fees consist of fees billed for professional services that are reasonably related to the performance of the audit or review of our consolidated financial statements, but are not reported under “Audit fees.”
(3) There were no tax fees incurred during the year ended December 31, 2013.
(4) There were no other fees incurred during the year ended December 31, 2013.

Audit Committee Pre-Approval Policies

Our Board of Directors reviewed the audit and non-audit services rendered by the principal accountant during the last two fiscal years and concluded that such services were compatible with maintaining the auditors’ independence. All audit and non-audit services performed by our principal independent accountant are pre-approved by our Board of Directors to assure that such services do not impair the auditors’ independence from us.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this report:

(1) *Financial Statements*

Consolidated Balance Sheets as of December 31, 2013 (Successor) and 2012 (Predecessor)
Consolidated Statements of Operations for the period from October 9, 2013 to December 31, 2013 (Successor) and for the period from January 1, 2013 to October 8, 2013 (Predecessor) and the year ended December 31, 2012 (Predecessor)
Consolidated Statements of Changes in Stockholders' Deficit for the period from October 9, 2013 to December 31, 2013 (Successor) and for the period from January 1, 2013 to October 8, 2013 (Predecessor) and the year ended December 31, 2012 (Predecessor).
Consolidated Statements of Cash Flows for the period from October 9, 2013 to December 31, 2013 (Successor) and for the period from January 1, 2013 to October 8, 2013 (Predecessor) and the year ended December 31, 2012 (Predecessor).

(2) *Financial Statement Schedules*

All schedules are omitted because they are not applicable, or not required, or because the required information is included in the consolidated financial statements or notes thereto.

(3) *Exhibits*

Exhibit No.	Description
2.1	Exchange Agreement, dated as of July 23, 2010, by and among Radiant Oil & Gas, Inc, Jurasin Oil & Gas, Inc., and the shareholders of Jurasin. Previously filed on Form 8-K dated November 8, 2010. Company agrees to furnish to the SEC, upon request, a copy of any omitted schedule.
2.2	Amendment No. 1 to Reorganization Agreement, effective July 31, 2010, by and among Radiant Oil & Gas, Inc., Jurasin Oil & Gas, Inc., and the JOG Shareholders. Previously filed on Form 8-K dated August 16, 2010.
3.1	Amended Articles of Incorporation of the Registrant (Incorporated by reference to the Current Report on Form 8-K filed with the SEC on August 16, 2010 as Exhibit 3.1).
3.2	By-Laws of the Registrant (Incorporated by reference to the Current Report on Form 8-K filed with the SEC on August 16, 2010 as Exhibit 3.2)
10.1	First Lien Credit Agreement, dated October 4, 2013, by and among the Company, through its wholly subsidiary Radiant Acquisitions 1, LLC with various Lenders.
10.2	First Amendment to First Lien Credit Agreement, dated February 24, 2014, by and among the Company, through its wholly subsidiary Radiant Acquisitions 1, LLC with various Lenders.
10.3	Forbearance Agreement, dated February 28, 2014, by and among the Company, through its wholly subsidiary Radiant Acquisitions 1, LLC with various Lenders.
31.1	Certification of Chief Executive Officer pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.
31.2	Certification of Chief Financial Officer pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.
32.2	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Label Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 7, 2014

RADIANT OIL & GAS, INC.

/ s / John M. Jurasin
John M. Jurasin, Chief Executive Officer,
Principal Accounting Officer, and
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following person on behalf of Radiant Oil & Gas, Inc. and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ John M. Jurasin John M. Jurasin	Chief Executive Officer, Principal Accounting Officer and Chairman of the Board	May 7, 2014
/s/ C. Scott Wilson C. Scott Wilson	Chief Financial Officer,	May 7, 2014

ITEM 8 FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Radiant Oil & Gas, Inc.
Houston, Texas

We have audited the accompanying consolidated balance sheets of Radiant Oil and Gas, Inc. and its subsidiaries (collectively, the “Company”) as of December 31, 2013 (Successor) and 2012 (Predecessor) and the related consolidated statements of operations, changes in stockholders’ equity (deficit), and cash flows for the period from October 9, 2013 to December 31, 2013 (Successor) the period from January 1, 2013 to October 8, 2013 (Predecessor) and the year ended December 31, 2012 (Predecessor). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Radiant Oil and Gas, Inc. and its subsidiaries as of December 31, 2013 (Successor) and 2012 (Predecessor) and the consolidated results of their operations and their cash flows for the periods described above, in conformity with accounting principles generally accepted in the United States of America.

/s/ GBH CPAs, PC

GBH CPAs, PC
www.gbhcpas.com
Houston, Texas

May 5, 2014

RADIANT OIL AND GAS, INC.
Consolidated Balance Sheets

	Successor December 31, 2013	Predecessor December 31, 2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,019,582	$ -
Restricted cash	2,067,225	-
Accounts receivable – oil and gas	271,550	237,216
Commodity derivative asset	33,330	-
Other current assets	81,154	-
Due from related parties	358,226	-
TOTAL CURRENT ASSETS	3,831,067	237,216
PROPERTY AND EQUIPMENT		
Properties subject to amortization, accounted for using the full cost method of accounting, net of accumulated depletion of $44,714 and $-0-, respectively	19,758,681	-
Properties not subject to amortization, accounted for using the full cost method of accounting	-	331,219
Property and equipment, net of accumulated depreciation of $188,370 and $-0-, respectively	25,769	-
TOTAL PROPERTY AND EQUIPMENT	19,784,450	331,219
Commodity derivative asset	113,090	-
Deferred financing costs	6,841,640	-
TOTAL ASSETS	$ 30,570,247	$ 568,435
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 1,681,423	$ 323,247
Cash advance obligation on acquisition option	35,580	-
Notes payable	5,004,834	-
Convertible notes payable	142,500	-
Accrued interest	1,389,047	-
Due to related parties	917,295	-
Stock and warrant derivative liabilities	474,895	-
TOTAL CURRENT LIABILITIES	9,645,574	323,247
Deferred gain	900,628	-
Asset retirement obligations	455,296	331,219
Stock and warrant derivative liabilities	4,000,817	-
Long-term debt, net of unamortized discount of $522,993	25,475,264	-
TOTAL LIABILITIES	40,477,579	654,466
Commitments and contingencies (Note 14)	50,000	-
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, $0.01 par value, 100,000,000 shares authorized, 13,784,408 shares issued and outstanding	137,845	-
Additional paid-in capital	6,114,133	(291,611)
Accumulated earnings (deficit)	(16,209,310)	205,580
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	(9,957,332)	(86,031)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 30,570,247	$ 568,435

The accompanying footnotes are an integral part of these consolidated financial statements.

RADIANT OIL AND GAS, INC.
Consolidated Statements of Operations

	Successor	Predecessor	
	For the Period from October 9, 2013 to December 31, 2013	For the Period from January 1, 2013 to October 8, 2013	For the Year Ended December 31, 2012
OIL AND GAS REVENUES	$ 696,661	$ 1,742,512	$ 3,966,017
OPERATING EXPENSES:			
Lease operating expenses	483,680	2,355,118	3,760,437
Depreciation, depletion, amortization and accretion	60,950	28,659	-
General and administrative expense	1,158,032	-	-
TOTAL OPERATING EXPENSES	1,702,662	2,383,777	3,760,437
OPERATING INCOME (LOSS)	(1,006,001)	(641,265)	205,580
OTHER INCOME (EXPENSE):			
Unrealized loss on stock and warrant derivative liabilities	(1,192,523)	-	-
Unrealized gain on commodity derivative	146,420	-	-
Interest expense	(1,664,342)	-	-
Other income and expense, net	19,375	-	-
Total other expense	2,691,070	-	-
NET INCOME (LOSS)	$ (3,697,071)	$ (641,265)	$ 205,580
INCOME (LOSS) PER COMMON SHARE - Basic and diluted	$ (0.27)	$ (0.52)	$ 0.17
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - Basic and diluted	13,680,130	1,240,102	1,240,102

The accompanying footnotes are an integral part of these consolidated financial statements.

RADIANT OIL AND GAS, INC.
Consolidated Statements of Stockholders' Equity (Deficit)
For the period from October 9, 2013 to December 31, 2013 (Successor)
and for the period from January 1, 2013 to October 8, 2013 (Predecessor) and
for the year ended December 31, 2012 (Predecessor)

	Common Stock		Additional	Accumulated	Total Stockholders'
	Shares	Amount	Paid-in Capital	Earnings (Deficit)	Equity (Deficit)
Predecessor					
Balance at December 31, 2011	**-**	**$ -**	**$ -**	**$ -**	**$ -**
Predecessor distributions	-	-	(291,611)	-	(291,611)
Net income for the year	-	-	-	205,580	205,580
Balance at December 31, 2012	**-**	**-**	**(291,611)**	**205,580**	**(86,031)**
Predecessor contributions	-	-	539,282	-	539,282
Net loss for the period	-	-	-	(641,265)	(641,265)
Balance at October 8, 2013	**-**	**$ -**	**$ 247,671**	**$ (435,685)**	**$ (188,014)**
Successor					
Balance at October 9, 2013	**12,024,769**	**$ 120,248**	**$ 3,660,956**	**$ (12,512,239)**	**$ (8,731,035)**
Common stock issued for cash	375,000	3,750	746,250	-	750,000
Common stock issued for acquisition of properties	1,240,102	12,401	1,277,305	-	1,289,706
Common stock issued for settlement of accounts payable	69,537	696	138,378	-	139,074
Stock-based compensation	75,000	750	291,244	-	291,994
Net loss for the period	-	-	-	(3,697,071)	(3,697,071)
Balance at December 31, 2013	**13,784,408**	**$ 137,845**	**$ 6,114,133**	**$ (16,209,310)**	**$ (9,957,332)**

The accompanying footnotes are an integral part of these consolidated financial statements.

RADIANT OIL AND GAS, INC.
Consolidated Statements of Cash Flows

	Successor	Predecessor	
	For the Period from October 9, 2013 to December 31, 2013	For the Period from January 1, 2013 to October 8, 2013	For the Year Ended December 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ (3,697,071)	$ (641,265)	$ 205,580
Adjustments to reconcile net income (loss) to net cash flows from operating activities:			
Depreciation, depletion, amortization, and accretion	60,950	28,659	-
Amortization of deferred financing costs	231,859	-	-
Amortization of debt discount	588,074	-	-
Unrealized loss on stock and warrant derivative liabilities	1,192,523	-	-
Unrealized gain on commodity derivatives	(146,420)	-	-
Stock-based compensation	291,994	-	-
Changes in operating assets and liabilities:			
Accounts receivable – oil and gas	(170,263)	135,929	(237,216)
Other current assets	107,858	-	-
Accounts payable and accrued expenses	129,409	(62,605)	323,247
Deferred gain	(27,203)	-	-
Net cash provided by (used in) operating activities	(1,438,290)	(539,282)	291,611
CASH FLOWS FROM INVESTING ACTIVITIES:			
Change in restricted cash	(2,067,225)	-	-
Cash paid for oil and gas properties	(1,188,977)	-	-
Cash paid for business acquisition – Vidalia	(14,964,545)	-	-
Purchase of equipment	(26,928)	-	-
Net cash used in investing activities	(18,247,675)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings on notes payable	27,525,947	-	-
Payments on notes payable	(634,791)	-	-
Original issue discount on notes payable	(550,519)	-	-
Deferred financing costs	(6,445,065)	-	-
Predecessor contributions (distributions)	-	539,282	(291,611)
Loans to/from owners, net	(57,125)	-	-
Proceeds from issuance of common stock	750,000	-	-
Net cash provided by financing activities	20,588,447	539,282	(291,611)
INCREASE IN CASH	902,482	-	-
CASH, BEGINNING OF PERIOD	117,100	-	-
CASH, END OF PERIOD	$ 1,019,582	$ -	$ -

The accompanying footnotes are an integral part of these consolidated financial statements.

RADIANT OIL AND GAS, INC.
Consolidated Statements of Cash Flows
(Continued)

	Successor	Predecessor	
	For the Period from October 9, 2013 to December 31, 2013	For the Period from January 1, 2013 to October 8, 2013	For the Year Ended December 31, 2012
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
CASH PAID DURING THE PERIOD FOR:			
Income taxes	$ -	$ -	$ -
Interest	$ 545,210	$ -	$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Accrued oil and gas development costs	$ 283,676	$ -	$ -
Common stock issued for business acquisition – Vidalia	$ 1,289,706	$ -	$ -
Warrants issued for business acquisition – Vidalia	$ 1,539,098	$ -	$ -
Warrants issued for deferred financing cost	$ 628,434	$ -	$ -
Common stock issued for settlement of accounts payable	$ 139,074	$ -	$ -
Change in asset retirement obligations	$ 13,278	$ -	$ 331,219

The accompanying footnotes are an integral part of these consolidated financial statements.

RADIANT OIL AND GAS, INC.
Notes to Consolidated Financial Statements
December 31, 2013

Note 1 – General Organization and Business and Summary of Significant Accounting Policies

General Organization and Business

Radiant Oil and Gas, Inc. ("Radiant" or "the Company") is an independent oil and gas exploration and production company that operates in the Gulf Coast region of the United States of America, specifically, onshore and the state waters of Louisiana, USA, and the federal waters offshore Texas in the Gulf of Mexico. Effective October 9, 2013, the Company closed on the purchase of oil and gas properties located in Louisiana and Mississippi (the "Vidalia Properties" or "Vidalia"). The Vidalia Properties contain over eighty (80) wells in Louisiana and Mississippi.

The Company determined Vidalia to be its predecessor entity as the latter's historical operations were significantly larger than the historical operations of the Company. For the purposes of financial statement presentation, designation of an acquired business as a predecessor is required if a registrant succeeds to the business of another entity and the registrant's own operations prior to the succession appear insignificant relative to the operations assumed or acquired. As such, the Company has included the historical financial results of Vidalia as its predecessor entity.

Principles of Consolidation

The Company consolidates all of its investments in which the Company has exclusive control. The accompanying financial statements include the accounts of Radiant and the Company's wholly owned subsidiaries, Jurasin Oil and Gas, Inc. ("Jurasin") Rampant Lion Energy, LLC ("RLE"), Radiant Oil and Gas Operating Company, Inc. ("ROGop"), Radiant Acquisitions 1, Inc. ("Radiant Acquisitions"), Radiant Synergy Operating LLC. ("Radiant Synergy") and Charenton Oil Company LLC. (Charenton).

In accordance with established practices in the oil and gas industry, the Company's consolidated financial statements include pro-rata share of assets, liabilities, income and lease operating and general and administrative costs and expenses of Amber Energy, LLC. ("Amber"), in which the Company has an interest. The Company owned a 51% interest in Amber as of December 31, 2013.

The financial statements presented herein contain information for Vidalia for the period from January 1, 2013 through October 8, 2013 and for the year ended December 31, 2012.

All material intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the respective reporting periods. The Company bases its estimates and judgments on historical experience and on various other assumptions and information that are believed to be reasonable under the circumstances. Estimates and assumptions about future events and their effects cannot be perceived with certainty and, accordingly, these estimates may change as new events occur, as more experience is acquired, as additional information is obtained and as our operating environment changes. The Company's estimates include estimates of oil reserves, future cash flows from oil properties, depreciation, depletion, amortization, impairment of oil properties, asset retirement obligations, and calculations related to stock and warrant derivative liabilities and commodity derivative instruments. Management emphasizes that reserve estimates are inherently imprecise and that estimates of more recent reserve discoveries are more imprecise than those for properties with long production histories. Actual results may differ from the estimates and assumptions used in the preparation of our consolidated financial statements.

Cash and Cash Equivalents

Cash and cash equivalents are all highly liquid investments with an original maturity of three months or less at the time of purchase and are recorded at cost, which approximates fair value. The Company and its subsidiaries maintain its cash in institutions insured by the Federal Deposit Insurance Corporation (FDIC), which insures the balances up to $250,000 per depositor. At December 31, 2013 and 2012, the Company had a cash balance of $2,017,241 and $0, respectively, in excess of FDIC insurance limits. The Company has not incurred losses related to these deposits and believes no significant concentration of credit risk exists with respect to these cash investments.

As of December, 31, 2013, Radiant had a restricted cash balance of $2,067,225. This amount was restricted by the lender in accordance with Centaurus financing agreement (see Note 4 "Debt" for more detail on this financing).

Concentrations

Financial instruments which potentially subject us to concentrations of credit risk consist of cash. We periodically evaluate the credit worthiness of financial institutions, and maintain cash accounts only with major financial institutions thereby minimizing exposure for deposits in excess of federally insured amounts. We believe that credit risk associated with cash is remote.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are reflected at net realizable value. The Company establishes provisions for losses on accounts receivable if the Company determines that the Company will not collect all or part of the outstanding balance. The Company regularly reviews collectability and establishes or adjusts the allowance as necessary using the specific identification method. Substantially all of accounts receivable balance relates to the most recent crude oil revenue sales.

Deferred Financing Charges

Deferred finance charges consist of legal and other fees incurred in connection with the issuance of notes payable and are capitalized and shown in the consolidated balance sheets. These charges are being amortized using the effective interest method over the term of the related notes.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related asset: furniture and fixtures - 7 years; vehicles - 5 years; computer equipment and software - 3 to 5 years. Fully depreciated assets are retained in property and accumulated depreciation accounts until they are removed from service. The Company performs ongoing evaluations of the estimated useful lives of the property and equipment for depreciation purposes. Maintenance and repairs are expensed as incurred.

Oil and Natural Gas Properties

The Company accounts for its oil and natural gas producing activities using the full cost method of accounting, as prescribed by the United States Securities and Exchange Commission (“SEC”). Under this method, subject to a limitation based on estimated value, all costs incurred in the acquisition, exploration, and development of proved oil and natural gas properties, including internal costs directly associated with acquisition, exploration, and development activities, the costs of abandoned properties, dry holes, geophysical costs, and annual lease rentals are capitalized within a full cost pool. Costs of production and general and administrative corporate costs unrelated to acquisition, exploration, and development activities are expensed as incurred.

Costs associated with unevaluated properties are capitalized as oil and natural gas properties, but are excluded from the amortization base during the evaluation period. When the Company determines whether the property has proved recoverable reserves or not, or if there is an impairment, the costs are transferred into the amortization base and thereby become subject to amortization. The Company evaluates unevaluated properties for inclusion in the amortization base at least annually. The Company assesses properties on an individual basis, or as a group, if properties are individually insignificant. The assessment includes consideration of the following factors, among others: intent to drill; remaining lease term; geological and geophysical evaluations; drilling results and activity; the assignment of proved reserves; and the economic viability of development if proved reserves are assigned. During any period in which these factors indicate that there would be impairment, or if proved reserves are assigned to a property, the cumulative costs incurred to date for such property are transferred to the amortizable base and are then subject to amortization.

Capitalized costs included in the amortization base are depleted using the units of production method based on proved reserves. Depletion is calculated using the capitalized costs included in the amortization base, including estimated asset retirement costs, plus the estimated future expenditures to be incurred in developing proved reserves, net of estimated salvage values.

The Company includes its pro rata share of assets and proved reserves associated with an investment that is accounted for on a proportional consolidation basis with assets and proved reserves that the Company directly owns. The Company calculates the depletion and net book value of the assets based on the full cost pool’s aggregated values. Accordingly, the ratio of production to reserves, depletion and impairment associated with a proportionally consolidated investment does not represent a pro rata share of the depletion, proved reserves, and impairment of the proportionally consolidated venture.

The net book value of all capitalized oil and natural gas properties, less related deferred income taxes, is subject to a full cost ceiling limitation which is calculated quarterly. Under the ceiling limitation, costs may not exceed an aggregate of the present value of future net revenues attributable to proved oil and natural gas reserves discounted at 10 percent using current prices, plus the lower of cost or market value of unproved properties included in the amortization base, plus the cost of unevaluated properties, less any associated tax effects. Any excess of the net book value, less related deferred tax benefits, over the ceiling is written off as expense. Impairment expense recorded in one period may not be reversed in a subsequent period even though higher oil and gas prices may have increased the ceiling applicable to the subsequent period.

Sales or other dispositions of oil and natural gas properties are accounted for as adjustments to capitalized costs, with no gain or loss recorded unless the ratio of cost to proved reserves would significantly change.

As of December 31, 2013 and 2012, the Company had oil and gas property balance of $19,758,681 and $331,219, respectively.

Impairment of Long-Lived Assets

The Company periodically reviews non-oil and gas long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value. During the period from October 9, 2013 to December 31, 2013, the period from January 1, 2013 to October 8, 2013 and the year ended December 31, 2012, there was no impairment recorded by the Company.

Asset Retirement Obligation

The Company records the fair value of an asset retirement cost, and corresponding liability as part of the cost of the related long-lived asset and the cost is subsequently allocated to expense using a systematic and rational method. The Company records an asset retirement obligation to reflect its legal obligations related to future plugging and abandonment of our oil and natural gas wells and gas gathering systems. The Company estimates the expected cash flow associated with the obligation and discounts the amount using a credit-adjusted, risk-free interest rate. At least annually, the Company reassesses the obligation to determine whether a change in the estimated obligation is necessary. The Company evaluates whether there are indicators that suggest the estimated cash flows underlying the obligation have materially changed. Should those indicators suggest the estimated obligation may have materially changed on an interim basis (quarterly), the Company will accordingly update its assessment. Additional retirement obligations increase the liability associated with new oil and natural gas wells and gas gathering systems as these obligations are incurred.

Derivative Financial Instruments

For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported as charges or credits to non-operating income. For warrants and convertible derivative financial instruments, the Company uses the Binomial Option Pricing model to value the derivative instruments at inception and subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period, in accordance with FASB ASC Topic 815, *Derivatives and Hedging* . Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, services have been rendered, the sales price is fixed or determinable, and collectability is reasonably assured. The Company follows the "sales method" of accounting for oil and natural gas revenues, and recognizes revenue on all natural gas or crude oil sold to purchasers, regardless of whether the sales are proportionate to our ownership in the property. A receivable or liability is recognized only to the extent that the Company has an imbalance on a specific property greater than the expected remaining proved reserves.

Income Taxes

The Company accounts for income taxes using the asset and liability method. Under this method, deferred income tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

FASB ASC-740 establishes a more-likely-than-not threshold for recognizing the benefits of tax return positions in the financial statements. Also, the statement implements a process for measuring those tax positions which meet the recognition threshold of being ultimately sustained upon examination by the taxing authorities. There are no uncertain tax positions taken by the Company on its tax returns.

Net Income (Loss) per Common Share

Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted-average number of common shares outstanding during the period. Diluted net income (loss) per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents. In periods when losses are reported, the diluted weighted-average number of common shares outstanding excludes common stock equivalents because their inclusion would be anti-dilutive. There was no difference between basic and diluted income (loss) per share for all periods presented.

Recent Accounting Pronouncements

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on its results of operations, financial position or cash flows.

Subsequent Events

The Company has evaluated all transactions through the date the consolidated financial statements were issued for subsequent event disclosure consideration and there are no reportable events.

Note 2 – Business Combination

Purchase of Vidalia Properties

On October 9, 2013, the Company completed the purchase of the Vidalia Properties located in Louisiana and Mississippi for $17,274,116. As a result of this acquisition, the Company issued 1,615,102 shares of common stock as well as 1,500,201 warrants with an exercise price of $2.02 per share. The warrants expire on October 8, 2016. The acquired properties contain over eighty (80) wells in Louisiana and Mississippi. The Company's Louisiana properties include over 39 wells and numerous leases located in Concordia, and La Salle Parishes. The Company's Mississippi properties include over 41 wells and numerous leases located in Adams, Amite, Franklin, and Wilkinson Counties. The Vidalia properties include approximately 38 productive wells and up to 38 shut-in wells that continue to be evaluated for work-over and behind pipe opportunities which is expected to provide for cost-effective near-term production increases.

The Company acquired net assets with an aggregate fair value of $17,274,116 in exchange for cash payment of $14,964,545, issuance of 1,240,102 common shares of the Company valued at $1,289,706 and 1,500,201 warrants valued at $1,539,098, as well as other assets acquired and liabilities assumed (see table below) resulting in an acquisition price of $17,274,116. The acquisition price of the Vidalia Properties was allocated to the assets acquired and liabilities assumed based upon their estimated fair values.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition.

Assets acquired:		
Oil and gas properties	$	17,793,349
Accrued revenue		101,287
Total asset acquired		17,894,636
Liabilities assumed:		
Accrued lease operating expenses		(260,642)
Asset retirement obligations		(359,878)
Total liabilities assumed		(620,520)
Net assets acquired	$	17,274,116

Note 3 – Oil and Gas Properties

The table below summarizes the Company's capitalized costs related to proved oil and gas properties which were subject to depreciation, depletion and amortization at December 31, 2013 and 2012 were:

	Successor	Predecessor
	December 31, 2013	December 31, 2012
Proved oil and gas properties	$ 19,803,395	$ -
Accumulated depreciation, depletion, amortization and valuation adjustments	(44,714)	-
Net capitalized costs	$ 19,758,681	$ -

Substantially all of the Company's oil and gas properties are proved as of December 31, 2013 and 2012 in accordance with the definition of proved reserves.

Detail Project Descriptions - Successor

Ensminger

In 2010, Radiant had a minority interest in a well drilled in this prospect. In 2011, the well was temporarily abandoned in a manner that would allow re-entry at a later date.

During 2013, the Company has acquired a lease for materially the same area as the area leased and exploited in 2005 to 2007 for the same area covering this prospect (approximately 634 acres). The Company controls 100% of the working interest in this prospect. The plan is to re-enter the well that was abandoned in 2004 and twin by–passed pay in the well drilled in 2014 that is located in a nearby reservoir.

The Ensminger Project is located in St. Mary's Parish, Louisiana. Currently, there are no producing wells in this area currently.

Coral

In December 2013, the Company acquired two Louisiana State Waters of St. Mary's parish leases totaling approximately 1,405 acres. As of December 31, 2013, the Company capitalized a total of $617,835. Radiant controls 100% of the working interest.

Shallow Oil - Black Gold

On March 1, 2012, Radiant entered into a project agreement (the "Shallow Oil Phase 1 Agreement") with Black Gold, Inc. ("Black Gold") for joint acquisition and exploration of certain oil and gas leases and related assets located in St. Mary Parish, Louisiana (the "Phase 1 Lease"). Black Gold did not fund its Phase 1 Initial Drilling Commitment and no drilling commenced. In accordance with the Shallow Oil Phase 1 Agreement, Radiant issued to Black Gold 150,000 shares of its common stock at $0.50 per share.

On June 1, 2012, Radiant entered into another project agreement (the "Shallow Oil Phase 2 Agreement") with Black Gold, for joint acquisition and exploration of certain oil and gas leases and related assets located in St. Mary Parish, Louisiana (the "Phase 2 Lease"). Black Gold did not fund its Phase 1 Initial Drilling Commitment and no drilling commenced. In accordance with the Shallow Oil Phase 2 Agreement, Radiant issued to Black Gold 250,000 shares of its common stock at $0.50 per share.

In January and February 2013, Black Gold funded $90,000 as part of its drilling commitment. In accordance with the Shallow Oil Phase 2 Agreement, Radiant issued to Black Gold 90,000 shares of its common stock at $0.50 per share.

Effective February 24, 2014, the agreement with Black Gold was terminated. Due to the fact that Black Gold did not fully fund its commitment, the amount received from Black Gold of $245,000 will be recorded as other income in the consolidated statement of operations during 2014.

Shallow Oil - Grand Synergy

Effective June 1, 2012, Radiant entered into a project agreement (the "Shallow Oil Phase 3 and 4 Agreement") with Grand Synergy Petroleum, LLC ("Grand") for joint acquisition and exploration of certain oil and gas leases and related assets located in St. Mary Parish, Louisiana (the "Phase 3 and 4 Leases"). As a result of this agreement, two new Louisiana entities were formed, Charenton Oil Company, LLC ("Charenton") on May 8, 2012 and Radiant Synergy Operating, LLC ("Synergy") on June 28, 2012. Charenton is a wholly owned subsidiary of Radiant and Synergy was owned 50% by Radiant and 50% by Grand.

The initial project cost of $300,000 received from Grand in July 2012 and the $1,000,000 received from Grand in November 2012 for drilling costs are recorded as a deferred gain and related drilling costs of $644,372 was netted in this deferred gain balance as of December 31, 2013. This amount was recorded as a deferred gain due to the fact that Grand Synergy did not fully fund its commitment and therefore did not receive ownership of the Shallow Oil properties. At the time the remaining funds are received from Grand, the Company will transfer the ownership of the leases to Charenton and will recognize the gross amount received, less the $300,000 as drilling revenue. The $300,000 was recognized as revenue from the sale of leases. Related costs, including the amount currently deferred, will be recognized as drilling cost and leasehold costs, respectively.

As Grand did not fulfil its obligations outlined in the agreement, Radiant effectively became a 100% owner of Radiant Synergy in the fourth quarter of 2013.

Detail Project Descriptions – Predecessor

Vidalia Properties

As discussed in Notes 1 and 2, on October 9, 2013, the Company completed the purchase of Vidalia. The acquired properties contain over eighty (80) wells in Louisiana and Mississippi. The Louisiana properties include over 39 wells and numerous leases located in Catahoula, Concordia, La Salle and St. Mary's Parishes. The Mississippi properties include over 41 wells and numerous leases located in Adams, Amite, Franklin, and Wilkinson Counties. The properties include up to 30 productive wells and up to 38 shut-in wells.

Note 4 – Notes Payable

Notes payable as of December 31, 2013 and 2012 consisted of the following:

	Successor	Predecessor
	December 31, 2013	December 31, 2012
First Lien Credit Facility (Centaurus)	$ 27,525,947	$ -
Senior credit facility (AE)	2,032,188	-
Senior credit facility (RLE)	818,309	-
Fermo Jaeckle note	475,000	-
Debentures (Patriot Notes)	150,705	-
Line of credit (Capital One Bank)	942	-
Total notes payable	31,003,091	-
Less: unamortized discount	(522,993)	-
Less: current portion	(5,004,834)	-
Long-term portion	$ 25,475,264	$ -

First Lien Credit Facility ("Centaurus facility")

Effective October 4, 2013, the Company, through its wholly-owned subsidiary Radiant Acquisitions, entered into a First Lien Credit Agreement ("Centaurus Facility" or "Facility") with various financial institutions (the "Lenders" or "Centaurus"). The maximum aggregate commitment of the Lenders to advance loans under this Agreement is $39,788,000, and the maximum aggregate principal amount to be repaid by the Borrower is $40,600,000 and for any given loan, the amount of funds advanced by any Lender shall be ninety-eight percent (98%) of the amount of principal required to be repaid by the Borrower. The Company also sold a 12.5% net profits interest to Centaurus for $75,000 for specific proved wells as part of the Credit Facility Agreement. The net profits interest was subsequently increased to 17.0% for the specified proved wells and remained at 12.5% for all other wells when the Credit Facility was amended on February 28, 2014. The Credit Agreement has an original stated maturity date of September 2018. As part of the amendment, the maturity date was extended to December 2018. The outstanding principal balance of the Loans (as may have been advanced from time to time) bears interest at a per annum rate of twelve percent (12%). Any outstanding indebtedness from the Credit Agreement was collateralized by substantially all of the assets of Radiant Acquisitions. In addition, the Company pledged its ownership interest in Radiant Acquisitions and executed a parent company guaranty as additional security. The Credit Facility contained restrictive financial covenants. The proceeds from the Credit Agreement were used to fund the closing of its recent acquisition of oil and gas properties located in Louisiana and Mississippi, as well as to develop multiple re-entry, workover and drilling opportunities on acquired acreage throughout south Louisiana and Mississippi.

As of December 31, 2013, the Company had an outstanding balance on its Centaurus Facility of $27,525,947. Interest expense was $769,681 for the period from October 9, 2013 to December 31, 2013 and accrued interest was $246,891 at December 31, 2013. The Centaurus Facility contains restrictive financial covenants. As of December 31, 2013, the Company was not in compliance with some of its reporting covenants, including timely delivery of audited financial statements and other reporting requirements. Effective February 28, 2014, the lender agreed to forbear from exercising its rights and remedies against the Company, as allowed by the Facility. The lender has specifically agreed to not initiate proceedings to collect on the obligation, discontinue lending under the Credit Agreement, initiate or join in any involuntary bankruptcy petition, repossess or dispose of any collateral under the Credit Agreement or similar actions because of the existing defaults until notice by the Agent of the Credit Agreement or October 1, 2014.

The Centaurus Facility included a 2% Original Issue Discount of $550,519. This discount is being amortized over the five-year life of the note using the effective interest rate method. The Company recorded $27,526 in discount amortization during the period from October 9, 2013 to December 31, 2013. The unamortized balance of the discount is $522,993 at December 31, 2013.

Effective February 28, 2014, the Company amended the Centaurus Credit Agreement. The Amendment increased the maximum aggregate commitment from the Lenders from $39,788,000 to $41,748,000, increased the principal amount to be repaid by the Company from $40,600,000 to $42,600,000 plus any deferred interest, and increased the net profits interest conveyed to Centaurus on specific proved wells from 12.5% to 17.0%. Advances under the Facility are available with the approval of the Agent. There was no change in interest rate or collateral. Repayments are based on cash flow from Company properties and are schedule to begin no later than October 2014. Should the Company default on any provisions in the Agreement other than those existing defaults, the Lenders have the right to exercise its rights and remedies against the Company, as contained in the facility agreement and the Amendment.

Senior Credit Facility of Amber ("Amber Credit Facility")

In October 2007, Amber entered into the Amber Credit Facility with Macquarie Bank Limited ("MBL") for up to $10 million, originally maturing on September 9, 2009. The note was collateralized by substantially all assets of Amber. The loan contained reporting and other standard covenants and accrued interest at the Wall Street Journal Prime Rate. Payment was at maturity. The agreement provided that Macquarie Americas Corp. ("MAC"), an affiliate of MBL, would receive up to 49% of Amber, 25% at the inception of the note and an additional 24% on October 9, 2009 if the balance on the note exceeded $1.5 million. Radiant contributed certain lease interests to Amber. Amber's company agreement provided for board representation for MBL and joint consent was required for certain transactions. Because of the shared control of Amber, Radiant proportionately consolidates Amber. The consolidated financial statements include the Company's pro-rata 51% share of assets, liabilities, income and lease operating and general and administrative costs and expenses of Amber.

In April 2008, the note was modified to accommodate Radiant's contribution of the Ensminger project to Amber. Modifications included increasing the threshold for the step up of MBL's equity interest to 49% from $1.5 million to $2 million, reclassifying tranches available within the facility, and extending the maturity date to March 20, 2011. The borrowing capacity of the facility was unchanged.

In February 2010, Radiant entered into a supplementary agreement with MBL under which, a partial release of mortgage in certain assets was affected in order to facilitate the sub-lease of a portion of our working interest in the Ensminger project; the bulk of the proceeds of the sub-lease are committed to repayment of principal and interest on the note.

On March 20, 2011, Radiant and MBL entered into a Second Amendment to the Credit Agreement (Amber 2nd Credit Agreement Amendment), which extended the maturity date to September 9, 2011.

In 2010 and through the amendment of the credit facility, the Company was not in compliance with certain of the reporting covenants contained within the credit facility. At expiration of the Amber 2 nd Amendment the note became due and payable. As a result, the Amber Credit Facility was in payment default which is uncured as of December 31, 2013. As of December 31, 2013, the Company had an outstanding balance on its Amber Credit Facility of $2,032,188. Accrued interest related to this credit facility amounted to $413,829 as of December 31, 2013. For the period of the period from October 9, 2013 to December 31, 2013, the Company recognized interest expense on the Amber Credit Facility of $16,174. No payments have been made since September 2006. Management intends to negotiate a settlement of the Amber Credit Facility with MBL.

Senior Credit Facility of RLE ("RLE Credit Facility")

In September 2006, RLE entered into the RLE Credit Facility with MBL for up to $25 million, advanced through multiple tranches and, originally maturing on September 9, 2009. The note contained financial, reporting and other standard covenants and accrued interest at the Wall Street Journal Prime Rate plus 4%. The note was collateralized by substantially all of the assets of RLE and was to be repaid through dedication of a percentage of net operating cash flow of the RLE assets. In addition, Radiant pledged its ownership interest in RLE and executed a parent company guarantee to pay up to $500,000 of the outstanding indebtedness as additional security. On March 20, 2011, Radiant and MBL entered into a Fourth Amendment to the Credit Agreement ("RLE 4th Credit Agreement Amendment"), which extended the maturity date to September 9, 2011. The loan has matured and the outstanding balance of the RLE Credit Facility is currently in uncured payment default.

As of December 31, 2013, the Company had an outstanding balance on its RLE Credit Facility of $818,309. Accrued interest related to this credit facility amounted to $367,757 as of December 31, 2013. The RLE Credit Facility contained restrictive financial covenants. Interest accrued at the default interest rate of 11.25% during 2013. For the period of the period from October 9, 2013 to December 31, 2013, the Company recognized interest expense on the RLE Credit Facility of $41,021. No payments have been made since September 2006. Management intends to negotiate a settlement of the RLE Credit Facility with MBL.

Fermo Jaeckle Note

In February 2011, Radiant issued a convertible promissory note to Fermo Jaeckle ("10% Convertible Note") in the principal amount of $475,000. Additionally, Radiant issued to Mr. Jaeckle 475,000 shares of its common stock valued at $237,500 on the date of grant. The note bears interest at 10% per annum and matured on July 31, 2011. As of December 31, 2013, the Company had an outstanding balance on this note of $475,000. Interest expense was $12,139for the period from October 9, 2013 to December 31, 2013 and accrued interest was $142,694 at December 31, 2013. Management intends to contact Mr. Jaeckle and his representatives to negotiate a settlement of the 10% Convertible Note.

Patriot Agreement

On December 28, 2013, the Company entered into an agreement (the "Patriot Agreement") with Patriot Bridge & Opportunity Fund, L.P. (f/k/a John Thomas Bridge & Opportunity Fund, L.P.) and Patriot Bridge & Opportunity Fund II, L.P., together referred to as the "Funds," Patriot 28, LLC, the Managing Member of the Funds, and George Jarkesy, individually and as Managing Member of Patriot 28. The Patriot 28 Agreement restructured the outstanding $150,000 due to the Funds in the form of a general liability promissory note. The maturity date of the Note shall be the earlier of an equity infusion of not less than $10,000,000 or December 1, 2014. Interest shall be paid monthly at the rate of six percent (6%) per annum. The Company incurred $820 of interest expense during the period from October 9, 2013 to December 31, 2013. Accrued interest was zero at December 31, 2013.

To the extent any payments are not made timely in accordance with the repayment schedule described in the Patriot 28 Agreement, the Company shall issue 500 shares of Company stock to Fund I and 500 shares of Company stock to Fund II for each default occurrence. This provision does not apply if the Company cures its default within ten (10) days following receipt of written notice that a payment has not been timely made.

The Company, upon execution and delivery of the Patriot Agreement paid to the Funds $15,000 in reimbursement for all legal fees and expenses of the Funds related to the Loan and the January 1, 2014 payment for $14,115. The general liability note amortizes with a monthly payment of $13,425. The final payment is due on the earlier of an equity infusion of not less than $10,000,000 or December 1, 2014.

As part of the Patriot Agreement, due to a variety of factors, the outstanding obligations under the Loan from the Company to the Funds and other considerations, Mr. Jarkesy resigned from the Board of Directors of the Company on December 30, 2013.

Line of Credit

The Company has a line of credit from the Capital One Bank for up to $25,000 that carries a 7% fixed interest rate. As of December 31, 2013, the outstanding balance on the line of credit was $942.

Convertible Debt

Convertible notes payable as of December 31, 2013 and 2012 consisted of the following:

	Successor	Predecessor
	December 31, 2013	December 31, 2012
Asher Note # 1	$ 90,000	$ -
Asher Note # 2	52,500	-
Total convertible notes payable	142,500	-
Less: current portion	(142,500)	-
Long-term portion	$ -	$ -

Asher Convertible Notes

On June 27, 2011 and July 2011, Radiant issued convertible promissory notes to Asher Enterprises Inc. ("Asher Convertible Notes"), in which Asher loaned $60,000 ("Asher Note # 1") and $35,000 ("Asher Note # 2), respectively, at 8% interest, both convertible into the Company's common stock. The loans are convertible after 180 days from the date of issuance and until the later of maturity date or the date of payment of default amount. The conversion price equals to 61% of the average of the lowest 3 trading prices for the common stock during the ten trading day period ending on the latest complete trading day prior to the conversion date. Because of this floating rate feature, these notes are considered a derivative liability – see Note 7 for more detail.

The notes are unsecured and originally matured on March 29, 2012 and April 26, 2012, respectively. Radiant defaulted on both notes on November 16, 2011. According to provisions of the credit agreement, in case of a default, the principal of the notes increases 150%. As such, the total principal of the notes increased from $95,000 to $142,500. Accrued interest was $51,042 as of December 31, 2013.

The aggregate payments due on the notes payable in each of the next five years are as follows:

2014	$ 5,147,334
2015	7,803,606
2016	9,826,763
2017	6,647,516
2018	1,720,372
Thereafter	-
	$ 31,145,591

Note 5 – Commodity Derivative

In connection with *First Lien Credit Facility ("Centaurus facility")*, the Company and Centaurus entered into an International Swaps and Derivatives Association ("ISDA") Master Agreement that provides Centaurus with the ability to hedge its future price risk from time to time utilizing a series of price swap agreements for the period from 2014 through 2018. Each contract will be settled in net cash on settlement date.

The following table shows the monthly volumes and average floor prices per the ISDA Master Agreement:

Start Month	End Month	Volume BBL/Month	Average Floor $/BBL
Nov. '13	Dec. '13	4,000	$ 102.40
Jan. '14	Dec. '14	3,000	$ 96.45
Jan. '15	Dec. '15	3,000	$ 89.41
Jan. '16	Dec. '16	3,000	$ 84.61
Jan. '17	Dec. '17	2,000	$ 82.10
Jan. '18	Sept. '18	2,000	$ 80.81

For the three months ended December 31, 2013, the Company has recognized realized a gain on the commodity derivative of $48,960 in its consolidated statements of operations as other income.

The Company has elected not to apply hedge accounting to this derivative but will, instead, recognize unrealized gain (losses) associated derivative in its consolidated statements operations in the period for which such unrealized gain (losses) occur.

The price swap agreements have an aggregate fair market value of $146,420 as of December 31, 2013. Accordingly, the Company has presented a short term derivative asset of $33,330 and long term derivative asset of $113,090 on its balance sheet as of December 31, 2013 and recognized an unrealized gain associated with the price swap agreements of $146,420 for the three months ended December 31, 2013.

Note 6 – Deferred Financing Charge

In order to obtain the Centaurus Facility (see Note 4 above) the Company incurred $7,073,499 of legal, banking, insurance and other professional fees. These fees were capitalized and are being amortized over the five year term of the Centaurus Facility using the effective interest method. For the year ended December 31, 2013, $231,859 was amortized.

Note 7 – Stock and Warrant Derivative Liabilities

Agent Warrants

In November 2010, Radiant issued to John Thomas Financial, Inc. ("JTF") warrants to purchase 121,500 shares of the Company's common stock at an exercise price of $1.05 per share. The warrants were given as additional compensation for placing an offering of common stock. The warrants had a contractual term of 5 years and vested immediately. The warrants had an exercise price reset provision clause that triggered derivative accounting. The fair value of these warrants was calculated as $121,566 as of December 31, 2013.

