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Due Diligence

**ENDEAVOUR INTERNATIONAL
CORP (END)**

Requested: 12/19/2012

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Legal Information
State of Incorporation: NV
SIC: 1311
IRS #: 880448389
Exchange: NYSE

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EXHIBIT 2 BYLAWS

EXHIBIT 3
RESOLUTIONS

ARTICLES OF INCORPORATION

OF

EXPRESSIONS GRAPHICS. INC. a Nevada corporation

I, the undersigned, being the original incorporator herein named, for the purpose of forming a corporation under the General Corporation Laws of the State of Nevada, to do business both within and without the State of Nevada, do make and file these Articles of Incorporation, hereby declaring and certifying that the facts herein stated are true:

ARTICLE I

NAME

The name of the corporation is EXPRESSIONS GRAPHICS INC.

ARTICLE II

RESIDENT AGENT & REGISTERED OFFICE

Section 2.01. Resident Agent The name and address of the Resident Agent for service of process is Nevada Corporate Headquarters, Inc., 5300 West Sahara, Suite 101, Las Vegas, Nevada 89146. Mailing Address: P.O. Box 27740, Las Vegas, NV 89126.

Section 2.02. Registered Office. The address of its Registered Office is 5300 West Sahara, Suite 101, Las Vegas, Nevada 89146.

Section 2.03. Other Offices. The Corporation may also maintain offices for the transaction of any business at such other places within or without the State of Nevada as it may from time to time determine. Corporate business of every kind and nature may be conducted, and meetings of directors and stockholders held outside the State of Nevada with the same effect as if in the State of Nevada.

ARTICLE III

PURPOSE

The corporation is organized for the purpose of engaging in any lawful activity, within or without the State of Nevada.

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ARTICLE IV

SHARES OF STOCK

Section 4.01 Number and Class. The total number of shares of authorized capital stock of the Corporation shall consist of a single class of twenty-five million (25,000,000) shares of common stock, at \$.001 par value.

The Common Stock may be issued from time to time without action by the stockholders. The Common Stock may be issued for such consideration as may be fixed from time to time by the Board of Directors.

The Board of Directors may issue such shares of Common Stock in one or more series, with such voting powers, designations, preferences and rights or qualifications, limitations or restrictions thereof as shall be stated in the resolution or resolutions adopted by them.

Section 4.02. No Preemptive Rights. Holders of the Common Stock of the corporation shall not have any preference, preemptive right, or right of subscription to acquire any shares of the corporation authorized, issued or sold, or to be authorized, issued or sold, and convertible into shares of the Corporation, nor to any right of subscription thereto, other than to the extent, if any, the Board of Directors may determine from time to time.

Section 4.08. Non-Assessability of Shares. The Common Stock of the corporation, after the amount of the subscription price has been paid, in money, property or services, as the directors shall determine, shall not be subject to assessment to pay the debts of the corporation, nor for any other purpose, and no stock issued as fully paid shall ever be assessable or assessed, and the Articles of Incorporation shall not be amended in this particular.

ARTICLE V

DIRECTORS

Section 5.01. Governing Board. The members of the Governing Board of the Corporation shall be styled as directors.

Section 5.02. Initial Board of Directors. The Initial Board of Directors shall consist of one (1) member. The name and address of the initial member of the Board of Directors is as follows:

NAME

ADDRESS

Cort W. Christie

P.O. Box 27740, Las Vegas, Nevada 89126

This Individual shall serve as Director until the first annual meeting of the stockholders or until his successor(s) shall have been elected and qualified.

Section 5.03. Change in Number of Directors. The number of directors may be increased or decreased by a duly adopted amendment to the Bylaws of the corporation.

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ARTICLE VI

INCORPORATOR

The name and address of the incorporator is Nevada Corporate Headquarters, Inc., P.O. Box 27740, Las Vegas, Nevada 89126.

ARTICLE VII

PERIOD OF DURATION

The corporation is to have a perpetual existence.

ARTICLE VIII

DIRECTORS AND OFFICERS' LIABILITY

A director or officer of the corporation shall not be personally liable to this corporation or its stockholders for damages for breach of fiduciary duty as a director or officer, but this Article shall not eliminate or limit the liability of a director or officer for (i) acts or omissions which involve intentional misconduct, fraud or a knowing violation of law or (ii) the unlawful payment of distributions. Any repeal or modification of this Article by the stockholders of the corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director or officer of the corporation for acts or omissions prior to such repeal or modification.

ARTICLE IX

INDEMNITY

Every person who was or is a party to, or is threatened to be made a party to, or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he, or a person of whom he is the legal representative, is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the laws of the State of Nevada from time to time against all expenses, liability and loss (including attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by him in connection therewith. Such right of indemnification shall be a contract right which may be enforced in any manner desired by such person. The expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding must be paid by the corporation as they are incurred and in advance of the final disposition of the action suit or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by the corporation. Such right of indemnification shall not be exclusive of any other right which such directors, officers or representatives may have or hereafter acquire, and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any by-law, agreement, vote of stockholders, provision of law, or otherwise, as well as their rights under this Article.

Without limiting the application of the foregoing, the stockholders or Board of Directors may adopt bylaws from time to time with respect to indemnification, to provide at all times the fullest indemnification permitted by the laws of the State of Nevada, and may cause the corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation, or is or was serving at the request of the corporation as director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprises against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the corporation would have the power to indemnify such person.

The indemnification provided in this Article shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of theirs, executors and administrators of such person.

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ARTICLE X

AMENDMENTS

Subject at all times to the express provisions of Section 4.03 which cannot be amended, this corporation reserves the right to amend, alter, change, or repeal any provision contained In these Articles of Incorporation or its Bylaws, in the manner now or hereafter prescribed by statute or by these Articles of Incorporation or said Bylaws, and all rights conferred upon the stockholders are granted subject to this reservation.

ARTICLE XI

POWERS OF DIRECTORS

In furtherance and not in limitation of the powers conferred by statute the Board of Directors is expressly authorized:

- (1) Subject to the Bylaws, if any, adapted by the stockholders, to make, alter or repeal the Bylaws of the corporation;
- (2) To authorize and cause to be executed mortgages and liens, with or without limit as to amount, upon the real and personal property of the corporation;
- (3) To authorize the guaranty by the corporation of securities, evidences of Indebtedness and obligations of other persons, corporations and business entities;
- (4) To set apart out of any of the funds of the corporation available for distributions a reserve or reserves for any proper purpose and to abolish any such reserve;
- (5) By resolution, to designate one or more committees, each committee to consist of at least one director of the corporation, which, to the extent provided in the resolution or in the Bylaws of the corporation, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be stated in the Bylaws of the corporation or as may be determined from time to time by resolution adopted by the Board of Directors; and
- (6) To authorize the corporation by its officers or agents to exercise all such powers and to do all such acts and things as may be exercised or done by the corporation, except and to the extent that any such statute shall require action by the stockholders of the corporation with regard to the exercising of any such power or the doing of any such act or thing.

In addition to the powers and authorities hereinbefore or by statute expressly conferred upon them, the Board of Directors may exercise all such powers and do all such acts and things as otherwise herein provided by law.

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IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of January, 2000 hereby declaring and certifying that the facts stated herein above are true.

ITEM 3 - AMENDMENTS TO THE ARTICLES OF INCORPORATION TO CHANGE THE NAME OF THE CORPORATION, INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK AND AUTHORIZE "BLANK CHECK" PREFERRED STOCK

Change the Name of the Corporation

Since our inception in January 2000, we engaged in the business of marketing and selling graphics media products such as symbols, logos, pictures, signs and business advertisements, over the Internet. In February 2002, we changed our management and began to implement a new business plan. We are presently engaged in the business of acquiring, exploring and developing domestic natural gas and oil properties. Our Board of Directors has determined that the name of our corporation no longer reflects the business in which we are presently engaged and that the name Continental Southern Resources, Inc. will more clearly identify our corporation as a participant in the gas and oil industry and improve our marketing and capital fundraising efforts. Accordingly, the Board of Directors has approved an amendment to our Articles of Incorporation to effect a change in our corporation's name to Continental Southern Resources, Inc.

If the name change is approved by our stockholders, we will attempt to have the trading symbol for our common stock changed from "EXPG" to a symbol more readily associated with our new name. The currently outstanding stock certificates evidencing shares of our common stock bearing the name "Expressions Graphics, Inc." will continue to be valid and represent shares of our common stock following the name change. In the future, new certificates will be issued bearing our new name, but this will in no way effect the validity of your current stock certificates.

Increase the Number of Authorized Shares of Common Stock and Authorization of "Blank Check" Preferred Stock

On May__, 2002, our Board of Directors approved, subject to stockholder approval, an Amendment to our Articles of Incorporation to authorize an increase from 25,000,000 shares of authorized common stock to 150,000,000 shares of authorized common stock, par value \$0.001 per share and to authorize up to 10,000,000 shares of "blank check" preferred stock, par value \$0.001 per share, the rights and preferences to be determined by our Board of Directors. We propose to amend Article 4 of our Articles of Incorporation to read as follows:

"4. The total number of shares of capital stock of the Corporation that the Corporation shall have authority to issue is One Hundred Sixty Million (160,000,000), of which One Hundred Fifty Million (150,000,000) shares having a par value of \$0.001 per share shall be designated as Common Stock and Ten Million (10,000,000) shares having a par value of \$0.001 per share shall be designated as Preferred Stock.

Common Stock

The shares of Common Stock shall be alike and equal in all respects and shall have one vote for each share. After any requirements with respect to preferential dividends, if any, on the Preferred Stock have been met, then, and not otherwise, dividends payable in cash or in any other medium may be declared by the Board of Directors and paid on the shares of Common Stock. After

distribution in full of the preferential amount, if any, to be distributed to

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the holders of Preferred Stock in the event of voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up of the Corporation, the holders of the Common Stock shall be entitled to receive all of the remaining assets of the Corporation of whatever kind available for distribution to stockholders ratably in proportion to number of shares of Common Stock held by them respectively.

Preferred Stock

The designations, powers, preferences, rights, qualifications, limitations and restrictions of the Preferred Stock are as follows:

The Preferred Stock may be issued in one or more series at such time or times and for such consideration or considerations as the Board of Directors may determine pursuant to a resolution or resolutions providing for such issuance duly adopted by the Board of Directors (authority to do so being hereby expressly vested in the Board of Directors) and such resolution or resolutions shall also set forth, with respect to each such series of Preferred Stock, the following:

- (1) The distinctive designation, stated value and number of shares comprising such series, which number may (except where otherwise provided by the Board of Directors in creating such series) be increased or decreased (but not below the number of shares then outstanding) from time to time by action of the Board of Directors;
- (2) The rate of dividend, if any, on the shares of that series, whether dividends shall be cumulative and, if so, from which date, and the relative rights of priority, if any, of payment of dividends on shares of that series over shares of any other series;
- (3) Whether the shares of that series shall be redeemable and, if so, the terms and conditions of such redemption, including the date upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates, or the property or rights, including securities of any other corporation, payable in case of redemption;
- (4) Whether that series shall have a sinking fund for the redemption or purchase of shares of that series and, if so, the terms and amounts payable into such sinking fund;
- (5) The rights to which the holders of the shares of that series shall be entitled in the event of voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series;
- (6) Whether the shares of that series shall be convertible into or exchangeable for shares of capital stock of any class or any other

series of Preferred Stock and, if so, the terms and conditions of such conversion or exchange including the rate of conversion or exchange, the date upon or after which they shall be convertible or exchangeable, the duration for which they shall be convertible or exchangeable, the event upon or after which they shall be convertible or exchangeable at whose option they shall be convertible or exchangeable, and the method of adjusting the rate of conversion or exchange in the event of a stock split, stock dividend, combination of shares or similar event;

- (7) Whether the shares of that series shall have voting rights in addition to the voting rights provided by law and, if so, the terms of such voting rights;
- (8) Whether the issuance of any additional shares of such series, or of any shares of any other series, shall be subject to restrictions as to issuance, or as to the powers, preferences or rights of any such other series; and
- (9) Any other preferences, privileges and powers, and relative, participating, optional or other special rights, and qualification, limitation or restriction of such series, as the Board of Directors may deem advisable and as shall not be inconsistent with the provisions of this Amended and Restated Articles of Incorporation and to the full extent now or hereafter permitted by the laws of the State of Nevada."

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The Board of Directors believes that it is advisable and in our best interests to have available additional authorized but unissued shares of common stock and preferred stock to provide for future needs. Currently, we have authorized 25,000,000 shares of common stock with 22,505,500 shares of common stock issued and outstanding and [86,143,961] shares of common stock reserved for issuance on the exercise of outstanding warrants and the conversion of outstanding convertible promissory notes. In addition, we are not authorized to issue preferred stock. The additional but unissued shares of common and preferred stock will be available for issuance from time to time in the discretion of the Board of Directors, normally without further stockholder action (except as may be required for a particular transaction by applicable law, requirements of regulatory agencies or by stock exchange rules of any stock exchange on which our common stock may be listed in the future), for any proper corporate purpose including, among other things, future acquisitions of property or securities of other corporations, stock dividends, stock splits, stock options, convertible debt and equity financing. Our Board of Directors believes that the additional but unissued common and preferred stock may be necessary for future financing and to attract potential new equity capital necessary to carry out our business objectives.

Consequences of Approval of Amendments to the Articles of Incorporation

Upon stockholder approval of the amendment to our Articles of Incorporation to increase the authorized shares of our common stock to at least ninety million (90,000,000), the common stock purchase warrants held by Lancer Offshore, Inc. and Michael Lauer will be deemed automatically exercised for an aggregate of 55,000,000 shares of common stock on a pre-split basis for an

aggregate exercise price of \$2.00.

Upon stockholder approval of the amendment to our Articles of Incorporation to increase the authorized shares of our capital stock to at least ninety million (90,000,000) shares of common stock and ten million (10,000,000) shares of "blank check" preferred stock in the principal amount of \$4,150,000 the outstanding convertible promissory notes in the principal amount of \$4,150,000 will be deemed automatically converted into an aggregate of 29,643,961 shares of common stock on a pre-split basis and 4,090,713 shares of Series A Preferred Stock.

Upon stockholder approval of the amendment to our Articles of Incorporation to increase the authorized shares of our common stock to at least ninety million (90,000,000), outstanding convertible promisory notes in the principal amount of \$2,850,000 will be deemed automatically converted into an aggregate of 1,781,250 shares of common stock on a pre-split basis.

Upon stockholder approval of the amendment to our Articles of Incorporation to authorize ten million (10,000,000) shares of "blank check" Preferred Stock, the Board of Directors will designate 4,100,000 shares of the authorized Preferred Stock as Series A Preferred Stock. The following is a description of the rights, preferences and privileges of the Series A Preferred:

(i) Dividends: The holders of Series A Preferred Stock shall be entitled to receive cumulative dividends at an annual rate of \$.08 per share, prior and in preference to the payment of any dividend or other distribution on the common stock;

(ii) Liquidation: In the event of liquidation, dissolution or winding up of Expressions Graphics, the holders of Series A Preferred Stock shall be entitled to be paid, prior and in preference to any payment or distribution on any shares of common stock, the original purchase price of \$1.00 per share and all accrued but unpaid interest and dividends on the Series A Preferred Stock; and

(iii) Voting: The holders of Series A Preferred Stock will vote as a separate class and shall be entitled to elect a majority of the directors that constitute the Board of Directors at any time. In addition, a majority vote of the Series A Preferred Stock will be required to (a) amend the Articles of Incorporation or Bylaws, (b) authorize or issue new stock having rights, preferences or privileges senior to or on parity with the Series A Preferred Stock, (c) reclassify any outstanding shares into shares having rights, preferences or privileges senior to or on parity with the Series A Preferred Stock, (d) merge or consolidate into any corporation, (e) sell all or substantially all of the Expression Graphics' assets or (f) liquidate or dissolve.

If the 1-for-5 reverse stock split is also approved by the stockholders, as proposed by the Board of Directors and set forth below, Lancer Offshore, Inc. and Michael Lauer will receive an aggregate of 11,000,000 shares of common stock as opposed to the 55,000,000 shares of common stock they would receive pre-split and the convertible noteholders will receive an aggregate of [5,928,797] shares of common stock as opposed to the [29,643,961] they would receive pre-split.

The affirmative vote of a majority of the votes cast affirmatively or negatively at the Annual Meeting, whether in person or by proxy, is required to approve these amendments to the Articles of Incorporation.

The Board of Directors recommends that the stockholders vote FOR the amendments to the Articles of Incorporation to effect the name change, to increase the number of shares of authorized common stock and to authorize the issuance of "blank check" preferred stock. Proxies solicited by the Board of Directors will be voted for these amendments to the Articles of Incorporation unless stockholders specify in their proxies a contrary choice.

ITEM 4 - AMENDMENT TO ARTICLES OF INCORPORATION TO EFFECT A 1-FOR-5 REVERSE
SPLIT OF OUR COMMON STOCK

The Board of Directors recommends that the stockholders approve an amendment to our Articles of Incorporation to effect a reverse split of our issued and outstanding common stock. The reverse split will combine every five outstanding shares of the common stock into one share of common stock.

If this amendment is approved by the stockholders, then the Board of Directors will have the authority to effect the reverse stock split. If this amendment is adopted, there will be no change in the number of authorized shares of common stock and no change in the par value of the common stock.

The Board of Directors believes that the current per-share market price of our common stock may impair the acceptability of our common stock to certain institutional investors and other members of the investing public. Theoretically, the number of shares outstanding should not, by itself, affect the marketability of the stock, the type of investor who acquires it, or our reputation in the financial community. In practice this is not necessarily the case, as certain investors view low-priced stock as unattractive or, as a matter of policy, are precluded from purchasing low-priced stock because of the greater trading volatility sometimes associated with such securities. Accordingly, one purpose of the reverse stock split is to help raise our reputation in the financial community.

An additional purpose of the reverse stock split is to increase the closing market price of our common stock above \$4.00 per share in order to meet the initial listing criteria of national securities exchanges such as the American Stock Exchange ("AMEX") or NASDAQ Small Cap Market ("NASDAQ"). Our common stock is presently eligible for quotation on the National Association of Securities Dealers' Over the Counter Bulletin Board (the "OTCBB"), which was established for securities that do not meet the NASDAQ listing requirements, and is not presently listed on any securities exchange. In order to be listed on a securities exchange or NASDAQ, we must meet the listing standards of the securities exchange or NASDAQ and have our listing application approved by the securities exchange or NASDAQ. NASDAQ and each securities exchange have their own listing requirements and application process. However, the listing standards of NASDAQ and each securities exchange generally require that all applicants have a closing trading price on their common stock of at least \$4.00 per share.

Our Board of Directors believes that it is important to provide our stockholders with the best possible market for trading our common stock. The OTCBB is generally considered less efficient and less liquid than NASDAQ or any securities exchange. Consequently, if it was listed on a securities exchange or NASDAQ, selling our common stock could be easier because larger quantities of shares would likely be bought and sold, transactions would be executed more

efficiently, and securities analysts' and news media coverage would in all likelihood be increased.

These factors could result in higher prices and lower spreads in the bid and ask prices for shares of our common stock. A listing on a securities exchange could also improve our ability to raise additional capital through equity or debt financing and, to the extent the stock price increases as a result of or in connection with such listing, ownership dilution to stockholders might be reduced if we issue equity in financing or other transactions, since less shares will need to be issued in order to raise a specific amount of capital.

We cannot assure you that the reverse stock split will accomplish these objectives. While we expect that the reduction in the outstanding shares of common stock will increase the market price of the common stock, we cannot assure you that the reverse stock split will increase the market price of the common stock by a multiple equal to the reverse split ratio of five or result in

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any permanent increase in the market price (which can be dependent upon many factors, including, but not limited to, our business and financial performance and prospects). Should the market price decline after the reverse stock split, the percentage decline may be greater, due to the smaller number of shares outstanding, than it would have been prior to the reverse stock split. Additionally, there can be no assurance that by meeting the listing requirements for minimum trading price our stock will be listed on a securities exchange. In some cases the stock price of companies that have effected reverse stock splits has subsequently declined back to pre-reverse split levels.

There are other reasons why a reverse stock split may be perceived negatively in the marketplace. In addition to the fact that the number of shares available for trading is reduced, which generally has the effect of reducing liquidity, round lots (i.e., lots in multiples of 100 shares) may be converted into odd lots due to the split, which may in turn increase transaction costs for stockholders. We cannot assure you that the market price of our common stock immediately after the effective date of the proposed reverse stock split will be maintained for any period of time or that the ratio of post and pre-split shares will remain the same after the reverse stock split is effected, or that the reverse stock split will not have an adverse effect on our stock price due to the reduced number of shares outstanding after the reverse stock split.

Upon the effectiveness of the reverse stock split, you will own fewer shares than you owned prior to the reverse split. The number of post-split shares will be determined by dividing the number of shares owned immediately prior to the effective time of the reverse stock split by five. Thus, if you owned 100 shares of our common stock prior to the reverse split, then, after the effective time of the reverse split, you will own 20 shares of our common stock.

The reverse stock split will simultaneously apply to all outstanding shares of our common stock. On the Record Date, we had 22,505,500 issued and outstanding shares of our common stock. Accordingly, if the Record Date was the effective time of the reverse stock split, then we would have 4,501,100 issued and outstanding shares of our common stock on a post-split basis. The reverse stock split will affect all stockholders uniformly and will not change their

proportionate ownership interests, nor will the reverse split alter the respective voting rights of holders of our common stock. The common stock issued pursuant to the reverse stock split will remain fully paid and non-assessable, and we will continue to be subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended.

Because the number of authorized shares of our common stock will not be reduced, the overall effect of the reverse stock split will be an increase in authorized but unissued shares of our common stock. These shares may be issued by the Board of Directors in its discretion. Any future issuance will have the effect of diluting the percentage of stock ownership and voting rights of the present holders of our common stock.

If approved by our shareholders at the annual meeting, we will file an amendment to our Articles of Incorporation with the Nevada Secretary of State at such time as the board has determined is the appropriate effective time for the reverse stock split; however, the Board of Directors must make such determination no later than 60 days after the date the stockholders approve the amendments. The reverse stock split will become effective upon the filing of the amendment with the Secretary of State. At such time, which we refer to as the effective time, each certificate representing our common stock prior to the reverse stock split will be deemed for all corporate purposes to evidence ownership of post-split shares. There is no "issuance" resulting from the reverse stock split.

Promptly after the effective time, you will be notified that the reverse stock split has been effected. Our stock transfer agent, Silverado Stock Transfer, Inc., whom we refer to as the exchange agent, will implement the exchange of stock certificates representing outstanding shares of common stock. You will be asked to surrender to the exchange agent certificates representing your pre-split shares in exchange for certificates representing your post-split shares in accordance with the procedures to be set forth in a letter of transmittal which we will send. You will not receive a new stock certificate representing your post-split shares until you surrender your outstanding certificate(s) representing your pre-split shares, together with the properly completed and executed letter of transmittal to the exchange agent.

PLEASE DO NOT DESTROY ANY STOCK CERTIFICATE OR SUBMIT ANY CERTIFICATES UNTIL YOU ARE REQUESTED TO DO SO.

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We will not issue scrip or fractional shares, or certificates for fractional shares, in connection with the reverse stock split. Should you be entitled to receive a fractional share because you hold a number of shares not evenly divisible by five, you will be entitled, upon surrender to the exchange agent of certificates representing such shares, to receive one whole share of our common stock.

Under the Nevada Business Corporation Code, stockholders are not entitled to dissenter's rights with respect to the proposed amendments, and we will not independently provide stockholders with any such rights.

The following is a summary of certain material federal income tax consequences of the reverse stock split; however, this does not purport to be a complete discussion of all of the possible federal income tax consequences of

the reverse stock split. It does not discuss any state, local, foreign or minimum income or other U.S. federal tax consequences. Also, it does not address the tax consequences to stockholders who are subject to special tax rules, such as banks, insurance companies, regulated investment companies, personal holding companies, foreign entities, nonresident alien individuals, broker-dealers and tax-exempt entities. This discussion is based on the provisions of the United States federal income tax law as of the date hereof, which is subject to change retroactively as well as prospectively. This summary also assumes that the pre-split shares were, and the post-split shares will be, held as "capital assets," as defined in the Internal Revenue Code of 1986, as amended (generally, property held for investment). Your tax treatment may vary depending upon your own particular facts and circumstances. Accordingly, you should consult with your own tax advisor concerning the effects of the reverse stock split on you.

You should recognize no gain or loss upon your exchange of your pre-split shares for post-split shares pursuant to the reverse stock split.

The aggregate tax basis of the post-split shares received in the reverse stock split (including any fraction of a post-split share deemed to have been received) will be the same as your aggregate tax basis in the pre-split shares you exchanged. Your holding period for the post-split shares will include the period during which the you held the pre-split shares surrendered in the reverse stock split.

We believe that the reverse stock split will qualify as a "recapitalization" under Section 368(a)(1)(E) of the Internal Revenue Code. As a result, we will not recognize any gain or loss as a result of the reverse stock split.

The affirmative vote of a majority of the votes cast affirmatively or negatively at the Annual Meeting, whether in person or by proxy, is required to approve an amendment to the articles of incorporation to effect the 1-for-5 reverse stock split.

The Board of Directors recommends that the stockholders vote FOR an amendment to the Articles of Incorporation effecting a 1-for-5 reverse stock split. Proxies solicited by the Board of Directors will be voted for an amendment to the Articles of Incorporation effecting a 1-for-5 reverse stock split unless stockholders specify in their proxies a contrary choice.

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EXECUTIVE OFFICERS

Stephen P. Harrington and Gerald T. Harrington serve as the executive officers of Expressions Graphics. The positions which they hold and their biographies are set forth above.

The table below sets forth information concerning the compensation we paid to our chief executive officer and each executive officer who was paid compensation at an annual rate of greater than \$100,000 in 2001.

Summary Compensation Table

<TABLE>
<CAPTION>

Name and Principal Position	Annual Compensation		Long-Term Compensation Awards
	Salary	Bonus	Number of Options
<S>	<C>	<C>	<C>
Mark Brouillette, President	\$0	\$0	--
Frank Drechsler, Vice President and Secretary	\$0	\$0	--

</TABLE>

We have never granted any stock options to the executive officers named in our Summary Compensation Table above or to any of our other employees.

Employment Agreements, Termination of Employment and Change in Control Arrangements

We are not presently a party to any employment agreements, severance agreements or agreements regarding a change in control of the ownership of our common stock.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information with respect to the beneficial ownership of our common stock owned, as of April 15, 2002, by:

- o the holders of more than 5% of our common stock;
- o each of our directors;
- o our executive officers; and
- o all directors and executive officers of our company as a group.

As of April 15, 2002, an aggregate of 22,505,500 shares of our common stock were issued and outstanding. For purposes of computing the percentages under this table, it is assumed that all options and warrants to acquire our common stock which have been issued to the directors, executive officers and the holders of more than 5% of our common stock and are fully vested or will become fully vested within 60 days of the date of this Annual Report have been exercised by these individuals and the appropriate number of shares of our common stock have been issued to these individuals.

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Shares of Common Stock Beneficially Owned

<TABLE>
<CAPTION>

Name of Beneficial Owner -----	Position -----	Amount and Nature of Beneficial Ownership (1) -----	Percentage of -----
<S> Stephen P. Harrington One Belmont Avenue Suite 417 Bala Cynwyd, PA 19004	<C> Officer, Director	<C> 0	<C> *
Gerald T. Harrington One Belmont Avenue Suite 417 Bala Cynwyd, PA 19004	Officer, Director	0	*
Lancer Offshore, Inc. Kama Flamboyen 9 Curacao, Netherland Antilles	Beneficial Owner	13,140,000 (2)	58.4
Michael Lauer 375 Park Avenue, 20th Floor New York, NY 10152	Beneficial Owner	16,425,500 (3)	73.0
Gemini Growth Fund, L.P. 700 Gemini Houston, TX 77058	Beneficial Owner	1,500,000 (4)	6.2
All directors and executive officers as a group (2 people)		----- 0	----- *

</TABLE>

* Less than one percent.

- (1) Beneficial ownership has been determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934. Unless otherwise noted, we believe that all persons named in the table have sole voting and investment power with respect to all shares of our common stock beneficially owned by them.
- (2) Does not include 44,000,000 shares of common stock, on a pre-split basis, issuable upon the exercise of common stock purchase warrants that are exercisable only upon shareholder approval of the proposed amendments to our Articles of Incorporation.
- (3) Includes 13,140,000 shares of common stock owned by Lancer Offshore, Inc., of which Mr. Lauer is a managing director. Does not include 11,000,000 shares of common stock, on a pre-split basis, issuable upon the exercise of common stock purchase warrants that are exercisable only upon shareholder approval of the proposed amendments to our Articles of Incorporation.
- (4) Includes 750,000 shares of common stock issuable upon conversion of a secured convertible promissory note in the principal amount of \$1,500,000 and 150,000 shares of common stock issuable upon

exercise of common stock purchase warrants.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, certain of our officers and persons who own more than ten percent of the Company's Common Stock (collectively the "Reporting Persons") to file reports of ownership and changes in ownership with the Securities and Exchange Commission and to furnish us with copies of these reports.