Tainted Warrants

In May 2011, Radiant issued convertible promissory notes to JTBOF and JTBOF II in the principal amount of $75,000 each (see more detail in Note 4). Additionally, Radiant issued warrants to purchase 150,000 shares of its common stock each to JTBOF and JTBOF II. Warrants to purchase 50,000 shares of its common stock each to JTBOF and JTBOF II have an exercise price of $2.50 per share and a term of up to 2 years, $3.00 per share and a term of up to 3 years, and $4.00 per share and a term of up to 4 years. Upon the issuance of Asher convertible notes and as a consequence of its floating rate feature, these warrants and other existing warrants previously classified as equity have become tainted and are considered a derivative liability. Warrants to purchase 50,000 shares of common stock each issued to JTBOF and JTBOF II that had an exercise price of $2.50 expired. The fair value of these warrants was calculated as $1,092,505 as of December 31, 2013.

The following is a summary of the assumptions used in the Lattice option pricing model to estimate the fair value of the total Company's stock and warrant derivative liabilities as of December 31, 2013:

	December 31, 2013		
Common stock issuable upon exercise of warrants			420,706
Estimated market value of common stock on measurement date	$ 0.59	-	1.03
Exercise price	$ 0.12	-	4.00
Risk free interest rate (1)	0.10	-	0.38%
Expected dividend yield	0%		0%
Expected volatility (2)	212%	-	307%
Expected exercise term in years	0.38	-	2.14

(1) The risk-free interest rate was determined by management using the Treasury bill yield as of December 31, 2013.

(2) The volatility was determined by referring to the average historical volatility of a peer group of public companies because we do not have sufficient trading history to determine our historical volatility.

Asher Convertible Notes

The Asher Convertible Notes are convertible at 61% of the average lowest three-day trading price of common stock during the during the ten trading day period ending on the latest complete trading day prior to the conversion date. The Company analyzed these conversion options, and determined that these instruments should be classified as liabilities and recorded at fair value due to there being no explicit limit as to the number of shares to be delivered upon settlement of the aforementioned conversion options.

As of December 31, 2013, the fair value of the derivatives was $167,048. As of December 31, 2013, the discount on the Asher Convertible Notes has been fully amortized.

The fair value of stock and warrant derivative liabilities related to the conversion options of the Asher Convertible Notes has been estimated as of December 31, 2013 using the Lattice option pricing model, under the following assumptions:

	Asher Note # 1	Asher Note # 2
Common stock issuable upon exercise of warrants	195,652	114,130
Estimated market value of common stock on measurement date	$ 1.04	$ 1.04
Exercise price	$ 0.46	$ 0.46
Risk free interest rate (1)	0.01%	0.01%
Expected dividend yield	0%	0%
Expected volatility (2)	224%	224%
Expected exercise term in years	0.00	0.00

(1) The risk-free interest rate was determined by management using the one month Treasury bill yield as of the issuance dates.

(2) The volatility was determined by referring to the average historical volatility of a peer group of public companies because we do not have sufficient trading history to determine our historical volatility.

Bridge Loan Warrants

In August 2013, Radiant entered into a bridge loan agreement with various individuals, totaling $600,000, along with warrants to purchase 1,500,000 shares of the Company's common stock at $0.01 per share. The related proceeds were received by Radiant on September 6, 2013, and as such, the aforementioned warrants were deemed to be issued on that date. The warrants have a contractual term of 5 years and vest immediately. The warrants were tainted and considered a derivative. The fair value of these warrants was calculated as $1,559,697 at the balance sheet date of December 31, 2013.

The following is a summary of the assumptions used in the Lattice option pricing model to estimate the fair value of the total Company's warrant Stock and warrant derivative liabilities as of the balance sheet date at December 31, 2013:

	December 31, 2013
Common stock issuable upon exercise of warrants	1,500,000
Estimated market value of common stock on measurement date	$ 1.04
Exercise price	$ 0.01
Risk free interest rate (1)	1.51%
Expected dividend yield	0%
Expected volatility (2)	289%
Expected exercise term in years	4.68

(1) The risk-free interest rate was determined by management using the Treasury bill yield as of December 31, 2013.

(2) The volatility was determined by referring to the average historical volatility of a peer group of public companies because we do not have sufficient trading history to determine our historical volatility.

Vidalia Warrants

As a result of this acquisition of the Vidalia Properties (see Note 2), the Company issued 1,500,201 warrants to purchase an equivalent number of shares of the Company's common stock with an exercise price of $2.02 per share. The warrants expire on October 8, 2016. The warrants were tainted and considered a derivative. The fair value of these warrants was calculated as $1,539,098 on the initial valuation date of October 9, 2013 and $1,534,897 at December 31, 2013.

The following is a summary of the assumptions used in the Lattice option pricing model to estimate the fair value of the total Company's warrant Stock and warrant derivative liabilities as of the balance sheet date at December 31, 2013 and on the initial valuation date at October 9, 2013, respectively:

	December 31, 2013	October 9, 2013
Common stock issuable upon exercise of warrants	1,500,201	1,500,201
Estimated market value of common stock on measurement date	$ 1.02	$ 1.02
Exercise price	$ 2.02	$ 2.02
Risk free interest rate (1)	0.78%	0.78%
Expected dividend yield	0%	0%
Expected volatility (2)	301%	295%
Expected exercise term in years	2.77	3.00

(1) The risk-free interest rate was determined by management using the Treasury bill yield as of December 31, 2013 and October 9, 2013.

(2) The volatility was determined by referring to the average historical volatility of a peer group of public companies because we do not have sufficient trading history to determine our historical volatility.

The following tables set forth the changes in the fair value measurements of our Level 3 stock and warrant derivative liabilities during the period from October 9, 2013 to December 31, 2013:

	October 9, 2013	New Derivative Liabilities	Increase (Decrease) in Fair Value of Derivative Liability	December 31, 2013
Derivative liability - warrants	$ 53,717	$ -	$ 67,849	$ 121,566
Derivative liability - tainted warrants	180,534	681,596	230,375	1,092,505
Derivative liability - convertible debt	83,004	-	84,044	167,048
Derivative liability - bridge loan	749,442	-	810,255	1,559,697
Derivative liability – Vidalia warrants	-	1,534,896	-	1,534,896
	1,066,697	$ 2,216,492	$ 1,192,523	4,475,712
Current Portion	1,066,697			474,895
Long-term portion	$ -			$ 4,000,817

Note 8 – Fair Value Measurements

The Company measures fair value in accordance with FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, which defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value and enhances disclosure requirements for fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price).

Three levels of inputs that may be used to measure fair value are:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation.

If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level of input that is significant to the fair value measurement of the instrument.

The following table sets forth by level within the fair value hierarchy our financial liabilities that were accounted for at fair value on a recurring basis as of December 31, 2013:

	Fair Value Measurements at December 31, 2013			
Description	**Quoted Prices In Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Carrying Value**
Derivative liability – agent warrants	$ -	$ -	$ 121,566	$ 121,566
Derivative liability – tainted warrants	-	-	1,092,505	1,092,505
Derivative liability – convertible debt	-	-	167,048	167,048
Derivative liability – bridge loan	-	-	1,559,697	1,559,697
Derivative liability – Vidalia warrants	-	-	1,534,896	1,534,896
Total	-	-	$ 4,475,712	$ 4,475,712
Current portion	-	-	474,895	474,895
Long-term portion	$ -	$ -	$ 4,000,817	$ 4,000,817

The following table sets forth by level within the fair value hierarchy our financial assets that were accounted for at fair value on a recurring basis as of December 31, 2013:

	Fair Value Measurements at December 31, 2013			
Description	**Quoted Prices In Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Carrying Value**
Commodity derivative	$ -	$ 146,420	$ -	$ 146,420
Total	$ -	$ 146,420	$ -	$ 146,420

The following table sets forth a reconciliation of changes in the fair value of financial assets and liabilities classified as level 2 in the fair value hierarchy during the period from October 9, 2013 to December 31, 2013:

Beginning balance	$ -
Total loss	-
Settlements	-
Additions	146,420
Transfers	-
Ending balance	$ 146,420
Change in unrealized gain included in earnings relating to derivatives still held as of December 31, 2013	$ 146,420

The following table sets forth a reconciliation of changes in the fair value of financial assets and liabilities classified as level 3 in the fair value hierarchy during the period from October 9, 2013 to December 31, 2013:

Beginning balance	$	1,066,697
Unrealized loss		1,192,523
Settlements		-
Additions		2,216,492
Transfers		-
Ending balance	$	4,475,712
Change in unrealized losses included in earnings relating to derivatives still held as of December 31, 2013	$	(1,192,523)

Note 9 – Cash Advance Obligation on Acquisition Option

In June 2011, Radiant entered into a purchase and sale agreement with Blacksands Petroleum ("Blacksands") whereby Radiant granted Blacksands 20% of the interests in certain oil and gas properties. In partial consideration for this agreement, Blacksands delivered to Radiant a refundable deposit of $50,000. Due to various matters, Radiant elected not to pursue this transaction. On November 12, 2012, Blacksands filed a lawsuit against Radiant for breach of contract. In December 2012, Blacksands obtained a judgment against Radiant in the amount of $55,565 which included $50,000 of the original payment, $3,750 of attorney fees and $1,815 of judgment interest. In late 2013, the Company made payments to Blacksands on the total amount of $19,985. As of December 31, 2013, the outstanding liability to Blacksands is $35,580 with accrued interest of $2,200.

Note 10 – Asset Retirement Obligation

The following table reflects the changes in the asset retirement obligation ("ARO"):

Predecessor:		**Amount**
Asset retirement obligation as of December 31, 2012	$	331,219
Additions		-
Current period revision to previous estimates		-
Current period accretion		28,659
Asset retirement obligation as of October 8, 2013	$	359,878

Successor:		**Amount**
Asset retirement obligation as of October 9, 2013	$	100,000
Additions		346,600
Current period revision to previous estimates		-
Current period accretion		8,696
Asset retirement obligation as of December 31, 2013	$	455,296

Effective October 9, 2013, the Company completed the purchase of the Vidalia Properties located in Louisiana and Mississippi. These properties contain over eighty (80) wells in Louisiana and Mississippi. The Company recorded an asset retirement obligation related to these properties on the amount of $346,600.

Note 11 – Stockholders' Deficit

As of December 31, 2013, there were 13,784,408 shares of common shares issued and outstanding.

Sale of Common Stock

In October 2013, the Company received proceeds from the sale of 375,000 shares of common stock for cash for a total consideration of $750,000.

In October 2013, the Company issued 1,240,102 shares of common stock as part of the purchase price for the Vidalia Properties in an acquisition entered into by the Company in October 2013 (see Note 2). The fair value of these shares was determined as $1,289,706 based on share price of $1.04 on the date of the acquisition.

Common Stock Issued for Settlement of Accounts Payable

In December 2013, the Company issued 69,537 shares of common stock in order to settle accounts payable of $139,074 with two third party service providers.

Stock-Based Compensation

In December 2013, the Company issued 75,000 shares of common stock to a former director as compensation in the amount of $25,000.

For the period from October 9, 2013 to December 31, 2013, Radiant recorded $266,994 of share-based compensation related to the amortization of options granted to employees and a consultant.

2010 Equity Incentive Plan

The Company's 2010 Equity Incentive Plan (the "2010 Plan") provides for the grant of incentive stock options and stock warrants to employees, directors and consultants of the Company. The 2010 Plan provides for the issuance of both non-statutory and incentive stock options and other awards to acquire, in the aggregate, up to 3,000,000 shares of the Company's common stock.

Stock Options

Stock option activity summary covering options granted to the Company's employees and consultants is presented in the table below:

	Number of Shares	Weighted-average Exercise Price	Weighted-average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at October 9, 2013	694,122	$ 1.00	6.95	$ 27,765
Granted	1,056,949	1.16	5.00	-
Exercised	-	-	-	-
Forfeited	(93,000)	-	-	-
Outstanding at December 31, 2013	1,658,071	$ 1.10	5.34	$ 24,045
Exercisable at December 31, 2013	786,226	$ 1.04		

During the period from October 9, 2013 to December 31, 2013, the Company recognized stock-based compensation expense of $266,994 related to stock options to employees. As December 31, 2013, unrecognized share-based compensation cost totaled $383,394.

Effective October 9, 2013, the Company entered into employment contracts with three individuals, a geophysicist, a petroleum engineer and a financial analyst to help in the operation of the oil and gas properties acquired. The employment contracts provide for incentive payments based on financial performance of the Company and, in addition, for two of the employees include stock option agreements, considered together, provide for the purchase of up to a total of 4.5% of the fully diluted shares outstanding at the time of the closing of the financing at an option price of $1.16 per share. For one employee, one third of the total amount of options vested upon the closing of the Centaurus Facility in October 2013 and the remaining options vest at the rate of one third of the total amount per year on the first and second anniversaries of employment. For the second employee, the option shares vest at the rate of one third of the total amount per year beginning on the first anniversary of their employment. The shares are exercisable at any time from the vesting date for a period of five years from the commencement of their employment.

Warrants

A summary of information regarding common stock warrants outstanding is as follows:

	Number of Shares	Weighted-average Exercise Price	Weighted-average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at October 9, 2013	755,250	$ 1.83	1.03	
Issued	3,695,568	$ 1.21	3.92	
Exercised	-	$ -	-	
Expired	-	-	-	
Forfeited	(100,000)	$ -	-	
Outstanding at December 31, 2013	4,350,818	$ 1.29	3.43	$ 1,588,050
Exercisable at December 31, 2013	4,350,818	$ 1.29		

Upon the issuance of Asher convertible notes (discussed above in Note 5 – Stock and warrant derivative liabilities above) and as a consequence of its floating rate feature, these warrants and other existing warrants previously classified as equity have become tainted and are considered derivatives. See Note 5 – Stock and warrant derivative liabilities for additional information.

Note 12 – Related Party Transactions

Related parties include (i) Macquarie Americas Corp. ("MAC"), the owner of 49% equity interest in Amber, (ii) John Jurasin, the Company's CEO and formerly the sole stockholder of JOG, (iii) JTBOF, David R. Strawn, and David M. Klausmeyer, the Company's stockholders, and (iv) Robert M. Gray, the Company's director and former employee. Related party balances as of December 31, 2013 and 2012 are as follows:

	Successor	Predecessor
	December 31, 2013	December 31, 2012
Due from related parties:		
MAC	$ 358,226	$ -
	$ 358,226	$ -
Due to related parties:		
John Jurasin	$ 842,303	$ -
Robert R. Gray	50,606	-
David M. Klausmeyer	12,193	-
David R. Strawn	12,193	-
	$ 917,295	$ -

Successor

MAC

Amber is partially owned by MAC, an affiliate of the Company's lender, MBL, and Radiant uses the proportionate consolidation method to consolidate Amber. JOG, Radiant's wholly owned subsidiary, pays for goods and services on behalf of Amber and passes those charges on to Amber through intercompany billings. Periodically, Amber will reimburse JOG for these expenses, or potentially pays for goods and services on behalf of JOG. These transactions are recorded as a due to/from Amber in JOG's records and as a due to/from JOG in Amber's records. Due to the fact that Radiant only consolidates its proportionate share of balance sheet and income statement amounts, the portion of the amount due from Amber related to the other interest owner does not eliminate and is carried as amounts due from Amber until the balance is settled through a cash payment. Due from related party was $358,226 as of December 31, 2013.

John Jurasin

Effective March 2010, Radiant assigned certain legacy overriding royalty interests ("ORRI") in various projects, including the Baldwin AMI, the Coral, Ruby and Diamond Project, the Aquamarine Project, and the Ensminger Project to a related party entity owned by John M. Jurasin. Radiant retained its working interests in these projects. Additionally, Radiant assigned its working interest in a project, Charenton, to the related party entity. Radiant did not receive any proceeds for the conveyances and the interests assigned had a historical cost basis of $0.

From time to time, John Jurasin advances the Company various amounts in order to pay operating expenses, with no formal repayment terms. The total balance due on these advances was $104,878 as of December 31, 2013.

Additionally, two notes totaling $1,049,000 were issued to Mr. Jurasin in lieu of payment of dividends from JOG, which in turn represented funds advanced by JOG to its subsidiaries Amber and RLE to fund operations. Interest is accrued at a rate of 4% per year. The first note of $884,000, issued on August 5, 2010, matured on May 31, 2013. The additional note for $165,000, issued on October 12, 2010, is due and payable on demand at any time subsequent to the repayment in full of all outstanding indebtedness of the Credit Facilities (Note 4). The balance due on these notes totaled $737,425 as of December 31, 2013. Accrued interest on these notes was $125,015 as of December 31, 2013.

David R. Strawn and David M. Klausmeyer

Mr. Strawn and Mr. Klausmeyer, shareholders of the Company, each loaned the Company a total of $12,193 between March 2002 and June 2005. The notes accrue interest at 8% per annum. The total accrued interest was $36,056 as of December 31, 2013.

Robert M. Gray

As of December 31, 2013, Mr. Gray was owed $50,606 for consulting services rendered prior to becoming an employee of Radiant. This liability is non-interest bearing.

Note 13 – Income Taxes

As of December 31, 2013, we had approximately $12,715,908 of U.S. federal and state net operating loss carry-forward available to offset future taxable income, which begins expiring in 2023, if not utilized.

IRC Sections 382 and 383 provide an annual limitation with respect to the ability of a corporation to utilize its Tax Attributes, as well as certain built-in-losses, against future U.S. taxable income in the event of a change in ownership. The limitation under the IRC is based on the value of the corporation as of the emergence date. As a result, our future U.S. taxable income may not be fully offset by the Tax Attributes if such income exceeds our annual limitation, and we may incur a tax liability with respect to such income. In addition, subsequent changes in ownership for purposes of the IRC could further diminish the Company's Tax Attributes.

The Company's deferred income taxes reflect the net tax effects of operating loss and tax credit carry forwards and temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences representing net future deductible amounts become deductible.

On October 8, 2013, the Company completed the purchase of Vidalia Properties located in Louisiana Mississippi. The Company followed Rule 11-01 of Reg. S-X and determined the working interest acquisition as business acquisition and applied ASC 805. The acquisition is treated as asset acquisition for tax purpose and predecessors are of unincorporated entities, therefore no deferred tax assets were disclosed for predecessor. The income tax provision for the Predecessor was prepared as if the predecessor was a corporation for prior period comparative purpose only.

The Components of the income tax provision are as follow:

	Successor	Predecessor	
	For the Period from October 9, 2013 to December 31, 2013	For the Period from January 1, 2013 to October 8, 2013	For the Year Ended December 31, 2012
Current			
Federal	$ -	$ -	$ 69,897
State	-	-	
Total current	$	$ -	$ 69,897
Deferred			
Federal	$ (1,149,448)	$ (361,188)	$ (69,897)
State	(135,229)	-	-
	$ (1,284,677)	$ (361,188)	$ (69,897)
Change in valuation allowance	1,284,677	361,188	
Total deferred, net	$ -	$ -	$ (69,897)
Income tax expense	$ -	$ -	$ -

Components of deferred tax assets as of December 31, 2013 (Successor) are as follows:

	Successor
	December 31, 2013
Net operating loss – Federal	$ 4,323,409
Net operating loss - State	213,570
Contingent liabilities	17,000
Valuation allowance for deferred tax assets	(4,553,979)
Net deferred tax assets	$ -

The deferred tax asset generated by the loss carry-forward has been fully reserved due to the uncertainty that the Company will be able to realize the benefit from it.

The reconciliation of income tax provision at the statutory rate to the reported income tax expense is as follows:

	Successor
	2013
Tax provision at statutory	34.00%
State taxes	4.00%
Permanent differences	(0.06)%
Change in valuation allowance	(37.94)%
Effective tax rate	-%

The valuation allowance is evaluated at the end of each period, considering positive and negative evidence about whether the deferred tax asset will be realized. The Company has no positions for which it is reasonable that the total amounts of unrecognized tax benefits at December 31, 2013 will significantly increase or decrease within 12 months. Therefore, the deferred tax asset resulting from net operating loss carry forwards has been fully reserved by a valuation allowance.

Generally, the Company's income tax years 2010 through 2013 remain open and subject to examination by Federal tax authorities or the tax authorities in Louisiana and Texas which are the jurisdictions where the Company has its principal operations. In certain jurisdictions, The Company operates through more than one legal entity, each of which may have different open years subject to examination. No material amounts of the unrecognized income tax benefits have been identified to date that would impact the Company's effective income tax rate.

Note 14 – Commitments and Contingencies

Contingencies

From time to time, the Company may be a plaintiff or defendant in a pending or threatened legal proceeding arising in the normal course of its business. All known liabilities are accrued based on our best estimate of the potential loss. While the outcome and impact of currently pending legal proceedings cannot be predicted with certainty, the Company's management and legal counsel believe that the resolution of these proceedings through settlement or adverse judgment will not have a material adverse effect on its consolidated operating results, financial position or cash flows.

Radiant, as an owner or lessee and operator of oil and gas properties, is subject to various federal, state and local laws and regulations relating to discharge of materials into, and protection of, the environment. These laws and regulations may, among other things, impose liability on the lessee under an oil and gas lease for the cost of pollution clean-up resulting from operations and subject the lessee to liability for pollution damages. In some instances, the Company may be directed to suspend or cease operations in the affected area. The Company maintains insurance coverage, which it believes is customary in the industry, although the Company is not fully insured against all environmental risks.

Commitments

In connection with our Reorganization in August 2010, Radiant entered into the following agreements:

- An employment agreement with Mr. Jurasin, who will continue as President and Chief Executive Officer, under which he will receive $250,000 per year as base salary. The base salary has increased to $250,000 effective October 8, 2013, after at least $10 million in debt or equity funding is raised and $300,000 after the Company becomes cash flow positive;

- Employment agreements and a consulting agreement under which Radiant was obligated to pay approximately $549,000 for each of the first, second year, and third years after the closing of the Reorganization agreement. One of the employees covered by the employment agreement resigned in March 2011 and two other employees resigned in December 2011. Although, no lawsuit was filed, the Company has accrued $50,000 as a possible settlement.

The Company currently leases office space in Houston, Texas. The Company's office lease expired on September 30, 2012 and is currently paid on month-to-month basis. Lease expense for the period from October 9, 2013 to December 31, 2013 was $13,732.

Note 15 – Subsequent Events

In January 2014, the Company issued 50,000 shares of common stock at $0.50 per share to Black Gold in accordance with the Shallow Oil agreement.

In March 2014, the Company issued 875,000 shares of common stock in connection with the exercise of warrants and stock options. The Company received $8,750 in proceeds from these exercises.

Effective January 15, 2014, the Company granted 198,874 stock options to an employee with an aggregate fair value of $307,904. The stock options vest over 3 years.

Effective January 23, 2014, Asher Enterprises, Inc, the holder of Radiant's convertible debt converted the principal amount of notes of $25,000 into 25,615 shares of common stock with effective price of $0.976 per share.

Effective February 28, 2014, the Company amended the Centaurus Credit Agreement. The Amendment increased the maximum aggregate commitment from the Lenders from $39,788,000 to $41,748,000, increased the principal amount from $40,600,000 to $42,600,000 plus any deferred interest, and increased the net profits interest conveyed to Centaurus on specific proved wells from 12.5% to 17.0%.

The Company was in multiple defaults on the Centaurus Credit Agreement, including timely delivery of audited financial statements and other reporting requirements. Effective February 28, 2104 the lender has agreed to forbear from exercising its rights and remedies against the Company, as allowed by the Credit Agreement and related agreements for the then-existing defaults. The lender has specifically agreed to not initiate proceedings to collect on the obligation, discontinue lending under the Credit Agreement, initiate or join in any involuntary bankruptcy petition, repossess or dispose of any collateral under the Credit Agreement or similar actions because of the existing defaults. Should the Company default on any provisions in the Agreement other than those existing defaults, the Lenders have the right to exercise its rights and remedies against the Company, as contained in the facility agreement and through the amendment of the Facility.

Note 16 – Supplemental Oil and Gas Disclosures (Unaudited)

Capitalized Costs Relating to Oil and Gas Producing Activities

The estimates of proved oil and gas reserves utilized in the preparation of these statements were prepared by Ralph E. Davis Associates, Inc., an external petroleum engineering firm, using reserve definitions and pricing requirements prescribed by the SEC.

There are numerous uncertainties inherent in estimating quantities of proved reserves, projecting future rates of production and projecting the timing of development expenditures, including many factors beyond our control. The reserve data represents only estimates. Reservoir engineering is a subjective process of estimating underground accumulations of natural gas and oil that cannot be measured in an exact manner. The accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretations and judgment. All estimates of proved reserves are determined according to the rules prescribed by the SEC. These rules indicate that the standard of "reasonable certainty" be applied to the proved reserve estimates. This concept of reasonable certainty implies that as more technical data becomes available, a positive, or upward, revision is more likely than a negative, or downward, revision. Estimates are subject to revision based upon a number of factors, including reservoir performance, prices, economic conditions and government restrictions. In addition, results of drilling, testing and production subsequent to the date of an estimate may justify revision of that estimate. Reserve estimates are often different from the quantities of natural gas and oil that are ultimately recovered. The meaningfulness of reserve estimates is highly dependent on the accuracy of the assumptions on which they were based. In general, the volume of production from natural gas and oil properties we own declines as reserves are depleted. Except to the extent we conduct successful development activities or acquire additional properties containing proved reserves, or both, our proved reserves will decline as reserves are produced. There have been no major discoveries or other events, favorable or adverse, that may be considered to have caused a significant change in the estimated proved reserves since December 31, 2013. The Company emphasizes that reserve estimates are inherently imprecise. Accordingly, the estimates are expected to change as more current information becomes available. In addition, a portion of the Company's proved reserves are proved developed non-producing and proved undeveloped, which increases the imprecision inherent in estimating reserves which may ultimately be produced.

All of the Company's reserves are located in the United States.

	December 31,	
	2013	**2012**
Proved oil and gas properties	$ 19,803,395	$ -
Unproved oil and gas properties	-	331,219
Accumulated depreciation, depletion and amortization	(44,714)	-
Total acquisition, development and exploration costs	$ 19,758,681	$ 331,219

Costs Incurred in Oil and Gas Property Acquisition, Exploration, and Development Activities

At December 31, 2013 and 2012, there were no unevaluated costs, which have been excluded from the depletion base.

	December 31,	
	2013 Successor	**2012 Predecessor**
Acquisition of properties – proved	$ 17,724,116	$ -
Acquisition of properties – unproved	-	-
Exploration costs	-	-
Development costs	1,732,679	-
Total costs incurred	$ 19,456,795	$ -

Add Results of Operations for Producing Activities

For the period from October 9 to December 31, 2013 (Successor), from January 1, 2013 to October 8, 2013 (Predecessor) and for the year ended December 31, 2012, the results of operations for producing activities were as follows:

	Successor	Predecessor	
	October 9, 2013 - December 31, 2013	**January 1, 2013 to October 8, 2013**	**January 1, 2012 to December 31, 2012**
Sales	$ 696,661	$ 1,742,512	$ 3,966,017
Production costs	(483,680)	(2,355,118)	(3,760,437)
Depreciation, Depletion and Amortization	(44,714)	-	-
Income tax expense	-	-	-
Standardized measure of discounted future net cash flows	$ 168,267	$ (612,606)	$ 205,580

Estimated Quantities of Proved Oil and Gas Reserves

The following table sets forth proved oil and gas reserves together with the changes therein, proved developed reserves and proved undeveloped reserves for the years ended December 31, 2013 and 2012. Units of oil are in thousands of barrels (MBbls) and units of gas are in millions of cubic feet (MMcf). Gas is converted to barrels of oil equivalents (MBoe) using a ratio of six Mcf of gas per Bbl of oil.

	Successor		Predecessor			
	October 9, 2013 to December 31, 2013		January 1, 2013 to October 8, 2013		January 1, 2012 to December 31, 2012	
	Oil (MBbls)	Gas (MMcf)	Oil (MBbls)	Gas (MMcf)	Oil (MBbls)	Gas (MMcf)
Beginning of the period	1,606	24,089	1,623	24,089	1,661	24,089
Revisions of previous estimates	(138)	2,978	-	-	-	-
Extensions and discoveries	-	-	-	-	-	-
Improved recovery	-	-	-	-	-	-
Production	(7)	-	(16)	-	(38)	-
Purchases of minerals in place	-	-	-	-	-	-
Uneconomical Wells	-	-	-	-	-	-
Sales of minerals in place	-	-	-	-	-	-
End of period	1,461	27,067	1,606	24,089	1,623	24,089

	December 31, 2013		December 31, 2012	
Type of Reserves	Mboe		Mboe	
PDP	377.9	6.3%	400.9	6.7%
PDNP	121.6	2.0%	121.6	2.0%
PUD	5,472.4	91.7%	5,472.4	91.3%
Total	**5,971.9**	**100.0%**	**5,994.9**	**100.0%**

Standardized Measure of Discounted Future Net Cash Flows and Changes Therein Relating to Proved Reserves

The standardized measure of discounted future net cash flows, in management's opinion, should be examined with caution. The basis for this table is the reserve studies prepared by the Company's independent petroleum engineering consultants, which contain imprecise estimates of quantities and rates of future production of reserves. Revisions of previous period estimates may have a significant impact on these results. Also, exploration costs in one period may lead to significant discoveries in later years and may significantly change previous estimates of proved reserves and their valuation. Therefore, the standardized measure of discounted future net cash flow is not necessarily indicative of the fair value of the Company's proved oil and natural gas properties.

Future cash inflows for 2013 were computed by applying the average price for the period to the period-end quantities of proved reserves. The 2013 average price for the period was calculated using the 12-month period prior to the ending date of the period covered by the report, determined as an un-weighted arithmetic average of the first-day-of-the-month price for each month within such period. Adjustment in this calculation for future price changes is limited to those required by contractual arrangements in existence at the end of each reporting period. Future development, abandonment and production costs were computed by estimating the expenditures to be incurred in developing and producing proved oil and natural gas reserves at the end of the period, based on period-end costs, assuming continuation of period-end economic conditions. Future income tax expense was computed by applying statutory rates, less the effects of tax credits for each period presented, and to the difference between pre-tax net cash flows relating to the Company's proved reserves and the tax basis of proved properties, after consideration of available net operating loss and percentage depletion carryovers. Discounted future net cash flows have been calculated using a ten percent discount factor. Discounting requires a year-by-year estimate of when future expenditures will be incurred and when reserves will be produced.

The estimated present value of future cash flows relating to proved reserves is extremely sensitive to prices used at any measurement period.

The information provided in the tables set out below does not represent management's estimate of the Company's expected future cash flows or of the value of the Company's proved oil and gas reserves. Estimates of proved reserve quantities are imprecise and change over time as new information becomes available. Moreover, probable and possible reserves, which may become proved in the future, are excluded from the calculations. The arbitrary valuation prescribed under ASC No. 932 requires assumptions as to the timing and amount of future development and production costs. The calculations should not be relied upon as an indication of the Company's future cash flows or of the value of its oil and gas reserves.

The following table sets forth the standardized measure of discounted future net cash flows relating to proved reserves (stated in thousands):

	Successor	Predecessor	
	October 9, 2013 - December 31, 2013	January 1, 2013 to October 8, 2013	January 1, 2012 to December 31, 2012
Future cash inflows	$ 141,373	$ 170,288	$ 172,111
Future production costs	(56,655)	(68,144)	(68,866)
Future development	(16,544)	(18,787)	(18,787)
Income taxes	-	-	-
Future net cash flows	68,174	83,357	84, 458
Discounted for estimated timing of cash flows at 10%	49,634	40,341	40,550
Standardized measure of discounted future net cash flows	$ 117,808	$ 123,698	$ 125,008

Summary of Changes in Standardized Measure of Discounted Future Net Cash Flows

The following table summarizes the principal sources of change in the standardized measure of discounted future estimated net cash flows at 10% per annum for the period from October 9, 2013 to December 31, 2013 (Successor), the period from January 1, 2013 to October 8, 2013 (Predecessor) and the year ended December 31, 2012 (Predecessor) (stated in thousands):

	Successor	Predecessor	
	October 9, 2013 - December 31, 2013	January 1, 2013 - October 8, 2013	January 1, 2012 - December 31, 2012
Standardized Measure, Beginning of Period	$ 123,698	$ 125,008	$ 125,214
Oil and gas sales, net of production costs	(213)	613	(206)
Net change in sales and transfer prices and in production (lifting) costs related to future production	-	(14,424)	-
Extensions, discoveries and improved recovery, net of costs	-	-	-
Change in estimated future development costs	-	-	-
Previously estimate development costs incurred	-	-	-
Revisions of previous quantity estimates	(97,857)	-	-
Accretion of discount	-	12,501	-
Net change in income taxes	-	-	-
Purchases and sales of minerals in place	92,180	-	-
Timing and other	-	-	-
Standardized Measure, End of Period	$ 117,808	$ 123,698	$ 125,008

Exhibit 10.1

EXECUTION VERSION

$40,600,000
FIRST LIEN CREDIT AGREEMENT,

dated October 4, 2013,

among

RADIANT ACQUISITIONS 1, L.L.C.,
as the Borrower,

VARIOUS FINANCIAL INSTITUTIONS AND OTHER PERSONS FROM TIME TO TIME PARTIES HERETO,
as the Lenders,

and

CENTAURUS CAPITAL LP,
as the Agent

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FIRST LIEN CREDIT AGREEMENT

THIS FIRST LIEN CREDIT AGREEMENT, dated October 4, 2013, is among RADIANT ACQUISITIONS 1, L.L.C., a Louisiana limited liability company (the " Borrower "), the various financial institutions and other Persons from time to time parties hereto (the " Lenders "), CENTAURUS CAPITAL LP (" Centaurus "), as agent (in such capacity, the " Agent ") for the Lenders.

W I T N E S S E T H:

WHEREAS, the Borrower intends to acquire (the " Acquisition ") and develop the Acquired Properties and develop certain existing Oil and Gas Properties (as hereinafter defined), and in order to fund the Acquisition and certain costs of such oil and gas developments, the Borrower has requested the Loans defined below from Lender; and

WHEREAS, the Lenders desire to provide Borrower with loans on the terms and conditions hereunder to fund the Acquisition and such costs of oil and gas development.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS AND ACCO UNTING TERMS

Section 1.1 Defined Terms . The following terms (w hether or not underscored) when used in this Agreement, including its preamble and recitals, shall, except where the context otherwise requires, have the following meanings (such meanings to be equally applicable to the singular and plural forms thereof):

" Acceptable Substitute Property " means any property acceptable to both the Agent and the Reliable Reserves Insurer in their respective sole and absolute discretion.

" Account Debtor " means any Person who is or who may become obligated under, with respect to, or on account of, an account, chattel paper, or a general intangible or intangible, as applicable, in each case, as such term is defined under the UCC.

" Acquired Properties " means the Properties, as further described on Schedule V attached hereto, acquired pursuant to the Acquisition Documents.

" Acquisition " is defined in the preamble.

" Acquisition Costs " means fees and expenses in connection with the Acquisition. " Acquisition Documents " means (a) that certain Purchase and Sale Agreement, dated as of September 3, 2013, by and between FLMK Acquisition, LLC, W&L Holdings, LLC and Graylogan, LLC and the Borrower, (b) that certain Purchase and Sale Agreement, dated as of

September 3, 2013, by and between E-Energy, L.L.C. and the Borrower, and (c) that certain Purchase and Sale Agreement, dated as of September 3, 2013, by and between Rock Exploration, LLC and the Borrower , in each case as amended, supplemented, amended and restated or otherwise modified from time to time in accordance with Section 7.2.11 .

" Affiliate " of any Person means any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person. "Control" of a Person means the power, directly or indirectly,

(a) to vote 5% or more of the Capital Securities (on a fully diluted basis) of such Person having ordinary voting power for the election of directors, managing members or general partners (as applicable); or

(b) to direct or cause the direction of the management and policies of such Person (whether by contract or otherwise).

" Agent " is defined in the preamble and includes each other Person appointed as the successor Agent pursuant to Section 9.4.

" Agent Indemnified Parties " is defined in Section 9.3.

" Agreement " means, on any date, this First Lien Credit Agreement as originally in effect on the Effective Date, and as thereafter from time to time amended, supplemented, amended and restated or otherwise modified from time to time.

" Applicable Commitment Fee Margin " means 0.50%.

" Applicable Law " means with respect to any Person or matter, any United States or foreign, federal, state, regional, tribal or local statute, law, code, rule, treaty, convention, application, order, decree, consent decree, injunction, directive, determination or other requirement (whether or not having the force of law) relating to such Person or matter and, where applicable, any interpretation thereof by a Governmental Authority having jurisdiction with respect thereto or charged with the administration or interpretation thereof.

" Approved Counterparty " means Centaurus or an Affiliate of Centaurus. " Approved Engineer " means Ralph E. Davis Associates, Inc., or any other independent petroleum engineer satisfactory to the Agent in its sole and absolute discretion.

" Approved Fund " means any Person (other than a natural Person) that (a) is engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business, and (b) is administered or managed by a Lender, an Affiliate of a Lender or a Person or an Affiliate of a Person that administers or manages a Lender.

" Authorized Officer " means, relative to any Obligor, those of its officers, general partners or managing members (as applicable) whose signatures and incumbency shall have been

certified to the Agent and the Lenders pursuant to Section 5.1.2 or pursuant to the other provisions of this Agreement.

" Blocked Account " means the bank account of the Borrower held with Capital One, National Association (ABA# 111901014), account number 3628241634, which is a Deposit Account into which proceeds of Loans made hereunder shall, at the discretion of the Agent, be held and maintained subject to the Blocked Account Control Agreement until subsequently released therefrom or returned to the Lenders, in either case pursuant to written instructions of the Agent and in accordance with the terms of the Blocked Account Control Agreement.

" Blocked Account Control Agreement " means the Blocked Account Control Agreement dated as of the date hereof, among the Borrower, Agent and Capital One, National Association, relating to the Blocked Account and providing the Agent with "full" cash dominion of the Blocked Account.

" Blocked Account Release Request " means a request for release and disbursement of funds from the Blocked Account, including, without limitation, a certification duly executed by an Authorized Officer of the Borrower substantially in the form of Exhibit K hereto. The Blocked Account Release Request shall contain an itemization as to the use of the amounts being requested to be released and disbursed.

" Borrower " is defined in the preamble.

" Borrower Pledge and Security Agreement " means the First Lien Pledge and Security Agreement and Irrevocable Proxy executed and delivered by an Authorized Officer of the Borrower, substantially in the form of Exhibit F-1 hereto, as amended, supplemented, amended and restated or otherwise modified from time to time.

" Borrower Properties " means any and all mineral interests, proceeds from or related to, or contractual interests now owned or hereafter acquired, in or related to the Oil and Gas Property described on Schedule V, including, without limitation, 100% of the Borrower's working interest in their existing Oil and Gas Properties and the Acquired Properties.

" Borrowing " means the Loans made by all Lenders required to make such Loans on the same Business Day and pursuant to the same Borrowing Request in accordance with Section 2.3.

" Borrowing Request " means a Loan request and certificate duly executed by an Authorized Officer of the Borrower substantially in the form of Exhibit B hereto. The Borrowing Request shall contain an itemization as to the use of proceeds of such Loan.

" Business Day " means any day that is neither a Saturday or Sunday nor a legal holiday on which banks are authorized or required to be closed in Houston, Texas.

" Capital Expenditures " means, for any period, the aggregate amount of (a) all expenditures of the Borrower and its Subsidiaries for fixed or capital assets made during suchperiod that, in accordance with GAAP, would be classified as capital expenditures and

(b) Capitalized Lease Liabilities incurred by the Borrower and its Subsidiaries during such period.

" Capital Securities " means, with respect to any Person, all shares, interests, participations (including profit participations) or other equivalents (however designated, whether voting or non-voting) of such Person's capital (including all capital stock, partnership, membership or other equity interests in such Person), whether now outstanding or issued after the Effective Date and whether or not certificated, and any and all warrants, rights or options to purchase any of the foregoing.

" Capitalized Lease Liabilities " means, with respect to any Person, all monetary obligations of such Person and its Subsidiaries under any leasing or similar arrangement which have been (or, in accordance with GAAP, should be) classified as capitalized leases, and for purposes of each Loan Document the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP, and the stated maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a premium or a penalty.

" Cash Equivalent Investment " means, at any time:

(a) any direct obligation of (or unconditionally guaranteed by) the United States or a State thereof (or any agency or political subdivision thereof, to the extent such obligations are supported by the full faith and credit of the United States or a State thereof) maturing not more than one year after such time;

(b) commercial paper maturing not more than 270 days from the date of issue, that is issued by (i) a corporation (other than an Affiliate of any Obligor) organized under the laws of any State of the United States or of the District of Columbia, and rated A-1 or higher by S&P or P-1 or higher by Moody's or (ii) any Lender (or its holding company);

(c) any certificate of deposit, time deposit or bankers acceptance, maturing not more than one year after its date of issuance, that is issued by (i) any bank organized under the laws of the United States (or any State thereof), and that has (A) a credit rating of A2 or higher from Moody's or A or higher from S&P and (B) a combined capital and surplus greater than $500,000,000, or (ii) any Lender;

(d) shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of clauses (a) through (c) of this definition;

(e) money market funds that (i) purport to comply generally with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P or Aaa by Moody's or carrying an equivalent rating by a nationalrecognizedratingagency,and(iii) haveportfolioassetsofatleast $5,000,000,000; or

(f) any repurchase agreement having a term of 30 days or less entered into with any Lender or any commercial banking institution satisfying the criteria set forth in clause (c)(i) that:

(i) is secured by a fully perfected security interest in any obligation of the type described in clause (a), and

(ii) has a market value at the time such repurchase agreement is entered into of not less than 100% of the repurchase obligation of such commercial banking institution thereunder.

" Casualty Event " means the damage, destruction or condemnation, as the case may be, of Property of any Person or any of its Subsidiaries.

" Centaurus " is defined in the preamble.

" CERCLA " means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

" CERCLIS " means the Comprehensive Environmental Response Compensation Liability Information System List.

" Change in Control " means (a) the failure of the Parent at any time to directly or indirectly own beneficially and of record on a fully diluted basis 100% of the outstanding Capital Securities of the Borrower, such interests to be held free and clear of all Liens (other than Liens granted under a Loan Document) or (b) the failure of the John Jurasin to be Chief Executive Officer of the Parent and at any time to directly or indirectly own beneficially and of record on a fully diluted basis over 10% of the outstanding Capital Securities of the Parent, such interests to be held free and clear of all Liens.

" Code " means the Internal Revenue Code of 1986, and the regulations thereunder, in each case as amended, reformed or otherwise modified from time to time.

" Collateral " means any "Collateral" or "Mortgaged Property" as defined in any Security Document and any other collateral pledged or encumbered by any Obligor pursuant to the Loan Documents to secure all or part of the Obligations.

" Collections " means all cash, checks, notes, instruments and other items of payment (including insurance proceeds, proceeds of cash sales, rental proceeds and tax refunds) of the Borrower and its Subsidiaries.

" Commitment " means any Loan Commitment, as adjusted from time to time in accordance with this Agreement.

" Commitment Amount " means $40,600,000, as such amount may be reduced from time to time pursuant to the terms of this Agreement.

" Commitment Termination Event " means

(a) the occurrence of any Event of Default with respect to the Borrower described in clauses (a) through (d) of Section 8.1.9; or

(b) the occurrence and continuance of any other Event of Default and either:

(i) the declaration of all or any portion of the Loans to be due and payable pursuant to Section 8.3, or

(ii) the giving of notice by the Agent, acting at the direction of the Required Lenders to the Borrower that the Commitments have been terminated.

" Communications " is defined in clause (a) of Section 9.10.

" Compliance Certificate " means a certificate duly completed and executed by an Authorized Officer of the Borrower, substantially in the form of Exhibit D hereto, together with such changes thereto as the Agent may from time to time request for the purpose of monitoring the Borrower's compliance with the terms of Sections 7.2.4, 3.1.1(g), 3.1.1(h) and 3.1.2 hereof.

" Contingent Liability " means any agreement, undertaking or arrangement by which any Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to, or otherwise to invest in, a debtor, or otherwise to assure a creditor against loss) the Indebtedness of any other Person (other than by endorsements of instruments in the course of collection), or guarantees the payment of dividends or other distributions upon the Capital Securities of any other Person. The amount of any Person's obligation under any Contingent Liability shall (subject to any limitation set forth therein) be deemed to be the outstanding principal amount of the debt, obligation or other liability guaranteed thereby.