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Based on representations received from Reporting Persons and upon review of Form 3 and 4 filings, all filings required to be made by the Reporting Persons for the year 2001 were made in a timely manner.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

STOCKHOLDER PROPOSALS FOR THE 2003 ANNUAL MEETING

Any proposal of a stockholder intended to be presented at Expressions Graphics' 2003 annual meeting of stockholders must conform to the applicable proxy rules of the Securities and Exchange Commission concerning the submission and content of proposals and must be received in writing by the Secretary of Expressions Graphics by [January 9], 2003, for inclusion in Expressions Graphics proxy, notice of meeting and proxy statement relating to the 2003 annual meeting.

OTHER MATTERS

The Board of Directors knows of no business which will be presented for consideration at the Annual Meeting other than that shown above. However, if any business shall properly come before the Annual Meeting, the persons named in the enclosed proxy or their substitutes will vote the proxy in respect of any such business in accordance with their best judgment pursuant to the discretionary authority conferred thereby.

FINANCIAL AND OTHER INFORMATION

Expression Graphics' Financial Statements and the information required by Item 303 (management's discussion and analysis or plan of operation) and Item 304 (changes in and disagreements with accountants on accounting and financial disclosure) of Regulation S-B are incorporated by reference to Expressions Graphics' Form 10-KSB filed with the Securities and Exchange Commission on April 16, 2002, a copy of which has been delivered to you with this Proxy Statement.

May [9], 2002

PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED PROXY AND RETURN IT IN THE ENCLOSED
ADDRESSED ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.

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EXPRESSIONS GRAPHICS
 PROXY SOLICITED BY THE BOARD OF DIRECTORS
 Annual Meeting of Stockholders - [May 29], 2002

The undersigned stockholder of EXPRESSIONS GRAPHICS ("Expressions Graphics"), revoking all previous proxies, hereby constitutes and appoints _____ and _____, and each of them acting individually, as the agents and proxies of the undersigned, with full power of substitution in each, for and in the name and stead of the undersigned, to attend the 2002 Annual Meeting of Stockholders of Expressions Graphics to be held on [May 29], 2002 at 11:00 A.M., local time, at Expressions Graphics' executive offices, One Belmont Avenue, Suite 417, Bala Cynwyd, Pennsylvania 19004, and to vote all shares of Common Stock of Expressions Graphics which the undersigned would be entitled to vote if personally present at the 2002 Annual Meeting, and at any adjournment or postponement thereof; provided, that said proxies are authorized and directed to vote as indicated with respect to the matters set forth on the reverse side hereof:

This Proxy will be voted in the manner directed herein by the undersigned stockholder(s). IF NO DIRECTION IS GIVEN, THIS PROXY WILL BE VOTED "FOR" ALL NOMINEES FOR DIRECTOR, "FOR" THE RATIFICATION OF THE APPOINTMENT OF LJ SOLDINGER ASSOCIATES, "FOR" ALL AMENDMENTS TO EXPRESSIONS GRAPHICS ARTICLES OF INCORPORATION AND "FOR" THE 1-FOR-5 REVERSE SPLIT OF THE ISSUED AND OUTSTANDING COMMON STOCK. This Proxy also delegates discretionary authority to vote with respect to any other business which may properly come before the 2002 Annual Meeting or any adjournment or postponement thereof.

THE UNDERSIGNED HEREBY ACKNOWLEDGES RECEIPT OF THE ANNUAL REPORT, NOTICE OF THE 2002 ANNUAL MEETING AND THE PROXY STATEMENT FURNISHED IN CONNECTION THEREWITH. The undersigned also hereby ratifies all that the said agents and proxies may do by virtue hereof and hereby confirms that this Proxy shall be valid and may be voted whether or not the stockholder's name is signed as set forth below or a seal is affixed or the description, authority or capacity of the person signing is given or other defect of signature exists.

(Continued on the reverse side.)

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1. Election of Directors

[] FOR all nominees.

[] WITHHOLD all nominees.

[] FOR, except vote withheld from the following nominee(s):

_____.

Nominees: Stephen P. Harrington, Gerald T. Harrington and John B. Connally III will be considered nominees for election at the 2002 Annual Meeting.

2. The ratification of the appointment of LJ Soldinger Associates, independent certified public accountants, as auditors for Expressions Graphics for the fiscal year ending December 31, 2002.

[] FOR [] AGAINST [] ABSTAIN

3. To approve proposed amendments to the Company's Articles of Incorporation to effect the following:

- o Change the Company's name from Expressions Graphics, Inc. to Continental Southern Resources, Inc.;
- o Increase the Company's authorized common stock from 25,000,000 shares to 150,000,000 shares; and
- o Authorize 10,000,000 shares "blank check" Preferred Stock, \$0.01 par value per share.

[] FOR [] AGAINST [] ABSTAIN

4. To approve a 1-for-5 reverse stock split of the Company's outstanding common stock.

[] FOR [] AGAINST [] ABSTAIN

In their discretion, the proxies will vote on such other business as may properly come before the 2002 Annual Meeting.

[] Please check here if you plan to attend the 2002 Annual Meeting in person.

NOTE: PLEASE MARK, DATE AND SIGN THIS PROXY AND RETURN IT IN THE ENCLOSED ENVELOPE. Please sign this Proxy exactly as name(s) appear in address below. When signing as attorney-in-fact, executor, administrator, trustee or guardian, please add your title as such. Corporations please sign with full corporate name by a duly authorized officer and affix the corporate seal.

Signature(s)

Date

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ITEM 3 - AMENDMENTS TO THE ARTICLES OF INCORPORATION TO CHANGE THE NAME OF THE CORPORATION, INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK AND AUTHORIZE "BLANK CHECK" PREFERRED STOCK

Change the Name of the Corporation

Since our inception in January 2000, we engaged in the business of marketing and selling graphics media products such as symbols, logos, pictures, signs and business advertisements, over the Internet. In February 2002, we changed our management and began to implement a new business plan. We are presently engaged in the business of acquiring, exploring and developing domestic natural gas and oil properties. Our Board of Directors has determined that the name of our corporation no longer reflects the business in which we are presently engaged and that the name Continental Southern Resources, Inc. will more clearly identify our corporation as a participant in the gas and oil industry and improve our marketing and capital fundraising efforts. Accordingly, the Board of Directors has approved an amendment to our Articles of Incorporation to effect a change in our corporation's name to Continental Southern Resources, Inc.

If the name change is approved by our stockholders, we will attempt to have the trading symbol for our common stock changed from "EXPG" to a symbol more readily associated with our new name. The currently outstanding stock certificates evidencing shares of our common stock bearing the name "Expressions Graphics, Inc." will continue to be valid and represent shares of our common stock following the name change. In the future, new certificates will be issued bearing our new name, but this will in no way effect the validity of your current stock certificates.

Increase the Number of Authorized Shares of Common Stock and Authorization of "Blank Check" Preferred Stock

On May 10, 2002, our Board of Directors approved, subject to stockholder approval, an Amendment to our Articles of Incorporation to authorize an increase from 25,000,000 shares of authorized common stock to 150,000,000 shares of authorized common stock, par value \$0.001 per share and to authorize up to 10,000,000 shares of "blank check" preferred stock, par value \$0.001 per share, the rights and preferences to be determined by our Board of Directors. We propose to amend Article 4 of our Articles of Incorporation to read as follows:

"4. The total number of shares of capital stock of the Corporation that the Corporation shall have authority to issue is One Hundred Sixty Million (160,000,000), of which One Hundred Fifty Million (150,000,000) shares having a par value of \$0.001 per share shall be designated as Common Stock and Ten Million (10,000,000) shares having a par value of \$0.001 per share shall be designated as Preferred Stock.

Common Stock

The shares of Common Stock shall be alike and equal in all respects and shall have one vote for each share. After any requirements with respect to preferential dividends, if any, on the Preferred Stock have been met, then, and not otherwise, dividends payable in cash or in any other medium may be declared

by the Board of Directors and paid on the shares of Common Stock. After distribution in full of the preferential amount, if any, to be distributed to the holders of Preferred Stock in the event of voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up of the Corporation, the holders of the Common Stock shall be entitled to receive all of the remaining assets of the Corporation of whatever kind available for distribution to stockholders ratably in proportion to number of shares of Common Stock held by them respectively.

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Preferred Stock

The designations, powers, preferences, rights, qualifications, limitations and restrictions of the Preferred Stock are as follows:

The Preferred Stock may be issued in one or more series at such time or times and for such consideration or considerations as the Board of Directors may determine pursuant to a resolution or resolutions providing for such issuance duly adopted by the Board of Directors (authority to do so being hereby expressly vested in the Board of Directors) and such resolution or resolutions shall also set forth, with respect to each such series of Preferred Stock, the following:

- (1) The distinctive designation, stated value and number of shares comprising such series, which number may (except where otherwise provided by the Board of Directors in creating such series) be increased or decreased (but not below the number of shares then outstanding) from time to time by action of the Board of Directors;
- (2) The rate of dividend, if any, on the shares of that series, whether dividends shall be cumulative and, if so, from which date, and the relative rights of priority, if any, of payment of dividends on shares of that series over shares of any other series;
- (3) Whether the shares of that series shall be redeemable and, if so, the terms and conditions of such redemption, including the date upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates, or the property or rights, including securities of any other corporation, payable in case of redemption;
- (4) Whether that series shall have a sinking fund for the redemption or purchase of shares of that series and, if so, the terms and amounts payable into such sinking fund;
- (5) The rights to which the holders of the shares of that series shall be entitled in the event of voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series;
- (6) Whether the shares of that series shall be convertible into or

exchangeable for shares of capital stock of any class or any other series of Preferred Stock and, if so, the terms and conditions of such conversion or exchange including the rate of conversion or exchange, the date upon or after which they shall be convertible or exchangeable, the duration for which they shall be convertible or exchangeable, the event upon or after which they shall be convertible or exchangeable at whose option they shall be convertible or exchangeable, and the method of adjusting the rate of conversion or exchange in the event of a stock split, stock dividend, combination of shares or similar event;

- (7) Whether the shares of that series shall have voting rights in addition to the voting rights provided by law and, if so, the terms of such voting rights;
- (8) Whether the issuance of any additional shares of such series, or of any shares of any other series, shall be subject to restrictions as to issuance, or as to the powers, preferences or rights of any such other series; and
- (9) Any other preferences, privileges and powers, and relative, participating, optional or other special rights, and qualification, limitation or restriction of such series, as the Board of Directors may deem advisable and as shall not be inconsistent with the provisions of this Amended and Restated Articles of Incorporation and to the full extent now or hereafter permitted by the laws of the State of Nevada."

The Board of Directors believes that it is advisable and in our best interests to have available additional authorized but unissued shares of common stock and preferred stock to provide for future needs. Currently, we have authorized 25,000,000 shares of common stock with 22,505,500 shares of common stock issued and outstanding and 86,425,211 shares of common stock reserved for issuance on the exercise of outstanding warrants and the conversion of outstanding convertible promissory notes. In addition, we are not authorized to issue preferred stock. The additional but unissued shares of common and preferred stock will be available for issuance from time to time in the discretion of the Board of Directors, normally without further stockholder action (except as may be required for a particular transaction by applicable law, requirements of regulatory agencies or by stock exchange rules of any stock exchange on which our common stock may be listed in the future), for any proper corporate purpose including, among other things, future acquisitions of property or securities of other corporations, stock dividends, stock splits, stock options, convertible debt and equity financing. Our Board of Directors believes that the additional but unissued common and preferred stock may be necessary for future financing and to attract potential new equity capital necessary to carry out our business objectives.

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Consequences of Approval of Amendments to the Articles of Incorporation

Upon stockholder approval of the amendment to our Articles of Incorporation to increase the authorized shares of our common stock to at least ninety million (90,000,000), the common stock purchase warrants held by Lancer

Offshore, Inc. and Michael Lauer will be deemed automatically exercised for an aggregate of 55,000,000 shares of common stock on a pre-split basis for an aggregate exercise price of \$2.00.

Upon stockholder approval of the amendment to our Articles of Incorporation to increase the authorized shares of our capital stock to at least ninety million (90,000,000) shares of common stock and ten million (10,000,000) shares of "blank check" preferred stock in the principal amount of \$4,150,000 the outstanding convertible promissory notes in the principal amount of \$4,150,000 will be deemed automatically converted into an aggregate of 29,643,961 shares of common stock on a pre-split basis and 4,090,713 shares of Series A Preferred Stock.

Upon stockholder approval of the amendment to our Articles of Incorporation to increase the authorized shares of our common stock to at least ninety million (90,000,000), outstanding convertible promissory notes in the principal amount of \$2,850,000 will be deemed automatically converted into an aggregate of 1,781,250 shares of common stock on a pre-split basis.

Upon stockholder approval of the amendment to our Articles of Incorporation to authorize ten million (10,000,000) shares of "blank check" Preferred Stock, the Board of Directors will designate 4,100,000 shares of the authorized Preferred Stock as Series A Preferred Stock. The following is a description of the rights, preferences and privileges of the Series A Preferred:

(i) Dividends: The holders of Series A Preferred Stock shall be entitled to receive cumulative dividends at an annual rate of \$.08 per share, prior and in preference to the payment of any dividend or other distribution on the common stock;

(ii) Liquidation: In the event of liquidation, dissolution or winding up of Expressions Graphics, the holders of Series A Preferred Stock shall be entitled to be paid, prior and in preference to any payment or distribution on any shares of common stock, the original purchase price of \$1.00 per share and all accrued but unpaid interest and dividends on the Series A Preferred Stock; and

(iii) Voting: The holders of Series A Preferred Stock will vote as a separate class and shall be entitled to elect a majority of the directors that constitute the Board of Directors at any time. In addition, a majority vote of the Series A Preferred Stock will be required to (a) amend the Articles of Incorporation or Bylaws, (b) authorize or issue new stock having rights, preferences or privileges senior to or on parity with the Series A Preferred Stock, (c) reclassify any outstanding shares into shares having rights, preferences or privileges senior to or on parity with the Series A Preferred Stock, (d) merge or consolidate into any corporation, (e) sell all or substantially all of the Expression Graphics' assets or (f) liquidate or dissolve.

If the 1-for-5 reverse stock split is also approved by the stockholders, as proposed by the Board of Directors and set forth below, Lancer Offshore, Inc. and Michael Lauer will receive an aggregate of 11,000,000 shares of common stock as opposed to the 55,000,000 shares of common stock they would receive pre-split and the convertible noteholders will receive an aggregate of 5,928,797 shares of common stock as opposed to the 29,643,961 they would receive pre-split.

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The affirmative vote of a majority of the issued and outstanding shares of our common stock eligible to vote at the Annual Meeting is required to approve these amendments to the Articles of Incorporation.

The Board of Directors recommends that the stockholders vote FOR the amendments to the Articles of Incorporation to effect the name change, to increase the number of shares of authorized common stock and to authorize the issuance of "blank check" preferred stock. Proxies solicited by the Board of Directors will be voted for these amendments to the Articles of Incorporation unless stockholders specify in their proxies a contrary choice.

ITEM 4 - AMENDMENT TO ARTICLES OF INCORPORATION TO EFFECT A 1-FOR-5
REVERSE SPLIT OF OUR COMMON STOCK

The Board of Directors recommends that the stockholders approve an amendment to our Articles of Incorporation to effect a reverse split of our issued and outstanding common stock. The reverse split will combine every five outstanding shares of the common stock into one share of common stock.

If this amendment is approved by the stockholders, then the Board of Directors will have the authority to effect the reverse stock split. If this amendment is adopted, there will be no change in the number of authorized shares of common stock and no change in the par value of the common stock.

The Board of Directors believes that the current per-share market price of our common stock may impair the acceptability of our common stock to certain institutional investors and other members of the investing public. Theoretically, the number of shares outstanding should not, by itself, affect the marketability of the stock, the type of investor who acquires it, or our reputation in the financial community. In practice this is not necessarily the case, as certain investors view low-priced stock as unattractive or, as a matter of policy, are precluded from purchasing low-priced stock because of the greater trading volatility sometimes associated with such securities. Accordingly, one purpose of the reverse stock split is to help raise our reputation in the financial community.

An additional purpose of the reverse stock split is to increase the closing market price of our common stock above \$4.00 per share in order to meet the initial listing criteria of national securities exchanges such as the American Stock Exchange ("AMEX") or NASDAQ Small Cap Market ("NASDAQ"). Our common stock is presently eligible for quotation on the National Association of Securities Dealers' Over the Counter Bulletin Board (the "OTCBB"), which was established for securities that do not meet the NASDAQ listing requirements, and is not presently listed on any securities exchange. In order to be listed on a securities exchange or NASDAQ, we must meet the listing standards of the securities exchange or NASDAQ and have our listing application approved by the securities exchange or NASDAQ. NASDAQ and each securities exchange have their own listing requirements and application process. However, the listing standards of NASDAQ and each securities exchange generally require that all applicants

have a closing trading price on their common stock of at least \$4.00 per share.

Our Board of Directors believes that it is important to provide our stockholders with the best possible market for trading our common stock. The OTCBB is generally considered less efficient and less liquid than NASDAQ or any securities exchange. Consequently, if it was listed on a securities exchange or NASDAQ, selling our common stock could be easier because larger quantities of shares would likely be bought and sold, transactions would be executed more efficiently, and securities analysts' and news media coverage would in all likelihood be increased.

These factors could result in higher prices and lower spreads in the bid and ask prices for shares of our common stock. A listing on a securities exchange could also improve our ability to raise additional capital through equity or debt financing and, to the extent the stock price increases as a result of or in connection with such listing, ownership dilution to stockholders might be reduced if we issue equity in financing or other transactions, since less shares will need to be issued in order to raise a specific amount of capital.

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We cannot assure you that the reverse stock split will accomplish these objectives. While we expect that the reduction in the outstanding shares of common stock will increase the market price of the common stock, we cannot assure you that the reverse stock split will increase the market price of the common stock by a multiple equal to the reverse split ratio of five or result in any permanent increase in the market price (which can be dependent upon many factors, including, but not limited to, our business and financial performance and prospects). Should the market price decline after the reverse stock split, the percentage decline may be greater, due to the smaller number of shares outstanding, than it would have been prior to the reverse stock split. Additionally, there can be no assurance that by meeting the listing requirements for minimum trading price our stock will be listed on a securities exchange. In some cases the stock price of companies that have effected reverse stock splits has subsequently declined back to pre-reverse split levels.

There are other reasons why a reverse stock split may be perceived negatively in the marketplace. In addition to the fact that the number of shares available for trading is reduced, which generally has the effect of reducing liquidity, round lots (i.e., lots in multiples of 100 shares) may be converted into odd lots due to the split, which may in turn increase transaction costs for stockholders. We cannot assure you that the market price of our common stock immediately after the effective date of the proposed reverse stock split will be maintained for any period of time or that the ratio of post and pre-split shares will remain the same after the reverse stock split is effected, or that the reverse stock split will not have an adverse effect on our stock price due to the reduced number of shares outstanding after the reverse stock split.

Upon the effectiveness of the reverse stock split, you will own fewer shares than you owned prior to the reverse split. The number of post-split shares will be determined by dividing the number of shares owned immediately prior to the effective time of the reverse stock split by five. Thus, if you

owned 100 shares of our common stock prior to the reverse split, then, after the effective time of the reverse split, you will own 20 shares of our common stock.

The reverse stock split will simultaneously apply to all outstanding shares of our common stock. On the Record Date, we had 22,505,500 issued and outstanding shares of our common stock. Accordingly, if the Record Date was the effective time of the reverse stock split, then we would have 4,501,100 issued and outstanding shares of our common stock on a post-split basis. The reverse stock split will affect all stockholders uniformly and will not change their proportionate ownership interests, nor will the reverse split alter the respective voting rights of holders of our common stock. The common stock issued pursuant to the reverse stock split will remain fully paid and non-assessable, and we will continue to be subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended.

Because the number of authorized shares of our common stock will not be reduced, the overall effect of the reverse stock split will be an increase in authorized but unissued shares of our common stock. These shares may be issued by the Board of Directors in its discretion. Any future issuance will have the effect of diluting the percentage of stock ownership and voting rights of the present holders of our common stock.

If approved by our shareholders at the annual meeting, we will file an amendment to our Articles of Incorporation with the Nevada Secretary of State at such time as the board has determined is the appropriate effective time for the reverse stock split; however, the Board of Directors must make such determination no later than 60 days after the date the stockholders approve the amendments. The reverse stock split will become effective upon the filing of the amendment with the Secretary of State. At such time, which we refer to as the effective time, each certificate representing our common stock prior to the reverse stock split will be deemed for all corporate purposes to evidence ownership of post-split shares. There is no "issuance" resulting from the reverse stock split.

Promptly after the effective time, you will be notified that the reverse stock split has been effected. Our stock transfer agent, Silverado Stock Transfer, Inc., whom we refer to as the exchange agent, will implement the exchange of stock certificates representing outstanding shares of common stock. You will be asked to surrender to the exchange agent certificates representing your pre-split shares in exchange for certificates representing your post-split shares in accordance with the procedures to be set forth in a letter of transmittal which we will send. You will not receive a new stock certificate representing your post-split shares until you surrender your outstanding certificate(s) representing your pre-split shares, together with the properly completed and executed letter of transmittal to the exchange agent.

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PLEASE DO NOT DESTROY ANY STOCK CERTIFICATE OR SUBMIT ANY CERTIFICATES UNTIL YOU ARE REQUESTED TO DO SO.

We will not issue scrip or fractional shares, or certificates for fractional shares, in connection with the reverse stock split. Should you be

entitled to receive a fractional share because you hold a number of shares not evenly divisible by five, you will be entitled, upon surrender to the exchange agent of certificates representing such shares, to receive one whole share of our common stock.

Under the Nevada Business Corporation Code, stockholders are not entitled to dissenter's rights with respect to the proposed amendments, and we will not independently provide stockholders with any such rights.

The following is a summary of certain material federal income tax consequences of the reverse stock split; however, this does not purport to be a complete discussion of all of the possible federal income tax consequences of the reverse stock split. It does not discuss any state, local, foreign or minimum income or other U.S. federal tax consequences. Also, it does not address the tax consequences to stockholders who are subject to special tax rules, such as banks, insurance companies, regulated investment companies, personal holding companies, foreign entities, nonresident alien individuals, broker-dealers and tax-exempt entities. This discussion is based on the provisions of the United States federal income tax law as of the date hereof, which is subject to change retroactively as well as prospectively. This summary also assumes that the pre-split shares were, and the post-split shares will be, held as "capital assets," as defined in the Internal Revenue Code of 1986, as amended (generally, property held for investment). Your tax treatment may vary depending upon your own particular facts and circumstances. Accordingly, you should consult with your own tax advisor concerning the effects of the reverse stock split on you.

You should recognize no gain or loss upon your exchange of your pre-split shares for post-split shares pursuant to the reverse stock split.

The aggregate tax basis of the post-split shares received in the reverse stock split (including any fraction of a post-split share deemed to have been received) will be the same as your aggregate tax basis in the pre-split shares you exchanged. Your holding period for the post-split shares will include the period during which the you held the pre-split shares surrendered in the reverse stock split.

We believe that the reverse stock split will qualify as a "recapitalization" under Section 368(a)(1)(E) of the Internal Revenue Code. As a result, we will not recognize any gain or loss as a result of the reverse stock split.

The affirmative vote of a majority of the issued and outstanding shares of our common stock eligible to vote at the Annual Meeting is required to approve an amendment to the articles of incorporation to effect the 1-for-5 reverse stock split.

The Board of Directors recommends that the stockholders vote FOR an amendment to the Articles of Incorporation effecting a 1-for-5 reverse stock split. Proxies solicited by the Board of Directors will be voted for an amendment to the Articles of Incorporation effecting a 1-for-5 reverse stock split unless stockholders specify in their proxies a contrary choice.

EXECUTIVE OFFICERS

Stephen P. Harrington and Gerald T. Harrington serve as the executive officers of Expressions Graphics. The positions which they hold and their biographies are set forth above.

The table below sets forth information concerning the compensation we paid to our chief executive officer and each executive officer who was paid compensation at an annual rate of greater than \$100,000 in 2001.

Summary Compensation Table

Name and Principal Position -----	Annual Compensation -----		Long-Term Compensation Awards -----
	Salary -----	Bonus -----	Number of Options -----
Mark Brouillette, President	\$0	\$0	--
Frank Drechsler, Vice President and Secretary	\$0	\$0	--

We have never granted any stock options to the executive officers named in our Summary Compensation Table above or to any of our other employees.

Employment Agreements, Termination of Employment and Change in Control Arrangements

We are not presently a party to any employment agreements, severance agreements or agreements regarding a change in control of the ownership of our common stock.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information with respect to the beneficial ownership of our common stock owned, as of April 15, 2002, by:

- o the holders of more than 5% of our common stock;
- o each of our directors;
- o our executive officers; and
- o all directors and executive officers of our company as a group.

As of April 15, 2002, an aggregate of 22,505,500 shares of our common stock were issued and outstanding. For purposes of computing the percentages under this table, it is assumed that all options and warrants to acquire our common stock which have been issued to the directors, executive officers and the holders of more than 5% of our common stock and are fully vested or will become fully vested within 60 days of the date of this Annual Report have been

exercised by these individuals and the appropriate number of shares of our common stock have been issued to these individuals.

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Shares of Common Stock Beneficially Owned

Name of Beneficial Owner	Position	Amount and Nature of Beneficial Ownership(1)	Percentage of Class
-----	-----	-----	-----
Stephen P. Harrington One Belmont Avenue Suite 417 Bala Cynwyd, PA 19004	Officer, Directo	0	*
Gerald T. Harrington One Belmont Avenue Suite 417 Bala Cynwyd, PA 19004	Officer, Director	0	*
Lancer Offshore, Inc. Kama Flamboyan 9 Curacao, Netherland Antilles	Beneficial Owner	13,140,000 (2)	58.4
Michael Lauer 375 Park Avenue, 20th Floor New York, NY 10152	Beneficial Owner	16,425,500 (3)	73.0
Gemini Growth Fund, L.P. 700 Gemini Houston, TX 77058	Beneficial Owner	1,500,000 (4)	6.2
All directors and executive officers as a group (2 people)		0	*

* Less than one percent.

(1) Beneficial ownership has been determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934. Unless otherwise noted, we believe that all persons named in the table have sole voting and investment power with respect to all shares of our common stock beneficially owned by them.

(2) Does not include 44,000,000 shares of common stock, on a pre-split basis, issuable upon the exercise of common stock purchase warrants that are exercisable only upon shareholder approval of

the proposed amendments to our Articles of Incorporation.

- (3) Includes 13,140,000 shares of common stock owned by Lancer Offshore, Inc., of which Mr. Lauer is a managing director. Does not include 11,000,000 shares of common stock, on a pre-split basis, issuable upon the exercise of common stock purchase warrants that are exercisable only upon shareholder approval of the proposed amendments to our Articles of Incorporation.
- (4) Includes 750,000 shares of common stock issuable upon conversion of a secured convertible promissory note in the principal amount of \$1,500,000 and 150,000 shares of common stock issuable upon exercise of common stock purchase warrants.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, certain of our officers and persons who own more than ten percent of the Company's Common Stock (collectively the "Reporting Persons") to file reports of ownership and changes in ownership with the Securities and Exchange Commission and to furnish us with copies of these reports.

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Based on representations received from Reporting Persons and upon review of Form 3 and 4 filings, all filings required to be made by the Reporting Persons for the year 2001 were made in a timely manner.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

STOCKHOLDER PROPOSALS FOR THE 2003 ANNUAL MEETING

Any proposal of a stockholder intended to be presented at Expressions Graphics' 2003 annual meeting of stockholders must conform to the applicable proxy rules of the Securities and Exchange Commission concerning the submission and content of proposals and must be received in writing by the Secretary of Expressions Graphics by December 31, 2003, for inclusion in Expressions Graphics proxy, notice of meeting and proxy statement relating to the 2003 annual meeting.

OTHER MATTERS

The Board of Directors knows of no business which will be presented for consideration at the Annual Meeting other than that shown above. However, if any business shall properly come before the Annual Meeting, the persons named in the enclosed proxy or their substitutes will vote the proxy in respect of any such business in accordance with their best judgment pursuant to the discretionary authority conferred thereby.

FINANCIAL AND OTHER INFORMATION

Expression Graphics' Financial Statements and the information required by Item 303 (management's discussion and analysis or plan of operation) and Item 304 (changes in and disagreements with accountants on accounting and financial disclosure) of Regulation S-B are incorporated by reference to Expressions Graphics' Form 10-KSB filed with the Securities and Exchange Commission on April 16, 2002, a copy of which has been delivered to you with this Proxy Statement.

May 10, 2002

PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED PROXY AND RETURN IT IN THE ENCLOSED
ADDRESSED ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.