" Control Agreement " means an agreement in form and substance reasonably satisfactory to the Agent which provides for the Agent to have "control" (as defined in Section 8- 106 of the UCC, as such term relates to investment property (other than certificated securities or commodity contracts), or as used in Section 9-106 of the UCC, as such term relates to commodity contracts, or as used in Section 9-104(a) of the UCC, as such term relates to deposit accounts).

" Controlled Group " means all members of a controlled group of corporations and all members of a controlled group of trades or businesses (whether or not incorporated) under common control that, together with the Borrower, are treated as a single employer under Section 414(b) or 414(c) of the Code or Section 4001 of ERISA.

" Coral Property " shall mean any state oil, gas and/or mineral lease owned or acquired by Borrower, prior to, upon, or after the Effective Date, and/or any contractual right, contingent or otherwise, of Borrower to acquire Hydrocarbon Interests, covering the lands within and covered by Block 18, Eugene Island Area (as revised or amended from time to time), St.

Mary Parish, State of Louisiana, as depicted and more particularly described on the plat included as part of Schedule V hereto.

" Covered Properties " is defined in Section 7.1.1(m).

" Credit Exposure " means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Loans at such time.

" Credit Extension " means the making of a Loan by a Lender.

the ratio of:

" Debt Service Coverage Ratio " means, as of the last day of any Fiscal Quarter,

(a) EBITDA computed for the period consisting of such Fiscal Quarter and each of the three immediately preceding Fiscal Quarters,

to

(b) the sum of (i) Interest Expense and (ii) the amount of scheduled principal payments on Indebtedness, in each case as computed for the period consisting of such Fiscal Quarter and each of the three immediately preceding Fiscal Quarters;

provided , however , that for purposes of calculating EBITDA, Interest Expense and the amount of scheduled principal payments on Indebtedness, for the Fiscal Quarter ending on June 30, 2014, such amounts shall be computed using (x) the sum of the actual amounts for such Fiscal Quarter *plus* the actual amounts for the Fiscal Quarters ending March 31, 2014 and December 31, 2013 *multiplied* (y) by 4/3.

" Debtor Relief Laws " means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

" Default " means any Event of Default or any condition, occurrence or event which, after notice or lapse of time or both, would constitute an Event of Default.

" Deferred Interest " means all interest or fees not paid in accordance with Section 3.1.2(b) due to the lack of sufficient funds in the Depositary Account to make any of such payments during any application of the Waterfall.

" Deposit Account " means a "deposit account" as that term is defined in Section 9- 102(a) of the UCC.

" Depositary Account " means the bank account of the Borrower held with Capital One, National Association (ABA# 111901014), account number 3628259940, which is the Deposit Account into which the Revenues of the Borrower and its Subsidiaries shall, pursuant to

the Borrower's or such applicable Subsidiary's instructions, be paid in accordance with the terms of Section 7.1.9; provided that any such Deposit Account(s) are subject to a Control Agreement.

" Disclosure Schedule " means the Disclosure Schedule attached hereto as Schedule I, as it may be amended, supplemented, amended and restated or otherwise modified from time to time by the Borrower with the written consent of the Required Lenders.

" Disposition " (or similar words such as " Dispose ") means any sale, transfer, lease, sale and leaseback, contribution or other conveyance (including by way of merger) of, or the granting of options, warrants or other rights to, any of the Borrower's or its Subsidiaries' assets (including accounts receivable and Capital Securities of Subsidiaries) to any other Person (other than to another Obligor) in a single transaction or series of transactions.

" Dollar " and the sign " $ " mean lawful money of the United States.

" EBITDA " means, for any applicable period and with the respect to the Borrower and its consolidated Subsidiaries, the sum of (a) Net Income, plus (b) to the extent deducted in determining Net Income, the sum of (i) amounts attributable to amortization, depletion and depreciation of assets, (ii) income tax expense, (iii) interest expense (whether in cash or non-cash form) for such period, and (iv) reasonable transaction fees and expenses incurred in connection with negotiation, execution and delivery of this Agreement, the other Loan Documents; provided , however , that any calculation of EBITDA hereunder for any applicable period shall be made using an EBITDA for such applicable period calculated on a *pro forma* basis (inclusive of any acquisitions and/or divestitures, if any, of assets or equity interests made during such applicable period as if such acquisitions or divestitures had been made at the beginning of such applicable period).

" Effective Date " means the date in which the initial Credit Extension is made in accordance with Article 5.

" Effective Date Certificate " means the effective date certificate executed and delivered by an Authorized Officer of the Borrower in form and substance satisfactory to the Agent.

" Eligible Assignee " means any Person other than the Borrower, any Affiliate of the Borrower or any other Person taking direction from, or working in concert with, the Borrower or any of the Borrower's Affiliates, but excluding any such Person that, directly or indirectly, conducts, or participates in the conducting of, oil and gas operations and/or production acquisitions in the following geographic areas:

(a) Parishes of Concordia, LaSalle and Catahoula, Louisiana;

(b) Counties of Adams, Amite, Franklin and Wilkinson, Mississippi;

(c) Eugene Island, Block 18, Offshore Louisiana; and

(d) Section 55, T14S R9E, St. Mary Parish, Louisiana.

" Environmental Laws " means all applicable foreign, federal, state, provincial or local statutes, laws, ordinances, codes, rules, regulations and guidelines (including consent decrees and administrative orders) relating to public health and safety and protection of the environment, including, without limitation, the OPA, CERCLA, RCRA, the Safe Drinking Water Act, as amended, the Toxic Substances Control Act, as amended, the Superfund Amendments and Reauthorization Act of 1986, as amended, the Hazardous Materials Transportation Act, as amended, and other environmental conservation or protection laws. The term "oil" shall have the meaning specified in OPA, and the terms "solid waste" and "disposal" (or "disposed") have the meanings specified in RCRA; but (a) in the event either OPA, CERCLA or RCRA is amended so as to broaden the meaning of any term defined thereby, such broader meaning shall apply subsequent to the effective date of such amendment and (b) to the extent the laws of the state in which any Property of the Borrower or any Subsidiary is located establish a meaning for "oil", "release", "solid waste" or "disposal" which is broader than that specified in either OPA, CERCLA or RCRA, such broader meaning shall apply to those issues covered by the Applicable Law.

" Environmental Liability " means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any of its Subsidairies directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

" ERISA " means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto of similar import, together with the regulations thereunder, in each case as in effect from time to time. References to sections of ERISA also refer to any successor sections thereto.

" ERISA Affiliate " means all members of a controlled group of corporations and all members of a controlled group of trades or businesses (whether or not incorporated) under common control that, together with the Borrower, are treated as a single employer under section 414 (b) or 414 (c) of the Code or section 4001(b)(1) of ERISA.

" Event of Default " is defined in Section 8.1.

" Exchange Act " means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

" Excluded Swap Obligations " means, with respect to any Obligor (other than Borrower), any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of the Commodity Exchange Act (a " CEA Swap Obligation "), if, and to the extent that, all or a portion of the guarantee of such Obligor of, or the grant by such Obligor of a security interest to secure, such CEA Swap Obligation (or any guarantee obligation thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order thereunder (or the application or official interpretation of any thereof) by

virtue of such Obligor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act.

" Executive Order " means Executive Order 13224 on Terrorist Financing issued on September 24, 2001 by the President of the United States.

" Exemption Certificate " is defined in clause (e) of Section 4.1.

" FATCA " means Section 1471 through 1474 of the Code and any applicable Treasury regulations or published administrative guidance promulgated thereunder.

" Filing Statements " is defined in Section 5.1.8.

" Fiscal Quarter " means any period of three consecutive calendar months ending on the last day of March, June, September or December.

" Fiscal Year " means any period of twelve consecutive calendar months ending on December 31; references to a Fiscal Year with a number corresponding to any calendar year (*e.g.* , the "2012 Fiscal Year") refer to the Fiscal Year ending on December 31 of such calendar year.

" F.R.S. Board " means the Board of Governors of the Federal Reserve System or any successor thereto.

" G&A Expenses " means, with respect to any Person, the general and administrative expenses of such Person not attributable to any particular Property, including without limitation, salaries, directors' and officers' insurance, office rent and operating expenses, overhead and outside contractors, but excluding expenses that are properly capitalized under GAAP.

" GAAP " means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

" Good Title " means, with respect to any Property, a good and valid title to such Property that is free from reasonable doubt, is superior to any other titles and claims with respect to such Property, and could not be reasonably expected to expose the party who holds such title to the hazards of litigation with respect to the validity and priority of such title.

" Governmental Authority " means any nation or government, or any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other Person exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, any securities exchange and any self-regulatory organization.

" Guarantee Obligations " means, as to any Person (the " guaranteeing person "), any obligation, including a reimbursement, counterindemnity or similar obligation, of the guaranteeing person that guarantees or in effect guarantees, or which is given to induce the creation of a separate obligation by another Person (including any bank under any letter of credit) that guarantees or in effect guarantees, any Indebtedness, leases, dividends or other obligations (the " primary obligations ") of any other third Person (the " primary obligor ") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (d) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided , however , that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (x) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (y) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

" Guarantor " means, collectively, the Parent, each Subsidiary Guarantor and each other Person that executes and delivers a Guaranty.

" Guaranty " means, as applicable, the Parent Guaranty, the Subsidiary Guaranties and any other document delivered by a Subsidiary of the Borrower whereby such Subsidiary becomes liable for the Obligations as a guarantor.

" Hazardous Material " means

(a) any "hazardous substance", as defined by CERCLA;

(b) any "hazardous waste", as defined by the RCRA; or

(c) any pollutant or contaminant or hazardous, dangerous or toxic chemical, material or substance (including any petroleum product) within the meaning of any other applicable foreign, federal, state, provincial or local law, regulation, ordinance or requirement (including consent decrees and administrative orders) relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, all as amended.

" Hedging Agreement " means any agreement with respect to any swap, forward, future, cap, collar or derivative transaction or option or similar agreement involving, or settled by

reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

" Hedging Obligations " means, with respect to any Person, all liabilities of such Person under Hedging Agreements.

" herein ", " hereof ", " hereto ", " hereunder " and similar terms contained in any Loan Document refer to such Loan Document as a whole and not to any particular Section, paragraph or provision of such Loan Document.

" Highest Lawful Rate " means the maximum non usurious rate of interest the Lenders are permitted under Applicable Law to contract for, take, charge or receive with respect to the Obligations.

" Hydrocarbon Interests " means all rights, titles, interests and estates now or hereafter acquired in and to oil and gas leases, oil, gas and mineral leases, or other liquid or gaseous hydrocarbon leases, mineral fee interests, overriding royalty and royalty interests, net profit interests and production payment interests, including any reserved or residual interests of whatever nature.

" Hydrocarbons " means oil, gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all products refined or separated therefrom.

" Impermissible Qualification " means any qualification, exception, explanatory paragraph or paragraph of emphasis to the opinion or certification of any independent public accountant as to any financial statement

(a) that is of a "going concern" or similar nature;

(b) that relates to the limited scope of examination of matters relevant to such financial statement; or

(c) that relates to the treatment or classification of any item in such financial statement and which, as a condition to its removal, would require an adjustment to such item the effect of which would be to cause the Borrower to be in Default.

" including " and " include " means including without limiting the generality of any description preceding such term, and, for purposes of each Loan Document, the parties hereto agree that the rule of ejusdem generis shall not be applicable to limit a general statement, that is followed by or referable to an enumeration of specific matters, to matters similar to the matters specifically mentioned.

" Indebtedness " of any Person (without duplication) means:

(a) all obligations of such Person for borrowed money or advances and all obligations of such Person evidenced by bonds, debentures, notes or similar instruments or upon which interest payments are customarily made;

(b) all obligations, contingent or otherwise, relative to the face amount of all letters of credit, whether or not drawn, banker's acceptances, performance, surety or appeal bonds (or similar obligations) issued for the account of such Person;

(c) all Capitalized Lease Liabilities of such Person;

(d) all reimbursement, payment or other obligations or liabilities of such Person created or arising under any conditional sale or title retention agreement with respect to property used or acquired by such Person;

(e) all other items that, in accordance with GAAP, would be included as liabilities on the balance sheet of such Person as of the date at which Indebtedness is to be determined;

(f) net Hedging Obligations of such Person;

(g) whether or not so included as liabilities in accordance with GAAP, all obligations of such Person to pay the deferred purchase price of property or services (including all reimbursement, payment or other obligations or liabilities of such Person created or arising under any conditional sale or title retention agreement with respect to property used or acquired by such Person) (excluding trade accounts payable in the ordinary course of business that are not overdue for a period of more than 90 days or, if overdue for more than 90 days, as to which a dispute exists and adequate reserves in conformity with GAAP have been established on the books of such Person), and indebtedness secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) a Lien on property owned or being acquired by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(h) obligations arising under Synthetic Leases;

(i) all Contingent Liabilities and Guarantee Obligations of such Person;

(j) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Capital Securities in such Person or any other Person or any warrant, right or option to acquire such Capital Securities, valued, in the case of redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference, *plus* accrued and unpaid dividends; and

(k) all obligations referred to in clauses (a) through (j) of this definition of another Person secured by (or for which the holder of such Indebtedness has an existing

right, contingent or otherwise, to be secured by) a Lien upon property owned by such Person.

The Indebtedness of any Person shall include the Indebtedness of any other Person (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such Person, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

" Indemnified Liabilities " is defined in Section 10.4. " Indemnified Parties " is defined in Section 10.4.

" Initial Reserve Report " means the reserve report concerning Oil and Gas Properties of the Borrower, prepared by an Approved Engineer, dated as of August 1, 2013.

" Interest Expense " means, for any applicable period, the aggregate cash interest expense (both accrued and paid and net of interest income paid during such period to the Borrower and its Subsidiaries) of the Borrower and its Subsidiaries for such applicable period, including the portion of any payments made in respect of Capitalized Lease Liabilities allocable to interest expense.

" Investment " means, relative to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition or holding of any Capital Securities of another Person, (b) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit or all or a substantial part of the business of such Person, (c) any loan, advance, extension of credit or capital contribution to, assumption of debt of, or purchase or other acquisition of any other debt or interest in another Person, including the purchase by such Person of any bonds, notes, debentures or other debt securities of any other Person, (d) any Contingent Liabilities, including Guarantee Obligation, incurred by that Person in respect of Indebtedness of any other Person, and (e) any other investment by that Person in any other Person.

The amount of any Investment shall be the original principal or capital amount thereof less all returns of principal or capital thereon and shall, if made by the transfer or exchange of property other than cash, be deemed to have been made in an original principal or capital amount equal to the fair market value of such property at the time of such Investment.

" Lender Assignment Agreement " means an assignment and assumption agreement substantially in the form of Exhibit C hereto.

" Lenders " as defined in the preamble, and for purposes of the Security Documents, each Person (other than the Borrower or any Subsidiary of the Borrower) which is entitled to the benefits of Section 10.19 of this Agreement.

" Lender's Environmental Liability " means any and all losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, costs, response action costs,

judgments, suits, proceedings, damages, (including natural resources damages and consequential damages), disbursements or expenses of any kind or nature whatsoever (including reasonable attorneys' fees at trial and appellate levels and experts' fees and disbursements and expenses incurred in investigating, defending against or prosecuting any litigation, claim or proceeding) that may at any time be imposed upon, incurred by or asserted or awarded against Agent, any Lender or any of such Person's Affiliates, shareholders, directors, officers, employees, and agents in connection with or arising from:

(a) any Hazardous Material on, in, under or affecting all or any portion of any property of the Borrower or any of its Subsidiaries or the groundwater thereunder to the extent caused by Releases from the Borrower's or any of its Subsidiaries' or any of their respective predecessors' properties or any surrounding areas thereof;

(b) any misrepresentation, inaccuracy or breach of any warranty, contained or referred to in Section 6.12;

(c) any violation or claim of violation by the Borrower or any of its Subsidiaries of any Environmental Laws; or

(d) the imposition of any Lien for damages (including natural resources damages) caused by, or the recovery of any costs (including response action costs) with respect to, the cleanup, release or threatened release of Hazardous Material by the Borrower or any of its Subsidiaries, or in connection with any property owned or formerly owned by the Borrower or any of its Subsidiaries.

" Lien " means any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), privilege, charge against or security interest in property, or other priority or preferential arrangement of any kind or nature whatsoever, including any conditional sale or title retention arrangement, any Capitalized Lease Liability and any assignment, deposit arrangement or financing lease intended as security.

" Loans " means the loans made by the Lenders pursuant to this Agreement; each a " Loan ".

" Loan Commitment " means, relative to any Lender, such Lender's obligation (if any) to make Loans pursuant to Section 2.1.1.

" Loan Commitment Termination Date " means the earliest of

(a) March 31, 2015; and

(b) the date on which any Commitment Termination Event occurs.

Upon the occurrence of any event described above, the Loan Commitments shall terminate automatically and without any further action.

" Loan Documents " means, collectively, this Agreement, the Notes, each Hedging Agreement between the Borrower (or a Subsidiary thereof if permitted by Section 7.2.19) and

any Approved Counterparty that is or was a Lender or an Affiliate thereof at the time such Approved Counterparty entered into such Hedging Agreement, each Security Document, each Guaranty, each Borrowing Request, and each other agreement, certificate, document or instrument delivered in connection with any Loan Document, whether or not specifically mentioned herein or therein.

" Material Adverse Effect " means, in light of all circumstances prevailing at the time, a material adverse effect on (a) the business, assets, condition (financial or otherwise), operations, performance, properties or prospects (including business and financial prospects) of the Borrower or the Borrower and its Subsidiaries taken as a whole, (b) the rights and remedies of any Secured Party under any Loan Document or the ability of any Lender to enforce or collect any of the Obligations, (c) the ability of any Obligor to perform its Obligations under any Loan Document or under any other Indebtedness or other material contract or agreement to which it is a party, (d) the legality, validity or enforceability of this Agreement or any other Loan Document or (e) the validity, perfection or priority of Liens with respect to any material portion of the Collateral in favor of the Agent for the benefit of the Secured Parties.

" Material Contract " means, with respect to any Person, each contract or agreement to which such Person or any of its Subsidiaries is a party involving aggregate consideration payable to or by such Person or such Subsidiary of $500,000 or more.

" Moody's " means Moody's Investors Service, Inc.

" Mortgage " means each mortgage, deed of hypothecation, debenture, pledge, deed of trust or agreement executed and delivered by any Obligor in favor of the Agent for itself and as agent for the benefit of the Secured Parties pursuant to the requirements of this Agreement in form and substance reasonably satisfactory to the Agent, under which a Lien is granted on the real property and fixtures described therein, in each case as amended, supplemented, amended and restated or otherwise modified from time to time.

" Mortgaged Properties " is defined in Section 7.1.1(m).

" Net Income " means, for any period, the aggregate of all amounts that would be included as net income (or loss) on the consolidated financial statements of the Borrower and its Subsidiaries for such period, but shall exclude effects on net income attributable to any current non-cash income or expense (including in respect of Hedging Agreements) described in or calculated pursuant to the requirements of Statement of Financial Accounting Standards 133 and 143, in each case as amended (provided that, for the avoidance of doubt, the calculation of Net Income shall include any income or expense in respect of the termination of any Hedging Agreement).

" Net Profits Interest " (which may be referred to herein as the " NPI ") means the overriding royalty interest in the Borrower Properties purchased, acquired and owned by Centaurus pursuant to that certain Net Profits Interest Conveyance and Agreement dated and effective on or about the date hereof, by and between Radiant Acquisitions 1, L.L.C., as Assignor, and Centaurus Capital LP, as Assignee, (the " NPI Conveyance ") setting forth the rights, duties and obligations of Assignor and Assignee therein.

" Net Profits Interest Payment " means any payment by Borrower of the Net Profits Interest pursuant to Section 3.1.2(d).

" No Less Favorable Terms and Conditions " means, with respect to any refinancing of any Indebtedness permitted hereunder, terms and conditions that are, taken as a whole, no less favorable to the Lenders and evidenced by documentation that shall not (a) increase the principal amount of or interest rate on such outstanding Indebtedness, (b) reduce either the tenor or the average life of such Indebtedness, (c) change the respective primary obligor(s) on the refinancing Indebtedness, (d) change the security, if any, for the refinancing Indebtedness (except to the extent that only a subset of existing security is granted to holders of such refinancing Indebtedness) or (e) afford the holders of such refinancing Indebtedness other covenants, defaults, rights or remedies, taken as a whole, more burdensome to the obligor(s) than those contained in such Indebtedness.

" Non-Excluded Taxes " means any Taxes other than net income and franchise Taxes imposed with respect to any Secured Party by any Governmental Authority under the laws of which such Secured Party is organized or in which it maintains its applicable lending office.

" Non-U.S. Lender " means any Lender that is not a "United States person", as defined under Section 7701(a)(30) of the Code.

" Note " means each Senior Secured Note, substantially in the form of Exhibit A hereto, delivered by Borrower to a Lender to record the obligation of Borrower for payment in respect of each Loan under this Agreement.

" NYMEX " means the New York Mercantile Exchange.

" Obligations " means all obligations (monetary or otherwise, whether absolute or contingent, matured or unmatured) of the Borrower and each other Obligor arising under or in connection with a Loan Document, including (a) the principal of and premium, if any, and interest (including interest accruing (or which would have accrued) during the pendency of any proceeding of the type described in Section 8.1.9, whether or not allowed in such proceeding) on the Loans and all other obligations, indebtedness and liabilities of the Borrower and each other Obligor to the Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Lender that are required to be paid by the Borrower pursuant hereto) or otherwise, and (b) all other obligations, indebtedness and liabilities of any kind or character of the Borrower and each other Obligor, and each of them, to the Lenders, whether direct or indirect, absolute or contingent, due or to become due, which are related to this Agreement or any of the transactions connected herewith. For sake of clarity, the Obligations shall include all Hedging Obligations of the Borrower (or, to the extent this Agreement is subsequently modified to permit hedging arrangements with a Subsidiary of the Borrower to be secured by Collateral, such Subsidiary) in respect of transactions under Hedging Agreements entered into with any Lender or Affiliate of any Lender at the time such Lender is a

Lender hereunder. Notwithstanding the foregoing, with respect to any Obligor (other than the Borrower), the term "Obligations" shall not include Excluded Swap Obligations.

" Obligor " means, as the context may require, the Parent, the Borrower, each of its Subsidiaries that is obligated under any Loan Document.

" OID " means the original issue discount with respect to the Loans under this Agreement of two percent (2%), pursuant to which, as set forth in Section 2.1.1, the total aggregate Loan Commitment of the Lenders shall be limited to $39,788,000 and the total amount of principal to be repaid by the Borrower with respect thereto would be $40,600,000.

" Oil and Gas Properties " means (a) Hydrocarbon Interests; (b) the Properties now or hereafter pooled or unitized with Hydrocarbon Interests; (c) all presently existing or future unitization, pooling agreements and declarations of pooled units and the units created thereby (including without limitation all units created under orders, regulations and rules of any Governmental Authority) that may affect all or any portion of the Hydrocarbon Interests; (d) all operating agreements, contracts and other agreements, including production sharing contracts and agreements, that relate to any of the Hydrocarbon Interests or the production, sale, purchase, exchange or processing of Hydrocarbons from or attributable to such Hydrocarbon Interests; (e) all Hydrocarbons in and under and that may be produced and saved or attributable to the Hydrocarbon Interests, including all oil in tanks, and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Hydrocarbon Interests; (f) all tenements, hereditaments, appurtenances and Properties in any manner appertaining, belonging, affixed or incidental to the Hydrocarbon Interests; (g) any and all rights to geological and geophysical data, surveys, seismic data and other information beneficial to the Hydrocarbon Interests and (h) all Properties, rights, titles, interests and estates described or referred to above, including any and all Property, real or personal, now owned or hereinafter acquired and situated upon, used, held for use or useful in connection with the operating, working or development of any of such Hydrocarbon Interests or Property (excluding drilling rigs, automotive equipment, rental equipment or other personal Property that may be on such premises for the purpose of drilling a well or for other similar temporary uses) and including any and all oil wells, gas wells, injection wells or other wells, buildings, structures, fuel separators, liquid extraction plants, plant compressors, pumps, pumping units, field gathering systems, tanks and tank batteries, fixtures, valves, fittings, machinery and parts, engines, boilers, meters, apparatus, equipment, appliances, tools, implements, cables, wires, towers, casing, tubing and rods, surface leases, rights-of-way, easements and servitudes, together with all additions, substitutions, replacements, accessions and attachments to any and all of the foregoing.

" OPA " means the Oil Pollution Act of 1990, as amended.

" Operator " means as the context may require, any Person which is the operator of any Oil and Gas Properties belonging to the Borrower or any of its Subsidiaries.

" Organic Document " means, relative to any Obligor, as applicable, its certificate or articles of incorporation, articles and memorandum of association, by-laws, certificate of partnership, partnership agreement, certificate of formation, limited liability agreement, operating agreement and similar or comparable agreement or certificate, and all shareholder

agreements, voting trusts and similar arrangements applicable to any of such Obligor's Capital Securities.

" Other Taxes " means any and all stamp, documentary or similar Taxes, or any other excise or property Taxes or similar levies that arise on account of any payment made or required to be made under any Loan Document or from the execution, delivery, registration, recording or enforcement of, or otherwise with respect to, any Credit Extension or any Loan Document.

" Parent " means Radiant Oil & Gas, Inc., a Nevada corporation.

" Parent Guaranty " means the Limited Recourse Guaranty executed and delivered by the Parent, substantially in the form of Exhibit E hereto, as amended, supplemented, amended and restated or otherwise modified from time to time.

" Parent Pledge Agreement " means the First Lien Pledge Agreement and Irrevocable Proxy executed and delivered by the Parent, substantially in the form of Exhibit F-2 hereto, as amended, supplemented, amended and restated or otherwise modified from time to time.

" Participant " is defined in clause (d) of Section 10.11. " Participant Register " is defined in clause (e) of Section 10.11.

" PATRIOT Act " means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended and supplemented from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

" PBGC " means the Pension Benefit Guaranty Corporation and any Person succeeding to any or all of its functions under ERISA.

" Pension Plan " means a "pension plan", as such term is defined in Section 3(2) of ERISA, that is subject to Title IV of ERISA (other than a multiemployer plan as defined in Section 4001(a)(3) of ERISA), and to which the Borrower or any corporation, trade or business that is, along with the Borrower, a member of a Controlled Group, may have liability, including any liability by reason of having been a substantial employer within the meaning of Section 4063 of ERISA at any time during the preceding five years, or by reason of being deemed to be a contributing sponsor under Section 4069 of ERISA.

" Percentage " means, relative to any Lender, the percentage determined as provided in Schedule III hereto, as such percentage may be adjusted from time to time pursuant to any applicable Lender Assignment Agreement executed by such Lender and its Assignee Lender and delivered pursuant to Section 10.11. A Lender shall not have any Loan Commitment if its Percentage is zero.

" Permitted Unsecured Debt Documents " means one or more indentures, note purchase agreements, credit agreements or similar financing documents governing the issuance of Permitted Unsecured Indebtedness.

" Permitted Unsecured Indebtedness " shall have the meaning set forth in Section 7.2.2(i) of this Agreement.

" Person " means any natural person, corporation, limited liability company, partnership, limited partnership, joint venture, association, trust or unincorporated organization, Governmental Authority or any other legal entity, whether acting in an individual, fiduciary or other capacity.

" Pricing Assumptions " means the forward price decks and other pricing assumptions generally reflective of market conditions provided by Lender (generally the NYMEX pricing adjusted for basis and liquidity), as may be amended from time to time by the Agent by providing 5 days' notice to the Borrower. The Pricing Assumptions as of the Effective Date are set forth on Schedule VI hereto.

" Proceeds Account " is defined in Section 7.1.10.

" Property " means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including, without limitation, cash, securities, accounts and contract rights.

" Proved Developed Nonproducing Reserves " means Proved Reserves which are categorized as both "Developed" and "Nonproducing" in the Reserve Definitions.

" Proved Developed Producing Reserves " means Proved Reserves which are categorized as both "Developed" and "Producing" in the Reserve Definitions.

" Proved Reserves " means "Proved Reserves" as defined in the Reserve Definitions.

" Proved Undeveloped Reserves " means Proved Reserves which are categorized as "Undeveloped" in the Reserve Definitions.

" PV-10 Value " means, with respect to applicable Oil and Gas Properties of the Borrower constituting Proved Reserves or other applicable sub-set of Proved Reserves (if specified), the present value of the estimated net cash flow to be realized from the production of Hydrocarbons from all such Oil and Gas Properties discounted at 10 percent.

" PV-15 Value " means, with respect to applicable Oil and Gas Properties of the Borrower constituting Proved Reserves or other applicable sub-set of Proved Reserves (if specified), the present value of the estimated net cash flow to be realized from the production of Hydrocarbons from all such Oil and Gas Properties discounted at 15 percent.

" RCRA " means the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901, *et seq.* , as amended

" Register " is defined in clause (a) of Section 2.5.

" Release " means a "release", as such term is defined in CERCLA or any release, threatened release, spill, emission, leaking, pumping, pouring, emitting, emptying, escape, injection, deposit, disposal, discharge, dispersal, dumping, leaching or migration of Hazardous Material in the indoor or outdoor environment, including the movement of Hazardous Material through or in the air, soil, surface water, ground water or property.

" Reliable Reserves Insurer " means XL Insurance (Bermuda) Ltd.

" Reliable Reserves Policy " means that certain insurance policy, in form and substance of Exhibit L attached hereto and satisfactory to the Agent, with the Lenders as the beneficiary, insuring the value of Covered Properties (as described in the Initial Reserve Report) in the event of an Event of Default resulting in the sale of Collateral.

" Replacement Lender " is defined in Section 4.1(g). " Replacement Notice " is defined in Section 4.1(g).

" Required Lenders " means, at any time, Lenders holding not less than 67% of the Total Exposure Amount of all Lenders.

" Reserve Definitions " means (a) the Definitions for Oil and Gas Reserves promulgated by the Society of Petroleum Engineers (or any generally recognized successor) as in effect at the time in question and (b) the SEC's definitions as found in Part 210—Form and Content of and Requirements for Financial Statements, Securities Act of 1933, Securities Exchange Act of 1934, Public Utility Holding Company Act of 1935, Investment Company Act of 1940, Investment Advisers Act of 1940, and Energy Policy and Conservation Act of 1975, under Rules of General Application § 210.4-10 Financial accounting and reporting for oil and gas producing activities pursuant to the Federal securities laws and the Energy Policy and Conservation Act of 1975; provided , however , that, to the extent there is a conflict between any applicable definitions therein, or the details related to such applicable definitions are materially different, then "Reserve Definitions" means the definitions described in (a).

" Reserve Report " means the Initial Reserve Report and each other report setting forth, as of each December 31 st and June 30 th (or such other date as required pursuant to Section 7.1.1 and the other provisions of this Agreement), the oil and gas reserves attributable to the Oil and Gas Properties of the Borrower and its Subsidiaries, together with a projection of the rate of production and future net income, severance and ad valorem taxes, operating expenses and capital expenditures with respect thereto as of such date, consistent with SEC reporting requirements at the time, provided that each such report hereafter delivered must (a) separately report on the Proved Developed Producing Reserves, Proved Developed Nonproducing Reserves and Proved Undeveloped Reserves of the Borrower and its Subsidiaries, (b) take into account the Borrower's actual experiences with leasehold operating expenses and other costs in determining projected leasehold operating expenses and other costs, (c) identify and take into account any "overproduced" or "under-produced" status under gas balancing arrangements, (d) use the Pricing Assumptions for all future projections and (e) contain information and analysis

comparable in scope to that contained in the Initial Reserve Report except that there shall be no requirement to include any information regarding probable and possible reserves, any field descriptions, or other information other than the numerical output from the proved reserve calculations and summary information to the satisfaction of the Agent.

" Restricted Payment " means (a) the declaration or payment of any dividend (other than dividends payable solely in Capital Securities of the Borrower or any Subsidiary) on, or the making of any payment or distribution on account of, or setting apart assets for a sinking or other analogous fund for the purchase, redemption, defeasance, retirement or other acquisition of, any class of Capital Securities of the Borrower or any Subsidiary or any warrants, options or other right or obligation to purchase or acquire any such Capital Securities, whether now or hereafter outstanding or (b) the making of any other distribution in respect of such Capital Securities, in each case either directly or indirectly, whether in cash, property or obligations of the Borrower or any Subsidiary or otherwise.

" Revenue " shall mean the revenue and/or proceeds attributable to the Borrower Properties including, without limitation:

(a) proceeds received by Borrower from the sale of Hydrocarbons;

(b) advance payments, prepayments, and other sums representing compensation to Borrower for Hydrocarbons produced from the Borrower Properties prior to the time of actual production;

(c) recoupable take-or-pay payments at the time when the gas purchaser received the recoupment gas;

(d) amount representing direct, actual damages received by Borrower in connection with a judgment in or settlement of a dispute related to the amount of the proceeds from the sale of production actually owned by the purchaser of the production; and

(e) any and all other income received as a result of, or in relation to, negotiations or contracts for the sale of Hydrocarbons that may be produced and saved from the Borrower Properties or from lands pooled therewith.

" S&P " means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc.

" SEC " means the Securities and Exchange Commission and any Person succeeding to any or all of its functions.

" Secured Parties " means, collectively, (a) the Lenders, (b) the Agent, and (c) each Approved Counterparty to a Hedging Agreement with the Borrower (or a Subsidiary thereof if permitted by Section 7.2.19) that is or was a Lender or an Affiliate thereof at the time such Approved Counterparty entered into such Hedging Agreement (provided that such Approved Counterparty is a Secured Party only for purposes of each such Hedging Agreement so entered into and not for Hedging Agreements entered into after such Approved Counterparty

ceased to be a Lender or Affiliate thereof), and in each case each of their respective successors, transferees and assigns.

" Security Agreement " means the Parent Pledge Agreement, the Borrower Pledge and Security Agreement and each Subsidiary Pledge and Security Agreement, substantially in the form of Exhibits F-1 or F-2 hereto (as the case may be), together with any other pledge or security agreements delivered pursuant to the terms of this Agreement, in each case as amended, supplemented, amended and restated or otherwise modified from time to time.

" Security Documents " means each Mortgage, each Security Agreement, each Guaranty, each Control Agreement delivered pursuant to the terms of the Loan Documents, the Reliable Reserves Policy and all other security agreements, deeds of trust, mortgages, chattel mortgages, pledges, guaranties, control agreements, financing statements, continuation statements, extension agreements and other agreements or instruments, supplements, amendments or other modifications to any of the foregoing now, heretofore, or hereafter delivered to the Agent in connection with this Agreement or any transaction contemplated hereby to secure or guarantee the payment of any part of the Obligations or the performance of any Obligor's other duties and obligations under the Loan Documents.

" Solvent " means, with respect to any Person and its Subsidiaries on a particular date, that on such date (a) the fair value of the property of such Person and its Subsidiaries on a consolidated basis is greater than the total amount of liabilities, including Contingent Liabilities, of such Person and its Subsidiaries on a consolidated basis, (b) the present fair salable value of the assets of such Person and its Subsidiaries on a consolidated basis is not less than the amount that will be required to pay the probable liability of such Person and its Subsidiaries on a consolidated basis on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it or its Subsidiaries will, incur debts or liabilities beyond the ability of such Person and its Subsidiaries to pay as such debts and liabilities mature, (d) the realizable value of such Person's assets is equal to or greater than the aggregate of its liabilities and stated capital of all classes of Capital Securities, (e) such Person and its Subsidiaries on a consolidated basis is not engaged in a business or a transaction, and such Person and its Subsidiaries on a consolidated basis is not about to engage in a business or a transaction, for which the property of such Person and its Subsidiaries on a consolidated basis would constitute unreasonably small capital and (f) such Person and its Subsidiaries on a consolidated basis are generally able to pay their debts and obligations as they become due. The amount of Contingent Liabilities at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such time, can reasonably be expected to become an actual or matured liability.

" Stated Maturity Date " means September 30, 2018.

" Subsidiary " means, with respect to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or

more intermediaries, or both, by such Person. Unless the context otherwise specifically requires, the term "Subsidiary" shall be a reference to a Subsidiary of the Borrower.

" Subsidiary Guarantor " means each Subsidiary that has executed and delivered to the Agent a Subsidiary Guaranty (including by means of a delivery of a supplement thereto).

" Subsidiary Guaranty " means any guaranty executed and delivered by an Authorized Officer of each Subsidiary pursuant to the terms of this Agreement, substantially in the form of Exhibit E hereto or otherwise in form and substance reasonable to the Agent, as amended, supplemented, amended and restated or otherwise modified from time to time.

" Subsidiary Pledge and Security Agreement " means the First Lien Pledge and Security Agreement and Irrevocable Proxy executed and delivered by each Subsidiary Guarantor, substantially in the form of Exhibit F-1 hereto, together with any other pledge or security agreements delivered pursuant to the terms of this Agreement, in each case as amended, supplemented, amended and restated or otherwise modified from time to time.

" Synthetic Lease " means, as applied to any Person, any lease (including leases that may be terminated by the lessee at any time) of any property (whether real, personal or mixed) (a) that is not a capital lease in accordance with GAAP and (b) in respect of which the lessee retains or obtains ownership of the property so leased for federal income tax purposes, other than any such lease under which that Person is the lessor.

" Target Principal Amortization " shall be the target principal amortization for the Loans as set forth on Schedule IV hereto.

" Taxes " means all taxes, duties, levies, imposts, charges, assessments, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, and all interest, penalties or similar liabilities with respect thereto.

" Tax Related Person " means any Person (including a beneficial owner of an interest in a pass-through entity) whose income is realized through or determined by reference to the Agent, a Lender or Participant or any Tax Related Person of any of the foregoing.

" Termination Date " means the date that all Obligations have been paid in full in cash, all Hedging Agreements have been terminated and all Commitments shall have terminated.

" Terrorism Laws " means any of the following (a) the Executive Order, (b) the Terrorism Sanctions Regulations (Title 31 Part 595 of the U.S. Code of Federal Regulations), (c) the Terrorism List Governments Sanctions Regulations (Title 31 Part 596 of the U.S. Code of Federal Regulations), (d) the Foreign Terrorist Organizations Sanctions Regulations (Title 31 Part 597 of the U.S. Code of Federal Regulations), (e) the PATRIOT Act, (f) all other present and future legal requirements of any Governmental Authority addressing, relating to, or attempting to eliminate, terrorist acts and acts of war and (g) any regulations promulgated pursuant thereto or pursuant to any legal requirements of any Governmental Authority governing terrorist acts or acts of war.

" Total Exposure Amount " means, on any date of determination (and without duplication), the sum of the outstanding principal amount of all Loans and the unfunded amount of the Commitments.

" Treasury Note Reference Rate " means the current yield on United States Government Treasury Notes with a maturity closest to the Stated Maturity Date, as determined by Lender in its sole and absolute discretion.

" UCC " means the Uniform Commercial Code as in effect from time to time in the State of Texas; provided that, if, with respect to any Filing Statement or by reason of any provisions of law, the perfection or the effect of perfection or non-perfection or priority of the security interests granted to the Agent pursuant to the applicable Loan Document is governed by the Uniform Commercial Code as in effect in a jurisdiction of the United States other than Texas, then "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions of each Loan Document and any Filing Statement relating to such perfection or effect of perfection or non-perfection or priority.

" United States " or " U.S. " means the United States of America, its fifty states and the District of Columbia.

" Welfare Plan " means a "welfare plan", as such term is defined in Section 3(1) of ERISA.

" Working Interests " means those certain leasehold interests owned by Borrower in the Borrower Properties, more particularly described on Schedule V.

Section 1.2 Use of Defined Terms . Unless other wise defined or the context otherwise requires, terms for which meanings are provided in this Agreement shall have such meanings when used in each other Loan Document and the Disclosure Schedule and other schedules and exhibits hereto and thereto.

Section 1.3 Cross-References and Other Provisions Relating to T erms . Unless otherwise specified, (a) references in a Loan Document to any Article or Section are references to such Article or Section of such Loan Document, and references in any Article, Section or definition to any clause are references to such clause of such Article, Section or definition; (b) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement; (c) the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined; (d) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms; (e) any reference herein to any Person shall be construed to include such Person's successors and assigns, provided such successors and assigns are permitted by the Loan Documents; (f) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), (g) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (h) any affirmative or negative covenant binding on the Borrower shall also

bind the Subsidiaries of the Borrower and any representation or warranty made by or with respect to the Borrower shall include the Borrower's Subsidiaries.

Section 1.4 Amendment of Defined Instruments. Unless the context otherwise requires or unless otherwise provided herein the terms defined in this Agreement that refer to a particular agreement, instrument or document also refer to and include all renewals, extensions, modifications, amendments and restatements of such agreement, instrument or document in accordance with the Loan Documents, provided that nothing contained in this section shall be construed to authorize any such renewal, extension, modification, amendment or restatement.

Section 1.5 Accounting and Financial Determinations. (a) Unless otherwise specified, all accounting terms used in each Loan Document shall be interpreted, and all accounting determinations and computations thereunder shall be made, in accordance with GAAP. Unless otherwise expressly provided, all financial covenants and defined financial terms shall be computed on a consolidated basis for the Borrower and its Subsidiaries, in each case without duplication.

(b) As of any date of determination, for purposes of determining any applicable financial calculations required to be made or included hereunder, such financial calculations shall include or exclude, as the case may be, the effect of any domestic assets or businesses that have been acquired or Disposed of by the Borrower or any of its Subsidiaries pursuant to the terms hereof (including through mergers or consolidations) as of such date of determination, as determined by the Borrower on a *pro forma* basis in accordance with GAAP.

(c) If at any time any change in GAAP w ould affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Agent, the Lenders and Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

ARTICLE 2

COMMITMENTS, BORROWING PROCEDURES, NOTES

Section 2.1 Commitments. On the terms and subject to the conditions of this Agreement, the Lenders severally agree to make Credit Extensions as set forth below.

Section 2.1.1 Loan Commitment. (a) On the Effective Date (subject to the terms of Article 5 hereof) and thereafter on any Business Day within the last seven (7) days of a calendar month (but, in any case, only once in each calendar month) but prior to the Loan Commitment Termination Date, each Lender severally agrees that it will make loans (relative to such Lender, its " Loans ") to the Borrower in an aggregate amount equal to such Lender's

Percentage of the aggregate amount of (x) each Borrowing of Loans requested by the Borrower pursuant to a Borrowing Request made in accordance with the terms of Section 2.3 *less* (y) the amount of OID attributable to such Lender's Percentage of such Borrowing of Loans (thus, (i) the maximum aggregate commitment of the Lenders to advance Loans under this Agreement shall be $39,788,000, and the maximum aggregate principal amount to be repaid by the Borrower in respect thereof is $40,600,000 and (ii) for any given Loan, the amount of funds advanced by any Lender shall be ninety-eight percent (98%) of the amount of principal required to be repaid by the Borrower in respect of such Loan). The Borrowing of Loans on the Effective Date shall be in an amount of Lender advanced funds of $26,975,428, with the principal amount to be repaid by the Borrower in respect of such Borrowing to be $27,525,947. The Loans disbursed on the Effective Date shall be disbursed in accordance with Schedule VII attached hereto.

(b) Subject t o the terms and conditions hereof, including those set forth in clause (a) of this Section 2.1.1, the Borrower may from time to time borrow Loans; provided , however , that no Lender shall be permitted or required to make any Loan if, after giving effect thereto, (i) such Lender's Credit Exposure would exceed such Lender's Percentage of the then- existing Commitment Amount or (ii) the aggregate Credit Exposures of all Lenders would exceed the then-existing Commitment Amount.

(c) Amounts borrowed (pursua nt to the Lenders' Loan Commitments hereunder) and repaid may not be reborrowed.