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EXPRESSIONS GRAPHICS
PROXY SOLICITED BY THE BOARD OF DIRECTORS
Annual Meeting of Stockholders -May 31, 2002

The undersigned stockholder of EXPRESSIONS GRAPHICS ("Expressions Graphics"), revoking all previous proxies, hereby constitutes and appoints Stephen P. Harrington and Gerald T. Harrington, and each of them acting individually, as the agents and proxies of the undersigned, with full power of substitution in each, for and in the name and stead of the undersigned, to attend the 2002 Annual Meeting of Stockholders of Expressions Graphics to be held on May 31, 2002 at 11:00 A.M., local time, at Expressions Graphics' executive offices, One Belmont Avenue, Suite 417, Bala Cynwyd, Pennsylvania 19004, and to vote all shares of Common Stock of Expressions Graphics which the undersigned would be entitled to vote if personally present at the 2002 Annual Meeting, and at any adjournment or postponement thereof; provided, that said proxies are authorized and directed to vote as indicated with respect to the matters set forth on the reverse side hereof:

This Proxy will be voted in the manner directed herein by the undersigned stockholder(s). IF NO DIRECTION IS GIVEN, THIS PROXY WILL BE VOTED "FOR" ALL NOMINEES FOR DIRECTOR, "FOR" THE RATIFICATION OF THE APPOINTMENT OF LJ SOLDINGER ASSOCIATES, "FOR" ALL AMENDMENTS TO EXPRESSIONS GRAPHICS ARTICLES OF INCORPORATION AND "FOR" THE 1-FOR-5 REVERSE SPLIT OF THE ISSUED AND OUTSTANDING COMMON STOCK. This Proxy also delegates discretionary authority to vote with respect to any other business which may properly come before the 2002 Annual Meeting or any adjournment or postponement thereof.

THE UNDERSIGNED HEREBY ACKNOWLEDGES RECEIPT OF THE ANNUAL REPORT, NOTICE OF THE 2002 ANNUAL MEETING AND THE PROXY STATEMENT FURNISHED IN CONNECTION THEREWITH. The undersigned also hereby ratifies all that the said agents and proxies may do by virtue hereof and hereby confirms that this Proxy shall be valid and may be voted whether or not the stockholder's name is signed as set forth below or a seal is affixed or the description, authority or capacity of the person signing is given or other defect of signature exists.

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1. Election of Directors

/ / FOR all nominees.

/ / WITHHOLD all nominees.

/ / FOR, except vote withheld from the following nominee(s):_____.

Nominees: Stephen P. Harrington, Gerald T. Harrington and John B. Connally III will be considered nominees for election at the 2002 Annual Meeting.

2. The ratification of the appointment of LJ Soldinger Associates, independent certified public accountants, as auditors for Expressions Graphics for the fiscal year ending December 31, 2002.

/ / FOR

/ / AGAINST

/ / ABSTAIN

3. To approve proposed amendments to the Company's Articles of Incorporation to effect the following:

- o Change the Company's name from Expressions Graphics, Inc. to Continental Southern Resources, Inc.;
- o Increase the Company's authorized common stock from 25,000,000 shares to 150,000,000 shares; and
- o Authorize 10,000,000 shares "blank check" Preferred Stock, \$0.01 par value per share.

/ / FOR

/ / AGAINST

/ / ABSTAIN

4. To approve a 1-for-5 reverse stock split of the Company's outstanding common stock.

/ / FOR

/ / AGAINST

/ / ABSTAIN

In their discretion, the proxies will vote on such other business as may properly come before the 2002 Annual Meeting.

/ / Please check here if you plan to attend the 2002 Annual Meeting in person.

NOTE: PLEASE MARK, DATE AND SIGN THIS PROXY AND RETURN IT IN THE ENCLOSED ENVELOPE. Please sign this Proxy exactly as name(s) appear in address below. When signing as attorney-in-fact, executor, administrator, trustee or guardian, please add your title as such. Corporations please sign with full corporate name by a duly authorized officer and affix the corporate seal.

Signature(s)

Date

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AMENDED AND RESTATED ARTICLES OF INCORPORATION

OF

EXPRESSIONS GRAPHICS, INC.

Pursuant to the provisions of Section 78.403 of the Nevada Revised Statutes, the undersigned corporation adopts the following Amended and Restated Articles of Incorporation as of this date:

FIRST: The name of the corporation is Expressions Graphics, Inc.

SECOND: The Articles of Incorporation of the corporation were filed by the Secretary of State on the 13th day of January, 2000.

THIRD: The names and addresses of the original incorporators are as follows:

Name	Address
-----	-----
Nevada Corporate	P.O. Box 27740
Headquarters, Inc.	Las Vegas, NV 89126

FOURTH: The board of directors of the corporation by unanimous written consent dated the 10th day of May, 2002, adopted a resolution to amend the original Articles as follows:

Articles I and IV are hereby amended to read as follows:

ARTICLE 1
NAME

The name of the corporation is Continental Southern Resources, Inc.

ARTICLE IV
SHARES OF STOCK

Section 4.01. Number and Class. The total number of shares of authorized capital stock of the corporation that the corporation shall have the authority to issue is One Hundred Sixty Million (160,000,000), of which One Hundred Fifty Million (150,000,000) shares having

a par value of \$0.001 per share shall be designated as Common Stock and Ten Million (10,000,000) shares having a par value of \$0.001 per share shall be designated as Preferred Stock.

Common Stock

The shares of Common Stock shall be alike and equal in all respects and shall have one vote for each share. After any requirements with respect to preferential dividends, if any, on the Preferred Stock have been met, then, and not otherwise, dividends payable in cash or in any other medium may be declared by the Board of Directors and paid on the shares of Common Stock. After distribution in full of the preferential amount, if any, to be distributed to the holders of Preferred Stock in the event of voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up of the Corporation, the holders of the Common Stock shall be entitled to receive all of

the remaining assets of the Corporation of whatever kind available for distribution to stockholders ratably in proportion to number of shares of Common Stock held by them respectively.

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Preferred Stock

The Preferred Stock may be issued in one or more series at such time or times and for such consideration or considerations as the Board of Directors may determine pursuant to a resolution or resolutions providing for such issuance duly adopted by the Board of Directors (authority to do so being hereby expressly vested in the Board of Directors) and such resolution or resolutions shall also set forth, with respect to each such series of Preferred Stock, the following:

(1) The distinctive designation, stated value and number of shares comprising such series, which number may (except where otherwise provided by the Board of Directors in creating such series) be increased or decreased (but not below the number of shares then outstanding) from time to time by action of the Board of Directors;

(2) The rate of dividend, if any, on the shares of that series, whether dividends shall be cumulative and, if so, from which date, and the relative rights of priority, if any, of payment of dividends on shares of that series over shares of any other series;

(3) Whether the shares of that series shall be redeemable and, if so, the terms and conditions of such redemption, including the date upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates, or the property or rights, including securities of any other corporation, payable in case of redemption;

(4) Whether that series shall have a sinking fund for the redemption or purchase of shares of that series and, if so, the terms and amounts payable into such sinking fund;

(5) The rights to which the holders of the shares of that series shall be entitled in the event of voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series;

(6) Whether the shares of that series shall be convertible into or exchangeable for shares of capital stock of any class or any other series of Preferred Stock and, if so, the terms and conditions of such conversion or exchange including the rate of conversion or exchange, the date upon or after which they shall be convertible or exchangeable, the duration for which they shall be convertible or exchangeable, the event upon or after which they shall be convertible or exchangeable at whose option they shall be convertible or exchangeable, and the method of adjusting the rate of conversion or exchange in the event of a stock split, stock dividend, combination of shares or similar event;

(7) Whether the shares of that series shall have voting rights in addition to the voting rights provided by law and, if so, the terms of such voting rights;

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(8) Whether the issuance of any additional shares of such series, or of any shares of any other series, shall be subject to restrictions as to issuance, or as to the powers, preferences or rights of any such other series; and

(9) Any other preferences, privileges and powers, and relative, participating, optional or other special rights, and qualification, limitation or restriction of such series, as the Board of Directors may deem advisable and as shall not be inconsistent with the provisions of this Amended and Restated Articles of Incorporation and to the full extent now or hereafter permitted by the laws of the State of Nevada.

Section 4.02. No Preemptive Rights. Holders of the Common Stock of the corporation shall not have any preference, preemptive right, or right of subscription to acquire any shares of the corporation authorized, issued or sold, or to be authorized, issued or sold, and convertible into shares of the Corporation, nor to any right of subscription thereto, other than to the extent, if any, the Board of Directors may determine from time to time.

Section 4.03. Non-Assessability of Shares. The Common Stock of the corporation, after the amount of the subscription price has been paid, in money, property or services, as the directors shall determine, shall not be subject to assessment to pay the debts of the corporation, nor for any other purpose, and no stock issued as fully paid shall ever be assessable or assessed, and the Articles of Incorporation shall not be amended in this particular.

FIFTH: The number of shares of the corporation outstanding and entitled to vote on an amendment to the Articles of Incorporation is 22,505,500; the above change(s) and amendment has been consented to and approved by a majority vote of the stockholders holding at least a majority of each class of stock outstanding and entitled to vote thereon.

SIXTH: The Articles of Incorporation, as amended to the date of this certificate, are hereby restated as follows:

ARTICLES OF INCORPORATION
OF
CONTINENTAL SOUTHERN RESOURCES, INC.
a Nevada corporation

We, the undersigned, being the President and Secretary herein named, for the purpose of amending and restating the Articles of Incorporation of Expressions Graphics, Inc. under the General Corporation Laws of the State of Nevada, do make and file these Amended and Restated Articles of Incorporation, hereby declaring and certifying that the facts herein stated are true:

ARTICLE I
NAME

The name of the corporation is Continental Southern Resources, Inc.

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ARTICLE II
RESIDENT AGENT & REGISTERED OFFICE

Section 2.01. Resident Agent. The name and address of the Resident Agent for service of process is Nevada Corporate Headquarters, Inc., 5300 West Sahara, Suite 101, Las Vegas, Nevada 89146. Mailing Address: P.O. Box 27740, Las Vegas, NV 89126.

Section 2.02. Registered Office. The address of its Registered Office is 5300 West Sahara, Suite 101, Las Vegas, Nevada 89146.

Section 2.03. Other Offices. The Corporation may also maintain offices for the transaction of any business at such other places within or without the State of Nevada as it may from time to time determine. Corporate business of every kind and nature may be conducted, and meetings of directors and stockholders held outside the State of Nevada with the same effect as if in the State of Nevada.

ARTICLE III PURPOSE

The corporation is organized for the purpose of engaging in any lawful activity, within or without the State of Nevada.

ARTICLE IV SHARES OF STOCK

Section 4.01. Number and Class. The total number of shares of authorized capital stock of the corporation that the corporation shall have the authority to issue is One Hundred Sixty Million (160,000,000), of which One Hundred Fifty Million (150,000,000) shares having a par value of \$0.001 per share shall be designated as Common Stock and Ten Million (10,000,000) shares having a par value of \$0.001 per share shall be designated as Preferred Stock.

Common Stock

The shares of Common Stock shall be alike and equal in all respects and shall have one vote for each share. After any requirements with respect to preferential dividends, if any, on the Preferred Stock have been met, then, and not otherwise, dividends payable in cash or in any other medium may be declared by the Board of Directors and paid on the shares of Common Stock. After distribution in full of the preferential amount, if any, to be distributed to the holders of Preferred Stock in the event of voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up of the Corporation, the holders of the Common Stock shall be entitled to receive all of the remaining assets of the Corporation of whatever kind available for distribution to stockholders ratably in proportion to number of shares of Common Stock held by them respectively.

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Preferred Stock

The Preferred Stock may be issued in one or more series at such time or times and for such consideration or considerations as the Board of Directors may determine pursuant to a resolution or resolutions providing for such issuance duly adopted by the Board of Directors (authority to do so being hereby expressly vested in the Board of Directors) and such resolution or resolutions shall also set forth, with respect to each such series of Preferred Stock, the following:

(1) The distinctive designation, stated value and number of shares comprising such series, which number may (except where otherwise provided by the Board of Directors in creating such series) be increased or decreased (but not below the number of shares then outstanding) from time to time by action of the Board of Directors;

(2) The rate of dividend, if any, on the shares of that series, whether dividends shall be cumulative and, if so, from which date, and the relative rights of priority, if any, of payment of dividends on shares of that series over shares of any other series;

(3) Whether the shares of that series shall be redeemable and, if so, the terms and conditions of such redemption, including the date upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates, or the property or rights, including securities of any other corporation, payable in case of redemption;

(4) Whether that series shall have a sinking fund for the redemption or purchase of shares of that series and, if so, the terms and amounts payable into such sinking fund;

(5) The rights to which the holders of the shares of that series shall be entitled in the event of voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series;

(6) Whether the shares of that series shall be convertible into or exchangeable for shares of capital stock of any class or any other series of Preferred Stock and, if so, the terms and conditions of such conversion or exchange including the rate of conversion or exchange, the date upon or after which they shall be convertible or exchangeable, the duration for which they shall be convertible or exchangeable, the event upon or after which they shall be convertible or exchangeable at whose option they shall be convertible or exchangeable, and the method of adjusting the rate of conversion or exchange in the event of a stock split, stock dividend, combination of shares or similar event;

(7) Whether the shares of that series shall have voting rights in addition to the voting rights provided by law and, if so, the terms of such voting rights;

(8) Whether the issuance of any additional shares of such series, or of any shares of any other series, shall be subject to restrictions as to issuance, or as to the powers, preferences or rights of any such other series; and

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(9) Any other preferences, privileges and powers, and relative, participating, optional or other special rights, and qualification, limitation or restriction of such series, as the Board of Directors may deem advisable and as shall not be inconsistent with the provisions of this Amended and Restated Articles of Incorporation and to the full extent now or hereafter permitted by the laws of the State of Nevada.

Section 4.02. No Preemptive Rights. Holders of the Common Stock of the corporation shall not have any preference, preemptive right, or right of subscription to acquire any shares of the corporation authorized, issued or

sold, or to be authorized, issued or sold, and convertible into shares of the Corporation, nor to any right of subscription thereto, other than to the extent, if any, the Board of Directors may determine from time to time.

Section 4.03. Non-Assessability of Shares. The Common Stock of the corporation, after the amount of the subscription price has been paid, in money, property or services, as the directors shall determine, shall not be subject to assessment to pay the debts of the corporation, nor for any other purpose, and no stock issued as fully paid shall ever be assessable or assessed, and the Articles of Incorporation shall not be amended in this particular.

ARTICLE V DIRECTORS

Section 5.01. Governing Board. The members of the Governing Board of the Corporation shall be styled as directors.

Section 5.02. Change in Number of Directors. The number of directors may be increased or decreased by a duly adopted amendment to the Bylaws of the corporation.

ARTICLE VI PERIOD OF DURATION

The corporation is to have a perpetual existence.

ARTICLE VII DIRECTORS' AND OFFICERS' LIABILITY

A director or officer of the corporation shall not be personally liable to this corporation or its stockholders for damages for breach of fiduciary duty as a director or officer, but this Article shall not eliminate or limit the liability of a director or officer for (i) acts or omissions which involve intentional misconduct, fraud or a knowing violation of law or (ii) the unlawful payment of distributions. Any repeal or modification of this Article by the stockholders of the corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director or officer of the corporation for acts or omissions prior to such repeal or modification.

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ARTICLE VIII INDEMNITY

Every person who was or is a party to, or is threatened to be made a party to, or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he, or a person of whom he is the legal representative, is or was a director or officer of the corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the laws of the State of Nevada from time to time against all expenses, liability and loss (including attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by him in connection therewith. Such right of indemnification shall be a contract right which may be enforced in any manner desired by such person. The expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding must be paid by the

corporation as they are incurred and in advance of the final disposition of the action, suite or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by the corporation. Such right of indemnification shall not be exclusive of any other right which such directors, officers or representatives may have or hereafter acquire, and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any by-law, agreement, vote of stockholders, provision of law, or otherwise, as well as their rights under this Article.

Without limiting the application of the foregoing, the stockholders or Board of Directors may adopt by-laws from time to time with respect to indemnification, to provide at all times the fullest indemnification permitted by the laws of the State of Nevada, and may cause the corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation, or is or was serving at the request of the corporation as director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprises against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the corporation would have the power to indemnify such person.

The indemnification provided in this Article shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such person.

ARTICLE IX AMENDMENTS

Subject at all times to the express provisions of Section 4.03 which cannot be amended, this corporation reserves the right to amend, alter, change, or repeal any provision contained in these Articles of Incorporation or its Bylaws, in the manner now or hereafter prescribed by statute or by these Articles of Incorporation or said Bylaws, and all rights conferred upon the stockholders are granted subject to this reservation.

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ARTICLE X POWERS OF DIRECTORS

In furtherance and not in limitation of the powers conferred by state the Board of Directors is expressly authorized:

(1) Subject to the Bylaws, if any, adopted by the stockholders, to make, alter or repeal the Bylaws of the corporation;

(2) To authorize and cause to be executed mortgages and liens, with or without limit as to amount, upon the real and personal property of the corporation;

(3) To authorize the guaranty by the corporation of securities, evidences of indebtedness and obligations of other persons, corporations and business entities;

(4) To set apart out of any of the funds of the corporation available for distributions a reserve or reserves for any proper purchase and to abolish

any such reserve;

(5) By resolution, to designate one or more committees, each committee to consist of at least one director of the corporation, which, to the extent provided in the resolution or in the Bylaws of the corporation, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be stated in the Bylaws of the corporation or as may be determined from time to time by resolution adopted by the Board of Directors; and

(6) To authorize the corporation by its officers or agents to exercise all such powers and to do all such acts and things as may be exercised or done by the corporation, except and to the extent that any such statute shall require action by the stockholders of the corporation with regard to the exercising of any such power or the doing of any such act or thing.

In addition to the powers and authorities hereinbefore or by statute expressly conferred upon them, the Board of Directors may exercise all such powers and do all such acts and things as may be exercised or done by the corporation, except as otherwise provided herein and by law.

Stephen P. Harrington is the president of Expressions Graphics, Inc. and that Gerald T. Harrington is the secretary of the corporation; that they have been authorized to execute the foregoing certificate by resolution of the board of directors, adopted by Unanimous Written Consent dated the 10th day of May, 2002 and that the foregoing certificate sets forth the text of the Articles of Incorporation as amended to the date of the certificate.

AMENDED AND RESTATED ARTICLES OF INCORPORATION

OF

EXPRESSIONS GRAPHICS, INC.

Pursuant to the provisions of Section 78.403 of the Nevada Revised Statutes, the undersigned corporation adopts the following Amended and Restated Articles of Incorporation as of this date:

FIRST: The name of the corporation is Expressions Graphics, Inc.

SECOND: The Articles of Incorporation of the corporation were filed by the Secretary of State on the 13th day of January, 2000.

THIRD: The names and addresses of the original incorporators are as follows:

Name	Address
----	-----
Nevada Corporate	P.O. Box 27740
Headquarters, Inc.	Las Vegas, NV 89126

FOURTH: The board of directors of the corporation by unanimous written consent dated the 10th day of May, 2002, adopted a resolution to amend the original Articles as follows:

Articles I and IV are hereby amended to read as follows:

ARTICLE 1
NAME

The name of the corporation is Continental Southern Resources, Inc.

ARTICLE IV
SHARES OF STOCK

Section 4.01. Number and Class. The total number of shares of authorized capital stock of the corporation that the corporation shall have the authority to issue is One Hundred Sixty Million (160,000,000), of which One Hundred Fifty Million (150,000,000)

shares having a par value of \$0.001 per share shall be designated as Common Stock and Ten Million (10,000,000) shares having a par value of \$0.001 per share shall be designated as Preferred Stock.

COMMON STOCK

The shares of Common Stock shall be alike and equal in all respects and shall have one vote for each share. After any requirements with respect to preferential dividends, if any, on the Preferred Stock have been met, then, and not otherwise, dividends payable in cash or in any other medium may be declared by the Board of Directors and paid on the shares of Common Stock. After distribution in full of the preferential amount, if any, to be distributed to the holders of Preferred Stock in the event of voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up of the Corporation, the holders of the Common Stock shall be entitled to receive all of

the remaining assets of the Corporation of whatever kind available for distribution to stockholders ratably in proportion to number of shares of Common Stock held by them respectively.

PREFERRED STOCK

The Preferred Stock may be issued in one or more series at such time or times and for such consideration or

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considerations as the Board of Directors may determine pursuant to a resolution or resolutions providing for such issuance duly adopted by the Board of Directors (authority to do so being hereby expressly vested in the Board of Directors) and such resolution or resolutions shall also set forth, with respect to each such series of Preferred Stock, the following:

- (1) The distinctive designation, stated value and number of shares comprising such series, which number may (except where otherwise provided by the Board of Directors in creating such series) be increased or decreased (but not below the number of shares then outstanding) from time to time by action of the Board of Directors;
- (2) The rate of dividend, if any, on the shares of that series, whether dividends shall be cumulative and, if so, from which date, and the relative rights of priority, if any, of payment of dividends on shares of that series over shares of any other series;
- (3) Whether the shares of that series shall be redeemable and, if so, the terms and conditions of such redemption, including the date upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates, or the property or rights, including securities of any other corporation, payable in case of redemption;
- (4) Whether that series shall have a sinking fund for the redemption or purchase of shares of that series and, if so, the terms and amounts payable into such sinking fund;
- (5) The rights to which the holders of the shares of that series shall be entitled in the event of voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series;
- (6) Whether the shares of that series shall be convertible into or exchangeable for shares of capital stock of any class or any other series of Preferred Stock and, if so, the terms and conditions of such conversion or exchange including the rate of conversion or exchange, the date upon or after which they shall be convertible or exchangeable, the duration for which they shall be convertible or exchangeable, the event upon or after which they shall be convertible or exchangeable at whose option they shall be convertible or exchangeable, and the method of adjusting the rate of conversion or exchange in the event of a stock split, stock dividend, combination of shares or similar event;
- (7) Whether the shares of that series shall have voting rights in addition to the voting rights provided by law and, if so, the terms of such voting rights;

(8) Whether the issuance of any additional shares of such series, or of any shares of any other series, shall be subject to restrictions as to issuance, or as to the powers, preferences or rights of any such other series; and

(9) Any other preferences, privileges and powers, and relative, participating, optional or other special rights, and qualification, limitation or restriction of such series, as the Board of Directors may deem advisable and as shall not be inconsistent with the provisions of this Amended and Restated Articles of Incorporation and to the full extent now or hereafter permitted by the laws of the State of Nevada.

Section 4.02. No Preemptive Rights. Holders of the Common Stock of the corporation shall not have any preference, preemptive right, or right of subscription to acquire any shares of the corporation authorized, issued or sold, or to be authorized, issued or sold, and convertible into shares of the Corporation, nor to any right of subscription thereto, other than to the extent, if any, the Board of Directors may determine from time to time.

Section 4.03. Non-Assessability of Shares. The Common Stock of the corporation, after the amount of the subscription price has been paid, in money, property or services, as the directors shall determine, shall not be subject to assessment to pay the debts of the corporation, nor for any other purpose, and no stock issued as fully paid shall ever be assessable or assessed, and the Articles of Incorporation shall not be amended in this particular.

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FIFTH: The number of shares of the corporation outstanding and entitled to vote on an amendment to the Articles of Incorporation is 22,505,500; the above change(s) and amendment has been consented to and approved by a majority vote of the stockholders holding at least a majority of each class of stock outstanding and entitled to vote thereon.

SIXTH: The Articles of Incorporation, as amended to the date of this certificate, are hereby restated as follows:

ARTICLES OF INCORPORATION
OF
CONTINENTAL SOUTHERN RESOURCES, INC.
a Nevada corporation

We, the undersigned, being the President and Secretary herein named, for the purpose of amending and restating the Articles of Incorporation of Expressions Graphics, Inc. under the General Corporation Laws of the State of Nevada, do make and file these Amended and Restated Articles of Incorporation, hereby declaring and certifying that the facts herein stated are true:

ARTICLE I
NAME

The name of the corporation is Continental Southern Resources, Inc.

ARTICLE II
RESIDENT AGENT & REGISTERED OFFICE

Section 2.01. Resident Agent. The name and address of the Resident Agent for service of process is Nevada Corporate Headquarters, Inc., 5300 West Sahara,

Suite 101, Las Vegas, Nevada 89146. Mailing Address: P.O. Box 27740, Las Vegas, NV 89126.

Section 2.02. Registered Office. The address of its Registered Office is 5300 West Sahara, Suite 101, Las Vegas, Nevada 89146.

Section 2.03. Other Offices. The Corporation may also maintain offices for the transaction of any business at such other places within or without the State of Nevada as it may from time to time determine. Corporate business of every kind and nature may be conducted, and meetings of directors and stockholders held outside the State of Nevada with the same effect as if in the State of Nevada.

ARTICLE III PURPOSE

The corporation is organized for the purpose of engaging in any lawful activity, within or without the State of Nevada.

ARTICLE IV SHARES OF STOCK

Section 4.01. Number and Class. The total number of shares of authorized capital stock of the corporation that the corporation shall have the authority to issue is One Hundred Sixty Million (160,000,000), of which One Hundred Fifty Million (150,000,000) shares having a par value of \$0.001 per share shall be designated as Common Stock and Ten Million (10,000,000) shares having a par value of \$0.001 per share shall be designated as Preferred Stock.

COMMON STOCK

The shares of Common Stock shall be alike and equal in all respects and shall have one vote for each share.

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After any requirements with respect to preferential dividends, if any, on the Preferred Stock have been met, then, and not otherwise, dividends payable in cash or in any other medium may be declared by the Board of Directors and paid on the shares of Common Stock. After distribution in full of the preferential amount, if any, to be distributed to the holders of Preferred Stock in the event of voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up of the Corporation, the holders of the Common Stock shall be entitled to receive all of the remaining assets of the Corporation of whatever kind available for distribution to stockholders ratably in proportion to number of shares of Common Stock held by them respectively.

PREFERRED STOCK

The Preferred Stock may be issued in one or more series at such time or times and for such consideration or considerations as the Board of Directors may determine pursuant to a resolution or resolutions providing for such issuance duly adopted by the Board of Directors (authority to do so being hereby expressly vested in the Board of Directors) and such resolution or resolutions shall also set forth, with respect to each such series of Preferred Stock, the following:

(1) The distinctive designation, stated value and number of shares comprising

such series, which number may (except where otherwise provided by the Board of Directors in creating such series) be increased or decreased (but not below the number of shares then outstanding) from time to time by action of the Board of Directors;

(2) The rate of dividend, if any, on the shares of that series, whether dividends shall be cumulative and, if so, from which date, and the relative rights of priority, if any, of payment of dividends on shares of that series over shares of any other series;

(3) Whether the shares of that series shall be redeemable and, if so, the terms and conditions of such redemption, including the date upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates, or the property or rights, including securities of any other corporation, payable in case of redemption;

(4) Whether that series shall have a sinking fund for the redemption or purchase of shares of that series and, if so, the terms and amounts payable into such sinking fund;

(5) The rights to which the holders of the shares of that series shall be entitled in the event of voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series;

(6) Whether the shares of that series shall be convertible into or exchangeable for shares of capital stock of any class or any other series of Preferred Stock and, if so, the terms and conditions of such conversion or exchange including the rate of conversion or exchange, the date upon or after which they shall be convertible or exchangeable, the duration for which they shall be convertible or exchangeable, the event upon or after which they shall be convertible or exchangeable at whose option they shall be convertible or exchangeable, and the method of adjusting the rate of conversion or exchange in the event of a stock split, stock dividend, combination of shares or similar event;

(7) Whether the shares of that series shall have voting rights in addition to the voting rights provided by law and, if so, the terms of such voting rights;

(8) Whether the issuance of any additional shares of such series, or of any shares of any other series, shall be subject to restrictions as to issuance, or as to the powers, preferences or rights of any such other series; and

(9) Any other preferences, privileges and powers, and relative, participating, optional or other special rights, and qualification, limitation or restriction of such series, as the Board of Directors may deem advisable and as shall not be inconsistent with the provisions of this Amended and Restated Articles of Incorporation and to the full extent now or hereafter permitted by the laws of the State of Nevada.

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Section 4.02. No Preemptive Rights. Holders of the Common Stock of the corporation shall not have any preference, preemptive right, or right of subscription to acquire any shares of the corporation authorized, issued or sold, or to be authorized, issued or sold, and convertible into shares of the Corporation, nor to any right of subscription thereto, other than to the extent,

if any, the Board of Directors may determine from time to time.

Section 4.03. Non-Assessability of Shares. The Common Stock of the corporation, after the amount of the subscription price has been paid, in money, property or services, as the directors shall determine, shall not be subject to assessment to pay the debts of the corporation, nor for any other purpose, and no stock issued as fully paid shall ever be assessable or assessed, and the Articles of Incorporation shall not be amended in this particular.

ARTICLE V DIRECTORS

Section 5.01. Governing Board. The members of the Governing Board of the Corporation shall be styled as directors.

Section 5.02. Change in Number of Directors. The number of directors may be increased or decreased by a duly adopted amendment to the Bylaws of the corporation.

ARTICLE VI PERIOD OF DURATION

The corporation is to have a perpetual existence.