Section 2.2 Termination of Commitments and Reduction of the Commitment Amounts . Unless previously terminated, the Loan Commitment shall terminate on the Loan Commitment Termination Date and on such date the Commitment Amount shall be zero.

Section 2.3 Borrowing Procedure . Subject to the term s and provisions hereof, the Borrower may borrow the Loans in several advances, provided, however, that other than in respect of advances made on the Effective Date (subject to the terms of Article 5 hereof) advances will be made only once per calendar month. Except for the Loans to be made on the Effective Date, in regards to Borrower's desire to borrow Loans, the Borrower shall deliver a Borrowing Request to the Agent and the Lenders on or before noon, Houston, Texas time, on a Business Day, at least five (5) Business Days prior to the date on which the Borrower requests disbursement for such respective Loan(s). Each Borrowing of Loans requested by the Borrower hereunder must be in a minimum amount of $1,000,000 and in an integral multiple of $1,000,000 (prior to reduction in respect of OID of the amount of the advance in regards to any such applicable Borrowing) or, as applicable, in the unused amount of the Loan Commitment. No Loans may be advanced when any Default or Event of Default has occurred and is continuing. Each such irrevocable request may be made by telephone to the Agent confirmed promptly by hand delivery, electronic mail or facsimile to the Agent and the Lenders of the applicable Borrowing Request. On the terms and subject to the conditions of this Agreement, each Borrowing shall be made on the applicable Business Day on which the Borrower requested the Borrowing to occur. Each Borrowing shall be made by the Lenders by advancing their respective Loan into the Depositary Account and/or, at the discretion of the Agent, by advancing a portion or all of such respective Loan into the Blocked Account on such date before noon, Houston, Texas time (provided , however , that such amount shall be less the amount of OID applicable

thereto as described in Section 2.1.1 above). No Lender's obligation to make any Loan shall be affected by any other Lender's failure to make any Loan. For each Loan, the Borrower authorizes and directs the Lenders to make the proceeds of such Loan available to the Borrower by transferring such proceeds in immediately available funds to the Depositary Account and, as applicable, the Blocked Account, provided that the Lender may deduct from such proceeds any unpaid costs and expenses (including attorneys' fees) and other amounts that are to be paid by the Borrower to such respective Lender under the Loan Documents.

Secti on 2.4 Blocked Account . Notwithstanding anything to the contrary herein, the Agent may, at its discretion, provide for the Loans to be made by the Lenders in respect to any Borrowing hereunder to be advanced into the Blocked Account. Subject to the terms of and conditions of this Agreement, amounts held as a balance in the Blocked Account shall be subject to release therefrom from time to time upon delivery by the Borrower to the Agent of a Blocked Account Release Request on or before noon, Houston, Texas time, on at least one (1) Business Day prior to the date on which the Borrower requests disbursement from the Blocked Account. No amounts shall be released or disbursed from the Blocked Account when any Default or Event of Default has occurred and is continuing. Delivery of a Blocked Account Release Request may be made by hand delivery, electronic mail or facsimile to the Agent.

Section 2.5 Register; Notes . The R egister shall be maintained on the following terms.

(a) The Borrower hereby designates the Agent to serve as the Borrower's agent, solely for the purpose of this clause, to maintain a register (the " Register ") on which the Agent will record each Lender's Commitments, the Loans made by each Lender and each repayment in respect of the principal amount of the Loans, annexed to which the Agent shall retain a copy of each Lender Assignment Agreement delivered to the Agent pursuant to Section 10.11. Failure to make any recordation, or any error in such recordation, shall not affect any Obligor's Obligations. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Agent and the Lenders shall treat each Person in whose name a Loan is registered as the owner thereof for the purposes of all Loan Documents, notwithstanding notice or any provision herein to the contrary. Any assignment or transfer of a Commitment or the Loans made pursuant hereto shall be registered in the Register only upon delivery to the Agent of a Lender Assignment Agreement that has been executed by the requisite parties pursuant to Section 10.11. No assignment or transfer of a Lender's Commitment or Loans shall be effective unless such assignment or transfer shall have been recorded in the Register by the Agent as provided in this Section.

(b) The Borrower agrees that, upon the request of any Lender, the Borrower will execute and deliver to such Lender a Note evidencing the Loans made by, and payable to the order of, such Lender in a maximum principal amount equal to such Lender's Percentage of the applicable Commitment Amount. The Borrower hereby irrevocably authorizes each Lender to make (or cause to be made) appropriate notations on the grid attached to such Lender's Note (or on any continuation of such grid), which notations, if made, shall evidence, *inter alia* , the date of and the outstanding principal amount of the Loans evidenced thereby. Such notations shall, to the extent not inconsistent with notations made by the Agent in the

Register, be conclusive and binding on each Obligor absent manifest error; provided that, the failure of any Lender to make any such notations shall not limit or otherwise affect any Obligations of any Obligor.

ARTICLE 3

REPAYMENTS, PREPAYMENTS, INTEREST AND FEES

Secti on 3.1 Repayments and Prepayments; Application . The Borrower agrees that the Loans shall be repaid and prepaid pursuant to the following terms.

Section 3.1.1 Prepayments . Prior to the respective Stated Maturity Date thereof, prepayments of the Loans shall or may be made as set forth below.

(a) At any time on or prior to the third anniversary of the Effective Date, the Borrower may make no voluntary prepayments of principal or interest under this Agreement, without paying the Lenders all amounts due pursuant to this clause (a) in connection with any voluntary prepayment. With respect to any such prepayment prior to such third anniversary, the Borrower shall in addition, and at such time, pay to each respective Lender of such Loan(s) to be prepaid that amount which is the total amount of interest which would have accrued under Section 3.2.1 upon all such principal amounts being prepaid for that period extending from such prepayment date until such third (3 rd) anniversary (assuming such principal being prepaid would be repaid in accordance with the schedule of Target Principal Amortization) discounted at the then prevailing Treasury Note Reference Rate. All prepayments under this clause (a) shall be accompanied by accrued and unpaid interest on the principal amount to be prepaid to but excluding the date of payment.

(b) At any time following the third anniversary of the Effective Date, the Borrower may, upon at least five (5) Business Days' prior written notice (which notice shall specify the date and amount of prepayment) to the Agent and Lenders make optional prepayments of Loan(s), in whole or in part, without premium or penalty, but with accrued and unpaid interest to the date of such prepayment on the amount of principal prepaid; provided that each partial prepayment shall be in a principal amount not less than $1,000,000 and in an integral multiple of $1,000,000. Each such notice shall be irrevocable and shall commit the Borrower to prepay Loan (s) by the amount stated therein on the date stated therein; provided that a notice of prepayment may state that such notice is conditioned upon the effectiveness of other credit facilities and funding thereunder, in which case such notice may be revoked by the Borrower (by notice to the Agent on or prior to the specified effective date) if such condition is not satisfied.

(c) Notwithstanding clauses (a) and (b) of this Section 3.1.1, those payments made pursuant to the application of the Waterfall in Section 3.1.2 shall neither be subject to any prepayment penalty nor the limitation on prepayments in clause (b) above.

(d) The Borrower shall be obligated to make such prepayment on the date it or any Subsidiary receives cash proceeds as a result of any sale or Disposition under

Section 7.2.10(d); provided that all payments required to be made pursuant to this clause (d) must be made on or prior to the Termination Date.

(e) Immediately upon any acceleration of the Stated Maturity Date of any Loans pursuant to Section 8.2 or Section 8.3, the Borrower shall repay all the Loans, unless, pursuant to Section 8.3, only a portion of all the Loans is so accelerated (in which case the portion so accelerated shall be so repaid).

(f) Any prepayment of Loan(s) as required under clauses (d) and (e) of this Section 3.1.1 shall be subject to the terms of prepayment as provided under clause (a) hereof if such prepayment shall be made at any time on or prior to the third anniversary of the Effective Date.

(g) If, anyti me after June 30, 2014 (provided, however, that any Borrowing or release of funds from the Blocked Account after the Effective Date shall require the Borrower to be in compliance (and to certify in connection therewith) with the test set forth in this Section 3.1.1(g) (giving effect to such Borrowing or release of funds from the Blocked Account)), the sum of (i) the Borrower's mark-to-market value of its Hedging Agreements and (ii) the PV-10 Value of the sum of the Borrower's Proved Developed Producing Reserves and Proved Developed Nonproducing Reserves is an amount less than 150% of the Loans outstanding hereunder, then the Borrower shall, within sixty (60) days, prepay an amount of the Loans, together with accrued and unpaid interest thereon, in an amount to ensure the sum of the mark-to-market value of its Hedging Agreements and the PV-10 Value of the sum of its Proved Developed Producing Reserves and Proved Developed Nonproducing Reserves is equal to or greater than 150% of the Loans outstanding hereunder.

(h) If the sum of (i) the Borrower's mark-to-m arket value of its Hedging Agreements and (ii) the PV-15 Value of the Borrower's Proved Reserves is an amount less than 200% of the Loans outstanding hereunder, then the Borrower shall, within sixty (60) days, prepay an amount of the Loans, together with accrued and unpaid interest thereon, in an amount to ensure the sum of the mark-to-market value of its Hedging Agreements and the PV- 15 Value of its Proved Reserves is greater than or equal to 200% of the Loans outstanding hereunder. The Borrower shall be required to certify compliance with the test set forth in this Section 3.1.1(h) in connection with any Borrowing (giving effect to such Borrowing in regards to such certification) and any release of funds from the Blocked Account.

(i) The Borrower shall, immediately upon receipt thereof, use any amount(s) received in respect of the Reliable Reserves Policy, whether as proceeds related to the occurrence of an event, a return of premium or otherwise, to prepay the Loans (together with accrued and unpaid interest and any fees outstanding hereunder).

(j) Notwithstanding clauses (a) and (b) of this Section 3.1.1, those prepayments made pursuant to clauses (g) and (h) (only to the extent of the amount of the prepayment necessary to ensure compliance with clauses (g) and (h)) shall neither be subject to any prepayment penalty nor the limitation on prepayments in clause (b) above. Prepayments under clauses (g) and (h) shall be applied first to any costs, expenses or fees due under this

Agreement, second to accrued and unpaid interest on the outstanding principal amount of the Loans being repaid and third to the principal amount of the Loans outstanding hereunder.

Section 3.1.2 Payment; Waterfall . The Borrower shall repay in full the unpaid principal amount of each Loan on the Stated Maturity Date. Prior to repayment in full of the principal amount of each Loan on the Stated Maturity Date, or the applicable earlier prepayment (in accordance with the terms of Section 3.1.1 hereof) in full of such principal amount, on the last calendar day of each month during the term of this Agreement (or the first Business Day preceding such day, if such day is not a Business Day), the Borrower shall provide for the disbursement of amounts from the Depositary Account in accordance with the following priorities in payment (such payments from the Depositary Account, the " Waterfall "):

(a) *first* , t he Borrower shall pay Lenders any settlement amounts due, if any, related to Hedging Agreements to which any Lenders are a party;

(b) *second* , the B orrower shall pay the Lenders (i) interest accrued but unpaid on the outstanding principal amount of the Loans, (ii) the commitment fee calculated in accordance with Section 3.3.1, (iii) any unpaid Deferred Interest, and (iv) interest accrued (in accordance with Section 3.2.1) but unpaid on any Deferred Interest;

(c) *third* , the Borrower shall pay the Lenders the amount of outstanding principal such that Borrower will meet the Target Principal Amortization amount for such month and any additional amount necessary to meet cumulative Target Principal Amortization;

(d) *fourth* , the Borrower shall pay the Net P rofits Interest Payment;

(e) *fifth* , the Borrower may withdraw all or a portion of the remaining balance of the Depositary Account (after application of the payments in clauses (a)-(d)); provided , however , that the Borrower may not withdraw funds from the Depositary Account pursuant to this clause (e) after a Casualty Event unless and until the insurance proceeds from such Casualty Event have been used to repair or rebuild the affected property within the time permitted under this Agreement under Section 3.1.1(d) or the insurance proceeds have been used to satisfy the prepayment required under Section 3.1.1(d).

Notwithstanding anything in the NPI Conveyance to the contrary, after the Effective Date and continuing until the Termination Date, payments pursuant to Section 3.1.2(d) of the Waterfall shall satisfy and be deemed full payment of the Net Profits Interest. Upon the Termination Date and repayment in full of all Obligations under this Agreement, the Net Profits Interest shall be satisfied and paid by Borrower pursuant to the NPI Conveyance and the terms and conditions thereof.

Notwithstanding anything in the foregoing to the contrary, disbursements pursuant and under the Waterfall shall not be permitted during the continuation of any Default or Event of Default. Instead, during such continuation of any Default or Event of Default, the full amount of funds in the Depositary Account shall be paid to Lenders on the last calendar day of each month (or the first Business Day preceding such day, if such day is not a Business Day) and be applied to (i) first, to any settlement amounts due, if any, related to Hedging Agreements to which any

Lenders are a party, (ii) second, to accrued interest and, (iii) third, to outstanding principal amounts of the Loans. For the avoidance of doubt, the Depositary Account shall remain subject to any enforcement by Lender pursuant to Article 8.

Section 3.2 Interest Provisions. Interest on the outstanding principal amount of the Loans shall accrue and be payable in accordance with the terms set forth below.

S ection 3.2.1 Rates. The outstanding principal balance of the Loans (as may have been advanced from time to time) and any and all outstanding Deferred Interest shall bear interest at a per annum rate of twelve percent (12%); provided that, if an Event of Default shall have occurred and be continuing, all outstanding principal of and, to the fullest extent permitted by Applicable Law, all past due interest and any other past due amounts owing under this Agreement shall bear interest at a per annum rate which is the lesser of fifteen percent (15%) and the Highest Lawful Rate.

Section 3.2.2 Payment Dates. Interest accrued on each Loan shall be payable, without duplication:

(a) on the Stated Maturity Date therefor;

(b) on the date of any payme nt or prepayment, in whole or in part, of principal outstanding on such Loan on the principal amount so paid or prepaid; and

(c) monthly in accordance with the W aterfall as set forth in Section 3.1.2;

(d) on that portion of any Loans the Stated Maturity Date of which is accelerated pursuant to Section 8.2 or Section 8.3, immediately upon such acceleration.

Interest accrued on Loans or other monetary Obligations after the date such amount is due and payable (whether on the Stated Maturity Date, upon acceleration or otherwise) shall be payable upon demand.

Section 3.3 Fees. The Borrower agrees to pay the fees set forth bel ow. All such fees shall be non-refundable.

Section 3.3.1 Commitment Fee. The Borrower agrees to pay to the Agent for t he account of each Lender, for the period (including any portion thereof when any of its Commitments are suspended by reason of the Borrower's inability to satisfy any condition of Article V) commencing on the Effective Date and continuing through the Loan Commitment Termination Date, a commitment fee in an amount equal to the Applicable Commitment Fee Margin, in each case on such Lender's unadvanced portion of its Loan Commitment. All commitment fees payable pursuant to this Section shall be calculated monthly on a year comprised of 360 days and payable by the Borrower in arrears on each Waterfall payment date, commencing with the first Waterfall payment following the Effective Date, and ending on the Loan Commitment Termination Date.

ARTICLE 4

CERTAIN RATE PROVISIONS

Section 4.1 Taxes . The Borrower covenants and agrees as follows with respect to Taxes.

(a) Any and all payments by the Borrower and each other Obligor under each Loan Document shall be made without setoff, counterclaim or other defense, and free and clear of, and without deduction or withholding for or on account of, any Taxes. In the event that any Taxes are imposed and required to be deducted or withheld from any payment required to be made to or on behalf of any Secured Party under any Loan Document, then:

(i) subject to clause (f), if such Taxes are Non-Excluded Taxes, the Borrower and each Obligor shall increase the amount of such payment so that each Secured Party receives an amount sufficient to put it and its Tax Related Persons in the same after-Tax position they would have been in, after withholding and deduction and payment of all Taxes (including income Taxes) had no such deduction or withholding been made; and

(ii) the Borrower or the Agent (as applicable) shall withhold the full amount of such Taxes from such payment (as increased pursuant to clause (a)(i)) and shall pay such amount to the Governmental Authority imposing such Taxes in accordance with Applicable Law.

(b) In addition, the Borrower shall pay all Other Taxes imposed to the relevant Governmental Authority imposing such Other Taxes in accordance with Applicable Law.

(c) As promptly as practicable after the payment of any Taxes that the Borrower is required to pay on account of any payment made or required to be made under any Loan Document, and in any event within 45 days of any such payment being due, the Borrower shall furnish to the Agent an official receipt (or a certified copy thereof) or other proof of payment satisfactory to the Agent, acting reasonably, evidencing the payment of such Taxes or Other Taxes. The Agent shall make copies thereof available to any Lender upon request therefor.

(d) Subject to clause (f), the Borrower shall indemnify each Secured Party for any Non-Excluded Taxes and Other Taxes levied, imposed or assessed on (and whether or not paid directly by) such Secured Party whether or not such Non-Excluded Taxes or Other Taxes are correctly or legally asserted by the relevant Governmental Authority. In addition, the Borrower shall indemnify each Secured Party for any Taxes that may become payable by such Secured Party or its Tax Related Persons as a result of indemnification payments (net of any reduction in Taxes resulting from the losses being indemnified) or as a result of any failure of the Borrower to pay any Taxes when due to the appropriate Governmental Authority or to deliver to the Agent, pursuant to clause (c), documentation evidencing the payment of Taxes or Other Taxes. With respect to indemnification for Non-Excluded Taxes and Other Taxes actually paid by any Secured Party or the indemnification provided in the immediately

preceding sentence, such indemnification shall be made within 20 days after the date such Secured Party makes written demand therefor. The Borrower and each other Obligor acknowledges that any payment made to any Secured Party or to any Governmental Authority in respect of the indemnification obligations of the Borrower or other Obligor provided in this clause shall constitute a payment in respect of which the provisions of clause (a) and this clause shall apply.

(e) Each Non-U.S. Lender making Loans to the Borrower, on or prior to the date on which such Non-U.S. Lender becomes a Lender hereunder (and from time to time thereafter upon the request of the Borrower or the Agent, but only for so long as such non-U.S. Lender is legally entitled to do so), shall deliver to the Borrower and the Agent either (i) two duly completed copies of either (x) Internal Revenue Service Form W-8BEN or W-8IMY claiming eligibility of the Non-U.S. Lender for benefits of an income tax treaty to which the United States is a party or (y) Internal Revenue Service Form W-8ECI, or in either case an applicable successor form; (ii) in the case of a Non-U.S. Lender that is not legally entitled to deliver either form listed in clause (e)(i), (x) a certificate to the effect that such Non-U.S. Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a controlled foreign corporation receiving interest from a related person within the meaning of Section 881(c)(3)(C) of the Code (referred to as an " Exemption Certificate ") and (y) two duly completed copies of Internal Revenue Service Form W-8BEN, W-8EXP, W-8ECI or W-8IMY, as appropriate, or applicable successor form, or (iii) in the case of a Lender that is not a Non-U.S. Lender, two duly completed copies of Internal Revenue Service form W-9 or applicable successor form. Each Lender, Eligible Assignee or Participant, as the case may be, agrees to promptly notify the Borrower and the Agent of any change in circumstances that would modify or render invalid any claimed exemption or reduction. In addition, each Lender, Eligible Assignee or Participant, as the case may be, shall timely deliver to the Borrower and the Agent two further copies of such Form W-8BEN, W-8EXP, W-8IMY, W-8ECI or W-9 or successor forms on or before the date that any previously executed form expires or becomes obsolete, or after the occurrence of any event requiring a change in the most recent form delivered by such Person to the Borrower. In addition to the foregoing, each Non-U.S. Lender shall deliver to the Agent and the Borrower any documents as shall be prescribed by Applicable Law or otherwise reasonably requested to demonstrate that payments to such Lender under this Agreement and the other Loan Documents are exempt from any United States federal withholding tax imposed pursuant to FATCA, to the extent applicable. Notwithstanding anything to the contrary, neither the Borrower nor the Agent shall be required to pay additional amounts or indemnify any Lender with respect to any withholding taxes imposed by reason of FATCA.

(f) The Borrower shall not be obligated to pay any additional amounts to any Lender pursuant to clause (a)(i), or to indemnify any Lender pursuant to clause (d), in respect of United States federal withholding taxes to the extent imposed as a result of (i) the failure of such Lender to deliver to the Borrower the form or forms and/or an Exemption Certificate, as applicable to such Lender, pursuant to clause (e), (ii) such form or forms and/or Exemption Certificate not establishing a complete exemption from U.S. federal withholding tax or the information or certifications made therein by the Lender being untrue or inaccurate

on the date delivered in any material respect, or (iii) the Lender designating a successor lending office at which it maintains its Loans that has the effect of causing such Lender to become obligated for tax payments in excess of those in effect immediately prior to such designation; provided that, the Borrower shall be obligated to pay additional amounts to any such Lender pursuant to clause (a)(i), and to indemnify any such Lender pursuant to clause (d), in respect of United States federal withholding taxes if (i) any such failure to deliver a form or forms or an Exemption Certificate or the failure of such form or forms or Exemption Certificate to establish a complete exemption from U.S. federal withholding tax or inaccuracy or untruth contained therein resulted from a change in any applicable statute, treaty, regulation or other Applicable Law or any interpretation of any of the foregoing occurring after the Effective Date, which change rendered such Lender no longer legally entitled to deliver such form or forms or Exemption Certificate or otherwise ineligible for a complete exemption from U.S. federal withholding tax, or rendered the information or certifications made in such form or forms or Exemption Certificate untrue or inaccurate in a material respect, (ii) the redesignation of the Lender's lending office was made at the request of the Borrower or (iii) the obligation to pay any additional amounts to any such Lender pursuant to clause (a)(i) or to indemnify any such Lender pursuant to clause (d) is with respect to an Assignee Lender that becomes an Assignee Lender as a result of an assignment made at the request of the Borrower.

(g) If any Lender makes a de mand upon the Borrower for amounts pursuant to this Section 4.1, and the payment of such amounts are, and are likely to continue to be, materially more onerous in the reasonable judgment of the Borrower than with respect to the other Lenders (in each case, an " Affected Lender "), the Borrower may, within 30 days of receipt by the Borrower of such demand, give notice (a " Replacement Notice ") in writing to the Agent and such Affected Lender of its intention to cause such Affected Lender to sell all of its Loans, Commitments and/or Notes to an Eligible Assignee (a " Replacement Lender ") designated in such Replacement Notice; provided , however , that no Replacement Notice may be given by the Borrower and no Lender may be replaced pursuant to this clause (g) if (i) such replacement conflicts with any Applicable Law or regulation, (ii) any Default or Event of Default shall have occurred and be continuing at the time of such replacement or (iii) prior to any such replacement, such Affected Lender shall have taken any necessary action under this Section 4.1 so as to eliminate the continued need for payment of amounts owing pursuant to this Section 4.1 or shall have waived its right to payment of the specific amounts that give rise or would give rise to such Replacement Notice (it being understood for sake of clarity that the Affected Lender shall be under no obligation to waive such rights to payment). If the Agent shall, in the exercise of its reasonable discretion and within 30 days of its receipt of such Replacement Notice, notify the Borrower and such Affected Lender in writing that the Replacement Lender is satisfactory to the Agent (such consent not being required where the Replacement Lender is already a Lender or an Affiliate of a Lender), then such Affected Lender shall assign, in accordance with Section 10.11, all of its Commitments, Loans, Notes (if any), and other rights and obligations under this Agreement and all other Loan Documents designated in the replacement notice to such Replacement Lender; provided , however , that (A) such assignment shall be without recourse, representation or warranty and shall be on terms and conditions reasonably satisfactory to such Affected Lender and such Replacement Lender, (B) the purchase price paid by such Replacement Lender shall be in the amount of such Affected Lender's Loans designated in the Replacement Notice, together with all accrued

and unpaid interest and fees in respect thereof, plus all other amounts (including the amounts demanded and unreimbursed under this Section 4.1) and including any call premiums, owing to such Affected Lender hereunder and (C) the Borrower shall pay to the Affected Lender and the Agent all reasonable out-of-pocket expenses incurred by the Affected Lender and the Agent in connection with such assignment and assumption (including the processing fees described in Section 10.11). Upon the effective date of an assignment described above, the Replacement Lender shall become a "Lender" for all purposes under the Loan Documents. Each Lender hereby grants to the Agent an irrevocable power of attorney (which power is coupled with an interest) to execute and deliver, on behalf of such Lender as assignor, any assignment agreement necessary to effectuate any assignment of such Lender's interests hereunder in the circumstances contemplated by this Section.

Section 4.2 Payments, Computations; Proceeds of Collateral, etc. (a) Unless otherwise expressly provided in a Loan Document, all payments required to be made by the Borrower pursuant to each Loan Document shall be made by the Borrower to the Agent for the *pro rata* account of the Secured Parties entitled to receive such payment. All payments shall be made without setoff, deduction or counterclaim not later than 11:00 a.m., Houston, Texas time, on the date due in same day or immediately available funds to such account as the Agent shall specify from time to time by notice to the Borrower. Funds received after that time shall be deemed to have been received by the Agent on the next succeeding Business Day. The Agent shall promptly remit in same day funds to each Secured Party its share, if any, of such payments received by the Agent for the account of such Secured Party. All interest and fees shall be computed on the basis of the actual number of days (including the first day but excluding the last day) occurring during the period for which such interest or fee is payable over a year comprised of 360 days. Payments due on other than a Business Day shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest and fees in connection with that payment. All payments of the Obligations by the Obligors shall be made without set-off, counterclaim, recoupment or other defense.

(b) After the occurrence and during the continuance of an Event of Default, the Agent may, and upon direction from the Required Lenders, shall, apply all amounts received under the Loan Documents (including from the proceeds of collateral securing the Obligations) or under Applicable Law upon receipt thereof to the Obligations as follows: (i) first, to the payment of all Obligations in respect of fees, expense reimbursements, indemnities and other amounts owing to the Agent, in its capacity as the Agent (including the fees and expenses of counsel to the Agent), (ii) second, after payment in full in cash of the amounts specified in clause (b)(i), to the ratable payment of all interest (including interest accruing (or which would accrue) after the commencement of a proceeding under Debtor Relief Law, whether or not permitted as a claim under such law) and fees owing under the Loan Documents, and all costs and expenses owing to the Secured Parties pursuant to the terms of the Loan Documents, until paid in full in cash, (iii) third, after payment in full in cash of the amounts specified in clauses (b)(i) and (b)(ii), to the ratable payment of the principal amount of the Loans then outstanding and the net credit exposure owing to Secured Parties under Hedging Agreements, (iv) fourth, after payment in full in cash of the amounts specified in clauses (b)(i) through (b)(iii), to the ratable payment of all other Obligations owing to the Secured Parties, and (v) fifth, after payment in full in cash of the amounts specified in

clauses (b)(i) through (b)(iv), and following the Termination Date, to each applicable Obligor or any other Person lawfully entitled to receive such surplus. For purposes of clause (b)(iii), the "net credit exposure" at any time of any Secured Party with respect to a Hedging Agreement to which such Secured Party is a party shall be determined at such time in accordance with the customary methods of calculating net credit exposure under similar arrangements by the counterparty to such arrangements, taking into account potential interest rate (or, if applicable, currency) movements and the respective termination provisions and notional principal amount and term of such Hedging Agreement.

Section 4.3 Sharing of Payments. If any Secured Party shall obtain any payment or other recovery (whether voluntary, involuntary, by application of setoff or otherwise) on account of any Credit Extension (other than payments pursuant to the terms of Section 4.1) in excess of its *pro rata* share of payments obtained by all Secured Parties, such Secured Party shall purchase from the other Secured Parties such participations in Credit Extensions made by them as shall be necessary to cause such purchasing Secured Party to share the excess payment or other recovery ratably (to the extent such other Secured Parties were entitled to receive a portion of such payment or recovery) with each of them; provided that, if all or any portion of the excess payment or other recovery is thereafter recovered from such purchasing Secured Party, the purchase shall be rescinded and each Secured Party that has sold a participation to the purchasing Secured Party shall repay to the purchasing Secured Party the purchase price to the ratable extent of such recovery together with an amount equal to such selling Secured Party's ratable share (according to the proportion of (a) the amount of such selling Secured Party's required repayment to the purchasing Secured Party to (b) total amount so recovered from the purchasing Secured Party) of any interest or other amount paid or payable by the purchasing Secured Party in respect of the total amount so recovered. The Borrower agrees that any Secured Party purchasing a participation from another Secured Party pursuant to this Section may, to the fullest extent permitted by law, exercise all its rights of payment (including pursuant to Section 4.4) with respect to such participation as fully as if such Secured Party were the direct creditor of the Borrower in the amount of such participation. If under any applicable Debtor Relief Law any Secured Party receives a secured claim in lieu of a setoff to which this Section applies, such Secured Party shall, to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights of the Secured Parties entitled under this Section to share in the benefits of any recovery on such secured claim.

Section 4.4 Setoff. Each Secured Party shall, upon the occurrence and dur ing the continuance of any Default described in clauses (b) through (d) of Section 8.1.9 or, with the consent of the Required Lenders, upon the occurrence and during the continuance of any other Event of Default, have the right to appropriate and apply to the payment of the Obligations owing to it (whether or not then due), and (as security for such Obligations) the Borrower hereby grants to each Secured Party a continuing security interest in, any and all balances, credits, deposits, accounts or moneys of the Borrower then or thereafter maintained with such Secured Party; provided that, any such appropriation and application shall be subject to the provisions of Section 4.3. Each Secured Party agrees promptly to notify the Borrower and the Agent after any such appropriation and application made by such Secured Party; provided that, the failure to give such notice shall not affect the validity of such setoff and application. The rights of each

Secured Party under this Section are in addition to other rights and remedies (including other rights of setoff under Applicable Law or otherwise) which such Secured Party may have.

ARTICLE 5

CONDITIONS TO CREDIT EXTENSIONS

S ection 5.1 Initial Credit Extension . The obligations of the Lenders to make the initial Credit Extension shall be subject to the prior or concurrent satisfaction (or waiver by the Required Lenders) of each of the conditions precedent set forth in this Article 5.

Section 5.1.1 Credit Agreement . The Agent (or its counsel) shall have received from each party hereto (or intended to become a party hereto) either (a) a counterpart of this Agreement signed on behalf of such party or (b) written evidence satisfactory to the Agent (which may include facsimile or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

Section 5.1.2 Secretaries' Ce rtificates, etc. The Agent shall have received from each Obligor, as applicable, (a) a copy of a good standing certificate, dated a date reasonably close to the Effective Date, for such Obligor from the jurisdiction in which such Obligor is organized and each other jurisdiction in which such Obligor is qualified to do business and (b) a certificate, dated as of the Effective Date, duly executed and delivered by such Obligor's Secretary, manager or general partner, as applicable, as to

(i) resolutions of such Obligor's Board of Dir ectors (or other managing body, in the case of an Obligor that is not a corporation) then in full force and effect authorizing, to the extent relevant, all aspects of the transactions contemplated by the Loan Documents applicable to such Obligor and the execution, delivery and performance of each Loan Document to be executed by such Obligor and the transactions contemplated hereby and thereby;

(ii) the incumbency and signatures of those of its officers, mana ger or general partner (or officers or managers of its manager or general partner), as applicable, authorized to act with respect to each Loan Document to be executed by such Obligor; and

(iii) the Organic Documents of such Obligor and the full force and validity thereof; upon which certificates each Secured Party may conclusively rely until it shall have received a further certificate of the Secretary, manager or general partner (or Secretary of the manager or general partner), as applicable, of any such Obligor canceling or amending the prior certificate of such Obligor.

Section 5.1.3 Effective Date Certificate . The Agent shall have received the Effective Date Certificate, dated as of the Effective Date and duly executed and delivered by an Authorized Officer of the Borrower, in which certificate the Borrower shall agree and

acknowledge that the statements made therein shall be deemed to be true and correct representations and warranties of the Borrower as of such date, and, at the time such certificate is delivered, such statements shall in fact be true and correct. All documents and agreements (including the Acquisition Documents) required to be appended to the Effective Date Certificate shall be in form and substance satisfactory to the Agent, shall have been executed and delivered by the requisite parties, and shall be in full force and effect.

S ection 5.1.4 Payment of Outstanding Indebtedness . All Indebtedness identified in Item 5.1.4 of the Disclosure Schedule, together with all interest, all prepayment premiums and other amounts payable with respect thereto, shall have been paid in full and the commitments in respect of such Indebtedness shall have been terminated, and all Liens securing payment of any such Indebtedness, interest, prepayment premiums or other amounts shall have been terminated and released and the Agent shall have received all Uniform Commercial Code Form UCC-3 termination statements or other instruments as may be suitable or appropriate in connection therewith.

Section 5.1.5 Financial Information . The Agent shall have received:

(a) unaudited balance she ets of the Parent as of December 31, 2012 and December 31, 2011, and audited statements of income and cash flow of the Borrower for such Fiscal Years then ended, which shall not be materially inconsistent with the information previously provided to the Agent and shall be in form and substance reasonably acceptable to the Agent;

(b) an unaudited balance sheet of the P arent as of July 31, 2013 and unaudited statements of income and cash flows of the Borrower for such 7-month period then ended, which shall not be materially inconsistent with the information previously provided to the Agent and shall be in form and substance reasonably acceptable to the Agent; and

(c) the annual financial and operational projections for the Borrower, by month, for the fifteen month period immediately following the Effective Date prepared in good faith based on available information and estimates determined to be reasonable at the time such projections were prepared.

Section 5.1.6 Initial Reserve Report . The Lenders shall have received the I nitial Reserve Report.

Section 5.1.7 Guarantees . The Agent shall have received, with counterparts for each Lender, each Guaranty, dated on or about the date hereof, duly executed and delivered by an Authorized Officer of the Parent and each Subsidiary, as applicable.

Section 5.1.8 Security Agreements . The Agent shall have received, with counterparts for each Lender, executed counterparts of the Security Agreements, each dated on or about the date hereof, duly executed and delivered by the Borrower, the Parent and each Subsidiary of the Borrower, together with:

(a) certificates (in the case of Capital Securities that are certificated securities (as defined in the UCC)) evidencing all of the issued and outstanding Capital Securities owned by each Obligor in the Borrower and its Subsidiaries directly owned by such Obligor, which certificates in each case shall be accompanied by undated instruments of transfer duly executed in blank, or, if any Capital Securities are uncertificated securities (as defined in the UCC), confirmation and evidence satisfactory to the Agent that the security interest therein has been transferred to and perfected by the Agent for the benefit of the Secured Parties in accordance with Articles 8 and 9 of the UCC and all laws otherwise applicable to the perfection of the pledge of such Capital Securities;

(b) Uniform Commercial Code Form UCC-1 financing statements and Uniform Commercial Code Form UCC-3 amendment or continuation statements (" Filing Statements "), as appropriate, suitable in form for naming the Parent, the Borrower, and each Subsidiary Guarantor as a debtor and the Agent as the secured party, or other similar instruments or documents to be filed under the UCC of all jurisdictions as may be necessary or, in the opinion of the Agent, desirable to perfect the security interests of the Agent pursuant to such Security Agreement; and

(c) Uniform Commercial C ode Form UCC-3 termination statements, if any, necessary to release all Liens and other rights of any Person in any collateral described in any Security Agreement previously granted by any Person, together with such other Uniform Commercial Code UCC-3 termination statements as the Agent may reasonably request from such Obligors.

Section 5.1.9 UCC Searches . The Agent shall have received certified copies of UCC Requests for Information or Copies (Form UCC-11) or a similar search report, dated a date reasonably near to the Effective Date, listing all effective financing statements that name any Obligor (under its present name and any previous names) as the debtor, together with copies of such financing statements (none of which shall, except with respect to Liens permitted by Section 7.2.3), evidence a Lien on any collateral described in any Loan Document).

Section 5.1.10 Insurance . The Agent shall have received (a) a certificate, reasonably satisfactory to the Agent, from the Borrower's and its Subsidiaries' insurance broker(s), dated as of (or a date reasonably near) the Effective Date relating to each insurance policy required to be maintained pursuant to Section 7.1.4, identifying types of insurance and the insurance limits of each such insurance policy and naming the Agent as a beneficiary or loss payee, and each of the Secured Parties as an additional insured, as appropriate, to the extent required under Section 7.1.4 and stating that such insurance is in full force and effect and that all premiums due have been paid, together with evidence in form and substance satisfactory to the Agent that the Oil and Gas Properties are covered under the Borrower's existing insurance policies (with the same coverages and deductions); and (b) to the extent not provided in (a) above, a summary of casualty, property and other insurance policies currently in effect and maintained by the Borrower's Subsidiaries provided by an insurance broker and stating that such insurance is in full force and effect and that all premiums due have been paid, in form and substance satisfactory to the Agent.

Section 5.1.11 Mortgages. The Agent shall have received counterparts of Mortgages, each dated on or about the date hereof, substantially in the form of Exhibits G-1 or G-2 hereto (as the case may be), or otherwise in form and substance reasonably satisfactory to the Agent, duly executed and delivered by the applicable Obligors in a sufficient number of counterparts for the due recording in each applicable recording office (including each office specified in any title opinions described in Section 5.1.15), granting to the Agent (or a trustee appointed by the Agent) for the benefit of the Secured Parties first and prior Liens on all Oil and Gas Properties of the Borrower and its Subsidiaries (except for certain state nominated leases which shall be delivered upon receipt and in any event, no later than 90 days after the Effective Date), as well as such other agreements, documents and other writings as may be reasonably requested by the Agent, including, without limitation, UCC-1 financing statements, authorizing resolutions, tax affidavits and applicable department of revenue documentation, together with

(a) evidence of the completion (or satisfactory arrangements for the completion) of all recordings and filings of such Mortgages as may be necessary or, in the reasonable opinion of the Agent, desirable to create a valid, perfected first priority Lien against the properties purported to be covered thereby; and

(b) such other approvals, opinions, or documents as the Agent may reasonably request in form and substance reasonably satisfactory to the Agent.

Section 5.1.12 Net Profits Interest. Th e Agent shall have received counterparts of the NPI Conveyance, dated on or about the date hereof, substantially in the form of Exhibit I or otherwise in form and substance reasonably satisfactory to the Agent, duly executed and delivered by the applicable Obligors in a sufficient number of counterparts for the due recording in each applicable recording office (including each office specified in any title opinions described in Section 5.1.15), granting to Centaurus a twelve and a half percent (12.5%) net profits interest in the Borrower Properties, as well as such other agreements, documents and other writings as may be reasonably requested by the Agent.

Section 5.1.13 Seismic and Other Data. The Agent shall have re ceived evidence satisfactory to the Agent, in its sole discretion, in regards to the Borrower's ownership of, or right to use and have access to, all geological and geophysical data, surveys, seismic data and other information beneficial to the Hydrocarbon Interests.

Section 5.1.14 Opinions of Counsel. The Agent shall have received opini ons, dated on or about the date hereof and addressed to the Agent and all Lenders, from (a) the Law Offices of Michael C. McKeogh, (b) Theodore R. Borrego, P.C. (in regards to matters involving Texas law), (c) Copeland, Cook, Taylor & Bush, P.A. (in regards to matters involving Mississippi law) and (d) Alexander H. Walker III (in regards to matters involving Nevada law), counsel to the Obligors in form and substance, and from counsel, satisfactory to the Agent.

Section 5.1.15 Title. The Lenders shall have received title information and opinions in form and substance reasonably satisfactory to the Agent with respect to the Mortgaged Properties.

Section 5.1.16 Environmental Matters. The Agent shall have received, to the extent requested, favorable environmental site assessments, reports and evaluations and regulatory compliance reviews satisfactory to the Agent.

Section 5.1.17 Account Arrangements. The Depositary Account shall have been established and shall be subject to the first priority Lien of the Agent on terms satisfactory to the Agent (including, without limitation, the execution and delivery with the account bank therefor of a Control Agreement relating thereto).

Section 5.1.18 PATRIOT Act Disclosures. The Agent and each Lender shall have received all PATRIOT Act disclosures requested by them prior to execution of this Agreement.

Section 5.1.19 IS DA. The Borrower and an Approved Counterparty shall have each executed a master agreement and related schedule therefor, in form and substance of Exhibit J attached hereto.

Section 5.1.20 Consummati on of Acquisition; Copies of Acquisition Documents. The Agent shall have received evidence satisfactory to them that all actions necessary to consummate the Acquisition shall have been taken in accordance with all applicable law and in accordance with the terms of each applicable Acquisition Document, without amendment or waiver of any material provision thereof from the forms of the Acquisition Documents provided to and reviewed by the Agent (except as consented to by the Agent which consent shall not be unreasonably withheld or delayed) and that the Acquisition has occurred or will occur concurrently with the closing and effectiveness of this Agreement. In addition to, and not in limitation of, the foregoing, the Agent shall be reasonably satisfied with (i) the final structure of the Acquisition and (ii) the terms and conditions of the documents relating to the consummation of the Acquisition. There shall not have occurred any event, change or condition since December 31, 2012, and there is not existing any pending or threatened litigation, investigation or proceeding, that, individually or in the aggregate, has had, or could reasonably be expected to have, any material adverse effect on the business, operations or financial condition of the Parent or the Borrower and their respective Subsidiaries on a combined basis, after giving pro forma effect to the Acquisition. The Agent shall have received copies of all Acquisition Documents relating to the Acquisition, certified by an Authorized Officer of the Borrower as true, correct and complete in all material respects.

Section 5.2 All Credit Extensions. The obligation of each Lender to make any Credit Extension shall be subject to the satisfaction of each of the conditions precedent set forth below.

Section 5.2.1 Compliance with Warranties, No Default, etc. Both before and after giving effect to any Credit Extension the following statements shall be true and correct:

(a) the representations and warranties set forth in each Loan Document shall, in each case, be true and correct with the same effect as if then made (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date);

(b) no Material Adverse Effect has occurred since December 31, 2012 (or such more recent date for which the financial information required under Section 7.1.1(b) shall have been provided by the Borrower);

(c) no Default shall have then occurred and be continuing; and

(d) as of the date of such Credit Extension, the Borrower is permitted under the Permitted Unsecured Debt Documents to incur such Credit Extension.

Secti on 5.2.2 Credit Extension Request, etc. Subject to Section 2.3, the Agent shall have received a Borrowing Request. The delivery of a Borrowing Request and the acceptance by the Borrower of the proceeds of such Credit Extension shall constitute a representation and warranty by the Borrower that on the date of such Credit Extension (both immediately before and after giving effect to such Credit Extension and the application of the proceeds thereof) the statements made in Section 5.2.1 are true and correct.

Section 5.2.3 Delivery of Notes. The Agent shall have received, for the account of each Lender that has requested a Note, a Note payable to the order of such Lender in the amount of the respective Loan made by such Lender as part of such Credit Extension duly executed and delivered by an Authorized Officer of the Borrower.

Section 5.2.4 Solvency, etc. The Agent shall have received a solvency certificate duly executed and delivered by the chief financial or accounting Authorized Officer of each of the Borrower and its Subsidiaries, dated as of the date of such credit extension, substantially in the form of Exhibit H or otherwise in form and substance satisfactory to the Agent.

Section 5.2.5 Fees, Expenses, etc. To the extent then i nvoiced, the Agent shall have received for its own account, or for the account of each Lender, as the case may be, all fees, costs and expenses due and payable pursuant to Section 10.3.

Section 5.2.6 Financial Information. The Agent shall have recei ved *pro forma* projections (generally in a form and substance satisfactory to the Agent, and such projections shall have been made by the Borrower in good faith based on reasonable assumptions and not as guarantees of future performance) indicating (giving effect to the proposed use of proceeds) the Borrower's continued compliance with the terms and provisions of this Agreement (including, without limitation, Sections 7.2.4, 3.1.1(g) and 3.1.1(h) hereof) through the Stated Maturity Date; such projections may be included in the applicable Borrowing Request relating to such Credit Extension.

Section 5.2.7 Reliable Reserves Policy. The Reliable Reserves Policy shall be in full force and effect and a legally valid, binding and enforceable obligation of the insurer thereunder (without any contestation as to the effectiveness, validity, binding nature or enforceability thereof) and all premiums therefor shall have been paid (or shall be paid using the proceeds of such Borrowing).

Section 5.2.8 Restriction on Borrowing Related to Certain Properties. Notwithstanding anything herein to the contrary, Lenders shall have no obligation to make any Credit Extensions in an aggregate amount in excess of $25,000,000 unless (i) the Borrower shall, within 90 days of the Effective Date, acquire Good Title to the Coral Property, cause the Agent to have a first Lien on the Coral Property as security for the Obligations, and provide all documents, information and assurances requested by the Agent, in its sole and absolute discretion, in connection with the acquisition of the Coral Property or (ii) the Borrower shall, within 180 days of the Effective Date, acquire Good Title to an Acceptable Substitute Property, cause the Agent to have a first Lien on such Acceptable Substitute Property as security for the Obligations, and provide all documents, information and assurances requested by the Agent, in its sole and absolute discretion, in connection with the acquisition of such Acceptable Substitute Property.

Section 5.2.9 Sati sfactory Legal Form. All documents executed or submitted pursuant hereto by or on behalf of any Obligor shall be reasonably satisfactory in form and substance to the Agent.

Section 5.2.10 Other Legal Matters. All legal matters and other due diligence in connection with this Agreement and the Loan Documents, the consummation of the Acquisition, and the assets and properties of the Parent, the Borrower and its Subsidiaries shall be approved by the Agent and its legal counsel, and there shall have been furnished to the Agent by the Parent and the Borrower, at the Borrower's expense, such agreements and other documents, information and records with respect to the Parent, the Borrower or its Subsidiaries in form, substance, scope and methodology satisfactory to the Agent in its sole discretion, as the Agent may reasonably have requested for that purpose. In addition, and not in limitation of the foregoing, all documents executed or submitted pursuant hereto by or on behalf of any Obligor shall be reasonably satisfactory in form and substance to the Agent.

For purposes of determining compliance with the conditions specified in Sections 5.1 and 5.2, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Agent shall have received notice from such Lender prior to the proposed date of Borrowing specifying its objection thereto.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES

In order to induce the Secured Parties to enter into this Agreement and to make Credit Extensions hereunder, the Borrower represents and warrants to each Secured Party as set forth in this Article.

Section 6.1 Organization, etc. Each Obligor is validly organized and existing and in good standing under the laws of the state or jurisdiction of its incorporation or organization, is duly qualified to do business and is in good standing as a foreign entity in each

jurisdiction where the nature of its business requires such qualification, and has full power and authority and holds all requisite governmental licenses, permits and other approvals to enter into and perform its Obligations under each Loan Document to which it is a party, to own and hold under lease its property and to conduct its business substantially as currently conducted by it.

Section 6.2 Due Authorization, Non-Contravention, Defaults etc. The execution, delivery and performance by each Obligor of each Loan Document executed or to be executed by it, each Obligor's participation in the consummation of all aspects of the Acquisition, and the execution, delivery and performance by the Borrower or (if applicable) any Obligor of the Acquisition Documents are within such Person's powers, have been duly authorized by all necessary action, and do not

(a) contr avene any (i) Obligor's Organic Documents, (ii) court decree or order binding on or affecting any Obligor or (iii) law or governmental regulation binding on or affecting any Obligor; or

(b) result in (i) or require the creation or imposition of, any Lien on any Obligor's properties (except as permitted by this Agreement), (ii) a default under any material contractual restriction binding on or affecting any Obligor or (iii) any noncompliance, suspension, impairment, forfeiture or nonrenewal of any material license, permit or other governmental approval.

Except as set forth on Item 6.2 of the Disclosure Schedule, no Obligor is in default under any agreement, instrument or undertaking to which it is a party or by which it or any of its property is bound. No Obligor is a party to any agreement or instrument or subject to any other obligation or any charter or corporate restriction or any provision of any Applicable Law, rule or regulation that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 6.3 Government Approval, Regulation, etc. Exc ept for filings to perfect and maintain the perfection of the Liens arising pursuant to the Security Documents, no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or other Person (other than those that have been, or on the Effective Date will be, duly obtained or made and that are, or on the Effective Date will be, in full force and effect) is required for the consummation of the Acquisition or the due execution, delivery or performance by any Obligor of any Loan Document to which it is a party, or for the due execution, delivery and/or performance of Acquisition Documents, in each case by the parties thereto or the consummation of the Acquisition. Neither the Borrower nor any of its Subsidiaries is an "investment company" within the meaning of the Investment Company Act of 1940, as amended. None of the Obligors is subject to regulation under any Applicable Law that limits its ability to incur Indebtedness.

Section 6.4 Validity, etc. Each Loan Document and each Acquisition Document to which any Obligor is a party constitutes the legal, valid and binding obligations of such Obligor, enforceable against such Obligor in accordance with their respective terms (except, in any case, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by principles of equity).

Section 6.5 Financial Information. The financial statements furnished to the Agent and each Lender pursuant to Section 5.1.5 present fairly the financial condition of the Persons covered thereby as at the dates thereof and the results of their operations for the periods then ended. All balance sheets, all statements of income and of cash flow and all other financial information of each of the Borrower and its Subsidiaries furnished pursuant to Section 7.1.1 have been and will for periods following the Effective Date be prepared in accordance with GAAP consistently applied, and do or will present fairly the consolidated financial condition of the Persons covered thereby as at the dates thereof and the results of their operations for the periods then ended.

Section 6.6 No Material Adverse Change. There has been no material adverse change in the business, condition (financial or otherwise), operations, performance, or properties or prospects of the Borrower and its Subsidiaries taken as a whole since December 31, 2012 (including after giving pro forma effect to the Acquisition).

Section 6.7 Litigation, Labor Controversies, etc. There is no pending or, to the knowledge of the Borrower or any of its Subsidiaries, threatened litigation, action, proceeding, investigation or labor controversy

(a) except as disclosed in Item 6.7 of the Disclosure Schedule, affecting the Borrower, any of its Subsidiaries or any other Obligor, or any of their respective properties, businesses, assets or revenues, and no adverse development has occurred in any labor controversy, litigation, arbitration or governmental investigation or proceeding disclosed in Item 6.7; or

(b) which purports to affect the legality, validity or enforceability of any Loan Document, the Acquisition Documents or the Acquisition.

Section 6.8 Subsidiaries. All of the Capital Securities of the Borrower are owned legally and beneficially as set forth in Item 6.8 of the Disclosure Schedule, and all such Capital Securities are validly issued, fully paid and nonassessable, free and clear of any Liens (other than those permitted under this Agreement), and were issued in compliance with all Applicable Law. The Borrower has no Subsidiaries, except those Subsidiaries that are identified in Item 6.8 of the Disclosure Schedule, or that are permitted to have been organized or acquired in accordance with Sections 7.2.5 or 7.2.9.

Section 6.9 Ownership of Properties, etc.

(a) Each of the Borrower and its Subsidiaries has Good Title to the Oil and Gas Properties evaluated in the most recently delivered Reserve Report and good title to all its personal Properties, in each case, free and clear of all Liens except Liens permitted by Section 7.2.3. After giving full effect to the such permitted Liens, the Borrower or such Subsidiary specified as the owner owns the net interests in production attributable to the Hydrocarbon Interests as reflected in the most recently delivered Reserve Report, and the ownership of such Properties shall not in any material respect obligate the Borrower or such Subsidiary to bear the costs and expenses relating to the maintenance, development and operations of each such Property in an amount in excess of the working interest of each Property

set forth in the most recently delivered Reserve Report that is not offset by a corresponding proportionate increase in the Borrower's or such Subsidiary's net revenue interest in such Property.

(b) All material leases and agreements necessary for the conduct of the business of the Borrower and its Subsidiaries are valid and subsisting, in full force and effect, and there exists no default or event or circumstance which with the giving of notice or the passage of time or both would give rise to a default under any such lease or leases.

(c) The rights and Properties presently owned, leased or licensed by the Borrower and its Subsidiaries including, without limitation, all easements and rights of way, include all rights and Properties necessary to permit the Borrower and its Subsidiaries to conduct their business in all material respects in the same manner as its business has been conducted immediately prior to the date hereof.

(d) All of the Pr operties of the Borrower and its Subsidiaries that are reasonably necessary for the operation of their businesses are in good working condition.

(e) The Borrower and eac h of its Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual Property material to its business, and the use thereof by the Borrower and such Subsidiary does not infringe upon the rights of any other Person. The Borrower and its Subsidiaries either own or have valid licenses or other rights to use all databases, geological data, geophysical data, engineering data, seismic data, maps, interpretations and other technical information used in their businesses as presently conducted, subject to the limitations contained in the agreements governing the use of the same, which limitations are customary for companies engaged in the business of the exploration and production of Hydrocarbons, with such exceptions as could not reasonably be expected to have a Material Adverse Effect.

Section 6.10 Taxes . The Borrower and each of its Subsidiari es has filed all tax returns and reports required by law to have been filed by it and has paid all Taxes thereby shown to be due and owing and has paid all Taxes shown to be due on any assessment received to the extent that such Taxes have become due and payable (except any such Taxes that are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books). The Borrower knows of no pending investigation of any Obligor or any Subsidiary thereof by any taxing authority or of any pending but unassessed Tax liability of any Obligor or any Subsidiary thereof. No Lien relating to Taxes has been filed with regard to any Obligor or any Subsidiary thereof, and, to the knowledge of the Borrower, no claim is being asserted, with respect to any such Taxes..

Section 6.11 ERISA; Pension and Welfare Plans . The Borrower, its Subsidiaries and each ERISA Affiliate have complied in all material respects with ERISA and, where applicable, the Code regarding each Pension Plan or Welfare Plan. During the twelve-consecutive-month period prior to the Effective Date and prior to the date of any Credit Extension hereunder, no steps have been taken to terminate any Pension Plan, and no contribution failure has occurred with respect to any Pension Plan sufficient to give rise to a Lien under Section 302(f) of ERISA. No condition exists or event or transaction has occurred with

respect to any Pension Plan that might result in the incurrence by the Borrower or any member of the Controlled Group of any material liability, fine or penalty. No Reportable Event (as defined in Section 4043 of ERISA) has occurred in connection with any Pension Plan or Welfare Plan that might constitute grounds for the termination thereof by the PBGC or for the appointment by the appropriate United States District Court of a trustee to administer such Pension Plan or Welfare Plan. Except as disclosed in Item 6.11 of the Disclosure Schedule, neither the Borrower nor any member of the Controlled Group has any Contingent Liability with respect to any post- retirement benefit under a Welfare Plan, other than liability for continuation coverage described in Part 6 of Title I of ERISA.

Section 6.12 Environmental Warranties. Except as set forth in Item 6.12 of the Disclosure Schedule:

(a) all facilit ies and property owned, operated or leased by the Borrower or any of its Subsidiaries are owned, operated or leased by the Borrower and its Subsidiaries have been, and continue to be, in material compliance with all Environmental Laws;

(b) there are no pendi ng or, to the Borrower's knowledge, threatened (i) claims, complaints, notices or governmental requests for information received by the Borrower or any of its Subsidiaries with respect to any alleged material violation of any Environmental Law, or (ii) written complaints, notices or inquiries to the Borrower or any of its Subsidiaries regarding material potential liability of the Borrower or any of its Subsidiaries under any Environmental Law;

(c) there have been no Releases of Hazar dous Materials at, on or under any property now or previously owned, operated, or leased by the Borrower or any of its Subsidiaries that have, or could reasonably be expected to have, a Material Adverse Effect;

(d) the Borrower and its Subsidiaries have been issue d and are in material compliance with all permits, certificates, approvals, licenses, registrations and other authorizations relating to environmental matters;

(e) no property currently, or to the knowledge of the Borrower previously, owned, operated or leased by the Borrower or any of its Subsidiaries is listed, or proposed for listing in the Federal Register or similar governmental publication (with respect to owned property only), on the National Priorities List pursuant to CERCLA, on the CERCLIS or on any similar foreign, federal, state or provincial list of sites requiring investigation or clean-up under Environmental Laws;

(f) there are no underground storage tanks, active or abandoned, including petroleum storage tanks, on or under any property now or previously owned, operated or leased by the Borrower or any of its Subsidiaries;

(g) to the knowledge of the Borrower, neither the Borrower nor any of its Subsidiaries has directly transported or directly arranged for the transportation of any Hazardous Material to any location that is listed or proposed for listing on the National Priorities List pursuant to CERCLA, on the CERCLIS or on any similar federal, provincial or

state list or that is the subject of federal, state, provincial or local enforcement actions or other investigations that could reasonably be expected to result in material claims against the Borrower or such Subsidiary for any remedial work, damage to natural resources or personal injury, including claims under CERCLA or Environmental Laws;

(h) there are no polychlorinated biphenyls or friable asbestos present at any property now or previously owned or leased by the Borrower or any of its Subsidiaries; and

(i) no conditions exist at, on or under any property now or previously owned or leased by the Borrower or any of its Subsidiaries that, with the passage of time or the giving of notice or both, could reasonably be expected to result in any material liability, claims, or costs under any Environmental Law.

Section 6.13 Dis closure of Material Information; Accuracy of Information . Each Obligor has disclosed to the Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. None of the factual information heretofore or contemporaneously furnished in writing to any Secured Party by or on behalf of any Obligor in connection with any Loan Document or any transaction contemplated hereby (including the Acquisition) contains any untrue statement of a material fact, or omits to state any material fact necessary to make any information not misleading, and no other factual information hereafter furnished in connection with any Loan Document by or on behalf of any Obligor to any Secured Party will contain any untrue statement of a material fact or will omit to state any material fact necessary to make any information not misleading on the date as of which such information is dated or certified.

Section 6.14 Regulations T, U and X . No Obligor o r any Subsidiary thereof is engaged in the business of extending credit for the purpose of buying or carrying margin stock, and no proceeds of any Credit Extensions will be used to purchase or carry margin stock or otherwise for a purpose that violates, or would be inconsistent with, F.R.S. Board Regulations T, U or X. Terms for which meanings are provided in F.R.S. Board Regulations T, U or X or any regulations substituted therefor, as from time to time in effect, are used in this Section with such meanings. If requested by any Lender, the Borrower will furnish to such Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U of the F.R.S. Board as in effect from time to time.

Section 6.15 Labor Matters . No Obligor is subject to any labor or collective bargaining agreement. There are no existing or threatened strikes, lockouts or other labor disputes involving any Obligor. Hours worked by and payments made to employees of each Obligor are not in violation of the Fair Labor Standards Act or any other Applicable Law, rule or regulation dealing with such matters.

Section 6.16 Compliance with Laws . Each Obligor is in compliance with the requirements of all Applicable Law and all orders, writs, injunctions and decrees applicable to it or to its properties (except for the Parent's reporting requirements under the Exchange Act, which the Parent covenants and agrees that it will remedy and come into full compliance within 90 days of the Effective Date), and possesses all licenses, permits, franchises, exemptions,

approvals and other governmental authorizations necessary for the ownership of its Property (including its Oil and Gas Properties) and the conduct and operation of its business (including, without limitation, the operation of the Acquired Properties).

Section 6.17 Material Contracts. Set forth on Item 6.17 of the Disclosure Schedule is a complete and accurate list of all Material Contracts of the Borrower and its Subsidiaries, showing the parties and subject matter thereof and amendments and modifications thereto. Each such Material Contract (a) is in full force and effect and is binding upon and enforceable against each Obligor that is a party thereto and, to the best knowledge of the Borrower and its Subsidiaries, all other parties thereto in accordance with its terms, (b) has not been otherwise amended or modified, and (c) is not in default due to the action of such Obligor.

Section 6.18 Solvency. Except as set forth on Item 6.18 of the Disclosure Schedule, the Borrower and each other Obligor, both before and after giving effect to any Credit Extensions, are and will continue to be Solvent.

Section 6.19 Deposit Ac count and Cash Management Accounts. Set forth on Item 6.19(a) of the Disclosure Schedule is a complete and accurate list of all Deposit Accounts of the Borrower and each Subsidiary, and set forth on Item 6.19(b) of the Disclosure Schedule is a complete and accurate list of all Securities Accounts (as defined in the UCC) of the Borrower and each Subsidiary, if any as updated in accordance with Section 7.1.9. Item 6.19(a) and Item 6.19(b) of the Disclosure Schedule also sets forth a description of each Deposit Account and Securities Account (as the case may be) (*i.e.* , the bank or broker dealer at which such account is maintained and the account number and purpose thereof).

Section 6.20 Insurance. The Borrower and each of its Subsidiaries keeps its property adequately insured in accordance with Section 7.1.4 and maintains (a) insurance to such extent and against such risks, including fire, as is customary with companies of similar size and in the same or similar businesses, (b) workmen's compensation insurance in the amount required by Applicable Law, (c) public liability insurance, which shall include product liability insurance, in the amount customary with companies of similar size and in the same or similar business against claims for personal injury or death on properties owned, occupied or controlled by it, and (d) such other insurance as may be required by Applicable Law. All such insurance is in full force and effect and all premiums that are due and payable with respect thereto have been paid.

Section 6.21 Restrictions on Liens. Neither the Borrower nor any of i ts Subsidiaries is a party to any material agreement or arrangement or subject to any order, judgment, writ or decree, that either restricts or purports to restrict its ability to grant Liens to the Agent and the Lenders on or in respect of their Properties to secure the Obligations and the Loan Documents.

Section 6.22 Location of Business and Offices. The Borrower's jurisdiction of organization is Louisiana; the name of the Borrower as listed in the public records of its jurisdiction of organization is Radiant Acquisitions 1, L.L.C.; and the organizational identification number of the Borrower in its jurisdiction of organization is 41027022K (or, in each case, as set forth in a notice delivered to the Agent pursuant to Section 10.2). The Borrower's principal place of business and chief executive offices are located at the address

specified in Section 10.2 (or as set forth in a notice delivered pursuant to Section 10.2). The jurisdiction of organization, name as listed in the public records of its jurisdiction of organization, organizational identification number in its jurisdiction of organization, and the location of its principal place of business and chief executive office of each other Obligor is stated on Item 6.22 of the Disclosure Schedule (or as set forth in a notice delivered pursuant to Section 10.2).

S ection 6.23 Maintenance of Properties . The Oil and Gas Properties (and Properties unitized therewith) of the Borrower and its Subsidiaries have been maintained, operated and developed by the Borrower and its Subsidiaries (as the case may be) in a good and workmanlike manner and in conformity with all Applicable Law and in conformity with the provisions of all leases, subleases or other contracts comprising a part of the Hydrocarbon Interests and other contracts and agreements forming a part of the Oil and Gas Properties of the Borrower and its Subsidiaries. Specifically in connection with the foregoing, (a) no Oil and Gas Property of the Borrower or any Subsidiary is subject to having allowable production reduced below the full and regular allowable (including the maximum permissible tolerance) because of any overproduction (whether or not the same was permissible at the time) and (b) none of the wells comprising a part of the Oil and Gas Properties (or Properties unitized therewith) of the Borrower or any Subsidiary is deviated from the vertical more than the maximum permitted by Applicable Law, and such wells are, in fact, bottomed under and are producing from, and the well bores are wholly within, the Oil and Gas Properties (or in the case of wells located on Properties unitized therewith, such unitized Properties) of the Borrower or such Subsidiary. All pipelines, wells, gas processing plants, platforms and other material improvements, fixtures and equipment owned in whole or in part by the Borrower or any of its Subsidiaries that are necessary to conduct normal operations are being maintained by the Borrower or such applicable Subsidiary in a state adequate to conduct normal operations, and with respect to such of the foregoing that are operated by the Borrower or any of its Subsidiaries, in a manner consistent with the Borrower's or its Subsidiaries' past practices.

Section 6.24 Gas Imbalances . Except as set forth on the most recent certificate of the Borrower delivered in connection with a Reserve Report, on a net basis there are no gas imbalances, take or pay or other prepayments that would require the Borrower or any of its Subsidiaries to deliver Hydrocarbons produced from the Oil and Gas Properties at some future time without then or thereafter receiving full payment therefor.

Section 6.25 Marketing of Production . Except for contracts listed and in eff ect on the date hereof on Item 6.25 of the Disclosure Schedule, and thereafter either disclosed in writing to the Agent or included in the most recently delivered Reserve Report (with respect to all of which contracts the Borrower represents that it or its Subsidiaries are receiving a price for all production sold thereunder that is computed substantially in accordance with the terms of the relevant contract and are not having deliveries curtailed substantially below the subject Property's delivery capacity), no material agreements exist that are not cancelable on 60 days notice or less without penalty or detriment for the sale of production from the Borrower's or its Subsidiaries' Hydrocarbons (including, without limitation, calls on or other rights to purchase, production, whether or not the same are currently being exercised) that (a) pertain to the sale of

production at a fixed price and (b) have a maturity or expiry date of longer than six (6) months from the date hereof.

Section 6.26 Perfected Liens and Security Interests. The Obligations are and shall be at all times secured by valid, perfected first priority Liens (subject to Liens permitted pursuant to Section 7.2.3) in favor of the Agent, covering and encumbering all collateral granted or purported to be granted by the Security Documents, to the extent perfection has or will occur, by the recording of a Mortgage or other Security Document or amendment or supplement or modification thereto, the filing of a UCC financing statement, or by possession or control.

Section 6.27 Outstanding Indebtedness. As of the Effective Date, neither the Borrower nor any of its Subsidiaries has any Indebtedness or Contingent Liabilities in regards to Indebtedness of any kind or character except as noted in Item 7.2.2(c) of the Disclosure Schedule.

Section 6.28 Anti-Te rrorism. The Borrower is not and, to the knowledge of the Borrower, none of its Affiliates is, in violation of any Terrorism Laws. None of the Borrower or any of its Subsidiaries is, and to the knowledge of the Borrower, no (i) agent of the Borrower or any of its Subsidiaries acting directly at the request of the Borrower or any such Subsidiary or (ii) Affiliate of the Borrower or any of its Subsidiaries, is any of the following (in each case, with respect to agents of the Borrower or any Subsidiary thereof, as at the date of such Person acting at the request of the Borrower or such Subsidiary):

(a) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(b) a Person owned or controlled by, or actin g for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions or, the Executive Order;

(c) a Person with which any of the Lenders is prohibited from dealing or otherwise engaging in any transaction by any Terrorism Law; or

(d) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order.

Neither the Borrower or any Subsidiary thereof nor, to the knowledge of the Borrower, any agent of the Borrower or any of its Subsidiaries acting at the request of the Borrower or any Subsidiary, (i) conducts any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in the preceding sentence, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order, or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Terrorism Laws.

Section 6.29 No Defaults. No Default or Event of Default has occurred and is continuing. Except as set forth on Item 6.2 9 of the Disclosure Schedule, no Obligor is in default

in the payment of any principal of or interest on any Indebtedness (and no such default has been waived) or is in default under any instrument or agreement under and subject to which any Indebtedness has been issued (and no such default has been waived). No event has occurred and is continuing under the provisions of any such instrument or agreement which with the lapse of time or the giving of notice, or both, would constitute an event of default on any Indebtedness or under any instrument or agreement under and subject to which any Indebtedness has been issued.

ARTICLE 7

COVENANTS

Section 7.1 Affirmative Covenants . The Borrower agrees with each Lender and the Agent that until the Termination Date has occurred, the Borrower will, and will cause its Subsidiaries to, perform or cause to be performed the obligations set forth below.

Section 7.1.1 Financial Information, Reports, Notices, etc. The Borrower will furnish the Agent and each Lender, copies of the following financial statements, reports, notices and information:

(a) as soon as available and in any event within 60 days after the end of each of the first three Fiscal Quarters of each Fiscal Year, an unaudited consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such Fiscal Quarter and consolidated statements of income and cash flow of the Borrower and its Subsidiaries for such Fiscal Quarter and for the period commencing at the end of the previous Fiscal Year and ending with the end of such Fiscal Quarter, and including (in each case), in comparative form the figures for the corresponding Fiscal Quarter in, and year to date portion of, the immediately preceding Fiscal Year, in each case certified by the chief financial or accounting Authorized Officer of the Borrower to have been prepared in accordance with GAAP (subject to normal year-end audit adjustments) and to fairly and accurately present the financial condition and results of operations of the Borrower and its Subsidiaries at the date and for the periods indicated therein;

(b) as soon as available and in any event within 90 days after the end of each Fiscal Year, a copy of the consolidated balance sheet of the Borrower and its Subsidiaries, and the related consolidated statements of income and cash flow of the Borrower and its Subsidiaries for such Fiscal Year, prepared in accordance with GAAP and setting forth in comparative form the figures for the immediately preceding Fiscal Year, audited (without any Impermissible Qualification) by independent public accountants reasonably acceptable to the Agent, stating that, in performing the examination necessary to deliver the audited financial statements of the Borrower, no knowledge was obtained of any Event of Default;

(c) concurrently with the delivery of the financial information pursuant to clauses (a) and (b), a Compliance Certificate, executed by the chief financial or accounting Authorized Officer of the Borrower, (i) showing compliance with the requirements set forth in Sections 7.2.4, 3.1.1(g), 3.1.1(h) and 3.1.2, (ii) stating that no Default has occurred and is continuing (or, if a Default has occurred, specifying the details of such Default and the action that the Borrower or an Obligor has taken or proposes to take with respect thereto) and (iii)

stating that no Subsidiary has been formed or acquired since the delivery of the last Compliance Certificate (or, if a Subsidiary has been formed or acquired since the delivery of the last Compliance Certificate, a statement that such Subsidiary has complied with Section 7.1.8);

(d) as soon as possible and in any event within five (5) days after the Borrower or any other Obligor obtains knowledge of the occurrence of a Default, a statement of an Authorized Officer of the Borrower setting forth details of such Default and the action that the Borrower or such Obligor has taken and proposes to take with respect thereto;

(e) as soon as possible and in any event within five (5) days after the Borrower or any other Obligor obtains knowledge of (i) the occurrence of any material adverse development with respect to any litigation, action, proceeding or labor controversy described in Item 6.7 of the Disclosure Schedule, (ii) the commencement of any litigation, action, proceeding or labor controversy of the type and materiality described in Section 6.7 or (iii) the filing or commencement of, or the threat in writing of, any action, suit, proceeding, investigation or arbitration by or before any arbitrator or Governmental Authority (including under Environmental Laws or with respect to ERISA matters) against or affecting the Borrower or any Affiliate thereof not previously disclosed in writing to the Lenders, notice thereof and, to the extent the Agent requests, copies of all documentation relating thereto;

(f) promptly after the sending or fil ing thereof, copies of all reports, notices, prospectuses and registration statements that any Obligor files with the SEC or any national securities exchange;

(g) promptly upon becoming aware of (i) the institution of any steps by any Person to terminate any Pension Plan, (ii) the failure to make a required contribution to any Pension Plan if such failure is sufficient to give rise to a Lien under Section 302(f) of ERISA,

(iii) the taking of any action with respect to a Pension Plan that could result in the requirement that any Obligor furnish a bond or other security to the PBGC or such Pension Plan, or (iv) the occurrence of any event with respect to any Pension Plan that could result in the incurrence by any Obligor of any liability, fine or penalty, notice thereof and copies of all documentation relating thereto;

(h) promptly upon receipt thereof, copies of all "management letters " or reports submitted to the Borrower or any other Obligor by the independent public accountants referred to in clause (b) in connection with each audit made by such accountants or any other interim or special audit conducted by them;

(i) promptly following the mailing or receipt of any material notice or report delivered under the terms of any Permitted Unsecured Debt Document, copies of such notice or report;

(j) promptly (i) if the Borrower obtains knowledge that the Borrower or any Person that owns, directly or indirectly, any Capital Securities of the Borrower, or any other holder at any time of any direct or indirect equitable, legal or beneficial interest therein is the subject of any of the Terrorism Laws, the Borrower will notify the Agent and (ii) upon the

request of any Lender, the Borrower will provide any information such Lender believes is reasonably necessary to be delivered to comply with the PATRIOT Act;

(k) concurrently with any delivery of financial statements under clause (b) above, or within five days following any change or notice of change to any existing insurance policy that could reasonably be expected to have an adverse effect on the Lender Parties, a certificate of insurance coverage from each insurer with respect to the insurance required by Section 7.1.4, in form and substance satisfactory to the Agent, and, if requested by the Agent or any Lender, all copies of the applicable policies;

(l) within 60 days after filing thereof, complete copies of any federal and state income tax returns and reports (other than any schedules thereto) of the Borrower or any of its Subsidiaries;

(m) promptly a fter December 31 and June 30 of each calendar year (commencing December 31, 2013) and promptly after any time requested by the Agent (provided that the Agent shall be limited to only making one additional request in any calendar year in which no Default or Event of Default has occurred; it being understood that the Agent may make as many requests as it in its absolute discretion should determine at any time any Default or Event of Default has occurred and is continuing), the Borrower shall furnish to the Agent and the Lenders a Reserve Report in form and substance satisfactory to the Agent, prepared by an Approved Engineer, all setting forth the Proved Developed Nonproducing Reserves, the Proved Developed Producing Reserves and Proved Undeveloped Reserves attributable to the Oil and Gas Properties owned by the Borrower and its Subsidiaries and a projection of the rate of production and future net income, taxes, operating expenses and capital expenditures with respect thereto as of such date, based on the Pricing Assumptions, together with additional data concerning pricing, hedging, quantities and purchasers of production, and other information and engineering and geological data as the Agent or any Lender may reasonably request, and, concurrently with the delivery of each such Reserve Report, the Borrower shall provide to the Agent and each Lender, a certificate from an Authorized Officer of Borrower certifying that, to the best of his knowledge and in all material respects: (i) the information contained in such respective Reserve Report and any other information delivered in connection therewith is true and correct, (ii) the Borrower and its Subsidiaries own Good Title to the Oil and Gas Properties evaluated in such respective Reserve Report (in this section called the " Covered Properties ") and are free of all Liens except for Liens permitted by Section 7.2.3, (iii) except as set forth on an exhibit to the certificate, on a net basis there are no gas imbalances, take or pay or other prepayments with respect to its Oil and Gas Properties evaluated in such respective Reserve Report (other than those permitted by the Security Documents) that would require Borrower or such Subsidiary to deliver hydrocarbons produced from such Oil and Gas Properties at some future time without then or thereafter receiving full payment therefor, (iv) none of the Covered Properties has been Disposed since the date of the last certificate delivered pursuant to this Section 7.1.1(m) except as set forth on an exhibit to the certificate, which exhibit shall list all of such properties Disposed and in such detail as reasonably required by the Agent, and (v) set forth on a schedule attached to the certificate is the PV-10 Value and PV-15 Value calculation required pursuant to Sections 3.1.1 (g) and 3.1.1 (h) of all Covered Properties that are part of the Oil and

Gas Properties that are encumbered by the Mortgages (the " Mortgaged Properties ") and a schedule of Persons who purchase (or did purchase in the last six months) at least 50% of the Hydrocarbons from the Borrower or any of its Subsidiaries;

(n) in the event the Borrower or any Subsidiary intends to sell or otherwise Dispose of at least $100,000 worth of any Oil or Gas Properties or any Capital Securities in any Subsidiary in accordance with this Agreement, prior written notice of such Disposition, the price thereof and the anticipated date of closing;

(o) prompt written notice, (i) and in any event within five (5) Business Days, of the occurrence of any Casualty Event or the commencement of any action or proceeding that could reasonably be expected to result in a Casualty Event, and (ii) of any development or event that has had or could reasonably be expected to have a Material Adverse Effect (including any proposal by an Operator to conduct addition or subsequent operations on any Oil and Gas Property of the Borrower or any of its Subsidiaries, in which case "prompt" written notice shall require the Borrower to provide notice to the Agent within twenty-four hours of the occurrence thereof, and that such notice shall be by email and phone);

(p) prompt written notice (and in any event within fifteen (15) days prior thereto) of any change (i) in the Borrower or any Guarantor's corporate name or in the general location of its Properties, (ii) in the location of the Borrower or any Guarantor's chief executive office or principal place of business, (iii) in the Borrower or any Guarantor's identity or corporate structure or in the jurisdiction in which such Person is incorporated or formed, (iv) the Borrower or any Guarantor's jurisdiction of organization or such Person's organizational identification number in such jurisdiction of organization, and (v) in the Borrower or any Guarantor's federal taxpayer identification number;

(q) no later than 60 days after the end of each Fis cal Quarter, (i) a report setting forth, for each calendar month during the then current Fiscal Year to date on a production date basis, the volume of production and sales attributable to production (and the prices at which such sales were made and the revenues derived from such sales) for each such calendar month from the Oil and Gas Properties, and setting forth the related ad valorem, severance and production Taxes and lease operating expenses attributable thereto and incurred for each such calendar month, including, without limitation, transportation, gathering and marketing costs, and all categories of applicable expenses (at a level of detail reasonably acceptable to the Agent) charged to the Borrower or its Subsidiaries under the relevant operating agreements, (ii) a report, in form and substance reasonably acceptable to the Agent and regarding the ongoing drilling programs of the Borrower and its Subsidiaries, which report will specify (A) the wells drilled by the Borrower and its Subsidiaries on their Oil and Gas Properties during such recently ended Fiscal Quarter, (B) the status of such wells as producing, shut-in, waiting-on-connection or otherwise, and the categorization of such wells as Proved Developed Producing Reserves, Proved Developed Nonproducing Reserves, Proved Undeveloped Reserves or unproved reserves as of the most recent reserve report delivered to Agent and the Lenders hereunder, (C) the total number of successful wells for such Fiscal Quarter on a gross and net basis and (D) the Capital Expenditures incurred in connection with such wells during such Fiscal Quarter, (iii) a report, in form and substance reasonably acceptable to the Agent regarding the projected Capital Expenditures of the Borrower and its

Subsidiaries during the next twelve months and (iv) a report, in form and substance reasonably acceptable to Agent, (A) setting forth as of the last Business Day of such Fiscal Quarter, a true and complete list of all Hedging Agreements of the Borrower and each Subsidiary, the material terms thereof (including the type, term, effective date, termination date and notional amounts or volumes), the net mark-to-market value therefor, any new credit support agreements relating thereto not previously provided to the Agent, any margin required or supplied under any credit support document, and the counterparty to each such agreement, and (B) providing information and calculations as to (x) any volumes corresponding to swaps or collars covering Oil and Gas Properties of the Obligors to the extent the same exceed 100% for crude oil or for natural gas, as the case may be, of the reasonably estimated projected crude oil and natural gas production, respectively, from the Obligors' Proved Developed Producing Reserves in respect of such Oil and Gas Properties and (y) the Borrower's good faith estimate (with reasonably detailed calculations and based on such hedging positions as the Borrower may deem appropriate provided such hedging positions are in compliance with the terms of the Loan Documents) of the cost to modify or unwind the Obligors' hedging positions so that such volumes would not exceed 100% of such reasonably estimated projected crude oil and natural gas production, respectively, from the Obligors' Proved Developed Producing Reserves in respect of such Oil and Gas Properties;

(r) promptly, but in any event within five (5) Business Days after the execution thereof, copies of any amendment, modification or supplement to Organic Document of the Borrower or any Subsidiary;

(s) promptly, but in any event within five (5) Business Days after any execution of any new Hedging Agreements or any assignment, termination or unwinding of any existing Hedging Agreements, notice thereof to the Agent, which notice shall be in form and substance and with details reasonably acceptable to the Agent;

(t) within 45 days after the close of each Fiscal Year, Borrower shall provide Agent projections of monthly cash flow of the Borrower and its Subsidiaries until the Stated Maturity Date;

(u) such other financial and other information as any Lender t hrough the Agent may from time to time reasonably request (including information and reports in such detail as the Agent may request with respect to the terms of and information provided pursuant to the Compliance Certificate);

(v) by December 31, 2013, the 2012 federal income Tax return of the Parent that is true, correct and complete; and

(w) within 60 days of the Effective Date, audited balance sheets of the Parent as of December 31, 2012 and December 31, 2011, and audited statements of income and cash flow of the Parent for such Fiscal Years then ended, which shall be in form and substance reasonably acceptable to the Agent and prepared in accordance with GAAP and setting forth in comparative form the figures for the immediately preceding Fiscal Year, audited (without any Impermissible Qualification except for a "going concern" opinion) by independent public accountants reasonably acceptable to the Agent.

Section 7.1.2 Maintenance of Existence; Compliance with Contracts, Laws, etc. The Borrower will, and will cause each of its Subsidiaries to, preserve and maintain its and their respective legal existence (except as otherwise permitted by Section 7.2.9), perform in all material respects their obligations under material agreements to which the Borrower or a Subsidiary is a party, and comply in all material respects with all Applicable Law, including the payment (before the same become delinquent), of all Taxes, imposed upon the Borrower or its Subsidiaries or upon their property except to the extent being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP have been set aside on the books of the Borrower or its Subsidiaries, as applicable. The Borrower shall take all reasonable and necessary actions to ensure that no portion of the Loans will be used, disbursed or distributed for any purpose, or to any Person, directly or indirectly, in violation of any of the Terrorism Laws and shall take all reasonable and necessary action to comply in all material respects with all Terrorism Laws with respect thereto.

Section 7.1.3 Operation and Maintenance of Properties. The Borrower will, and will cause each of its Subsidiaries to,

(a) maintain, preserve, protect and keep its and their respective properties in good repair, working order and condition (ordinary wear and tear excepted), and make necessary repairs, renewals and replacements so that the business carried on by the Borrower and its Subsidiaries may be properly conducted at all times;

(b) operate its Oil and Gas Properties and other material Properties or cause such Oil and Gas Properties and other material Properties to be operated in a careful and efficient manner in accordance with the practices of the industry and in compliance with all applicable contracts and agreements and in compliance with all Applicable Law, including, without limitation, applicable proration requirements and Environmental Laws, and all Applicable Law, rules and regulations of every other Governmental Authority from time to time constituted to regulate the development and operation of its Oil and Gas Properties and the production and sale of Hydrocarbons and other minerals therefrom;

(c) promptly pay and discharge, or make reasonable and customary efforts to cause to be paid and discharged, all delay rentals, royalties, expenses and indebtedness accruing under the leases or other agreements affecting or pertaining to its Oil and Gas Properties and will do all other things necessary to keep unimpaired their rights with respect thereto and prevent any forfeiture thereof or default thereunder;

(d) promptly perform or make reasonable and customary efforts to cause to be performed, in accordance with industry standards, the obligations required by each and all of the assignments, deeds, leases, sub-leases, contracts and agreements affecting its interests in its Oil and Gas Properties and other material Properties;

(e) do or cause to be done such development work, and take such other action, as may be reasonably necessary for the prudent and economical ownership and operation of the Borrower's and its Subsidiaries' Oil and Gas Properties, including all such action as may be appropriate to protect from diminution the productive capacity of such Oil and Gas Properties and each producing well thereon; and

(f) to the extent the Borrower is not the operator of any Property, the Borrower shall use reasonable efforts to cause the operator to comply with this Section 7.1.3.

Section 7.1.4 Insurance; Casualty Events. The Borrower will, and will cause each of its Subsidiaries to maintain:

(a) insurance on its property with financially sound and reputable insurance companies against loss and damage in at least the amounts (and with only those deductibles) customarily maintained, and against such risks as are typically insured against in the same general area, by Persons of comparable size engaged in the same or similar business as the Borrower and its Subsidiaries;

(b) all w orker's compensation, employer's liability insurance or similar insurance as may be required under the laws of any state or jurisdiction in which it may be engaged in business, and

(c) the Reliable Res erves Policy, in each case to the reasonable satisfaction of the Agent. Without limiting the foregoing, all insurance policies required pursuant to this Section shall (i) (A) name the Agent on behalf of the Secured Parties as loss payee (in the case of property insurance) and name the Agent and other Secured Parties as additional insured (in the case of liability insurance), as applicable, and (B) provide that no cancellation or modification of the policies will be made without first, in a manner satisfactory to the Agent, providing prior notice to the Agent and (ii) be in addition to any requirements to maintain specific types of insurance contained in the other Loan Documents. If no Event of Default has occurred and is continuing, (x) the Borrower and the Agent will cause all proceeds of insurance in connection with a Casualty Event to be deposited into a Deposit Account or Securities Account maintained by the Agent or as to which a Control Agreement has been executed in favor of the Agent granting "control" to the Agent under the UCC and (y) the Borrower may use such insurance proceeds to, at its option, repair or rebuild the affected property or pay or prepay any outstanding Loans or other Obligations or for any other lawful purpose not otherwise restricted by the Loan Documents. After the occurrence and during the continuance of an Event of Default, the Agent may, and upon direction from the Required Lenders, shall, apply all insurance proceeds upon receipt thereof to the Obligations in accordance with Section 3.1.1.

Section 7.1.5 Books and Records. The Borrower will, and will cause each of its Subsidiaries to, keep books and records in accordance with GAAP that accurately reflect all of its business affairs and transactions and permit each Secured Party or any of their respective representatives, at reasonable times and intervals upon reasonable notice to the Borrower, to visit each such Obligor's offices and/or assets, examine the books of records and accounts therof, take copies and extracts thereof and therefrom, and discuss the affairs, finances and accounts of the Borrower and its Subsidiaries with the Borrower's and its Subsidiaries' officers and employees and their respective independent public accountants (and the Borrower hereby authorizes such independent public accountant to discuss the Borrower's and its Subsidiaries' financial matters with each Secured Party or their representatives whether or not any representative of the Borrower and its Subsidiaries is present) and to examine (and photocopy extracts from) any of its

books and records. The Borrower shall pay any fees of such independent public accountant incurred in connection with any Secured Party's exercise of its rights pursuant to this Section.

Section 7.1.6 Environmental Law Covenant. The Borrower will, and will cause each of its Subsidiaries to,

(a) use and operate all of its and their facilities and properties in material compliance with all Environmental Laws, keep all necessary permits, approvals, certificates, licenses and other authorizations relating to environmental matters in effect and remain in material compliance therewith, and handle all Hazardous Materials in material compliance with all applicable Environmental Laws; and

(b) prom ptly notify the Agent and provide copies upon receipt of all material written claims, complaints, notices or inquiries relating to the condition of its owned, operated and leased facilities and properties in respect of, or as to compliance with, Environmental Laws, and shall promptly resolve any non-compliance with Environmental Laws and keep its owned property free of any Lien imposed by any Environmental Law.

Section 7.1.7 Use of Proceeds. The Borrower has and will apply the proceeds of the Credit Extensions as follows:

and

(a) in accordance with uses of pr oceeds set forth on Schedule VII hereto;

(b) to fund the development of the P roved Reserves related to the Borrower's Properties in accordance with the well drilling and completion schedule set forth on Schedule VII hereto.

Section 7.1.8 Future Guarantors, Security, etc. The B orrower will, and will cause each of its Subsidiaries to, execute any documents, Filing Statements, agreements and instruments, and take all further action (including executing, delivering and filing Mortgages and supplements to any thereof) that may be required under Applicable Law, or that the Agent may reasonably request, in order to effectuate the transactions contemplated by the Loan Documents and in order to grant, preserve, protect and perfect the validity and first priority (subject to Liens permitted by Section 7.2.3) of the Liens created or intended to be created by the Loan Documents. The Borrower will cause any subsequently acquired or organized Subsidiary to execute, contemporaneously with its acquisition or organization, a Subsidiary Guaranty and each other applicable Loan Document in favor of the Secured Parties. In addition, from time to time, the Borrower will, at its cost and expense, promptly secure the Obligations by pledging or creating, or causing to be pledged or created, perfected Liens with respect to such of its assets and properties as the Agent or the Required Lenders shall designate, it being agreed that it is the intent of the parties that the Obligations shall be secured by, among other things, substantially all the assets of the Borrower and its Subsidiaries (including real and personal property acquired subsequent to the Effective Date). Such Liens will be created under the Loan Documents in form and substance satisfactory to the Agent, and the Borrower shall deliver or cause to be delivered to the Agent all such instruments and documents (including legal opinions, title insurance policies and lien searches) as the Agent shall reasonably request to evidence

compliance with this Section. Without limiting the foregoing, the Borrower for itself and on behalf of its Subsidiaries agrees that the Agent is hereby authorized to file, at such times as the Agent deems necessary or desirable, Filing Statements naming the Borrower or any of its Subsidiaries as debtor and describing the collateral as "all personal property" or "all assets" of such debtor whether now or hereafter acquired, or words of like import. The Borrower shall cause the Mortgaged Properties to constitute all of the Oil and Gas Properties of the Borrower and its Subsidiaries. The Borrower hereby authorizes the Agent to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of any Mortgaged Property or any part thereof or any other collateral without the signature of the Borrower or any other Guarantor where permitted by law. A carbon, photographic or other reproduction of the Security Documents or any financing statement covering the Mortgaged Property or any part thereof or any other collateral shall be sufficient as a financing statement where permitted by law. The Borrower shall notify the Agent of any name change of any of the Borrower's Subsidiaries in accordance with the Borrower Pledge and Security Agreement.