ARTICLE VII DIRECTORS' AND OFFICERS' LIABILITY

A director or officer of the corporation shall not be personally liable to this corporation or its stockholders for damages for breach of fiduciary duty as a director or officer, but this Article shall not eliminate or limit the liability of a director or officer for (i) acts or omissions which involve intentional misconduct, fraud or a knowing violation of law or (ii) the unlawful payment of distributions. Any repeal or modification of this Article by the stockholders of the corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director or officer of the corporation for acts or omissions prior to such repeal or modification.

ARTICLE VIII INDEMNITY

Every person who was or is a party to, or is threatened to be made a party to, or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he, or a person of whom he is the legal representative, is or was a director or officer of the corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the laws of the State of Nevada from time to time against all expenses, liability and loss (including attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by him in connection therewith. Such right of indemnification shall be a contract right which may be enforced in any manner desired by such person. The expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding must be paid by the corporation as they are incurred and in advance of the final disposition of the action, suite or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by the corporation. Such right of indemnification shall not be exclusive of any other right which such directors,

officers or representatives may have or hereafter acquire, and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any by-law, agreement, vote of stockholders, provision of law, or otherwise, as well as their rights under this Article.

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Without limiting the application of the foregoing, the stockholders or Board of Directors may adopt by-laws from time to time with respect to indemnification, to provide at all times the fullest indemnification permitted by the laws of the State of Nevada, and may cause the corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation, or is or was serving at the request of the corporation as director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprises against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the corporation would have the power to indemnify such person.

The indemnification provided in this Article shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such person.

ARTICLE IX AMENDMENTS

Subject at all times to the express provisions of Section 4.03 which cannot be amended, this corporation reserves the right to amend, alter, change, or repeal any provision contained in these Articles of Incorporation or its Bylaws, in the manner now or hereafter prescribed by statute or by these Articles of Incorporation or said Bylaws, and all rights conferred upon the stockholders are granted subject to this reservation.

ARTICLE X POWERS OF DIRECTORS

In furtherance and not in limitation of the powers conferred by state the Board of Directors is expressly authorized:

(1) Subject to the Bylaws, if any, adopted by the stockholders, to make, alter or repeal the Bylaws of the corporation;

(2) To authorize and cause to be executed mortgages and liens, with or without limit as to amount, upon the real and personal property of the corporation;

(3) To authorize the guaranty by the corporation of securities, evidences of indebtedness and obligations of other persons, corporations and business entities;

(4) To set apart out of any of the funds of the corporation available for distributions a reserve or reserves for any proper purchase and to abolish any such reserve;

(5) By resolution, to designate one or more committees, each committee to consist of at least one director of the corporation, which, to the extent provided in the resolution or in the Bylaws of the corporation, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the

corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be stated in the Bylaws of the corporation or as may be determined from time to time by resolution adopted by the Board of Directors; and

(6) To authorize the corporation by its officers or agents to exercise all such powers and to do all such acts and things as may be exercised or done by the corporation, except and to the extent that any such statute shall require action by the stockholders of the corporation with regard to the exercising of any such power or the doing of any such act or thing.

In addition to the powers and authorities hereinbefore or by statute expressly conferred upon them, the Board of Directors may exercise all such powers and do all such acts and things as may be exercised or done by the corporation, except as otherwise provided herein and by law.

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Stephen P. Harrington is the president of Expressions Graphics, Inc. and that Gerald T. Harrington is the secretary of the corporation; that they have been authorized to execute the foregoing certificate by resolution of the board of directors, adopted by Unanimous Written Consent dated the 10th day of May, 2002 and that the foregoing certificate sets forth the text of the Articles of Incorporation as amended to the date of the certificate.

1.4 Shares of Common Stock Available for Incentive Awards

Subject to adjustment under Section 5.5, there shall be available for Incentive Awards that are granted wholly or partly in Common Stock (including rights or Options that may be exercised for or settled in Common Stock) 12,200,000 Shares of Common Stock. The total number of Shares reserved for issuance under the Plan (pursuant to the previous sentence) shall be available for Incentive Stock Options. The number of Shares of Common Stock that are the subject of Incentive Awards under this Plan, that are forfeited or terminated, expire unexercised, withheld for tax withholding requirements, are settled in cash in lieu of Common Stock or in a manner such that all or some of the Shares covered by an Incentive Award are not issued to a Grantee or are exchanged for Incentive Awards that do not involve Common Stock, shall again immediately become available for Incentive Awards hereunder. The Committee may from time to time adopt and observe such procedures concerning the counting of Shares against the Plan maximum as it may deem appropriate. The Board and the appropriate officers of the Company shall from time to time take whatever actions are necessary to file any required documents with governmental authorities, stock exchanges and transaction reporting systems to ensure that Shares are available for issuance pursuant to Incentive Awards.

During any period that the Company is a Publicly Held Corporation, the following rules shall apply to grants of Incentive Awards to Employees:

(a) Subject to adjustment as provided in [Section 5.5](#), the maximum aggregate number of Shares of Common Stock (including Stock Options, SARs, Restricted Stock, Performance Units and Performance Shares paid out in Shares, or Other Stock-Based Awards paid out in Shares) that may be granted or that may vest, as applicable, in any calendar year pursuant to any Incentive Award held by any individual Employee shall be 12,200,000 Shares.

(b) The maximum aggregate cash payout (including SARs, Performance Units and Performance Shares paid out in cash, or Other Stock-Based Awards paid out in cash) with respect to Incentive Awards granted in any calendar year which may be made to any individual Employee shall be Five Million dollars (\$5,000,000).

(c) With respect to any Stock Option or Stock Appreciation Right granted to an Employee that is canceled or repriced, the number of Shares subject to such Stock Option or stock appreciation right shall continue to count against the maximum number of Shares that may be the subject of Stock Options or stock appreciation rights granted to such Employee hereunder to the extent such is required in accordance with Section 162(m) of the Code.

(d) The limitations of [subsections \(a\)](#), [\(b\)](#) and [\(c\)](#) above shall be construed and administered so as to comply with the Performance-Based Exception.

1.5 Share Pool Adjustments for Awards and Payouts.

The following Incentive Awards and payouts shall reduce, on a one Share for one Share basis, the number of Shares authorized for issuance under the Share Pool:

- (a) Stock Options;
- (b) Restricted Stock Awards; and
- (c) A payout of an Other Stock-Based Award or Performance Awards in Shares.

The following transactions shall restore, on a one Share for one Share basis, the number of Shares authorized for issuance under the Share Pool:

- (a) A payout of an Other Stock-Based Award or Performance Awards in the form of cash;
- (b) A cancellation, termination, expiration, forfeiture, or lapse for any reason of any Shares subject to an Incentive Award; and
- (c) Payment of an Option Price or Restricted Stock purchase price as provided in the Incentive Agreement or as determined by the Compensation Committee in its sole

discretion with previously acquired Shares or by withholding Shares that otherwise would be acquired on exercise or grant (i.e., the Share Pool shall be increased by the number of Shares turned in or withheld as payment of the Option Price or Restricted Stock purchase price).

1.6 Common Stock Available.

The Common Stock available for issuance or transfer under the Plan shall be made available from Shares now or hereafter (a) held in the treasury of the Company, (b) authorized but unissued shares, or (c) shares to be purchased or acquired by the Company. No fractional shares shall be issued under the Plan; payment for fractional shares shall be made in cash.

1.7 Participation

(a) **Eligibility.** The Committee shall from time to time designate those Employees, Consultants and/or Outside Directors, if any, to be granted Incentive Awards under the Plan, the type of Incentive Awards granted, the number of Shares or Stock Options, as the case may be, which shall be granted to each such person, and any other terms or conditions relating to the Incentive Awards as it may deem appropriate to the extent not inconsistent with the provisions of the Plan. A Grantee who has been granted an Incentive Award may, if otherwise eligible, be granted additional Incentive Awards at any time.

(b) **Incentive Stock Option Eligibility.** No Consultant or Outside Director shall be eligible for the grant of any Incentive Stock Option. In addition, no Employee shall be eligible for the grant of any Incentive Stock Option who owns or would own immediately before the grant of such Incentive Stock Option, directly or indirectly, stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company, or any Parent or Subsidiary. This restriction does not apply if, at the time such Incentive Stock Option is granted, the Option Price with respect to the Incentive Stock Option is at least one hundred and ten percent (110%) of the Fair Market Value on the date of grant and the Incentive Stock Option by its terms is not exercisable after the expiration of five (5) years from the date of grant. For the purpose of the immediately preceding sentence, the attribution rules of Section 424(d) of the Code shall apply for the purpose of determining an Employee's percentage ownership in the Company or any Parent or Subsidiary. This paragraph shall be construed consistent with the requirements of Section 422 of the Code.

1.8 Types of Incentive Awards

The types of Incentive Awards that may be granted under the Plan are Stock Options as described in [Section 2](#), Restricted Stock as described in [Section 3](#), Other Stock-Based Awards as described in [Section 4](#), or any combination of the foregoing.

SECTION 2.

STOCK OPTIONS

2.1 Grant of Stock Options

The Committee is authorized to grant (a) Nonstatutory Stock Options to Employees, Consultants and/or Outside Directors and (b) Incentive Stock Options to Employees only, in accordance with the terms and conditions of the Plan, and with such additional terms and conditions, not inconsistent with the Plan, as the Committee shall determine in its discretion. Successive grants may be made to the same Grantee whether or not any Stock Option previously granted to such person remains unexercised.

2.2 Stock Option Terms

(a) **Written Agreement.** Each grant of a Stock Option shall be evidenced by a written Incentive Agreement. Among its other provisions, each Incentive Agreement shall set forth the extent to which the Grantee shall have the right to exercise the Stock Option following termination of the Grantee's Employment. Such provisions shall be determined in the discretion of the Committee, shall be included in the Grantee's Incentive Agreement and need not be uniform among all Stock Options issued pursuant to the Plan.

(b) **Number of Shares.** Each Stock Option shall specify the number of Shares of Common Stock to which it pertains.

(c) **Exercise Price.** The Option Price with respect to each Stock Option shall be determined by the Committee; provided, however, that in the case of an Incentive Stock Option, the Option Price shall not be less than one hundred percent (100%) of the Fair Market Value per Share on the date the Incentive Stock Option is granted (110% for 10% or greater stockholders pursuant to [Section 1.7\(b\)](#)). To the extent that the Company is a Publicly Held Corporation and the Stock Option is intended to qualify for the Performance-Based Exception, the Option Price shall not be less than one hundred percent (100%) of the Fair Market Value per Share on the date the Stock Option is granted. Each Stock Option shall specify the method of exercise which shall be consistent with the requirements of [Section 2.3\(a\)](#).

(d) **Term.** In the Incentive Agreement, the Committee shall fix the term of each Stock Option (which shall be not more than ten (10) years from the date of grant for ISO grants; five (5) years for ISO grants to ten percent (10%) or greater stockholders pursuant to [Section 1.7\(b\)](#)). In the event no term is fixed, such term shall be ten (10) years from the date of grant.

(e) **Exercise.** The Committee shall determine the time or times at which a Stock Option may be exercised in whole or in part. Each Stock Option may specify the required period of continuous Employment and/or the performance objectives to be achieved before the Stock Option or portion thereof will become exercisable. Each Stock Option, the exercise of which, or the timing of the exercise of which, is dependent, in

whole or in part, on the achievement of designated performance objectives, may specify a minimum level of achievement in respect of the specified performance objectives below which no Stock Options will be exercisable and a method for determining the number of Stock Options that will be exercisable if performance is at or above such minimum but short of full achievement of the performance objectives. All such terms and conditions shall be set forth in the Incentive Agreement.

(f) **\$100,000 Annual Limit on Incentive Stock Options.** Notwithstanding any contrary provision in the Plan, to the extent that the aggregate Fair Market Value (determined as of the time the Incentive Stock Option is granted) of the Shares of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Grantee during any single calendar year (under the Plan and any other stock option plans of the Company and its Subsidiaries or Parent) exceeds the sum of \$100,000, such Incentive Stock Option shall be treated as a Nonstatutory Stock Option to the extent in excess of the \$100,000 limit, and not an Incentive Stock Option, but all other terms and provisions of such Stock Option shall remain unchanged. This paragraph shall be applied by taking Incentive Stock Options into account in the order in which they were granted and shall be construed in accordance with Section 422(d) of the Code. In the absence of such regulations or other authority, or if such regulations or other authority require or permit a designation of the Options which shall cease to constitute Incentive Stock Options, then such Incentive Stock Options, only to the extent of such excess, shall automatically be deemed to be Nonstatutory Stock Options but all other terms and conditions of such Incentive Stock Options, and the corresponding Incentive Agreement, shall remain unchanged.

2.3 Stock Option Exercises

(a) **Method of Exercise and Payment.** Stock Options shall be exercised by the delivery of a signed written notice of exercise to the Company as of a date set by the Company in advance of the effective date of the proposed exercise. The notice shall set forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares.

The Option Price upon exercise of any Stock Option shall be payable to the Company in full either: (i) in cash or its equivalent, or (ii) subject to prior approval by the Committee in its discretion, by tendering previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the total Option Price (provided that the Shares which are tendered must have been held by the Grantee for at least six (6) months prior to their tender to satisfy the Option Price), or (iii) subject to prior approval by the Committee in its discretion, by withholding Shares which otherwise would be acquired on exercise having an aggregate Fair Market Value at the time of exercise equal to the total Option Price, or (iv) subject to prior approval by the Committee in its discretion, by a combination of (i), (ii), and (iii) above. Any payment in Shares shall be effected by the surrender of such Shares to the Company in good form for transfer and shall be valued at their Fair Market Value on the date when the Stock Option is exercised. Unless otherwise permitted by the Committee in its discretion, the Grantee shall not surrender, or attest to the ownership of, Shares in payment of the Option Price if such

action would cause the Company to recognize compensation expense (or additional compensation expense) with respect to the Stock Option for financial reporting purposes.

The Committee, in its discretion, also may allow the Option Price to be paid with such other consideration as shall constitute lawful consideration for the issuance of Shares (including, without limitation, effecting a “cashless exercise” with a broker of the Option), subject to applicable securities law restrictions and tax withholdings, or by any other means which the Committee determines to be consistent with the Plan’s purpose and applicable law. A “cashless exercise” of an Option is a procedure by which a broker provides the funds to the Grantee to effect an Option exercise, to the extent consented to by the Committee in its discretion. At the direction of the Grantee, the broker will either (i) sell all of the Shares received when the Option is exercised and pay the Grantee the proceeds of the sale (minus the Option Price, withholding taxes and any fees due to the broker) or (ii) sell enough of the Shares received upon exercise of the Option to cover the Option Price, withholding taxes and any fees due the broker and deliver to the Grantee (either directly or through the Company) a stock certificate for the remaining Shares. Dispositions to a broker effecting a cashless exercise are not exempt under Section 16 of the Exchange Act (if the Company is a Publicly Held Corporation). In no event will the Committee allow the Option Price to be paid with a form of consideration, including a loan or a “cashless exercise,” if such form of consideration would violate the Sarbanes-Oxley Act of 2002 as determined by the Committee in its discretion.