Section 7.1.9 Cash Management. Except as required by the terms of this Section 7.1.9, the Borrower will keep all of its operating accounts, Deposit Accounts and other bank accounts separate from, and will not co-mingle any of its cash or money with, those of other Persons (including its Subsidiaries). The Borrower will, and will cause each Subsidiary Guarantor to: (a) ensure that such Person's Account Debtors forward payment of all amounts owed by them to such Person to the Depositary Account, and (b) deposit, or cause to be deposited, promptly, and in any event no later than the second Business Day after the date of receipt thereof, all of such Person's Collections in the Depositary Account. So long as no Default has occurred and is continuing, the Borrower may amend Item 6.19(a) and Item 6.19(b) of the Disclosure Schedule to add or replace one or more of the Deposit Accounts; provided, however, that (i) the prospective depository institution at which such Deposit Account will be held shall be reasonably satisfactory to the Agent and (ii) in the event such Deposit Account will replace or be in addition to a Deposit Account set forth on Item 6.19(a) of the Disclosure Schedule hereto, prior to the time of the opening of such Deposit Account, the Borrower or relevant Subsidiary and such prospective depository institution shall have executed and delivered to the Agent a Control Agreement in respect of such Deposit Account. The Borrower shall close or cause to be closed any of such Deposit Accounts (and establish replacement Deposit Accounts in accordance with the foregoing sentence) promptly and in any event within 30 days of notice from the Agent that the creditworthiness of any depository institution holding such Deposit Account is no longer acceptable in the Agent's reasonable judgment, or as promptly as practicable and in any event within 60 days of notice from the Agent that the operating performance, funds transfer, or availability procedures or performance of the depository institution holding such Deposit Account is no longer acceptable in the Agent's reasonable judgment. The Borrower shall establish on or before the Effective Date and maintain at the Borrower's expense the Depositary Account. All proceeds from the Working Interests shall be immediately deposited into the Depositary Account, pursuant to irrevocable instructions provided to the Operator. Amounts within the Depositary Account shall be disbursed in accordance with the Waterfall set forth in Section 3.1.2. All interest generated by the Depositary Account shall be the property of the Borrower, and shall be disbursed to Borrower from time to time, but not more than quarterly. Investments of the balances within the Depositary Account shall be subject to Agent approval.

Section 7.1.10 Proceeds Account. The Mortgages contain an assignment to the Agent by the Borrower and its Subsidiaries, as applicable, of all Production and Production Proceeds (in each case as defined in the Mortgages). All Production and Production Proceeds shall be paid directly into the Depositary Account (the " Proceeds Account "). The Borrower hereby grants to the Agent for the benefit of the Secured Parties, subject to the prior assignment in favor of the Agent of such Production and Production Proceeds, a security interest in the Proceeds Account and all proceeds thereof.

Secti on 7.1.11 Hedging Agreements.

(a) The Borrower shall not assign, terminate or unwind any of the Hedging Agreements reflected in the hedging positions set forth on a certificate delivered pursuant to Section 7.1.1(q)(iii) or sell any of such Hedging Agreements if the effect of such action (when taken together with any other Hedging Agreements executed contemporaneously with the taking of such action) would have the effect of canceling its positions under such Hedging Agreements unless such actions (a) are undertaken (i) with prior written notice to and approval from the Agent and (ii) for the purpose of repositioning volumes for later or earlier months, for the purpose of eliminating production obligations in anticipation of temporary production shutdowns due to storms or other force majeure events, for the purpose of eliminating production obligations while maintaining hedge volumes and minimum prices for the Borrower or any of its Subsidiaries or for the purpose of placing such obligations under other Hedging Agreements that provide higher minimum prices for the Borrower or any of its Subsidiaries, and (b) are in compliance with the restrictions set forth in Section 7.2.19.

(b) The Borrower must maintain Hedging Agreements, satisfactory to the Agent, at all times while there are Loans outstanding as follows:

(i) price hedges with a notional value of not less than the lesser of (1) 75% of projected gross revenues from Borrower's estimated projected oil and gas production volumes until the Stated Maturity Date, rounded down to the nearest contract hedge volume, related to Borrower's Proved Developed Producing Reserves and (2) the amounts shown on Schedule VIII attached hereto; and

(ii) any additional Hedging Agreements necessary to maintain price he dges on no less than 50% of Borrower's estimated two year forward projected oil and gas production volumes or revenue, rounded down to the nearest hedge contract volume, related to Borrower's Proved Developed Producing Reserves.

Section 7.1.12 Title Information. On or before the delivery to the Agent and the Lenders of each Reserve Report required by Section 7.1.1(m), the Borrower will deliver title information and/or title opinions in form and substance acceptable to the Agent covering the Oil and Gas Properties evaluated by such Reserve Report that were not included in the immediately preceding Reserve Report, so that the Agent shall be reasonably satisfied with the status of title to the Oil and Gas Properties evaluated by such Reserve Report. In addition, the Borrower will furnish to the Agent title due diligence and title opinions in form and substance satisfactory to the Agent and will furnish all other documents and information relating to such properties as the Agent may reasonably request. Within 30 days of notice from the Agent that title defects or

exceptions exist with respect to any Properties, the Borrower shall (i) promptly commence cure of such title defect or exception and provide the Agent and Lenders with satisfactory evidence of such cure within a reasonable time period and (ii) promptly execute and deliver to the Agent Security Documents, satisfactory in form and substance to the Agent, as are necessary or desirable (in the opinion of Agent) to create and maintain in favor of the Secured Parties a perfected Lien on all Oil and Gas Properties of the Borrower with the priority required by this Agreement.

Secti on 7.1.13 Further Assurances . The Borrower at its expense will, and will cause each Subsidiary to, promptly execute and deliver to the Agent all such other documents, agreements and instruments reasonably requested by the Agent to comply with, cure any defects or accomplish the conditions precedent, covenants and agreements of the Borrower or any Subsidiary, as the case may be, in the Loan Documents or to further evidence and more fully describe the collateral intended as security for the Indebtedness, or to correct any omissions in this Agreement or the Security Documents, or to state more fully the obligations secured therein, or to perfect, protect or preserve any Liens created pursuant to this Agreement or any of the Security Documents or the priority thereof, or to make any recordings, file any notices or obtain any consents, all as may be reasonably necessary or appropriate, in the sole discretion of the Agent, in connection therewith.

Section 7.2 Negative Covenants . The Borrower covenants and agrees with each Lender and the Agent that until the Termination Date has occurred, the Borrower will, and will cause its Subsidiaries to, perform or cause to be performed the obligations set forth below.

Section 7.2.1 Business Activities . The Borrow er will not, and will not permit any of its Subsidiaries to, except with the prior written consent of the Agent in its sole discretion, engage, directly or indirectly, in any business if, as a result, the general nature of the business that would then be engaged in by the Borrower or any of its Subsidiaries would be changed in any respect from the general nature of the business engaged in by the Borrower or such Subsidiary on the date of this Agreement. From and after the date hereof, the Borrower and its Subsidiaries will not acquire or make any other expenditure (whether such expenditure is capital, operating or otherwise) in or related to, any Oil and Gas Properties or businesses not located within the geographical boundaries of the United States or otherwise purchase, make, incur, assume or permit to exist any Investment in any Person not organized under the laws of the United States or one of the States thereof.

Section 7.2.2 Indebtedness . The Borrower will not, and will not permit any of its Subsidiaries to, create, incur, assume or permit to exist any Indebtedness, except:

(a) the Obligations;

(b) Hedging Obligations permitted pursuant to the terms of this Agreement;

(c) Indebtedness existing as of the Effective Date that is identified in Item 7.2.2(c) of the Disclosure Schedule, and refinancing of such Indebtedness on No Less Favorable Terms and Conditions in a principal amount not in excess of that which is

outstanding on the Effective Date (as such amount has been reduced following the Effective Date);

(d) unsecured Indebtedness (i) incurred in the ordinary course of business of the Borrower and its Subsidiaries (including open accounts extended by suppliers on normal trade terms in connection with purchases of goods and services (including insurance premium payables in the ordinary course) that are not overdue for a period of more than 90 days or, if overdue for more than 90 days, as to which a dispute exists and adequate reserves in conformity with GAAP have been established on the books of the Borrower or such Subsidiary) and (ii) in respect of performance, surety or appeal bonds or similar assurance undertakings provided in the ordinary course of business, but excluding (in each case), funded Indebtedness incurred through the borrowing of money or Contingent Liabilities in respect thereof;

(e) Indebtednes s (i) evidencing the deferred purchase price of newly acquired property or incurred to finance the acquisition of equipment of the Borrower and its Subsidiaries (pursuant to purchase money mortgages or otherwise, whether owed to the seller or a third party) used in the ordinary course of business of the Borrower and its Subsidiaries (provided that, such Indebtedness is incurred within 30 days of the acquisition of such property) and (ii) in respect of Capitalized Lease Liabilities; provided that, the aggregate amount of all Indebtedness outstanding pursuant to this clause shall not at any time exceed $500,000;

(f) Indebtedness of any Subsidiary owi ng to the Borrower or any other Subsidiary Guarantor;

(g) Indebtedness incurred by the Borrower and its Subsidiaries associated with bonds, surety or similar assurance obligations or undertakings required by Applicable Law in connection with the operation of the Oil and Gas Properties;

(h) Indebtedness of a Person existing at the time such P erson became a Subsidiary of the Borrower, but only if such Indebtedness was not created or incurred in contemplation of such Person becoming a Subsidiary; and

(i) Indebtedness (including, but without duplication, Contingent Liabi lities of the Subsidiary Guarantors in respect thereof) incurred in an amount not to exceed an aggregate outstanding principal amount of up to $100,000; and, the refinancing of all or any applicable portion of such Indebtedness so long as such refinancing is on terms and conditions that are, taken as a whole, No Less Favorable Terms and Conditions, provided , however , that such Indebtedness (x) is unsecured and (y) does not have a maturity date that is prior to the date that is six (6) months after the Stated Maturity Date of the most recent Credit Extension hereunder (the " Permitted Unsecured Indebtedness ").

Section 7.2.3 Liens . The Borrower will not, and will not permit any of its Subsidiaries to, create, incur, assume or permit to exist any Lien upon any of its property (including Capital Securities of any Person), revenues or assets, whether now owned or hereafter acquired, except:

(a) Liens securing payment of the Obligations;

(b) Liens existing as of the Effective Date and disclosed in Item 7.2.3(b) of the Disclosure Schedule securing Indebtedness described in clause (c) of Section 7.2.2, and refinancings of such Indebtedness; provided that, no such Lien shall encumber any additional property and the amount of Indebtedness secured by such Lien is not increased from that existing on the Effective Date (as such Indebtedness may have been permanently reduced subsequent to the Effective Date);

(c) Liens secur ing Indebtedness permitted by clause (h) of Section 7.2.2; provided that, such Liens existed prior to such Person becoming a Subsidiary, were not created in anticipation thereof and attach only to specific tangible assets of such Person (and not assets of such Person generally);

(d) Liens securing Indebted ness of the type permitted under clause (e) of Section 7.2.2; provided that, (i) such Lien is granted within 30 days after such Indebtedness is incurred, (ii) the Indebtedness secured thereby does not exceed 80% of the lesser of the cost or the fair market value of the applicable property, improvements or equipment at the time of such acquisition (or construction) and (iii) such Lien secures only the assets that are the subject of the Indebtedness referred to in such clause;

(e) Liens in favor of carriers, warehouseme n, mechanics, contractors, laborers, suppliers, operators, non-operators, materialmen and landlords granted in the ordinary course of business for amounts not overdue or being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books;

(f) Liens incurred or deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance or other forms of governmental insurance or benefits, or to secure performance of tenders, statutory obligations, bids, leases or other similar obligations (other than for borrowed money) entered into in the ordinary course of business or to secure obligations on surety and appeal bonds or performance bonds or similar assurance undertakings;

(g) judgment Liens in existence for less than 45 days after the entry thereof or with respect to which execution has been stayed or the payment of which is covered in full (subject to a customary deductible) by insurance maintained with responsible insurance companies and which do not otherwise result in an Event of Default under Section 8.1.6;

(h) easements, rights-of-way, zoning restrictions, minor defects or irregularities in title and other similar encumbrances not interfering in any material respect with the value or use of the property to which such Lien is attached;

(i) Liens for Taxes not at the time delinquent or thereafter payable without penalty or being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books;

(j) any zoning or similar law or right reserved or vested in any governmental office or agency to control or regulate the use of, or any reservation in the grant from the crown in respect of, any real property;

(k) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution;

(l) easem ents, restrictions, servitudes, permits, conditions, covenants, exceptions or reservations in any Property of the Borrower or any of its Subsidiaries for the purpose of roads, pipelines, transmission lines, transportation lines, distribution lines for the removal of gas, oil, coal or other minerals or timber, and other like purposes, or for the joint or common use of real estate, rights of way, facilities and equipment, that do not secure any monetary obligations and which in the aggregate do not materially impair the use of such Property for the purposes of which such Property is held by the Borrower or any of its Subsidiaries or materially impair the value of such Property subject thereto;

and

(m) Liens on any leased real proper ty granted to landlords under any leases;

(n) Liens permitted under the Loan Doc uments to the extent permitted thereby.

Section 7.2.4 Financial Conditions and Operations . The Borrower will not permit the Debt Service Coverage Ratio as of the last day of any Fiscal Quarter ending on or after June 30, 2014 to be less than 1.25 to 1.00.

Section 7.2.5 Investments . The Borrower will not, and will not pe rmit any of its Subsidiaries to, purchase, make, incur, assume or permit to exist any Investment in any other Person, except:

(a) Investments existing on the Effective Date and identified in Item 7.2.5(a) of the Disclosure Schedule;

(b) Cash Equivalent Investments;

(c) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(d) Investments by way of contributions to capital or purchases of Capital Securities (i) by the Borrower in any Subsidiary Guarantor or by any Subsidiary in other Subsidiary Guarantors, or (ii) by any Guarantor in the Borrower;

(e) Investments constituting (i) accounts receivable arising, (ii) trade debt granted, or (iii) deposits made in connection with the purchase price of goods or services, in each case in the ordinary course of business;

(f) intercompany loans, advances or guaranties among the Borrower and its Subsidiaries, all to the extent permitted by clause (f) of Section 7.2.2 and clause (d) of this Section 7.2.5;

(g) Capital Expenditures reasonably incurred in the ordinary course of business; and

(h) loa ns or advances to employees, officers or directors in the ordinary course of business of the Borrower or any of its Subsidiaries, in each case only as permitted by Applicable Law, including Section 402 of the Sarbanes Oxley Act of 2002, but in any event not to exceed $100,000 in the aggregate at any time;

provided that,

(i) any Investment that when made complies with the requirements of the definition of the term "Cash Equivalent Investment" may continue to be held notwithstanding that such Investment if made thereafter would not comply with such requirements; and

(j) no Investment otherwise perm itted by clauses (f) or (h) shall be permitted to be made if any Default or Event of Default has occurred and is continuing or would result therefrom.

Section 7.2.6 Restricted Payments; etc. The Borr ower will not, and will not permit any of its Subsidiaries to, declare or make a Restricted Payment, or make any deposit for any Restricted Payment, except as permitted pursuant to the terms of Sections 3.1.2(e) and 7.1.7(e); provided , however , that no amounts received in respect of any Casualty Event may be used to make Restricted Payments until payment in full of the Obligations.

Section 7.2.7 [Intentionally Blank].

Section 7.2.8 Issuance of Capital Securities . The Borrower will not, and w ill not permit any of its Subsidiaries to, issue any Capital Securities (whether for value or otherwise) to any Person other than (in the case of Subsidiaries) to the Borrower.

Section 7.2.9 Consolidation, Merger; Permitted Acquisitions, etc. The Borrower will not, and will not permit any of its Subsidiaries to, liquidate or dissolve, consolidate with, or merge or amalgamate into or with, any other Person, or purchase or otherwise acquire all or substantially all of the assets of any Person (or any division thereof), except:

(a) any Subsidiary may liquidate or dissolve voluntarily into, and may merge or amalgamate with and into, the Borrower or any other Subsidiary; provided that, in any merger involving the Borrower, the Borrower is the surviving Person and a Subsidiary Guarantor may only merge with and into another Subsidiary Guarantor;

(b) the assets or Capital Securities of any Subsidiary may be purchased or otherwise acquired by the Borrower; provided that in no event shall any Subsidiary consolidate with or merge with and into any other Subsidiary unless after giving effect thereto, the Agent shall have a perfected pledge of, and security interest in and to, at least the same percentage of the issued and outstanding interests of Capital Securities (on a fully diluted basis) and other assets of the surviving Person as the Agent had immediately prior to such merger or consolidation in form and substance satisfactory to the Agent and its counsel, pursuant to such documentation and opinions as shall be necessary in the opinion of the Agent to create, perfect or maintain the collateral position of the Secured Parties therein; and

(c) I nvestments made in accordance with Section 7.2.5.

Section 7.2.10 Permitted Dispositions. The Borrower will not, and will not permit any of its Subsidiaries to, Dispose of any of the Borrower's or such Subsidiaries' assets (including accounts receivable and Capital Securities of Subsidiaries) to any Person in one transaction or series of transactions unless such Disposition is:

(a) inventory or obsolet e, damaged, worn out or surplus property Disposed of in the ordinary course of its business, or the discounted sale of defaulted or delinquent trade receivables written off and reserved in the ordinary course of business;

(b) the sale of Hydrocarbons in the ordinary course of business;

(c) an Investment made in accordance with Section 7.2.5 and Restricted Payments made in accordance with Section 7.2.6; and

(d) the sale or other Disposition (including Cas ualty Events) of any Oil and Gas Property or any interest therein or any Subsidiary of the Borrower owning Oil and Gas Properties; provided that (i) 100% of the consideration received in respect of such sale or other Disposition shall be cash, (ii) the consideration received in respect of such sale or other Disposition shall be equal to or greater than the fair market value of the interests that are the subject of such sale or other Disposition (as reasonably determined by the board of directors (or commensurate organizational authority) of the Borrower, if requested by the Agent, the Borrower shall deliver a certificate of a Authorized Officer of the Borrower certifying to that effect) and (iii) the proceeds of such sale or other Disposition shall be applied immediately to prepay the Loans outstanding under this Agreement in accordance with the terms of Section 3.1.1.

Section 7.2.11 Modification of Certain Agreements. The Borrower will not, and will not permit any of its Subsidiaries to, consent to any amendment, supplement, waiver or other modification of, or enter into any forbearance from exercising any rights with respect to the terms or provisions contained in:

(a) any Material Contract (including, without limitation, any Acquisition Document), including waiving any default or termination event under, or breach of or violation of, any term or condition of any Material Contract, or agree in any manner to any other amendment, modification or change of any term or condition of any Material Contract, or

permitting an Operator (or any relevant third party) directly or indirectly to cancel or terminate any Material Contract or permit, consent to or accept any cancellation or termination thereof, or otherwise take any other action in connection with any Material Contract that would materially impair the value of the interest or rights of Borrower or its Subsidiaries thereunder or that would be materially adverse to the interests of the Lenders in respect thereof, unless, in each case, the Borrower has provided prior notice of the amendment, supplement, waiver or other modification of, or forbearance, to the Agent and the Agent has consented to such amendment, supplement, waiver, modification or forbearance;

(b) the Organic Documents of the Borrower or any of its Subsidiaries, if the result would have an adverse effect on the rights or remedies of any Secured Party; and

(c) any of the Permitted Unsecured Debt Documents, unless the Borrower has provided prior notice of the amendment, supplement, waiver or other modification to the Agent and the Agent has consented to such amendment, supplement, waiver or other modification, other than any such amendment, supplement, waiver or modification permitted in accordance with the provisions of this Agreement.

Section 7.2.12 Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries to, enter into or cause or permit to exist any arrangement, transaction or contract (including for the purchase, lease or exchange of property or the rendering of services) with any of its Affiliates, unless such arrangement, transaction or contract (i) is on fair and reasonable terms no less favorable to the Borrower or such Subsidiary than it could obtain in an arm's-length transaction with a Person that is not an Affiliate and (ii) is of the kind that would be entered into by a prudent Person in the position of the Borrower or such Subsidiary with a Person that is not one of its Affiliates, other than:

(a) transactions among the Obligors otherwise permitted hereunder;

(b) reasonable fees and compensation (including employee benefits) paid to, an indemnity provided for the benefit of, officers, directors, board members, employees or consultants of the Borrower or any Subsidiary as determined in good faith by the board of directors (or commensurate organizational authority) of the Borrower;

(c) payment by the Borrower to Affiliates for the Borrower's share of reasonable and customary G&A Expenses incurred by such Affiliates in the ordinary course of business and provided such G&A Expenses are supported by appropriate invoices and incurred pursuant to an expense sharing arrangement reasonably acceptable to the Agent; and

(d) the payment of Restricted Payments as provided under Section 7.2.6.

Section 7.2.13 Restrictive Agreements, etc. The Borrower will not, and will not permit any of its Subsidiaries to, enter into any agreement prohibiting or restricting:

(a) the creation or assumption of any Lien upon its properties, revenues or assets, whether now owned or hereafter acquired;

(b) the ability of any Obligor to amend or otherwise modify any Loan Document; or

(c) the ability of any Subsidiary to make any payments, directly or indirectly, to the Borrower, including by way of dividends, advances, repayments of loans, reimbursements of management and other intercompany charges, expenses and accruals or other returns on investments.

Sect ion 7.2.14 Sale and Leaseback . The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into any agreement or arrangement providing for the sale or transfer by it of any property (now owned or hereafter acquired) to a Person and the subsequent lease or rental of such property or other similar property from such Person.

Section 7.2.15 Pens ion Plans . The Borrower will not, and will not permit any of its Subsidiaries to make any contribution in respect of any Pension Plan in any Fiscal Year in excess of the maximum amount recommended to be contributed by the Borrower and its Subsidiaries as determined by a valuation provided to the Borrower by a nationally recognized agency providing such valuations for purposes of complying with ERISA, the Code and Internal Revenue Service rules and regulations.

Section 7.2.16 Limitation on Leases . Neither the Borrower nor any of its Subsidiaries will create, incur, assume or suffer to exist any obligation for the payment of rent or hire of Property of any kind whatsoever (real or personal but excluding Capital Leases and leases of Hydrocarbon Interests and short term operating leases having a term of not more than six months incurred in the ordinary course of business), under leases or lease agreements that would cause the aggregate amount of all payments made by the Borrower and its Subsidiaries pursuant to all such leases or lease agreements, including, without limitation, any residual payments at the end of any lease, to exceed $500,000 in any period of twelve consecutive calendar months during the life of such leases.

Section 7.2.17 Subsidiaries . The Borrower will not, and will not permit any Subsidiary to, create or acquire any additional Subsidiary unless the Borrower gives written notice to the Agent of such creation or acquisition and complies with Section 7.1.8. The Borrower shall not, and shall not permit any of its Subsidiaries to, sell, assign or otherwise dispose of any Capital Securities in any of its Subsidiaries.

Section 7.2.18 Gas Imbalances, Take or Pay or Other Prepayments . The Borrower will not allow gas imbalances, take-or-pay or other prepayments with respect to the Oil and Gas Properties of the Borrower or any of its Subsidiary that would require the Borrower or such Subsidiary to deliver Hydrocarbons at some future time without then or thereafter receiving full payment therefor.

Section 7.2.19 Restrictions on Hedging Agreements . (a) No Obligor will enter into or maintain any Hedging Agreements except for those required pursuant to Section 7.1.11 and those reasonably satisfactory to the Agent.

(b) Notwithstanding anything herein to the contrary, no Obligor will enter into any Hedging Agreements other than in the ordinary course of business for the purpose of protecting against fluctuations in commodity prices and/or basis risk and not for the purpose of speculation.

Section 7.2.20 Reliable Reserves Policy. None of the Borrower, its Subsidiaries or any other Obligor shall take any action, or omit to take any action, that shall cause the Reliable Reserves Policy to cease to be in full force and effect, whether in whole or in part, or shall affect the effectiveness, validity, binding nature or enforceability thereof. Upon the occurrence of an Event of Default, the Borrower shall promptly, but in any event within 30 days of such occurrence, notify the insurer under the Reliable Reserves Policy of such occurrence.

ARTICLE 8

EVENTS OF DEFAULT

Section 8.1 Listing of Events of Default. Each of the following events or occurrences described in this Article shall constitute an "Event of Default".

Section 8.1.1 Non-Payment of Obligations. The Borrower shall default in the payment or prepayment when due of

(a) any principal of any Loan;

(b) any interest accrued and unpaid, and such default shall continue unremedied for a period of five (5) Business Days after such amount was due; or

(c) any fee or any other monetary Obligation (other than those described in clauses (a) and (b), and such default shall continue unremedied for a period of five (5) Business Days after such amount was due; provided, that (i) the lack of sufficient funds in the Depositary Account to make any of such payments during any application of the Waterfall with respect to the payments described in Sections 3.1.2(c), (d) or (e) shall not constitute an Event of Default and (ii) the lack of sufficient funds in the Depositary Account to make any of the payments described in Section 3.1.2(b) prior to June 30, 2014 during any application of the Waterfall shall not constitute an Event of Default. For the avoidance of doubt, all of the Deferred Interest and any interest accrued but unpaid on the Deferred Interest shall be paid on or before June 30, 2014, and the failure to make such payment on or prior to such date shall constitute an Event of Default under Section 8.1.1(b) above.

Section 8.1.2 Breach of Warranty. Any representation or warranty of any Obligor made or deemed to be made in any Loan Document (including any certificates, documents or statements delivered pursuant thereto) is or shall be incorrect when made or deemed to have been made in any material respect.

Section 8.1.3 Non-Performance of Certain Covenants and Obligations. The Borrower (a) shall default in the due performance or observance of any of its obligations under Section 7.1.1, Section 7.1.4, Section 7.1.7, Section 7.1.11(b), Section 7.2, Section 3.1.1 (g) or 3.1.1(h), (b) any Guarantor shall default under any payment or guarantee obligation under a Guaranty or (c) the Borrower shall fail to use commercially reasonable efforts to ensure that each Operator remits all Revenues for deposit into the Depositary Account on a monthly basis, in conformity with this Agreement.

Secti on 8.1.4 Non-Performance of Other Covenants and Obligations. Any Obligor shall default in the due performance and observance of any other covenant, agreement or obligation contained in any Loan Document applicable to it, and such default shall continue unremedied for a period of 20 days after the earlier of (a) the date of such default or the date on that any Obligor has knowledge of such Default, whichever is earlier, or (b) notice thereof given to the Borrower by the Agent or any Lender.

Section 8.1.5 Default on Other Indebtedness. (a) A default shall occur in the payment of any amount when due (subject to any applicable grace period), whether by acceleration or otherwise, of any principal or stated amount of, or interest or fees on, any Indebtedness (other than Indebtedness described in Section 8.1.1) of the Borrower or any of its Subsidiaries or any other Obligor having a principal or stated amount, individually or in the aggregate, in excess of $500,000, or a default shall occur in the performance or observance of any obligation or condition with respect to such Indebtedness if the effect of such default is to accelerate the maturity of any such Indebtedness or such default shall continue unremedied for any applicable period of time sufficient to permit the holder or holders of such Indebtedness, or any trustee or agent for such holders, to cause or declare such Indebtedness to become due and payable or to require such Indebtedness to be prepaid, redeemed, purchased or defeased, or require an offer to purchase or defease such Indebtedness to be made, prior to its expressed maturity; or (b) an event of default shall have occurred and be continuing under any Permitted Unsecured Debt Documents.

Section 8.1.6 Judgments. Any judgment or order (or any combi nation thereof) for the payment of money individually or in the aggregate in excess of $500,000 (exclusive of any amounts fully covered by insurance (less any applicable deductible) and as to which the insurer has acknowledged to its responsibility to cover such judgment or order) shall be rendered against the Borrower or any of its Subsidiaries or any other Obligor and such judgment(s) or order(s) (as the case may be) shall not have been vacated or discharged or stayed or bonded pending appeal within 30 days after the entry thereof or enforcement proceedings shall have been commenced by any creditor upon such judgment(s) or order(s).

Section 8.1.7 Pension Plans. Any of the following events shall occur with respect to any Pension Plan:

(a) the institution of any steps by the Borrower, any member of its Controlled Group or any other Person to terminate a Pension Plan if, as a result of such termination, the Borrower or any such member could be required to make a contribution to such Pension Plan, or could reasonably expect to incur a liability or obligation to such Pension Plan, in excess of $100,000; or

(b) a contribution failure occurs with respect to any Pension Plan sufficient to give rise to a Lien under section 302(f) of ERISA.

Section 8.1.8 Change in Control . Any Change in Control shall occur.

Section 8.1.9 Bankruptcy, Insolvency, etc. The Borrower, any of its Subsidiaries or any other Obligor shall

(a) become insolvent or generally unable to pay, or admit in writing its inability or unwillingness generally to pay, its debts as they become due;

(b) a pply for, consent to, or acquiesce in the appointment of a trustee, receiver, sequestrator or other custodian for any substantial part of the property of any thereof, or make a general assignment for the benefit of creditors;

(c) in the absenc e of such application, consent or acquiescence in or permit or suffer to exist the appointment of a trustee, receiver, receiver manager, sequestrator or other custodian for a substantial part of the property of any thereof, and such trustee, receiver, receiver manager, sequestrator or other custodian shall not be discharged within 60 days; provided that, the Borrower, each Subsidiary and each other Obligor hereby expressly authorizes each Secured Party to appear in any court conducting any relevant proceeding during such 60-day period to preserve, protect and defend their rights under the Loan Documents;

(d) permit or suffer to exist the com mencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any Debtor Relief Law or any dissolution, winding up or liquidation proceeding, in respect thereof, and, if any such case or proceeding is not commenced by the Borrower, any Subsidiary or any Obligor, such case or proceeding shall be consented to or acquiesced in by the Borrower, such Subsidiary or such Obligor, as the case may be, or shall result in the entry of an order for relief or shall remain for 60 days undismissed; provided that, the Borrower, each Subsidiary and each Obligor hereby expressly authorizes each Secured Party to appear in any court conducting any such case or proceeding during such 60-day period to preserve, protect and defend their rights under the Loan Documents; or

(e) take any action authorizing, or in furtherance of, any of the foregoing.

Section 8.1.10 Impairment of Security, etc. Any Loan Document shall (ex cept in accordance with its terms), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of any Obligor party thereto; any Lien shall (except in accordance with the terms of any Loan Document), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of any Obligor subject thereto in respect of any material portion of the Collateral; any Obligor or any other party shall contest in any manner such effectiveness, validity, binding nature or enforceability; or, except as permitted under any Loan Document, any Lien securing any Obligation shall, in whole or in part, cease to be a perfected first priority Lien with respect to any portion of the Collateral. The Reliable Reserves Policy shall cease to be in full force and effect or

shall cease to be a legally valid, binding and enforceable obligation of the insurer thereunder or such insurer or any other Person shall contest the effectiveness, validity, binding nature or enforceability thereof.

Section 8.1.11 Material Adverse Effect. Any event or condition shall have occurred that has resulted or could reasonably be expected to result in a Material Adverse Effect, including any default or material breach of any joint operating agreement with any Operator (including any failure or default to provide sufficient funds for any cash call or any other financial obligation to the Operator on or before the due date therefore).

Section 8.2 Action if Bankruptcy. If any Event of Default described in clauses (a) through (d) of Section 8.1.9 with respect to the Borrower shall occur, the Commitments (if not theretofore terminated) shall automatically terminate and the outstanding principal amount of all outstanding Loans and all other Obligations shall automatically be and become immediately due and payable, without notice or demand to any Person.

Section 8.3 Action if Other Event of Default. If any Event of Default (other than any Event of Default described in clauses (a) through (d) of Section 8.1.9 with respect to the Borrower) shall occur for any reason, whether voluntary or involuntary, and be continuing, the Agent, upon the direction of the Required Lenders, shall by notice to the Borrower declare (without presentment, demand, protest, notice of intent to accelerate or otherwise) all or any portion of the outstanding principal amount of the Loans and other Obligations (including any amounts due pursuant to Section 3.1.1(a)) to be due and payable and/or the Commitments (if not theretofore terminated) to be terminated, whereupon the full unpaid amount of such Loans and other Obligations (including any amounts due pursuant to Section 3.1.1(a)) that shall be so declared due and payable shall be and become immediately due and payable, without further notice, demand or presentment, and/or, as the case may be, the Commitments shall terminate. Furthermore, upon any Event of Default, the Agent and the Lenders may exercise any and all rights and remedies available to the Agent and the Lenders under the Loan Documents and/or Applicable Law, including enforcement against all Collateral and application of the proceeds thereof, and the amounts in the Depositary Account, towards the payment of the Obligations.

ARTICLE 9

THE AGENT

Section 9.1 Actions. Each Lender hereby appoints Centaurus as the Agent under and for purposes of each Loan Document. Each Lender authorizes the Agent to act on behalf of such Lender under each Loan Document and to appoint other agents or sub-agents to assist in its actions under the Loan Documents and, in the absence of other written instructions from the Required Lenders received from time to time by the Agent (with respect to which the Agent agrees that it will comply, except as otherwise provided in this Section or as otherwise advised by counsel in order to avoid contravention of Applicable Law), to exercise such powers hereunder and thereunder as are specifically delegated to or required of the Agent by the terms hereof and thereof, together with such powers as may be incidental thereto (including the release of Liens on assets Disposed of in accordance with the terms of the Loan Documents). Each

Lender hereby indemnifies (which indemnity shall survive any termination of this Agreement) the Agent, *pro rata* according to such Lender's proportionate Total Exposure Amount, from and against any and all liabilities, obligations, losses, damages, claims, costs or expenses of any kind or nature whatsoever which may at any time be imposed on, incurred by, or asserted against, the Agent in any way relating to or arising out of any Loan Document, (including reasonable attorneys' fees), and as to which the Agent, is not reimbursed by the Borrower; provided that, no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, claims, costs or expenses that are determined by a court of competent jurisdiction in a final proceeding to have resulted from the Agent's gross negligence or willful misconduct. The Agent shall not be required to take any action under any Loan Document, or to prosecute or defend any suit in respect of any Loan Document, unless it is indemnified hereunder to its satisfaction. If any indemnity in favor of the Agent shall be or become, in the Agent's determination, inadequate, the Agent may call for additional indemnification from the Lenders and cease to do the acts indemnified against hereunder until such additional indemnity is given.

Section 9.2 Funding Reliance, etc. Unless the Agent shall have been notified in writing by any Lender by 3:00 p.m. on the Business Day prior to a Borrowing of Loans that such Lender will not make available the amount that would constitute its Percentage of such Borrowing of Loans on the date specified therefor, the Agent may assume that such Lender has made such amount available to the Agent and, in reliance upon such assumption, make available to the Borrower a corresponding amount. If and to the extent that such Lender shall not have made such amount available to the Agent, such Lender and the Borrower severally agree to repay the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date the Agent made such amount available to the Borrower to the date such amount is repaid to the Agent, at the interest rate applicable to the Loans comprising such Borrowing.

Section 9.3 Exculpation. Neither the Agent nor any of its directors, officers, employees or agents (each, an "Agent Indemnified Party") shall be liable to any Secured Party for any action taken or omitted to be taken by it under any Loan Document, or in connection therewith, except for its own willful misconduct or gross negligence (as determined by a court of competent jurisdiction in a final and non-appealable judgment), nor responsible for any recitals or warranties herein or therein, nor for the effectiveness, enforceability, validity or due execution of any Loan Document, nor for the creation, perfection or priority of any Liens purported to be created by any of the Loan Documents, or the validity, genuineness, enforceability, existence, value or sufficiency of any collateral security, nor to make any inquiry respecting the performance by any Obligor of its Obligations. Any such inquiry that may be made by the Agent shall not obligate any of them to make any further inquiry or to take any action. The Agent shall be entitled to rely upon advice of counsel concerning legal matters and upon any notice, consent, certificate, statement or writing that it believes to be genuine and to have been presented by a proper Person. **NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, AND SPECIFICALLY WITH REFERENCE TO THE PROVISIONS OF SECTIONS 9.1, 9.3, 9.5 AND 9.10, IT IS THE INTENTION OF THE PARTIES HERETO THAT EACH AGENT INDEMNIFIED PARTY BE REIMBURSED OR INDEMNIFIED IN THE CASE OF, AND NOT BE LIABLE FOR, ITS OWN NEGLIGENCE (OTHER THAN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT), REGARDLESS OF WHETHER SUCH**

NEGLIGENCE IS SOLE OR CONTRIBUTORY, ACTIVE OR PASSIVE, IMPUTED, JOINT OR TECHNICAL.

Section 9.4 Successor. The Agent may resign as such at any time upon at least 30 days' prior notice to the Borrower and all Lenders. If the Agent at any time shall resign, the Required Lenders may appoint another Lender as a successor Agent that shall thereupon become the Agent hereunder. If no successor Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Agent's giving notice of resignation, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent, which shall be one of the Lenders or a commercial banking institution or other Person organized under the laws of the United States (or any State thereof) or a United States branch or agency of a commercial banking institution or other Person, and having a combined capital and surplus of at least $250,000,000; provided that, if, such retiring Agent is unable to find a commercial banking institution or other Person that is willing to accept such appointment and that meets the qualifications set forth in above, the retiring Agent's resignation shall nevertheless thereupon become effective and the Lenders shall assume and perform all of the duties of the Agent hereunder until such time, if any, as the Required Lenders appoint a successor as provided for above. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall be entitled to receive from the retiring Agent such documents of transfer and assignment as such successor Agent may reasonably request, and shall thereupon succeed to and become vested with all rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under the Loan Documents. After any retiring Agent's resignation hereunder as the Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Agent under the Loan Documents, and Section 10.3 and Section 10.4 shall continue to inure to its benefit.

Section 9.5 Credit Extensions by Agent. The Agent s hall have the same rights and powers with respect to (a) the Credit Extensions made by it or any of its Affiliates, and (b) the Notes held by it or any of its Affiliates as any other Lender and may exercise the same as if it were not the Agent. The Agent and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of business with the Borrower or any Subsidiary or Affiliate of the Borrower as if such Agent were not an Agent hereunder.

Section 9.6 Credit Decisions. Each Lender acknowledges that it has, independently of the Agent and each other Lender, and based on such Lender's review of the financial information of the Borrower, the Loan Documents (the terms and provisions of which being satisfactory to such Lender) and such other documents, information and investigations as such Lender has deemed appropriate, made its own credit decision to extend its Commitments. Each Lender also acknowledges that it will, independently of the Agent and each other Lender, and based on such other documents, information and investigations as it shall deem appropriate at any time, continue to make its own credit decisions as to exercising or not exercising from time to time any rights and privileges available to it under the Loan Documents. In this regard, each Lender acknowledges, agrees and consents that Looper Reed & McGraw, P.C. is acting in this transaction as special counsel to the Agent only, except to the extent otherwise expressly stated in any legal opinion or any Loan Document. Each other party hereto will consult with its

own legal counsel to the extent that it deems necessary in connection with the Loan Documents and the matters contemplated therein.

Section 9.7 Copies, etc. The Agent shall give prompt notice to each Lender of each notice or request required or permitted to be given to the Agent by the Borrower pursuant to the terms of the Loan Documents (unless concurrently delivered to the Lenders by the Borrower). The Agent will distribute to each Lender each document or instrument received (other than Borrowing Requests and other notices delivered pursuant to Articles 2 and 3) for its account and copies of all other communications received by the Agent from the Borrower for distribution to the Lenders by the Agent in accordance with the terms of the Loan Documents.

Section 9.8 Reliance by Agent. The Agent shall be entitled to rely upon any certification, notice or other communication (including any thereof by telephone, telecopy, telegram, email or cable) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person, and upon advice and statements of legal counsel, independent accountants and other experts selected by the Agent. As to any matters not expressly provided for by the Loan Documents, the Agent shall in all cases be fully protected in acting, or in refraining from acting, thereunder in accordance with instructions given by the Required Lenders or all of the Lenders as is required in such circumstance, and such instructions of such Lenders and any action taken or failure to act pursuant thereto shall be binding on all Secured Parties. For purposes of applying amounts in accordance with this Section, the Agent shall be entitled to rely upon any Secured Party that has entered into a Hedging Agreement with any Obligor for a determination (which such Secured Party agrees to provide or cause to be provided upon request of the Agent) of the outstanding Obligations owed to such Secured Party under any Hedging Agreement. Unless it has actual knowledge evidenced by way of written notice from any such Secured Party and the Borrower to the contrary, the Agent, in acting in such capacity under the Loan Documents, shall be entitled to assume that no Hedging Agreements or Obligations in respect thereof are in existence or outstanding between any Secured Party and any Obligor.

Section 9.9 Defaults. The Agent shall not be deemed to have knowledge or notice of the occurrence of a Default unless it has received a written notice from a Secured Party or the Borrower specifying such Default and stating that such notice is a "Notice of Default". In the event that the Agent receives such a notice of the occurrence of a Default, the Agent shall give prompt notice thereof to the Lenders. The Agent shall (subject to Section 10.1) take such action with respect to such Default as shall be directed by the Required Lenders; provided that, unless and until the Agent shall have received such directions, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable in the best interest of the Secured Parties except to the extent that this Agreement expressly requires that such action be taken, or not be taken, only with the consent or upon the authorization of the Required Lenders or all Lenders.

Section 9.10 Posting of Approved Electronic Communications. (a) In addition to providing the Agent with all originals or copies of all Communications (as defined below) in the manner specified by Section 10.2, the Borrower hereby also agrees, unless directed otherwise by the Agent or unless the electronic mail address referred to below has not been provided by the Agent to the Borrower, that it will, or will cause its Subsidiaries to, provide to the Agent all

information, documents and other materials that it is obligated to furnish to the Agent pursuant to the Loan Documents or to the Lenders under Section 7.1.1, including all notices, requests, financial statements, financial and other reports, certificates and other information materials (all such communications being referred to herein collectively as " Communications "), by transmitting the Communications in an electronic/soft medium that is properly identified in a format acceptable to the Agent to an electronic mail address as directed by the Agent.

(b) The Borrower further agrees that the Agent may make the Communications available to the Lenders by posting the Communications on an electronic transmission system (the " Platform ").

(c) T HE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE". THE INDEMNIFIED PARTIES DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS IS MADE BY THE INDEMNIFIED PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE INDEMNIFIED PARTIES HAVE ANY LIABILITY TO ANY OBLIGOR, ANY LENDER OR ANY OTHER PERSON FOR DAMAGES OF ANY KIND, WHETHER OR NOT BASED ON STRICT LIABILITY AND INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY OBLIGOR'S OR THE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY INDEMNIFIED PARTY IS FOUND IN A FINAL RULING BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH INDEMNIFIED PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

(d) The Agent agrees that the receipt of the Communications by the Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Agent for purposes of the Loan Documents. Each Lender agrees that receipt of notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees to notify the Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and that the foregoing notice may be sent to such e-mail address.

(e) Nothing herein shall prejudice the right of the Agent or any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

Section 9.11 Proofs of Claim . The Secured Parties and the Borrower hereby agree that after the occurrence of an Event of Default pursuant to Section 8.1.9, in case of the

pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any of the Obligors, the Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Agent shall have made any demand on any of the Obligors) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of principal and interest owing and unpaid in respect of the Loans and any other Obligations that are owing and unpaid and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Agent and other Secured Parties (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Agent and other agents and their agents and counsel and all other amounts due the Agent and other Secured Parties) allowed in such judicial proceeding; and

(b) to collect a nd receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Secured Party to make such payments to the Agent and, in the event that the Agent shall consent to the making of such payments directly to the Secured Parties, to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Agent and its agents and counsel, and any other amounts due Agent. Nothing herein contained shall be deemed to authorize Agent to authorize or consent to or accept or adopt on behalf of any Secured Party any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Secured Party or to authorize Agent to vote in respect of the claim of any Secured Party in any such proceeding. Further, nothing contained in this Section shall affect or preclude the ability of any Secured Party to (i) file and prove such a claim in the event that the Agent has not acted within ten days prior to any applicable bar date and (ii) require an amendment of the proof of claim to accurately reflect such Secured Party's outstanding Obligations.

Section 9.12 Security Matters; Authority of Agent to Release Coll ateral . (a) Each Lender and each other Secured Party (by their acceptance of the benefits of any Collateral) acknowledges and agrees that the Agent has entered into the Security Documents on behalf of itself and the Secured Parties, and the Secured Parties hereby agree to be bound by the terms of such Security Documents, acknowledge receipt of copies of such Security Documents and consent to the rights, powers, remedies, indemnities and exculpations given to the Agent thereunder. All rights, powers and remedies available to the Agent and the Secured Parties with respect to the Collateral, or otherwise pursuant to the Security Documents, shall be subject to the provisions of such Security Documents. In the event of any conflict or inconsistency between the terms and provisions of this Agreement and the terms and provisions of such Security Documents, the terms and provisions of such Security Documents shall govern and control except that this Agreement shall govern and control the rights, powers, duties, immunities and indemnities of the Agent. The Agent may, without the consent of the Lenders, (i) amend, supplement, restate or otherwise modify the Control Agreement and other Security Documents in order to cure any defect or inconsistency therein, to make any change not inconsistent with the

provisions thereof or to cure any ambiguity or correct any mistake therein, provided that such amendment, supplement, restatement or modification does not adversely affect the interests of any Secured Parties and (ii) agree to such replacements, updates and supplements of any exhibit or schedule to a Control Agreement and the exhibits and schedules to the Security Documents as the Agent deems reasonable, including without limitation to update any supplemental information, add additional accounts or replace or terminate existing accounts; provided that clauses (i) and (ii) above shall not be construed to permit the Agent to agree to changes of the type described in clauses (a) through (g) of Section 10.1 unless the Agent shall have obtained the requisite consents as specified in Section 10.1.

(b) Each Lender and other Secured Party (by their acceptance of the benefits of any Collateral) hereby authorizes the Agent to release any collateral that is permitted to be sold or released pursuant to the terms of the Loan Documents. Each Lender and other Secured Party hereby authorizes the Agent to execute and deliver to the Borrower, at the Borrower's sole cost and expense, any and all releases of Liens, termination statements, assignments or other documents reasonably requested by the Borrower in connection with any sale or other Disposition of Property to the extent such sale or other Disposition is permitted by the terms of this Agreement or is otherwise authorized by the terms of the Loan Documents.

(c) Any Secured Party may ass ign or otherwise transfer (in whole or in part) its interest pursuant to any Hedging Agreement with the Borrower (or a Subsidiary thereof if permitted by Section 7.2.19) to an Approved Counterparty that is or becomes a Lender or an Affiliate of a Lender at the time of such transfer and such Hedging Agreement shall remain secured by the Loan Documents to the same extent that such Hedging Agreement was secured hereunder when the original Secured Party was the counterparty to such Hedging Agreement.

Section 9.13 Agents Responsibility . Without li miting the foregoing, the Agent shall not have or be deemed to have any fiduciary relationship with any other Lender or any Obligor. Each Lender acknowledges that it has not relied, and will not rely, on the Agent in deciding to enter into this Agreement and each other Loan Document to which it is a party or in taking or not taking action hereunder or thereunder. No Lender shall have any fiduciary obligation toward the Borrower or any other Obligor with respect to any Loan Document or the transactions contemplated thereby.

ARTICLE 10
MISCELLANEOUS PROVISIONS

Section 10.1 Waivers, Amendments, etc. The provisions of each Loan Document (other than Hedging Agreements, which shall be modified only in accordance with their respective terms, or as otherwise permitted under Section 9.12 hereof) may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to by the Borrower and the Required Lenders; provided , that no other such amendment, modification or waiver shall:

(a) modify clause (b) of Section 4.2, Section 4.3 (as it relates to sharing of payments) or this Section, in each case, without the consent of all Lenders;

(b) increase the aggregate amount of any Credit Extensions required to be made by a Lender pursuant to its Commitments, extend the Loan Commitment Termination Date or extend the Stated Maturity Date for any Lender's Loan, in each case without the consent of such Lender (it being agreed, however, that any vote to rescind any acceleration made pursuant to Section 8.2 and Section 8.3 of amounts owing with respect to the Loans and other Obligations shall only require the vote of the Required Lenders);

(c) r educe the principal amount of or reduce the rate of interest on any Lender's Loan, reduce any fees described in Article 3 payable to any Lender or extend the date on which principal, interest or fees are payable in respect of such Lender's Loans, in each case without the consent of such Lender (provided that, the vote of Required Lenders shall be sufficient to waive the payment, or reduce the increased portion, of interest accruing under Section 3.2.1 during the continuation of an Event of Default);

(d) reduce the percenta ge set forth in the definition of "Required Lenders" or modify any requirement hereunder that any particular action be taken by all Lenders without the consent of all Lenders;

(e) except as otherwise expressly provided in a Loan Document, release (i) either Borrower from its Obligations under the Loan Documents or any Guarantor from its obligations under a Guaranty or (ii) all or substantially all of the collateral under the Loan Documents, in each case without the consent of all Lenders; or

(f) affect adversely the interests, rights or obli gations of the Agent (in its capacity as the Agent), unless consented to by the Agent.

No failure or delay on the part of any Secured Party in exercising any power or right under any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or the exercise of any other power or right. No notice to or demand on any Obligor in any case shall entitle it to any notice or demand in similar or other circumstances. No waiver or approval by any Secured Party under any Loan Document shall, except as may be otherwise stated in such waiver or approval, be applicable to subsequent transactions. No waiver or approval hereunder shall require any similar or dissimilar waiver or approval thereafter to be granted hereunder.

Section 10.2 Notices; Time . All notices and other communications provided under each Loan Document shall be in writing, by facsimile or by electronic mail and addressed, delivered or transmitted, if to the Borrower, the Agent or a Lender, to the applicable Person at its address or facsimile number or e-mail address set forth on Schedule II hereto or set forth in the Lender Assignment Agreement, or at such other address or facsimile number or e-mail address as may be designated by such party in a notice to the other parties. Any notice, if mailed and properly addressed with postage prepaid or if properly addressed and sent by pre-paid courier service, shall be deemed given when received; any notice, if transmitted by facsimile or by electronic mail, shall be deemed given when the confirmation of transmission thereof is received

by the transmitter. Electronic mail and Internet and intranet websites may also be used to distribute routine communications by the Agent to each Lender, such as financial statements and other information as provided in Section 7.1.1 and for the distribution and execution of Loan Documents for execution by the parties thereto. The parties hereto agree that delivery of an executed counterpart of a signature page to this Agreement and each other Loan Document by facsimile (or electronic transmission) shall be effective as delivery of an original executed counterpart of this Agreement or such other Loan Document. Unless otherwise indicated, all references to the time of a day in a Loan Document shall refer to Houston, Texas time.

Section 10.3 Payment of Costs and Expenses . The Borrower agrees to pay on demand all expenses of the Agent (including the reasonable fees and out-of-pocket expenses of Looper Reed & McGraw, P.C., counsel to the Agent, and of local counsel, if any, who may be retained by or on behalf of the Agent and including, without limitation, the reasonable fees, charges and disbursements of counsel and other outside consultants for the Agent, the reasonable travel, photocopy, mailing, courier, telephone and other similar expenses, including all Communications expenses, and the cost of environmental audits and surveys and appraisals) in connection with:

(a) the review, negotiati on, preparation, execution and delivery of each Loan Document, including schedules and exhibits, and any amendments, waivers, consents, supplements or other modifications to any Loan Document as may from time to time hereafter be required, whether or not the transactions contemplated hereby are consummated;

(b) the filing or recording of any Loa n Document (including the Filing Statements) and all amendments, supplements, amendment and restatements and other modifications to any thereof, searches made following the Effective Date in jurisdictions where Filing Statements (or other documents evidencing Liens in favor of the Secured Parties) have been recorded and any and all other documents or instruments of further assurance required to be filed or recorded by the terms of any Loan Document; and

(c) the preparation and review of the form of any docume nt or instrument relevant to any Loan Document.

The Borrower further agrees to pay, and to save each Secured Party harmless from all liability for, any stamp or other taxes that may be payable in connection with the execution or delivery of each Loan Document or the Credit Extensions. The Borrower also agrees to reimburse the Secured Parties upon demand for all reasonable out-of-pocket expenses (including reasonable attorneys' fees and legal expenses of counsel and settlement costs) incurred in connection with (x) the negotiation of any restructuring or "work-out" with the Borrower, whether or not consummated, of any Obligations and (y) the enforcement of any Obligations.

Section 10.4 Indemnification . In consideration of the execution and delivery of this Agreement by each Secured Party, the Borrower hereby indemnifies, exonerates and holds each Secured Party and each of their respective officers, directors, employees and agents (collectively, the " Indemnified Parties ") free and harmless from and against any and all actions, causes of action, suits, losses, costs, liabilities and damages, and expenses incurred in connection therewith (irrespective of whether any such Indemnified Party is a party to the action for which

indemnification hereunder is sought), including reasonable attorneys' fees and disbursements, whether incurred in connection with actions between or among the parties hereto or the parties hereto and third parties (collectively, the " Indemnified Liabilities "), incurred by the Indemnified Parties or any of them as a result of, or arising out of, or relating to

(a) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of any Credit Extension, including all Indemnified Liabilities arising in connection with the Acquisition;

(b) the entering into and performance of any Loan Document by any of the Indemnified Parties;

(c) the L oan Documents, the Credit Extensions and the extension of the Commitments, the failure of any Obligor to comply with the terms of the Loan Documents or Applicable Law, the inaccuracy of any representation or warranty of any Obligor set forth in the Loan Documents or in a certificate, instrument or document delivered in connection therewith, and the use by any Obligor of the proceeds of any Credit Extension;

(d) any investigation, litigation or proceeding related to any acquisition or proposed acquisition by any Obligor or any Subsidiary thereof of all or any portion of the Capital Securities or assets of any Person, whether or not an Indemnified Party is party thereto;

(e) any investigation, litigation or pr oceeding related to any environmental cleanup, audit, compliance or other matter relating to the protection of the environment or the Release by any Obligor or any Subsidiary thereof of any Hazardous Material;

(f) the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or releases from, any real property owned or operated by any Obligor or any Subsidiary thereof of any Hazardous Material (including any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Law), regardless of whether caused by, or within the control of, such Obligor or Subsidiary; or

(g) each Lender's Environmental Liability (the indemnification herein shall survive repayment of the Obligations and any transfer of the property of any Obligor or its Subsidiaries by foreclosure or by a deed in lieu of foreclosure for any Lender's Environmental Liability, regardless of whether caused by, or within the control of, such Obligor or such Subsidiary);

provided that the Borrower shall not be required to indemnify any Indemnified Party to the extent the applicable Indemnified Liability arises by reason of such Indemnified Party's gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable judgment). Each Obligor and its successors and assigns hereby waive, release and agree not to make any claim or bring any cost recovery action against, any Indemnified Party under CERCLA or any state, provincial or foreign equivalent, or any similar law now existing or hereafter enacted, except for liabilities arising from an Indemnified Party's gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable judgment). It is expressly understood and agreed that to the extent that

any Indemnified Party is strictly liable under any Environmental Laws, each Obligor's obligation to such Indemnified Party under this indemnity shall likewise be without regard to fault on the part of any Obligor with respect to the violation or condition that results in liability of an Indemnified Party. If and to the extent that the foregoing undertaking may be unenforceable for any reason, each Obligor agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities that is permissible under Applicable Law. To the extent permitted by Applicable Law, the Obligors shall not assert, and hereby waive, any claim against any Indemnified Party, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, any Loan or Letter of Credit or the use of the proceeds thereof. All amounts payable to the Indemnified Parties for the Indemnified Liabilities hereunder shall be payable upon written demand therefor. **NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IT IS THE INTENTION OF THE PARTIES HERETO THAT EACH INDEMNIFIED PARTY BE INDEMNIFIED IN THE CASE OF ITS OWN NEGLIGENCE (OTHER THAN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT), REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE OR CONTRIBUTORY, ACTIVE OR PASSIVE, IMPUTED, JOINT OR TECHNICAL.**

Section 10.5 Survival . The obliga tions of the Borrower under Sections 4.1, 10.3 and 10.4 and the obligations of the Lenders under Section 9.1 shall, in each case, survive any assignment from one Lender to another until the occurrence of the Termination Date. The representations and warranties, covenants and agreements made by each Obligor in each Loan Document shall survive the execution and delivery of such Loan Document. To the extent that any payment of the Obligations (including any application of proceeds of Collateral to the Obligations) is invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver or other Person under any Debtor Relief Law or equitable cause, then to such extent, the Obligations so satisfied shall be revived and continue as if such payment or proceeds had not been received or applied and the Agent's and Lenders' Liens, rights, powers and remedies under this Agreement and each Loan Document shall continue in full force and effect. In such event, each Loan Document shall be automatically reinstated and the Borrower shall take such action as may be requested by the Lenders to effect such reinstatement.

Section 10.6 Severability . Any provision of any Loan Document that is prohibited or unenforceable in any jurisdiction shall, as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of such Loan Document or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 10.7 Headings . The various headings of each Loan Document are inserted for convenience only and shall not affect the meaning or interpretation of such Loan Document or any provisions thereof.

Section 10.8 Execution in Counterparts, Effectiveness, etc. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be an original (whether such counterpart is originally executed or an electronic copy of an original and each

party hereto expressly waives its rights to receive originally executed documents other than with respect to any Notes) and all of which shall constitute together but one and the same agreement. This Agreement shall become effective when counterparts hereof executed on behalf of the Borrower, the Agent and each Lender (or notice thereof satisfactory to the Agent), shall have been received by the Agent. The parties hereto agree that delivery of a counterpart of a signature page to this Agreement and each other Loan Document by facsimile or electronic transmission shall be effective as delivery of an original executed counterpart of this Agreement or such other Loan Document.

Section 10.9 Governing Law. **EACH LOAN DOCUMENT (EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN A LOAN DOCUMENT) WILL EACH BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF TEXAS (WITHOUT REGARD TO THE CHOICE OF LAW RULES THAT MAY DIRECT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION).**

Section 10.10 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns; provided that, the Borrower may not assign or transfer its rights or obligations hereunder without the consent of all Lenders.

Section 10.11 Sale and Transfer of Credit Extensions; Participations in Credit Extensions; Notes. Each Lender may assign, or sell participations in, its Loans and Commitments to one or more other Persons in accordance with the terms set forth below.

(a) Any Lender may, with the consent of the Agent (such consent not to be unreasonably withheld or delayed and shall not be required for an assignment to any other Lender, Agent or Affiliate thereof), assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments or Loans at the time owing to it); provided that:

(i) the aggregate amount of the Commitments (which for this purpose includes Loans outstanding thereunder), principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Lender Assignment Agreement with respect to such assignment is delivered to the Agent) shall not be less than $1,000,000, unless (A) the Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); (B) such assignment is an assignment of the entire remaining amount of the assigning Lender's Commitments and Loans at the time owing to it, (C) such assignment is an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, or (D) such assignment is to one or more Eligible Assignees managed by an Affiliate of such Eligible Assignee(s) and the aggregate amount of such assignments is not less than $1,000,000;

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans and/or the Commitments assigned; and

(iii) the parties to each assignment shall (A) electronically execute and deliver to the Agent a Lender Assignment Agreement acceptable to the Agent or (B) with the consent of the Agent, manually execute and deliver to the Agent a Lender Assignment Agreement, together with, in either case, a processing and recordation fee of $3,500 (which fee may be waived or reduced in the sole discretion of the Agent) and if the Eligible Assignee is not a Lender, administrative details information with respect to such Eligible Assignee and applicable tax forms.

(b) Subject to acceptance and recording thereof by the Agent pursuant to clause (c), from and after the effective date specified in each Lender Assignment Agreement, (i) the Eligible Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Lender Assignment Agreement, have the rights and obligations of a Lender under this Agreement, and (ii) the assigning Lender thereunder shall, to the extent of the interest assigned by such Lender Assignment Agreement, subject to Section 10.5, be released from its obligations under this Agreement (and, in the case of a Lender Assignment Agreement covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto, but shall continue to be entitled to the benefits of any provisions of this Agreement that by their terms survive the termination of this Agreement). If the consent of the Borrower to an assignment or to an Eligible Assignee is required hereunder (including a consent to an assignment that does not meet the minimum assignment thresholds specified in this Section), the Borrower shall be deemed to have given its consent five (5) Business Days after the date notice thereof has been delivered by the assigning Lender (through the Agent) unless such consent is expressly refused by the Borrower prior to such fifth Business Day.

(c) The Agent shall record each assignment made in accordance with this Section 10.11 in the Register pursuant to Section 2.5 and periodically give the Borrower notice of such assignments. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Any Lender may, without the consent of, or notice to, t he Borrower or the Agent, sell participations to one or more banks or other entities (a " Participant ") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitments and/or Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver with respect to any of the items set forth in clauses (a) through (d) or (f) of Section 10.1, in each case except as otherwise specifically provided in a Loan Document. Subject to clause (e), the Borrower agrees that each Participant shall be entitled to the benefits of Sections 4.1, 7.1.1, 10.3 and 10.4 to the same

extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 4.4 as though it were a Lender, provided such Participant agrees to be subject to Section 4.3 as though it were a Lender. Each Lender shall, as agent of the Borrower solely for the purpose of this Section, record in book entries maintained by such Lender the name and the amount of the participating interest of each Participant entitled to receive payments in respect of any participating interests sold pursuant to this Section.

(e) A Participant shall not be entitled to receive any greater payment under Sections 4.1, 10.3 and 10.4, as of the time of the sale of such participation, than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Non-U.S. Credit Party if it were a Lender shall not be entitled to the benefits of Section 4.1 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with the requirements set forth in Section 4.1 as though it were a Lender. In addition, if at the time of the sale of such participation, any greater Taxes subject to payment under Section 4.1 would apply to the Participant than applied to the applicable Lender, then such Participant shall not be entitled to any payment under Section 4.1 with respect to the portion of such Taxes as exceeds the Taxes applicable to the Lender at the time of the sale of the participation unless the Participant's request for the Borrower's prior written consent for the Participation described in the first sentence of this clause states that such greater Taxes would be applicable to such Participant, it being understood that the Participant shall be entitled to additional payments under Section 4.1 to the extent such Lender selling the participation would be entitled to any payment resulting from a Change in Law occurring after the time the participation was sold. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the " Participant Register "). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(f) Any Lender may at any time pledge or assign a security interest in al l or any portion of its rights under this Agreement to secure obligations of such Lender; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 10.12 Other Transactions . Nothing contained herein shall preclude the Agent or any Lender from engaging in any transaction, in addition to those contemplated by the Loan Documents, with the Borrower or any of its Affiliates in which the Borrower or such Affiliate is not restricted hereby from engaging with any other Person.

Section 10.13 Forum Selection and Consent to Jurisdiction . **ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN**

CONNECTION WITH, ANY LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE AGENT, THE LENDERS OR THE BORROWER IN CONNECTION HEREWITH OR THEREWITH SHALL BE BROUGHT AND MAINTAINED IN THE COURTS OF THE STATE OF TEXAS LOCATED IN HARRIS COUNTY, TEXAS OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS LOCATED IN HARRIS COUNTY, TEXAS; PROVIDED THAT, ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT THE AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. THE BORROWER IRREVOCABLY AND UNCONDITIONALLY CONSENTS TO THE SERVICE OF PROCESS BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF TEXAS AT THE ADDRESS FOR NOTICES SPECIFIED IN SECTION 10.2. THE BORROWER HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT THE BORROWER HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, THE BORROWER HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THE LOAN DOCUMENTS.

Section 10.14 Waiver of Jury Trial . EACH OF THE B ORROWER, THE AGENT AND THE LENDERS HEREBY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO: (A) THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS CONTEMPLATED HEREBY, OR (B) ANY OTHER PRESENT OR FUTURE INSTRUMENT OR AGREEMENT BETWEEN THE BORROWER AND ANY OF THE LENDERS, OR (C) ANY CONDUCT, ACTS OR OMISSIONS OF THE BORROWER, THE AGENT OR ANY OF THE LENDERS OR ANY OF THEIR RESPECTIVE MANAGERS, MEMBERS, PARTNERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS OR ANY OTHER PERSONS AFFILIATED WITH THE BORROWER, THE AGENT OR ANY OF THE LENDERS; IN EACH OF THE FOREGOING CASES, WHETHER SOUNDING IN TORT OR OTHERWISE. EACH OF THE BORROWER, THE AGENT AND THE LENDERS ALSO WAIVES ANY BOND OR SURETY OR SECURITY UPON SUCH BOND WHICH MIGHT, BUT FOR THIS WAIVER, BE REQUIRED OF THE AGENT OR ANY OF THE LENDERS. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING

WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH OF THE BORROWER, THE AGENT AND THE LENDERS ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, THE LOAN DOCUMENTS CONTEMPLATED HEREBY, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THIS AGREEMENT OR ANY SUCH LOAN DOCUMENTS. EACH OF THE BORROWER, THE AGENT AND THE LENDERS FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

Section 10.15 Confidentiality . (a) Subject to the provisions of clause (b) of this Section, each Lender agrees that it will follow its customary procedures in an effort not to disclose without the prior consent of the Borrower (other than to its employees, agents, auditors, advisors or counsel or to another Lender if the Lender or such Lender's holding or parent company in its sole discretion determines that any such party should have access to such information, provided such Persons shall be subject to the provisions of this Section to the same extent as such Lender) any information that is now or in the future furnished pursuant to this Agreement or any other Loan Document, provided that any Lender may disclose any such information (i) as has become generally available to the public other than by virtue of a breach of this clause by the respective Lender or any other Person to whom such Lender has provided such information as permitted by this Section, (ii) as may be required or appropriate in any report, statement or testimony or other disclosure submitted to any municipal, state, provincial or federal regulatory body having or claiming to have jurisdiction over such Lender or similar organizations (whether in the United States or elsewhere) or their successors, (iii) as may be required or appropriate in respect to any summons or subpoena or in connection with any litigation, (iv) in order to comply with any law, order, regulation or ruling applicable to such Lender, (v) to the Agent, (vi) to any pledgee referred to in clause (f) of Section 10.11 or any prospective or actual transferee or participant in connection with any contemplated transfer or participation of any of the Notes or Commitments or any interest therein by such Lender, provided that such prospective transferee agrees to be bound by the confidentiality provisions contained in this Section, (vii) to any direct or indirect contractual counterparty in swap agreements or such contractual counterparty's professional advisor (so long as such contractual counterparty or professional advisor to such contractual counterparty agrees to be bound by the provisions of this Section) and (viii) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender.

(b) The Borrower hereby acknowledges and agrees that each Lender may share with any of its Affiliates, and such Affiliates may share with such Lender, any information related to the Borrower or any of its Subsidiaries, provided such Persons shall be subject to the provisions of this Section to the same extent as such Lender.

Notwithstanding the foregoing paragraphs of this Section, any party to this Agreement (and each Affiliate, director, officer, employee, agent or representative of the foregoing or such Affiliate) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated herein and all materials of any kind (including opinions or other tax analyses) that are provided to such party relating to such tax treatment or tax structure. The foregoing language is not intended to waive any confidentiality obligations otherwise applicable under this Agreement except with respect to the information and materials specifically referenced in the preceding sentence. This authorization does not extend to disclosure of any other information, including (i) the identity of participants or potential participants in the transactions contemplated herein, (ii) the existence or status of any negotiations, or (iii) any financial, business, legal or personal information of or regarding a party or its affiliates, or of or regarding any participants or potential participants in the transactions contemplated herein (or any of their respective affiliates), in each case to the extent such other information is not related to the tax treatment or tax structure of the transactions contemplated herein.

Section 10.16 Counsel Representation. **THE BORROWER ACKNOWLEDGES AND AGREES THAT IT HAS BEEN REPRESENTED BY COMPETENT COUNSEL IN THE NEGOTIATION OF THIS AGREEMENT, AND THAT ANY RULE OR CONSTRUCTION OF LAW ENABLING THE BORROWER TO ASSERT THAT ANY AMBIGUITIES OR INCONSISTENCIES IN THE DRAFTING OR PREPARATION OF THE TERMS OF THIS AGREEMENT SHOULD DIMINISH ANY RIGHTS OR REMEDIES OF THE AGENT OR THE OTHER SECURED PARTIES ARE HEREBY WAIVED BY THE BORROWER.**

Section 10.17 No Oral Agreements. **THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.**

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Section 10.18 Maximum Interest. It is the intention of the parties hereto to conform strictly to applicable usury laws and, anything herein to the contrary notwithstanding, the Obligations of the Borrower to each Lender under this Agreement shall be subject to the limitation that payments of interest shall not be required to the extent that receipt thereof would be contrary to provisions of law applicable to such Lender limiting rates of interest that may be charged or collected by such Lender. Accordingly, if the transactions contemplated hereby would be usurious under Applicable Law (including the Federal and state laws of the United States of America, or of any other jurisdiction whose laws may be mandatorily applicable) with respect to a Lender, then, in that event, notwithstanding anything to the contrary in this

Agreement, it is agreed as follows: (a) the provisions of this Section 10.18 shall govern and control; (b) the aggregate of all consideration that constitutes interest under Applicable Law that is contracted for, charged or received under this Agreement, or under any other Loan Document or otherwise in connection with this Agreement by such Lender shall under no circumstances exceed the Highest Lawful Rate with respect to such Lender, and any excess shall be credited to the Borrower by such Lender (or, if such consideration shall have been paid in full, such excess promptly refunded to the Borrower); (c) all sums paid, or agreed to be paid, to such Lender for the use, forbearance and detention of the indebtedness of the Borrower to such Lender hereunder shall, to the extent permitted by Applicable Law, be amortized, prorated, allocated and spread throughout the full term of such indebtedness until payment in full so that the actual rate of interest is uniform throughout the full term thereof; and (d) if at any time the interest provided pursuant to Section 3.2, together with any other fees and expenses payable pursuant to this Agreement and the other Loan Documents and deemed interest under Applicable Law, exceeds that amount that would have accrued at the Highest Lawful Rate, then the amount of interest and any such fees to accrue to such Lender pursuant to this Agreement shall be limited, notwithstanding anything to the contrary in this Agreement, to that amount that would have accrued at the Highest Lawful Rate, but any subsequent reductions, as applicable, shall not reduce the interest to accrue to such Lender pursuant to this Agreement below the Highest Lawful Rate until the total amount of interest accrued pursuant to this Agreement and such fees deemed to be interest equals the amount of interest that would have accrued to such Lender if a rate per annum equal to the interest provided pursuant to Section 3.2 had at all times been in effect, plus the amount of fees that would have been received but for the effect of this Section 10.18. In regards to the foregoing, in determining whether or not the interest paid or payable with respect to any Indebtedness of the Borrower to the Lenders, under any specified contingency, exceeds the Highest Lawful Rate, the Borrower and the Lenders shall, to the maximum extent permitted by Applicable Law, (i) characterize any non-principal payment as an expense, fee or premium rather than as interest, (ii) exclude voluntary prepayments and the effects thereof, (iii) amortize, prorate, allocate and spread the total amount of interest throughout the entire contemplated term of such Indebtedness so that interest thereon does not exceed the maximum amount permitted by Applicable Law, and (iv) allocate interest between portions of such Indebtedness, to the end that no such portion shall bear interest at a rate greater than that permitted by Applicable Law. The right to accelerate the maturity of the this Loans under this Agreement and the other Obligations does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and the Lenders do not intend to charge or receive any unearned interest in the event of acceleration. In the event Applicable Law provides for an interest ceiling under Section 303 of the Texas Finance Code, that ceiling shall be the weekly ceiling.

Section 10.19 Collateral Matters; Hedging Agreements. The benefit of the Security Documents and of the provisions of this Agreement relating to the Collateral shall also extend to and be available to each Approved Counterparty to a Hedging Agreement with the Borrower (or a Subsidiary thereof if permitted by Section 7.2.19) that is or was a Lender or an Affiliate thereof at the time such Approved Counterparty entered into such Hedging Agreement (but only for purposes of each such Hedging Agreement so entered into and not for Hedging Agreements entered into after such Approved Counterparty ceased to be a Lender or Affiliate thereof); provided that it is the intention of the parties hereto that repayment of the Hedging

Obligations of the Borrower (or a Subsidiary thereof if permitted by Section 7.2.19) under any qualifying Hedging Agreement with any such Approved Counterparty from realization of any Collateral shall be subject to the terms of the Security Documents.

Section 10.20 PATRIOT Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the PATRIOT Act, it may be required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the PATRIOT Act. The Borrower shall, promptly following a request by any Lender, provide all documentation and other information that such Lender requests in order to comply with any of its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act.

(Signature pages follow)

IN WITNESS WHEREOF ,the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

Radiant Acquisitions I, L.L.C.

By: /s/ John Jurasin
Name: John Jurasin
Title: Manager

CENTAURUS CAPITAL LP, as the Agent and a Lender

By: Centaurus Holdings LLC, its general partner

By: /s/ John Arnold
Name: John Arnold
Title: Manager

Exhibit 10.2

Execution Version

FIRST AMENDMENT TO FIRST LIEN CREDIT AGREEMENT

This FIRST AMENDMENT TO FIRST LIEN CREDIT AGREEMENT (" Amendment "), dated as of February 28, 2014 (the " First Amendment Effective Date "), is by and among RADIANT ACQUISITIONS 1, L.L.C., a Louisiana limited liability company (the " Borrower "), the lenders party to the Credit Agreement described below (the " Lenders "), and CENTAURUS CAPITAL LP (" Centaurus "), as agent for the Lenders (in such capacity, the " Agent ").

RECITALS

WHEREAS, the Borrower, the Lenders and the Agent are parties to the First Lien Credit Agreement, dated October 4, 2013 (as amended, supplemented, amended and restated or otherwise modified from time to time, the " Credit Agreement "); and

WHEREAS, the Borrower has requested that the Agent and the Lenders amend the Credit Agreement in certain respects as set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants, representations and warranties contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT

Section 1. Definitions . Capitalized terms used herein but not defined herein shall have the meanings as given them in the Credit Agreement, unless the context otherwise requires.

Section 2. Amendments to Credit Agreement .

(a) Amendment to Title Page of Credit Agreement . The notional amount of $40,600,000 set forth on the title page to the Credit Agreement is replaced with the notional amount of $42,600,000.

(b) Amendment to Section 1.1 of Credit Agreement . Section 1.1 of the Credit Agreement is amended by adding the following thereto in alphabetical order:

" Deferral Period " means the period of time until the earliest of (i) five (5) Business Days after receipt of the first proceeds received by the Borrower from Initial Commercial Production from the Coral Property and (ii) October 1, 2014.

" Ensminger Property " shall mean those certain tracts or parcels of land containing 447.54 gross acres, more or less, being situated in Section 55, Township 14 South-Range 9 East, St. Mary Parish, Louisiana, as depicted and more particularly described on Schedule V hereto.

" Initial Commercial Production " means production from the reference well has become stable and is being delivered and sold to customers on a regular basis.

(c) Amendment to Section 1.1 of Credit Agreement . Section 1.1 of the Credit Agreement is hereby further amended by amending and restating the following definitions in their entirety to read as follows:

" Coral Property " shall mean those certain tracts or parcels of land containing 1405.47 gross acres, more or less, being situated in portions of Blocks 17 and 18, Eugene Island Area, Revised, St. Mary Parish, State of Louisiana, as depicted and more particularly described on Schedule V hereto.

" Deferred Interest " means all interest or fees accruing hereunder that are capitalized and added to the amount of principal of the Loans outstanding hereunder pursuant to the terms of Section 3.4 hereto.

" Stated Maturity Date " means the date on which the Target Principal Amortization is scheduled to reach 100% pursuant to the target debt balance schedule provided in Schedule IV hereto.

(d) Amendment to Section 1.1 of Credit Agreement . Section 1.1 of the Credit Agreement is hereby further amended by modifying the following defined terms as stated below.

(i) The definition of "Commitment Amount" is hereby amended by deleting "40,600,000" and inserting in place thereof "42,600,000".

(ii) The definition of "Credit Exposure" is hereby amended by inserting the following parenthetical at the end of such definition: "(not including any Deferred Interest with respect thereto)."

(iii) The definition of "Filing Statements" is hereby amended by deleting "Section 5.1.8" and inserting in place thereof "Section 5.1.8(b)".

(iv) The definition of "Net Profits Interest Payment" is hereby amended by deleting "Section 3.1.2(d)" and inserting in place thereof "Section 3.1.2(e)".

(v) The definition of "OID" is hereby amended by (A) deleting "$39,788,000" and inserting in place thereof "$41,748,000", (B) deleting "$40,600,000" and inserting in place thereof "$42,600,000", and (C) inserting the following parenthetical at the end of such definition: "(*plus* Deferred Interest)".

(e) Amendment to Section 1.3 of the Credit Agreement. Section 1.3 of the Credit Agreement is hereby amended by deleting "and" appearing immediately before clause (h) of Section 1.3 and inserting the following immediately following clause (h) of Section 1.3:

", and (i) any reference to principal or principal amount of the Loan(s) shall include any Deferred Interest that shall have accrued hereunder."

(f) Amendment to Section 2.1.1(a) of the Credit Agreement. The first sentence of Section 2.1.1(a) of the Credit Agreement is hereby amended and restated in its entirety to the following:

"On the Effective Date (subject to the terms of Article 5 hereof) and thereafter on any Business Day within the last seven (7) days of a calendar month (but, in any case, only once in each calendar month unless otherwise approved by the Agent) but prior to the Loan Commitment Termination Date, each Lender severally agrees that it will make loans (relative to such Lender, its "Loans") to the Borrower in an aggregate amount equal to such Lender's Percentage of the aggregate amount of (x) each Borrowing of Loans requested by the Borrower pursuant to a Borrowing Request made in accordance with the terms of Section 2.3 *less* (y) the amount of OID attributable to such Lender's Percentage of such Borrowing of Loans (thus, (i) the maximum aggregate commitment of the Lenders to advance Loans under this Agreement shall be $41,748,000, and the maximum aggregate principal amount to be repaid by the Borrower in respect thereof is $42,600,000 (*plus* the Deferred Interest) and (ii) for any given Loan, the amount of funds advanced by any Lender shall be ninety-eight percent (98%) of the amount of principal required to be repaid by the Borrower in respect of such Loan (without taking into account any Deferred Interest related thereto))."

(g) Amendment to Section 2.3 of the Credit Agreement. The first sentence Section 2.3 of the Credit Agreement is hereby amended by adding the parenthetical "(unless otherwise approved by the Agent)" at the end of the sentence.

(h) Amendment to Section 2.3 of the Credit Agreement. The third sentence Section 2.3 of the Credit Agreement is hereby amended by deleting "Each" and inserting in place thereof "Unless otherwise approved by the Agent, each".

(i) Amendment to Section 2.3 of the Credit Agreement. The fourth sentence Section 2.3 of the Credit Agreement is hereby amended and restated in its entirety to the following:

"Lenders shall not be required to advance any Loans when any Default or Event of Default has occurred and is continuing."

(j) Amendment to Section 2.4 of the Credit Agreement. The third sentence of Section 2.4 of the Credit Agreement is hereby amended and restated in its entirety to the following:

"The Agent may prohibit amounts from being released or disbursed from the Blocked Account when any Default or Event of Default has occurred and is continuing."

(k) Amendment to Section 2.4 of the Credit Agreement . Section 2.4 of the Credit Agreement is hereby amended by adding the following sentence at the end of Section 2.4:

"Notwithstanding any other provision of this Agreement, any release of funds from the Blocked Account shall be subject to the Agent's approval, which may be granted or withheld in its sole discretion."

(l) Amendment to Section 3.1.1(d) of the Credit Agreement . Section 3.1.1(d) of the Credit Agreement is hereby amended and restated in its entirety to the following:

"(d) The Borrower shall be obligated to make such prepayment on the date it or any Subsidiary receives (i) insurance proceeds in connection with any Casualty Event, provided , that the Borrower shall not have to make such prepayment if it used such insurance proceeds to repair or rebuild the affected property within ninety (90) days of the Casualty Event (provided , however , such ninety (90) day period shall be extended to one hundred-twenty (120) days, or longer at the sole discretion of the Agent, if the Borrower has taken substantial steps towards repairing or rebuilding the affected property within ninety (90) days of the Casualty Event) or (ii) cash proceeds as a result of any sale or Disposition under Section 7.2.10(d); provided that all payments required to be made pursuant to this clause (d) must be made on or prior to the Termination Date."

(m) Amendment to Section 3.1.1(g) of the Credit Agreement . Section 3.1.1(g) of the Credit Agreement is hereby amended by deleting "June 30" and inserting in place thereof "October 1".

(n) Amendment to Section 3.1.2 of the Credit Agreement . Section 3.1.2 of the Credit Agreement is hereby amended and restated in its entirety to the following:

"Section 3.1.2 Payment; Waterfall . The Borrower shall repay in full the unpaid principal amount of each Loan (including any Deferred Interest) on the Stated Maturity Date. Prior to repayment in full of the principal amount of each Loan on the Stated Maturity Date, or the applicable earlier prepayment (in accordance with the terms of Section 3.1.1 hereof) in full of such principal amount, on the last calendar day of each month during the term of this Agreement (or the first Business Day preceding such day, if such day is not a Business Day), the Borrower shall provide for the disbursement of amounts from the Depositary Account in accordance with the following priorities in payment (such payments from the Depositary Account, the " Waterfall "):

(a) *First* , the Borrower shall pay all direct and recurring field level expenses (lease operating expenses) related to the Borrower's Oil and Gas Properties (expressly excluding, however, any expenditures included on the well drilling and completion schedule set forth on Schedule VII hereto);

(b) *second* , the Borrower shall pay Lenders any settlement amounts due, if any, related to Hedging Agreements to which any Lenders are a party;

(c) *third* , commencing on the first application of the Waterfall after the Deferral Period, the Borrower shall pay the Lenders (i) interest accrued but unpaid on the outstanding principal amount of the Loans (including any interest accrued but unpaid on the Deferred Interest which has been capitalized but excluding, however, Deferred Interest which has already been capitalized and added to the outstanding principal pursuant to Section 3.4) and (ii) the commitment fee calculated in accordance with Section 3.3.1;

(d) *fourth* , commencing on the first application of the Waterfall after the Deferral Period, the Borrower shall pay the Lenders the amount of outstanding principal such that Borrower will meet the Target Principal Amortization percentage for such month and any additional amount necessary to meet cumulative Target Principal Amortization;

(e) *fifth* , the Borrower shall pay the Net Profits Interest Payment;

(f) *sixth* , the Borrower may withdraw all or a portion of the remaining balance of the Depositary Account (after application of the payments in clauses (a)-(e)); provided , however , that (i) the Borrower may not withdraw funds from the Depositary Account pursuant to this clause (f) after a Casualty Event unless and until the insurance proceeds from such Casualty Event have been used to repair or rebuild the affected property within the time permitted under this Agreement under Section 3.1.1(d) or the insurance proceeds have been used to satisfy the prepayment required under Section 3.1.1(d) and (ii) any withdrawal from the Depositary Account pursuant to this clause (f) during the Deferral Period shall only be used for expenditures included on the well drilling and completion schedule set forth on Schedule VII hereto or to fund working capital needs that are directly attributable to the Borrower's operations, in each case, as approved by the Agent in its sole and absolute discretion.

Notwithstanding anything in the NPI Conveyance to the contrary, after the Effective Date and continuing until the Termination Date, payments pursuant to Section 3.1.2(e) of the Waterfall shall satisfy and be deemed full payment of the Net Profits Interest. Upon the Termination Date and repayment in full of all Obligations under this Agreement, the Net Profits Interest shall be satisfied and paid by Borrower pursuant to the NPI Conveyance and the terms and conditions thereof.

Notwithstanding anything in the foregoing to the contrary, the Agent may suspend disbursements pursuant and under the Waterfall during the continuation of any Default or Event of Default. If the Agent notifies the Borrower of such suspension, during such continuation of any Default or Event of Default, the full amount of funds in the Depositary Account shall be paid to Lenders on the last calendar day of each month (or the first Business Day preceding such day, if such day is not a Business Day) and be applied to (i) first, to any settlement amounts due, if any, related to Hedging Agreements to which any Lenders are a party, (ii) second, to accrued interest and, (iii) third, to outstanding principal amounts of the Loans. For the avoidance of doubt, the Depositary Account shall remain subject to any enforcement by Lender pursuant to Article 8."

(o) Amendment to Section 3.2.1 of the Credit Agreement. Section 3.2.1 of the Credit Agreement is hereby amended and restated in its entirety to the following:

"The outstanding principal balance of the Loans (as may have been advanced from time to time) shall bear interest at a per annum rate of twelve percent (12%); provided that, if an Event of Default shall have occurred and be continuing, all outstanding principal of and, to the fullest extent permitted by Applicable Law, all past due interest and any other past due amounts owing under this Agreement shall bear interest at a per annum rate which is the lesser of fifteen percent (15%) and the Highest Lawful Rate."

(p) Amendment to Article 3 of the Credit Agreement. Article 3 of the Credit Agreement is hereby amended by adding the following Section 3.4:

"Section 3.4 Capitalizing Interest. Until such time as such interest and fees become due and payable pursuant to the terms of Section 3.1.2 (c), amounts of interest and commitment fees accruing under the terms of Sections 3.2 and 3.3 hereof shall be capitalized and added into the principal amounts of the Loans outstanding hereunder (respectively for each Lender in accordance with the interest accruing in respect of its underlying outstanding Loans and the commitment fees accruing in respect of its underlying Loan Commitment), with such applicable capitalization of such amount(s) to be effective as of the last day of the Deferral Period (or the first Business Day preceding such day, if such day is not a Business Day). From and after such time as such interest and fees become due and payable pursuant to the terms of Section 3.1.2 (c), all such interest and commitment fees shall accrue and be due and payable pursuant to the terms of Sections 3.1.2(c), 3.2 and 3.3, and shall no longer be capitalized as provided pursuant to this Section 3.4."

(q) Amendment to Section 6.6 of the Credit Agreement. Section 6.6 of the Credit Agreement is hereby amended by deleting "December 31, 2012" and inserting in place thereof "September 30, 2013".

(r) Amendment to Section 7.1.1 of the Credit Agreement. The first sentence Section 7.1.1 of the Credit Agreement is hereby amended and restated in its entirety to the following:

"The Borrower will furnish the Agent, each Lender and the Reliable Reserves Insurer, copies of the following financial statements, reports, notices and information:"

(s) Amendment to Section 7.1.1(b) of the Credit Agreement. Section 7.1.1(b) of the Credit Agreement is hereby amended by deleting "90" and inserting in place thereof "120".

(t) Amendment to Section 7.1.1 of the Credit Agreement. Section 7.1.1 of the Credit Agreement is hereby amended by (A) deleting "and" appearing after clause (v), (B) deleting the period at the end of clause (w) and replacing it with "; and" and (C) by adding the following clause (x) to Section 7.1.1:

"(x) contemporaneous with the submission of each Borrowing Request (or at such other times as requested by the Agent) during any period any funds remain in the Blocked Account, reports setting forth the amount of (i) remaining funds in the Blocked Account for capital expenditures set forth on the well drilling and completion schedule set forth on Schedule VII and (ii) remaining funds in the Blocked Account for working capital needs in accordance with Section 7.1.7(c)."

(u) Amendment to Section 7.1.7 of the Credit Agreement. Section 7.1.7 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"Section 7.1.7 Use of Proceeds. The Borrower has and will apply the proceeds of the Credit Extensions as follows:

(a) in accordance with uses of proceeds set forth on Schedule VII hereto;

(b) to fund the development of the Proved Reserves related to the Borrower's Properties in accordance with the well drilling and completion schedule set forth on Schedule VII hereto; and

(c) to fund working capital needs that are directly attributable to the Borrower's operations and approved by the Agent, in its sole discretion.

(v) Amendment to Section 7.2.4 of the Credit Agreement. Section 7.2.4 of the Credit Agreement is hereby amended by deleting "June 30" and inserting in place thereof "December 31".

(w) Amendment to Section 8.1.1(c) of the Credit Agreement. Section 8.1.1(c) of the Credit Agreement is hereby amended by inserting ")" immediately after "clauses (a) and (b)".

(x) Amendment to Section 8.1.1 of the Credit Agreement. The last paragraph of Section 8.1.1 of the Credit Agreement is hereby amended and restated in its entirety to the following:

" provided, that the lack of sufficient funds in the Depositary Account to make any of such payments during any application of the Waterfall with respect to the payments described in Sections 3.1.2(d), (e) or (f) shall not constitute an Event of Default."

(y) Amendment to Schedule IV of the Credit Agreement. Schedule IV of the Credit Agreement is hereby amended and restated in its entirety by replacing it with the schedule attached as Annex I hereto.

(z) Amendment to Schedule V of the Credit Agreement. Schedule V of the Credit Agreement is hereby amended by replacing the current description of the Coral Property with the description attached as Annex II hereto.

(aa) Amendment to Schedule VII of the Credit Agreement. Page 9 of Schedule VII of the Credit Agreement is hereby amended and restated in its entirety by replacing it with the schedule attached as Annex III hereto.

Section 3. Conditions to Effectiveness. This Amendment shall become effective as of the First Amendment Effective Date when all of the conditions set forth in this Section 3 have been satisfied.

(a) The Agent shall have received counterparts (in such number as may be requested by the Agent) of this Amendment signed on behalf of the Borrower, the Agent, and all of the Lenders.

(b) The Agent shall have received, for the account of each Lender that has requested a replacement Note, a Note payable to the order of such Lender duly executed and delivered by an Authorized Officer of the Borrower.

(c) The Agent shall have received counterparts of that certain Forbearance Agreement, dated on or about the date hereof, between the Borrower, the Agent and the Lenders.

(d) The Agent shall have received counterparts of that certain Net Profits Interest Conveyance and Agreement, dated on or about the date hereof, between the Borrower and the Agent.

(e) The Agent shall have received counterparts (in sufficient counterparts for filing in each applicable county or parish) of supplements to the Louisiana Mortgage (to add the Coral Property) in form and substance satisfactory to the Agent, signed by each party thereto and notarized.

(f) The Reliable Reserves Insurer shall have consented to this Amendment.

(g) The Agent shall have received from each Obligor a certificate, dated as of the First Amendment Effective Date, duly executed and delivered by such Obligor (i) certifying that the Organic Documents of such Obligor that were delivered on the Effective Date remain in full force and effect and have not been amended or modified (or to the extent of any amendment or modification, attaching copies of such Organic Documents and certifying that such copies are true, correct and complete copies), (ii) certifying that the persons shown on the incumbency certificates delivered on the Effective Date continue to reflect the persons authorized to act with respect to each Loan Document (or to the extent of any change in persons authorized to act with respect to each Loan Document, attaching specimen signatures of each person authorized to act with respect to each Loan Document and certifying as to such person's name, title and authority to act with respect to each Loan Document), (iii) attaching copies of resolutions of such Obligor's Board of Directors (or similar managing body) then in full force and effect authorizing, to the extent relevant, all aspects of the transactions contemplated by this Amendment applicable to such Obligor and the execution, delivery and performance of this Amendment and the other Loan Documents delivered on the First Amendment Effective Date (collectively, the " First Amendment Effective Date Loan Documents ") entered into by such Obligor and the transactions contemplated hereby and thereby, and (iv) certifying that no consents, licenses and approvals are required in connection with the execution, delivery and performance by such Obligor and the validity against such Obligor of this Amendment and the other First Amendment Effective Date Loan Documents.

(h) The Agent shall have received such other documents and amendments to Loan Documents as it may reasonably request.

(i) The representations and warranties in Section 4 below shall be true and correct.

(j) The Agent shall have received for its own account, or for the account of each Lender, as the case may be, all fees, costs and expenses due and payable pursuant to Section 10.3 of the Credit Agreement.

Section 4. Representations and Warranties. The Borrower hereby represents and warrants that after giving effect hereto:

(a) the representations and warranties of the Obligors contained in the Loan Documents are true and correct in all material respects, other than those representations and warranties that expressly relate solely to a specific earlier date, which shall remain correct in all material respects as of such earlier date;

(b) the execution, delivery and performance by the Borrower and each other Obligor of this Amendment and the other Loan Documents have been duly authorized by all necessary corporate or other action required on their part and this Amendment, along with the Credit Agreement as amended hereby and the other Loan Documents, constitutes the legal, valid and binding obligation of each Obligor a party thereto enforceable against them in accordance with its terms, except as its enforceability may be affected by the effect of bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting the rights or remedies of creditors generally; and

(c) neither the execution, delivery and performance of this Amendment by the Borrower and each other Obligor, the performance by them of the Credit Agreement as amended hereby nor the consummation of the transactions contemplated hereby does or shall contravene, result in a breach of, or violate (i) any provision of any Obligor's certificate or articles of incorporation or bylaws or other similar documents, or agreements, (ii) any law or regulation, or any order or decree of any court or government instrumentality, or (iii) any indenture, mortgage, deed of trust, lease, agreement or other instrument to which any Obligor or any of its Subsidiaries is a party or by which any Obligor or any of its Subsidiaries or any of their property is bound, except in any such case to the extent such conflict or breach has been waived by a written waiver document, a copy of which has been delivered to Agent on or before the date hereof.

Section 5. Loan Document; Ratification.

(a) This Amendment is a Loan Document.

(b) The Borrower and each other Obligor hereby ratifies, approves and confirms in every respect all the terms, provisions, conditions and obligations of the Credit Agreement as amended hereby and each of the other Loan Documents including without limitation all Mortgages, Security Agreements, Guaranties, Control Agreements and other Security Documents, to which it is a party.

Section 6. Costs and Expenses. As provided in Section 10.3 of the Credit Agreement, the Borrower agrees to reimburse Agent for all fees, costs, and expenses, including the reasonable fees, costs, and expenses of counsel or other advisors for advice, assistance, or other representation, in connection with this Amendment and any other agreements, documents, instruments, releases, terminations or other collateral instruments delivered by the Agent in connection with this Amendment.

Section 7. GOVERNING LAW. THIS AMENDMENT SHALL BE DEEMED A CONTRACT AND INSTRUMENT MADE UNDER THE LAWS OF THE STATE OF TEXAS AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF TEXAS AND THE LAWS OF THE UNITED STATES OF AMERICA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

Section 8. Severability. Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Amendment or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 9. Counterparts. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any party hereto may execute this Amendment by signing one or more counterparts. Any signature hereto delivered by a party by facsimile or electronic transmission shall be deemed to be an original signature hereto.

Section 10. No Waiver. The express waivers set forth herein are limited to the extent expressly provided in this Amendment and, except as expressly set forth in this Amendment, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any default of the Borrower or any other Obligor or any right, power or remedy of the Agent or the other Secured Parties under any of the Loan Documents, nor constitute a waiver of (or consent to departure from) any terms, provisions, covenants, warranties or agreements of any of the Loan Documents. The parties hereto reserve the right to exercise any rights and remedies available to them in connection with any present or future defaults with respect to the Credit Agreement or any other provision of any Loan Document.

Section 11. Successors and Assigns. This Amendment shall be binding upon the Borrower and its successors and permitted assigns and shall inure, together with all rights and remedies of each Secured Party hereunder, to the benefit of each Secured Party and the respective successors, transferees and assigns.

Section 12. Entire Agreement. THIS AMENDMENT, THE FIRST LIEN CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT OF THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

(*Signature Pages Follow*)

In Witness Whereof, the parties hereto have caused this Amendment to be duly executed and delivered by their respective duly authorized officers as of the date first written above.

B ORROWER:

RADIANT ACQUISITIONS 1, L.L.C.

By: /s/ John Jurasin
Name: John Jurasin
Title: Manager

-Signature page to
Radiant First Amendment-

AGENT AND LENDERS:

CENTAURUS CAPITAL LP, as Agent and Lender

By: Centaurus Holdings LLC, its general partner

By: /s/ John Arnold
Name: John Arnold
Title: Manager

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-Signature page to
Radiant First Amendment-

ACKNOWLEDGED AND AGREED AS OF THE DATE FIRST ABOVE WRITTEN IN ITS CAPACITY AS GUARANTOR UNDER ITS LIMITED RECOURSE GUARANTY AND GRANTOR UNDER ITS PLEDGE AGREEMENT AND IRREVOCABLE PROXY DELIVERED IN CONNECTION WITH THE FIRST LIEN CREDIT AGREEMENT:

RADIANT OIL AND GAS, INC

By: /s/ John Jurasin

Name: John Jurasin
Title: CEO

-Signature page to Radiant First Amendment-

ANNEX I
TO FIRST AMENDMENT TO
FIRST LIEN CREDIT AGREEMENT

New Schedule IV to Credit Agreement

SCHEDULE IV

TARGET AMORTIZATION TABLE

The Target Principal Amortization table below shall begin in the month Borrower is required to start making principal payments pursuant to Section 3.1.2(d).

	Percentage of Principal (including Deferred Interest) Payment	
Month	**Monthly**	**Cumulative**
1	1.8%	1.8%
2	1.8%	3.7%
3	1.8%	5.5%
4	1.8%	7.4%
5	1.8%	9.2%
6	1.8%	11.1%
7	1.8%	12.9%
8	1.8%	14.8%
9	1.8%	16.6%
10	1.8%	18.5%
11	3.1%	21.6%
12	3.1%	24.6%
13	3.1%	27.7%
14	3.1%	30.8%
15	3.1%	33.9%
16	3.1%	36.9%
17	3.1%	40.0%
18	3.1%	43.1%
19	3.1%	46.2%
20	3.1%	49.3%
21	3.1%	52.3%
22	3.1%	55.4%
23	3.1%	58.5%
24	3.1%	61.6%
25	3.1%	64.7%
26	2.5%	67.1%
27	2.5%	69.6%
28	2.5%	72.0%

29	2.5%	74.5%
30	2.5%	77.0%
31	2.5%	79.4%
32	2.5%	81.9%
33	2.5%	84.4%
34	2.5%	86.8%
35	2.5%	89.3%
36	2.5%	91.7%
37	0.7%	92.4%
38	0.7%	93.1%
39	0.7%	93.8%
40	0.7%	94.5%
41	0.7%	95.1%
42	0.7%	95.8%
43	0.5%	96.3%
44	0.5%	96.8%
45	0.5%	97.3%
46	0.5%	97.8%
47	0.5%	98.3%
48	0.5%	98.8%
49	0.5%	99.3%
50	0.5%	99.8%
51	0.2%	100.0%
	100.0%	

ANNEX II
TO FIRST AMENDMENT TO
FIRST LIEN CREDIT AGREEMENT

Coral Property:

Leases:

Lease for Oil, Gas and Other Liquid or Gaseous Minerals (State Lease No. 21312) from State Mineral and Energy Board of the State of Louisiana, as Lessor to Crescent Resources, L.L.C., as Lessee dated December 11, 2013, a copy of which is recorded under the St. Mary Parish Clerk's File No. 318200 and is recorded in Book 289, Page 24 of the Conveyance Records of St. Mary Parish, Louisiana, covering all or a part of the Lands described below.

Lease for Oil, Gas and Other Liquid or Gaseous Minerals (State Lease No. 21313) from State Mineral and Energy Board of the State of Louisiana, as Lessor to Crescent Resources, L.L.C., as Lessee dated December 11, 2013, a copy of which is recorded under the St. Mary Parish Clerk's File No. 318199 and is recorded in Book 289, Page 10 of the Conveyance Records of St. Mary Parish, Louisiana, covering all or a part of the Lands described below.

Lands:

PORTION OF TRACT 43646 – Portion of Block 17, Eugene Island Area, Revised, St. Mary Parish, Louisiana
The beds and bottoms of all water bodies belonging to the State of Louisiana located in Block 17, Eugene Island Area, Revised, together with any present lands formed by accretion to the shoreline or islands formed therein, located in St. Mary Parish, Louisiana, owned by and not presently under mineral lease as of December 11, 2013, from the State of Louisiana, the geographical area of which is more fully described as follows: Beginning at a point on the West line of Block 17 Eugene Island Area, Revised having Coordinates of X = 1,954,933.52 and Y = 250,147.00; thence East 2,699.48 feet to a point having Coordinates of X = 1,957,633.00 and Y
= 250,147.00; thence South 2,003.00 feet to a point having Coordinates of X = 1,957,633.00 and Y = 248,144.00; thence West 2,699.48 feet to a point on the West line of said Block 17 having Coordinates of X = 1,954,933.52 and Y = 248,144.00; thence North 2,003.00 feet along the West line of said Block 17 to the point of beginning, containing approximately 124.13 acres, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (North or South Zone).

PORTION OF TRACT 43647 – Portion of Blocks 17, and 18, Eugene Island Area, Revised, St. Mary Parish, Louisiana

The beds and bottoms of all water bodies belonging to the State of Louisiana located in Blocks 17 and 18, Eugene Island Area, Revised, together with any present lands formed by accretion to the shoreline or islands formed therein, located in St. Mary Parish, Louisiana, owned by and not presently under mineral lease as of December 11, 2013, from the State of Louisiana, the geographical area of which is more fully described as follows: Beginning at a point on the West line of Block 17 Eugene Island Area, Revised having Coordinates of X = 1,954,933.52 and Y = 248,144.00; thence East 2,699.48 feet to a point having Coordinates of X = 1,957,633.00 and Y = 248,144.00; thence South 729.00 feet to a point having Coordinates of X = 1,957,633.00 and Y = 247,415.00; thence East 2,777.00 feet to a point having Coordinates of X = 1,960,410.00 and Y = 247,415.00; thence South 4,455 feet to a point having Coordinates of X = 1,960,410.00 and Y = 242,960.00; thence East 1,534.00 feet to a point having Coordinates of X = 1,961,944.00 and Y = 242,960.00; thence South 1,440.00 feet to a point having Coordinates of X = 1,961,944.00 and Y = 241,520.00; thence West 1,909.00 feet to a point having Coordinates of X = 1,960,035.00 and Y = 241,520.00; thence North 41 degrees 27 minutes 51 seconds West 814.02 feet to a point having Coordinates of X = 1,959,496.00 and Y = 242,130.00; thence West 8,611.00 feet to a point having Coordinates of X = 1,950,885.00 and Y = 242,130.00; thence North 00 degrees 06 minutes 30 seconds West 1,058.80 feet to a point having Coordinates of X = 1,950,883.00 and Y = 243,188.80; thence West 103.00 feet to a point having Coordinates of X = 1,950,780.00 and Y = 243,188.80; thence North 3,181.19 feet to a point on the boundary of State Lease No. 1536, as amended having Coordinates of X = 1,950,780.00 and Y = 246,369.99; thence along the boundary of said State Lease No. 1536 the following courses and distances: North 79 degrees 06 minutes 52 seconds East 529.53 feet, North 72 degrees 28 minutes 28 seconds East 796.99 feet, North 67 degrees 53 minutes 26 seconds East 345.40 feet, North 64 degrees 29 minutes 10 seconds East 487.54 feet, North 51 degrees 54 minutes 40 seconds East 470.11 feet, North 43 degrees 21 minutes 48 seconds East 742.77 feet, North 34 degrees 17 minutes 13 seconds East 532.54 feet, North 26 degrees 50 minutes 02 seconds East 952.58 feet, North 19 degrees 17 minutes 24 seconds East 423.79 feet, North 15 degrees 35 minutes 34 seconds East 446.43 feet and North 09 degrees 57 minutes 50 seconds East 149.25 feet to a point having Coordinates of X = 1,954,715.82 and Y = 250,147.00; thence East 217.70 feet to a point on the West line of said Block 17 having Coordinates of X = 1,954,933.52 and Y = 250,147.00; thence South 2,003.00 feet along the West line of said Block 17 to the point of beginning, containing approximately 1,281.34 acres, all as more particularly outlined on a plat in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (South Zone).

-Radiant First Amendment-

ANNEX III
TO FIRST AMENDMENT TO
FIRST LIEN CREDIT AGREEMENT

New page 9 to Schedule VII to the Credit Agreement:

Radiant Oil & Gas

Drill and Development Schedule - Priority 1

Acquisition	Res Class	Res Category	Well Name	PV10/ Net Capex	Net Capex $M	PV10 Value $M	Field Name	Capex Start Date	Production Start Date	Comments
LEWIS	Proved	Non-Producing	ROSENBLATT 2	7.8x	$50	$387	BELMONT LAKE	5/1/2014	5/31/2014	Repair
ROCK	Proved	Non-Producing	LEAKE 1 SWD Conversion	4.5x	$160	$716	COMMENCEMENT	5/1/2014	5/31/2014	Cement Leake #1 to SWD & produce #2.3 at (3+8)=11 BO/d
ROCK	Proved	Non-Producing	Peabody VHP 6	1.8x	$150	$273	COOCHIE	7/1/2014	8/1/2014	Re-enter and clean out, install pumping unit
ROCK	Proved	Non-Producing	Peabody VHP 15	1.8x	$150	$273	COOCHIE	8/1/2014	9/1/2014	Re-enter and clean out, install pumping unit
ROCK	Proved	Non-Producing	PEABODY NBF (CAMPBELL) 3	6.5x	$150	$982	NORTH BOUGERE	5/1/2014	6/1/2014	Repair casing
ROCK	Proved	Undeveloped	PEABODY VHP 17	5.8x	$296	$1,733	COOCHIE	5/1/2014	6/1/2014	Sidetrack to Frio H2 sand
ROCK	Proved	Non-Producing	ALEXANDER 1	2.0x	$35	$71	SE MOSS HILL	6/1/2014	7/1/2014	Clean out SWD well then can return to prod
ROCK	Proved	Non-Producing	LEHMANN 2	1.1x	$130	$150	E. OLDENBURG	5/1/2014	5/31/2014	Clean out SWD well then can return to prod
			Total Vidalia		$1,300	$4,588				
ENSMINGER	Proved	Undeveloped	ENSMINGER NO. 1 - DHC		$2,033		SOUTH JEANERETTE	3/13/2014	4/15/2014	Low risk, high impact PUD via sidetrack of
ENSMINGER	Proved	Undeveloped	ENSMINGER NO. 1 - COMP	10.0x	$1,767	$38,171	SOUTH JEANERETTE	3/13/2014	4/15/2014	Ensminger #2, logged pay
			Total Ensminger		$3,800	$38,171				
			Total Vidalia + Ensminger		$6,100	$43,606				

Scenario 1 - Ensminger is productive. Additional funds will become available to proceed with Coral as follows:

Acquisition	Res Class	Res Category	Well Name	PV10/ Net Capex	Net Capex $M	PV10 Value $M	Field Name	Capex Start Date	Production Start Date	Comments
CORAL	Proved	Undeveloped	Coral #1 (BB Sand) - DHC	7.0x	$2,790		EI 18 at 77.5% WI	5/13/2014	6/15/2014	Low risk, high impact PUD via sidetrack of
CORAL	Proved	Undeveloped	Coral #1 (BB Sand) - COMP	7.0x	$610	$15,479	EI 18 at 77.5% WI	5/13/2014	6/15/2014	Ensminger #1, logged pay
			Total Coral		$3,400	$15,479				
			Total Vidalia + Ensminger + Coral		$9,500	$59,085				

Scenario 2 - Ensminger is a dry hole. Ensminger's completion cost of $1,767M will be utilized to proceed with Coral as follows:

Acquisition	Res Class	Res Category	Well Name	PV10/ Net Capex	Net Capex $M	PV10 Value $M	Field Name	Capex Start Date	Production Start Date	Comments
CORAL	Proved	Undeveloped	Coral #1 (BB Sand) - DHC	7.0x	$1,767 $1,023		EI 18 at 77.5% WI	5/13/2014	6/15/2014	Ensminger's unutilized completion cost Additional capital needed to meet Coral's total dry hole cost
CORAL	Proved	Undeveloped	Coral #1 (BB Sand) - COMP	7.0x	$610	$15,479	EI 18 at 77.5% WI	5/13/2014	6/15/2014	Low risk, high impact reentry of Cockrell #1, logged pay
			Total Coral		$3,400	$15,479				
			Total Vidalia + Ensminger + Coral		$6,732	$39,064				

Drill and Development Schedule - Priority 2

Acquisition	Rsv Class	Rsv Category	Well Name	PV10/ Net Capex	Net Capex $M	PV10 Value $M	Field Name	Capex Start Date	Production Start Date	Comments
ROCK	Proved	Undeveloped	STEWART B 2ND LOCATION	9.0x	$500	$4,507	NORTH BOUGERE	7/1/2014	8/1/2014	Offset to Peabody #3 for optimal location
ROCK	Proved	Non-Producing	Peabody VHP 6	1.8x	$180	$273	COOCHIE	8/1/2014	10/2/2014	Re-enter and clean out, install pumping unit
ROCK	Proved	Undeveloped	PEABODY VHP 13	8.8x	$450	$4,328	COOCHIE	7/1/2014	8/1/2014	Monitor VHP #18 performance
ROCK	Proved	Undeveloped	PEABODY VHP 20	7.5x	$490	$3,682	COOCHIE	8/1/2014	9/1/2014	Monitor VHP #18 performance
ROCK	Proved	Undeveloped	CAMPBELL LOCATION	3.5x	$550	$1,126	NORTH BOUGERE	8/1/2014	8/1/2014	Updip offset to #11 well
ROCK	Proved	Undeveloped	PEABODY LBM 13	1.8x	$400	$1,064	LOWER BALLYMAGA	9/1/2014	10/2/2014	Offsets LBM #11 that went offline via casing leak
ROCK	Proved	Undeveloped	LEAKE LOCATION	1.6x	$600	$954	COMMENCEMENT	10/1/2014	11/1/2014	Updip to Leake #2
ROCK	Proved	Undeveloped	PEABODY LBM 20	0.9x	$800	$748	LOWER BALLYMAGA	11/1/2015	12/1/2015	Infill 40 ac offset between 2 crestal LBM wells
ROCK	Proved	Non-Producing	LEHMANN 2	2.1x	$150	$250	E. OLDENBURG	12/1/2015	1/1/2015	Clean out SWD well then can return to prod
ROCK	Proved	Non-Producing	BOE 1	1.6x	$350	$560	NO. KNOXVILLE	1/1/15	2/1/2015	SWD for disposal
CORAL	Proved	Undeveloped	Coral #3 (Tex W)	2.5x	$ 4,256	$ 10,632	EI 18	2/1/15	5/4/2015	High impact new drill PUD
ROCK	Proved	Behind Pipe	PEABODY 3 recomp	0.8x	$ 91	$ 79	NORTH BOUGERE	3/1/2015	4/1/2015	Recompletion - after primary completion is depleted
CORAL	Proved	Undeveloped	Coral #1 (AA Sand)	18.4x	$ 389	$ 8,797	EI 18	4/1/2015	5/2/2015	Recompletion - after primary completion is depleted
ENSMINGER	Proved	Undeveloped	ENSMINGER NO. 1	11.8x	$ 150	$ 1,775	SOUTH JEANERETTE	4/1/2015	5/2/2015	Recompletion - after primary completion is depleted
			Total Priority 2		$ 9,549	$ 37,641				

Drill and Development Schedule - Priority 3 Non-Operated

Acquisition	Rsv Class	Rsv Category	Well Name	PV10/ Net Capex	Net Capex $M	PV10 Value $M	Field Name	Capex Start Date	Production Start Date	Comments
LEWIS	Proved	Behind Pipe	L P MINERALS 2-3 1	1.0x	$ 3	$ 3	W CATAHOULA LAKE	5/1/2015	8/1/2015	Recompletion - after primary completion is depleted
LEWIS	Proved	Behind Pipe	CROSBY 16-4 1	0.8x	$ 6	$ 5	KELLY HILL	6/1/2015	7/2/2015	Recompletion - after primary completion is depleted
LEWIS	Proved	Behind Pipe	L P MINERALS 2-3 1	0.6x	$ 8	$ 4	W CATAHOULA LAKE	6/1/2015	7/2/2015	Recompletion - after primary completion is depleted
LEWIS	Proved	Behind Pipe	CROSBY 16-4 1	0.2x	$ 13	$ 2	KELLY HILL	6/1/2015	7/2/2015	Recompletion - after primary completion is depleted
			Total Priority 3		$ 59	$ 14				Recompletion - after primary completion is depleted
										Recompletion - after primary completion is depleted

Total All Categories - Scenario 1	$ 18,076	$ 95,739
Total All Categories - Scenario 2	$ 16,309	$ 57,718

FORBEARANCE AGREEMENT

This FORBEARANCE AGREEMENT (" Agreement "), dated as of February 28, 2014, is made by and among RADIANT ACQUISITIONS 1, L.L.C., a Louisiana limited liability company (the " Borrower "), the lenders party to the Credit Agreement described below (the " Lenders "), and CENTAURUS CAPITAL LP as agent for the Lenders (in such capacity, the " Agent ").

RECITALS

WHEREAS , the Borrower, the Lenders and the Agent are parties to the First Lien Credit Agreement, dated October 4, 2013 (as amended, supplemented, amended and restated or otherwise modified from time to time, the " Credit Agreement "). Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Credit Agreement;

WHEREAS , as security for all of the Indebtedness and Obligations due to Lenders under the Credit Agreement, Borrower executed and delivered to the Agent a certain Pledge and Security Agreement and Irrevocable Proxy dated October 4, 2013 (the " Security Agreement "), granting to Lenders a security interest in the collateral, as defined in the Security Agreement (the " Collateral ");

WHEREAS , Borrower has defaulted in certain of its obligations resulting in Defaults and Events of Defaults under the Credit Agreement;

WHEREAS , Borrower has requested the Agent and Lenders to forbear from exercising their rights and remedies under the Credit Agreement and Security Agreement; and

WHEREAS , the Agent and Lenders are willing to forbear from exercising such rights and remedies for a limited period of time, provided that Borrower complies with the terms and conditions of this Agreement.

NOW, THEREFORE , in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. B ORROWER A CKNOWLEDGMENTS . Borrower acknowledges and agrees that:

1.1 Defaults . Multiple Events of Default have occurred and are continuing under the Credit Agreement (the " Existing Defaults ").

1.2 Loan Documents . The Credit Agreement, Security Agreement and all of the other Loan Documents are legal, valid, binding and enforceable against Borrower in accordance with their terms. The terms of the Loan Documents remain unchanged, except as modified pursuant to that certain First Amendment to First Lien Credit Agreement, dated on or about the date hereof, by and between the Borrower, the Lenders and the Agent (the " First Amendment ").

1.3 Obligations . The Obligations are not subject any setoff, deduction, claim, counterclaim or defenses of any kind or character whatsoever.

1.4 Collateral . Lenders have valid, enforceable and perfected security interests in and Liens on the Collateral, as to which there are no setoffs, deductions, claims, counterclaims or defenses of any kind or character whatsoever.

1.5 No Lending Obligation . As a result of the Existing Defaults, the Agent and Lenders have no obligation to make loans or otherwise extend credit to Borrower under the Loan Documents, except as expressly contemplated under this Agreement and the First Amendment.

1.6 Right to Accelerate Obligations . As a result of the Existing Defaults, the Agent and the Required Lenders have the right to accelerate the maturity and demand immediate payment of the Obligations.

1.7 Default Notice . To the extent required by the Credit Agreement, Borrower has received timely and proper notice of the Existing Defaults and the opportunity to cure (if any), in accordance with Section 10.2 of the Credit Agreement or Applicable Law, and hereby waives any rights to receive further notice thereof. All applicable cure periods relating to the Existing Defaults have lapsed.

1.8 Default Interest Rate . By reason of the Existing Defaults, the Agent and the Required Lenders have the right, as of earliest Event of Default, to impose the default rate of interest under Section 3.2.1 of the Credit Agreement.

1.9 No Waiver of Defaults . Neither this Agreement, nor any actions taken in accordance with this Agreement or the Loan Documents, including the Agent's and Lenders' continued making of loans to Borrower, shall be construed as a waiver of or consent to the Existing Defaults or any other existing or future defaults under the Loan Documents, as to which the Agent's and Lenders' rights shall remain reserved.

1.10 Preservation of Rights and Remedies . Upon expiration of the Forbearance Period (as defined in Section 2.1), all of the Agent's and Lenders' rights and remedies under the Loan Documents and at law and in equity shall be available without restriction or modification, as if the forbearance had not occurred.

1.11 Lender Conduct . Lenders have fully and timely performed all of their obligations and duties in compliance with the Loan Documents and Applicable Law, and have acted reasonably, in good faith and appropriately under the circumstances.

1.12 Request to Forbear . Borrower has requested the Agent's and Lenders' forbearance as provided herein, which shall inure to its direct and substantial benefit.

2. L ENDER F ORBEARANCE .

2.1 Forbearance Period . Subject to compliance by Borrower with the terms and conditions of this Agreement, the Agent and Lenders hereby agree to forbear from exercising their rights and remedies against Borrower under the Loan Documents with respect to the

Existing Defaults during the period (the " Forbearance Period ") commencing on the Effective Date (as defined in Section 3) and ending on the earlier to occur of (i) the end of the Deferral Period (as defined in the Credit Agreement), (ii) the Agent's providing notice to Borrower of it terminating this Agreement (which may be done in its sole and absolute discretion) and (iii) the date that any Forbearance Default (as defined in Section 7) occurs. Lenders' forbearance, as provided herein, shall immediately and automatically cease (without notice or further action with respect to (i) and (iii)) on the earlier to occur of (i), (ii) or (iii) (the " Termination Date "). On and from the Termination Date, the Agent and the Required Lenders may, in their sole discretion, exercise any and all remedies available to them under the Loan Documents by reason of the occurrence of any Events of Default thereunder or the continuation of any Existing Default.

2.2 Extension of Forbearance Period . In the sole discretion of the Agent and without obligation, after the Termination Date, the Agent may renew or extend the Forbearance Period, or grant additional forbearance periods.

2.3 Scope of Forbearance . During the Forbearance Period, the Agent and Lenders will not (i) accelerate the maturity of the Obligations or initiate proceedings to collect the Obligations; (ii) discontinue lending under the terms described in Section 4 ; (iii) initiate or join in filing any involuntary bankruptcy petition with respect to Borrower under the Bankruptcy Code, or otherwise file or participate in any insolvency, reorganization, moratorium, receivership or other similar proceedings against Borrower under the Debtor Relief Laws; (iv) repossess or dispose of any of the Collateral, through judicial proceedings or otherwise; (v) require compliance with the PV-10 test set forth in Section 3.1.1(g) of the Credit Agreement for any borrowing or release of funds from the Blocked Account, (vi) require compliance with Section 5.2.1(c) of the Credit Agreement with respect to any new borrowings, (vii) restrict the amount of Credit Extensions pursuant to Section 5.2.8, or (viii) restrict Dispositions pursuant to Section
7.2.10 of the Credit Agreement with respect to the new net profits interest granted to Agent by Borrower on or about the date hereof.

3. C ONDITIONS P RECEDENT . This Agreement shall not become effective unless and until the date (the " Effective Date ") that each of the following conditions shall have been satisfied in the Agent's sole discretion, unless waived in writing by the Agent:

3.1 Delivery of Certain Documents . Borrower shall deliver or cause to be delivered the following documents, each in substance and form acceptable to the Agent:

(a) a copy of this Agreement, duly executed by Borrower;

(b) a reporting setting forth a full reconciliation of production volumes and cash since October 4, 2013;

(c) a report setting forth a reconciliation of recurring LOE and non-recurring expenditures since October 4, 2013 for the Borrower's Vidalia property to determine historical profitability and updated projected profitability;

(d) a revised capital expenditure plan, by well, in date order acceptable to the Agent, including sequencing development of the Coral Property to after completion of the Ensminger Property;

(e) a detailed, monthly cash forecast of the Borrower through December 31, 2014 demonstrating the increased Commitment availability pursuant to the First Amendment is sufficient for all reasonably anticipated working capital needs acceptable to the Agent;

(f) such additional documents, including, without limitation, that certain First Amendment and Supplement to First Lien Mortgage, Assignment, Security Agreement, Financing Statement and Fixture Filing, duly executed by the appropriate parties, that are required to perfect and evidence Lenders' Liens and priority in the Collateral and in any additional collateral granted by Borrower to secure all Obligations of Borrower to Lenders hereunder and under the Credit Agreement;

(g) such other documents and as the Agent may request with respect to any matter relevant to this Agreement or the transactions contemplated hereby.

3.2 Other Deliveries and Due Diligence. All other due diligence in connection with this Agreement, the Loan Documents and the Borrower, including, without limitation, reviews of updated projections, accounting information, internal controls and other data requested by the Agent, shall be approved by the Agent, in its sole discretion.

3.3 Professional Fees and Other Expenses. As partial consideration for the Agent's and Lenders' agreement to forbear as set forth herein, Borrower shall have paid all of the Agent's costs and expenses (including attorneys' fees) incurred in connection with the preparation and negotiation of this Agreement.

3.4 Consent of Reliable Reserves Insurer. The Reliable Reserves Insurer shall have consented to this Agreement and the First Amendment.

4. CONTINUED FINANCING DURING FORBEARANCE PERIOD. Notwithstanding the Existing Defaults, subject to the satisfaction of all conditions specified in Section 3 and certain other conditions contained in the Credit Agreement, during the Forbearance Period, the Agent and Lenders, in their sole discretion shall continue to honor requests by Borrower for Loans as provided in the Credit Agreement (as amended by the First Amendment).

5. REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants that all representations and warranties relating to it contained in the Loan Documents are true and correct as of the Effective Date, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date. Borrower further represents and warrants to the Agent as follows:

5.1 Authorization. The execution, delivery and performance of this Agreement are within its company power and have been duly authorized by all necessary company action.

5.2 Enforceability. This Agreement constitutes a valid and legally binding Agreement enforceable against Borrower in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally and to general principals of equity.

5.3 No Violation. The execution, delivery and performance of this Agreement do not and will not (i) violate any law, regulation or court order to which Borrower is subject; (ii) conflict with Borrower's organizational documents; or (iii) result in the creation or imposition of any Lien, security interest or encumbrance on any property of Borrower or any of its subsidiaries, whether now owned or hereafter acquired, other than Liens in favor of Lenders.

5.4 No Litigation. No action, suit, litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of Borrower, threatened by or against or affecting Borrower or against any of its property or assets with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby.

5.5 Financial Condition. The most recent financial statements, as delivered by Borrower pursuant to Section 7.1.1 of the Credit Agreement, are complete and correct and, present fairly in accordance with GAAP the financial condition of Borrower and its consolidated subsidiaries at such date and the consolidated results of their operations and changes in financial position for the fiscal period then ended.

5.6 No Change. Except as previously disclosed to the Agent, since the date of the last financial statements provided to the Agent pursuant to Section 7.1.1 of the Credit Agreement, there has been no material adverse change in the business, operations, assets or financial or other condition of the Borrower and its subsidiaries taken as a whole.

5.7 Accuracy of Information. All information provided by Borrower or any of its agents, is true, correct, and complete in all material respects, as of the date provided and does not contain any untrue statements of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading.

5.8 Advice of Counsel. Borrower has freely and voluntarily entered into this Agreement with the advice of legal counsel of its choosing, or has knowingly waived the right to do so.

6. C OVENANTS. In addition, in order to induce the Agent and Lenders to forbear from the exercise of their rights and remedies as set forth above, Borrower hereby covenants and agrees that at all times during the Forbearance Agreement, unless the Agent otherwise consents in writing, as follows:

6.1 Compliance with Loan Documents. Borrower shall continue to perform and observe all covenants, terms and conditions and other obligations contained in all of the Loan Documents and this Agreement, except with respect to the Existing Defaults.

6.2 Reports and Information. In addition to any reporting required under the Loan Documents, at times as the Agent shall request, Borrower shall deliver to the Agent reports requested by the Agent, including, without limitation, financial, accounting and operations reports, all in form, content and detail satisfactory to the Agent.

6.3 Further Assurances. Promptly upon the request of the Agent, Borrower shall take any and all actions of any kind or nature whatsoever, and execute and deliver additional documents, that relate to this Agreement and the transactions contemplated herein.

7. EVENTS OF DEFAULT. The occurrence of one or more of the following shall constitute a "Forbearance Default" under this Agreement:

7.1 Breach of this Agreement. Borrower shall fail to abide by or observe any term, condition, covenant or other provision contained in this Agreement or any document related to or executed in connection with this Agreement.

7.2 Default Under Loan Documents. A default shall occur under any Loan Document or any document related to or executed in connection with this Agreement or any of the Loan Documents (other than the Existing Defaults).

7.3 Breach of Representation or Warranty. Any representation or warranty of Borrower made herein shall be false, misleading or incorrect in any material respect when made.

7.4 Impairment. Borrower takes an action, or any event or condition occurs or exists, which the Agent reasonably believes in good faith is inconsistent in any material respect with any provision of this Agreement, or impairs, or is likely to impair, the prospect of payment or performance by Borrower of its obligations under this Agreement or any of the Loan Documents.

8. REMEDIES. Immediately upon the occurrence of a Forbearance Default:

8.1 Termination of Forbearance Period. The Forbearance Period shall immediately and automatically cease without notice or further action without notice to, or action by, any party.

8.2 Cumulative Rights and Remedies. The Agent and Lenders shall be entitled to exercise any or all of their rights and remedies under the Loan Documents, this Agreement, or any stipulations or other documents executed in connection with or related to this Agreement or any of the Loan Documents, or Applicable Law, including, without limitation, the appointment of a receiver.

8.3 Termination of Loan Obligations. The Agent's and Lenders' obligation to make loans or otherwise extend credit to Borrower shall immediately and automatically terminate, without notice to or action by any party.

9. MISCELLANEOUS.

9.1 Notices. Any notices with respect to this Agreement shall be given in the manner provided for in Section 10.2 of the Credit Agreement.

9.2 Integration; Modification of Agreement. This Agreement and the Loan Documents embody the entire understanding between the parties hereto and supersedes all prior agreements and understandings (whether written or oral) relating to the subject matter hereof and thereof. The terms of this Agreement may not be waived, modified, altered or amended except

by agreement in writing signed by all the parties hereto. This Agreement shall not be construed against the drafter hereof.

9.3 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

9.4 Full Force and Effect. The Loan Documents shall remain unchanged, in full force and effect and continue to govern and control the relationship between the parties hereto, except to the extent they are inconsistent with, superseded or expressly modified herein. To the extent of any inconsistency, amendment or superseding provision, this Agreement shall govern and control.

9.5 Successors and Assigns. This Agreement is binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns; provided that Borrower may not assign any rights or delegate any obligations arising herein without the prior written consent of the Agent and any prohibited assignment shall be absolutely void. The Agent and Lenders may assign their rights and interests in this Agreement, the Loan Documents and all documents executed in connection with or related to this Agreement or the Loan Documents, in accordance with Section 10.11 of the Credit Agreement.

9.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without regard to conflict of laws principles thereof.

9.7 No Waiver. No failure to exercise and no delay in exercising, on the part of the Agent or Lenders any right, remedy, power or privilege hereunder or under the Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. Further, the Agent's acceptance of payment on account of the Obligations or other performance by Borrower after the occurrence of a Default shall not be construed as a waiver of such Default, any other Default or any of the Agent's or Lenders' rights or remedies.

9.8 Cumulative Rights. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

9.9 Consent to Jurisdiction; Venue; Service of Process

(a) Consent to Jurisdiction. Borrower hereby irrevocably and unconditionally consents to the exclusive jurisdiction of the United States District Court for the Southern District of Texas, located in Harris County, Texas, and of all Texas state courts, located in Harris County, Texas, for the purpose of bringing any litigation, actions or proceedings in any manner relating to or arising out of this Agreement.

(b) Waiver of Venue. Borrower waives any objection it may now or hereafter have to the laying of venue in such court and irrevocably waive, to the fullest extent permitted by

Applicable Law, the defense of forum non conveniens to the maintenance of such action or proceeding in any such court.

(c) Service of Process. Borrower hereby irrevocably consents to the service of process by certified or registered mail sent to the address provided for notices in the Credit Agreement and agree that nothing herein will affect the right of the Agent to serve process in any other manner permitted by Applicable Law.

9.10 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY. EACH PARTY HERETO (A) CERTIFIES THAT NO AGENT, ATTORNEY, REPRESENTATIVE OR ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF LITIGATION, AND (B) ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO THIS AGREEMENT.

9.11 Reimbursement of Costs and Expenses. Borrower agrees to pay all costs, fees and expenses of the Agent and any Lender (including attorney fees), expended or incurred by the Agent or such Lender in connection with the negotiation, preparation, administration and enforcement of this Agreement, the Obligations, any of the Collateral and all fees, costs and expenses incurred in connection with any bankruptcy or insolvency proceeding (including, without limitation, any adversary proceeding, contested matter or motion brought by the Agent or any other person). Without in any way limiting the foregoing, Borrower hereby reaffirms its agreement under the applicable Loan Documents to pay or reimburse the Agent and Lenders for certain costs and expenses incurred by the Agent and Lenders.

9.12 Headings. The section headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

9.13 Counterparts; Electronic Execution. This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF , the parties have executed this Agreement as of the date first above written.

Centaurus Capital LP , as the Agent and a Lender

By: /s/ Jeffrey McMahon

Name: Jeffrey McMahon
Title: Investment Manager

Radiant Acquisitions 1, L.L.C. , as the Borrower

By: _____
Name: John M. Jurasin
Title: Manager

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Centaurus Capital LP , as the Agent and a Lender

By: _____
Name: Jeffrey McMahon
Title: Investment Manager

Radiant Acquisitions 1, L.L.C. , as the Borrower

By: /s/ John M. Jurasin
Name: John M. Jurasin
Title: Manager

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, John Jurasin, certify that:

1. I have reviewed this annual report on Form 10-K of Radiant Oil & Gas, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: May 7, 2014

By: */s/ John Jurasin*
John Jurasin
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Scott Wilson, certify that:

1. I have reviewed this annual report on Form 10-K of Radiant Oil & Gas, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: May 7, 2014

By: */s/ Scott Wilson*
Scott Wilson
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Radiant Oil & Gas, Inc. (the "Company") on Form 10-K for the year ended December 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), John Jurasin, Chief Executive Officer of the Company, certifies, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

(1)The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2)The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2014

By: */s/ John Jurasin*
John Jurasin
Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Radiant Oil & Gas, Inc. (the "Company") on Form 10-K for the year ended December 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Scott Wilson, Chief Financial Officer of the Company, certifies, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

(1)The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2)The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2014

By: */s/ Scott Wilson*
Scott Wilson
Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.