The Committee, in its discretion, may also allow an Option to be exercised by a broker-dealer acting on behalf of the Grantee if (i) the broker-dealer has received from the Grantee a duly endorsed Incentive Agreement evidencing such Option and instructions signed by the Grantee requesting the Company to deliver the shares of Common Stock subject to such Option to the broker-dealer on behalf of the Grantee and specifying the account into which such shares should be deposited, (ii) adequate provision has been made with respect to the payment of any withholding taxes due upon such exercise, and (iii) the broker-dealer and the Grantee have otherwise complied with Section 220.3(e)(4) of Regulation T, 12 CFR Part 220 (or its successor).

As soon as practicable after receipt of a written notification of exercise and full payment, the Company shall deliver, or cause to be delivered, to or on behalf of the Grantee, in the name of the Grantee or other appropriate recipient, Share certificates for the number of Shares purchased under the Stock Option. Such delivery shall be effected for all purposes when the Company or a stock transfer agent of the Company shall have deposited such certificates in the United States mail, addressed to Grantee or other appropriate recipient.

Subject to [Section 5.2](#), during the lifetime of a Grantee, each Option granted to him shall be exercisable only by the Grantee (or his legal guardian in the event of his Disability) or by a broker-dealer acting on his behalf pursuant to a cashless exercise under the foregoing provisions of this [Section 2.3\(a\)](#).

(b) **Restrictions on Share Transferability.** The Committee may impose such restrictions on any grant of Stock Options or on any Shares acquired pursuant to the

exercise of a Stock Option as it may deem advisable, including, without limitation, restrictions under (i) any buy/sell agreement or right of first refusal, non-competition, and any other agreement between the Company and any of its securities holders or employees, (ii) any applicable federal securities laws, (iii) the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, or (iv) any blue sky or state securities law applicable to such Shares. Any certificate issued to evidence Shares issued upon the exercise of an Incentive Award may bear such legends and statements as the Committee shall deem advisable to assure compliance with federal and state laws and regulations.

Any Grantee or other person exercising an Incentive Award may be required by the Committee to give a written representation that the Incentive Award and the Shares subject to the Incentive Award will be acquired for investment and not with a view to public distribution; provided, however, that the Committee, in its sole discretion, may release any person receiving an Incentive Award from any such representations either prior to or subsequent to the exercise of the Incentive Award.

(c) **Notification of Disqualifying Disposition of Shares from Incentive Stock Options** . Notwithstanding any other provision of the Plan, a Grantee who disposes of Shares of Common Stock acquired upon the exercise of an Incentive Stock Option by a sale or exchange either (i) within two (2) years after the date of the grant of the Incentive Stock Option under which the Shares were acquired or (ii) within one (1) year after the transfer of such Shares to him pursuant to exercise, shall promptly notify the Company of such disposition, the amount realized and his adjusted basis in such Shares.

(d) **Proceeds of Option Exercise**. The proceeds received by the Company from the sale of Shares pursuant to Stock Options exercised under the Plan shall be used for general corporate purposes.

2.4 Supplemental Payment on Exercise of Nonstatutory Stock Options or Stock Appreciation Rights .

The Committee, either at the time of grant or as of the time of exercise of any Nonstatutory Stock Option or stock appreciation right, may provide in the Incentive Agreement for a Supplemental Payment by the Company to the Grantee with respect to the exercise of any Nonstatutory Stock Option or stock appreciation right. The Supplemental Payment shall be in the amount specified by the Committee, which amount shall not exceed the amount necessary to pay the federal and state income tax payable with respect to both the exercise of the Nonstatutory Stock Option and/or stock appreciation right and the receipt of the Supplemental Payment, assuming the holder is taxed at either the maximum effective income tax rate applicable thereto or at a lower tax rate as deemed appropriate by the Committee in its discretion. The Committee shall have the discretion to grant Supplemental Payments that are payable solely in cash or Supplemental Payments that are payable in cash, Common Stock, or a combination of both, as determined by the Committee at the time of payment.

SECTION 3.

RESTRICTED STOCK

3.1 Award of Restricted Stock

(a) **Grant.** In consideration of the performance of Employment by any Grantee who is an Employee, Consultant or Outside Director, Shares of Restricted Stock may be awarded under the Plan by the Committee with such restrictions during the Restriction Period as the Committee may designate in its discretion, any of which restrictions may differ with respect to each particular Grantee. Restricted Stock shall be awarded for no additional consideration or such additional consideration as the Committee may determine, which consideration may be less than, equal to or more than the Fair Market Value of the shares of Restricted Stock on the grant date. The terms and conditions of each grant of Restricted Stock shall be evidenced by an Incentive Agreement.

(b) **Immediate Transfer Without Immediate Delivery of Restricted Stock.** Unless otherwise specified in the Grantee's Incentive Agreement, each Restricted Stock Award shall constitute an immediate transfer of the record and beneficial ownership of the Shares of Restricted Stock to the Grantee in consideration of the performance of services as an Employee, Consultant or Outside Director, as applicable, entitling such Grantee to all voting and other ownership rights in such Shares.

As specified in the Incentive Agreement, a Restricted Stock Award may limit the Grantee's dividend rights during the Restriction Period in which the shares of Restricted Stock are subject to a "substantial risk of forfeiture" (within the meaning given to such term under Code Section 83) and restrictions on transfer. In the Incentive Agreement, the Committee may apply any restrictions to the dividends that the Committee deems appropriate. Without limiting the generality of the preceding sentence, if the grant or vesting of Shares of Restricted Stock granted to a Covered Employee, if applicable, is designed to comply with the requirements of the Performance-Based Exception, the Committee may apply any restrictions it deems appropriate to the payment of dividends declared with respect to such Shares of Restricted Stock, such that the dividends and/or the Shares of Restricted Stock maintain eligibility for the Performance-Based Exception. In the event that any dividend constitutes a derivative security or an equity security pursuant to the rules under Section 16 of the Exchange Act, if applicable, such dividend shall be subject to a vesting period equal to the remaining vesting period of the Shares of Restricted Stock with respect to which the dividend is paid.

Shares awarded pursuant to a grant of Restricted Stock may be (i) issued in the name of the Grantee and held, together with a stock power endorsed in blank, by the Committee or Company (or their delegates) or in trust or in escrow pursuant to an agreement satisfactory to the Committee or (ii) issued in "book entry" form or other means of evidencing uncertificated Shares, as determined by the Committee, until such time as the restrictions on transfer have expired. All such terms and conditions shall be set forth in the particular Grantee's Incentive Agreement. The Company or Committee

(or their delegates) shall issue to the Grantee a receipt evidencing the certificates held by it which are registered in the name of the Grantee.

3.2 Restrictions

(a) **Forfeiture of Restricted Stock.** Restricted Stock awarded to a Grantee may be subject to the following restrictions until the expiration of the Restriction Period: (i) a restriction that constitutes a “substantial risk of forfeiture” (as defined in Code Section 83), or a restriction on transferability; (ii) unless otherwise specified by the Committee in the Incentive Agreement, the Restricted Stock that is subject to restrictions which are not satisfied shall be forfeited and all rights of the Grantee to such Shares shall terminate; and (iii) any other restrictions that the Committee determines in advance are appropriate, including, without limitation, rights of repurchase or first refusal in the Company or provisions subjecting the Restricted Stock to a continuing substantial risk of forfeiture in the hands of any transferee. Any such restrictions shall be set forth in the particular Grantee’s Incentive Agreement.

(b) **Issuance of Certificates.** Reasonably promptly after the date of grant with respect to Shares of Restricted Stock, the Company shall cause to be issued a stock certificate, registered in the name of the Grantee to whom such Shares of Restricted Stock were granted, evidencing such Shares; provided, however, that the Company shall not cause to be issued such a stock certificate unless it has received a stock power duly endorsed in blank with respect to such Shares; provided, further, in lieu of issuing such a stock certificate, the Committee may arrange to make “book entries” or other means of evidencing uncertificated Shares of Restricted Stock. Each such stock certificate shall bear the following legend or any other legend approved by the Company:

The transferability of this certificate and the shares of stock represented hereby are subject to the restrictions, terms and conditions (including forfeiture and restrictions against transfer) contained in the Endeavour International Corporation 2004 Incentive Plan and an Incentive Agreement entered into between the registered owner of such shares and Endeavour International Corporation. A copy of the Plan and Incentive Agreement are on file in the corporate offices of Endeavour International Corporation.

Such legend shall not be removed from the certificate evidencing such Shares of Restricted Stock until such Shares vest pursuant to the terms of the Incentive Agreement.

(c) **Removal of Restrictions.** The Committee, in its discretion, shall have the authority to remove any or all of the restrictions on the Restricted Stock if it determines that, by reason of a change in applicable law or another change in circumstance arising after the grant date of the Restricted Stock, such action is appropriate.

3.3 Delivery of Shares of Common Stock

Subject to withholding taxes under [Section 6.3](#) and to the terms of the Incentive Agreement, a stock certificate evidencing the Shares of Restricted Stock with respect to which the restrictions in the Incentive Agreement have been satisfied shall be delivered to the Grantee or other appropriate recipient free of restrictions. Such delivery shall be effected for all purposes when the Company shall have deposited such certificate in the United States mail, addressed to the Grantee or other appropriate recipient.

3.4 Supplemental Payment on Vesting of Restricted Stock

The Committee, either at the time of grant or vesting of Restricted Stock, may provide for a Supplemental Payment by the Company to the holder in an amount specified by the Committee, which amount shall not exceed the amount necessary to pay the federal and state income tax payable with respect to both the vesting of the Restricted Stock and receipt of the Supplemental Payment, assuming the Grantee is taxed at either the maximum effective income tax rate applicable thereto or at a lower tax rate as deemed appropriate by the Committee in its discretion. The Committee shall have the discretion to grant Supplemental Payments that are payable solely in cash or Supplemental Payments that are payable in cash, Common Stock, or a combination of both, as determined by the Committee at the time of payment.

SECTION 4.

OTHER STOCK-BASED AWARDS

4.1 Grant of Other Stock-Based Awards

Other Stock-Based Awards may be awarded by the Committee to selected Grantees that are denominated or payable in, valued in whole or in part by reference to, or otherwise related to, Shares of Common Stock, as deemed by the Committee to be consistent with the purposes of the Plan and the goals of the Company. Types of Other Stock-Based Awards include, without limitation, purchase rights, Shares of Common Stock awarded which are not subject to any restrictions or conditions, convertible or exchangeable debentures, other rights convertible into Shares, Incentive Awards valued by reference to the value of securities of, or the performance of, the Company or a specified Subsidiary, division or department, and settlement in cancellation of rights of any person with a vested interest in any other plan, fund, program or arrangement that is or was sponsored, maintained or participated in by the Company or any Parent or Subsidiary. As is the case with other Incentive Awards, Other Stock-Based Awards may be awarded either alone or in addition to or in tandem with any other Incentive Awards.

4.2 Other Stock-Based Award Terms

(a) **Written Agreement.** The terms and conditions of each grant of an Other Stock-Based Award shall be evidenced by an Incentive Agreement.

(b) **Purchase Price.** Except to the extent that an Other Stock-Based Award is granted in substitution for an outstanding Incentive Award or is delivered upon exercise

of a Stock Option, the amount of consideration required to be received by the Company shall be either (i) no consideration other than services actually rendered (in the case of authorized and unissued shares) or to be rendered, or (ii) in the case of an Other Stock-Based Award in the nature of a purchase right, consideration (other than services rendered or to be rendered) at least equal to fifty percent (50%) of the Fair Market Value of the Shares covered by such grant on the date of grant (or such percentage higher than 50% that is required by any applicable tax or securities law). To the extent that the Company is a Publicly Held Corporation and that a stock appreciation right is intended to qualify for the Performance-Based Exception, the exercise price per share of Common Stock shall not be less than one hundred percent (100%) of Fair Market Value of a share of Common Stock on the date of the grant of the stock appreciation right.

(c) **Performance Criteria and Other Terms.** In its discretion, the Committee may specify such criteria, periods or goals for vesting in Other Stock-Based Awards and payment thereof to the Grantee as it shall determine; and the extent to which such criteria, periods or goals have been met shall be determined by the Committee. All terms and conditions of Other Stock-Based Awards shall be determined by the Committee and set forth in the Incentive Agreement.

(d) **Payment.** Other Stock-Based Awards may be paid in Shares of Common Stock or other consideration related to such Shares, in a single payment or in installments on such dates as determined by the Committee, all as specified in the Incentive Agreement.

(e) **Dividends.** The Grantee of an Other Stock-Based Award shall not be entitled to receive, currently or on a deferred basis, dividends or dividend equivalents with respect to the number of Shares covered by the Other Stock-Based Award, unless (and to the extent) otherwise as determined by the Committee and set forth in the Incentive Agreement. The Committee may also provide in the Incentive Agreement that the amounts of any dividends or dividend equivalent shall be deemed to have been reinvested in additional Shares of Common Stock.

4.3 Performance Awards

(a) **Grant.** During the period the Company is a Publicly Held Corporation, the Committee is authorized to grant Performance Awards to selected Grantees who are Employees or Consultants. Performance Awards may be by reference to Performance Shares or Performance Units. Each grant of Performance Awards shall be evidenced by an Incentive Agreement in such amounts and upon such terms as shall be determined by the Committee. The Committee may make grants of Performance Awards in such a manner that more than one Performance Period is in progress concurrently. For each Performance Period, the Committee shall establish the number of Performance Awards and their contingent values which may vary depending on the degree to which performance criteria established by the Committee are met.

(b) **Performance Criteria.** The Committee may establish performance goals applicable to Performance Awards based upon criteria in one or more of the following

categories: (i) performance of the Company as a whole, (ii) performance of a segment of the Company's business, and (iii) individual performance. Performance criteria for the Company shall relate to the achievement of predetermined financial objectives for the Company and its Subsidiaries on a consolidated basis. Performance criteria for a segment of the Company's business shall relate to the achievement of financial and operating objectives of the segment for which the participant is accountable. Examples of performance criteria shall include (but are not limited to) pre-tax or after-tax profit levels, including: earnings per share, earnings before interest and taxes, earnings before interest, taxes, depreciation and amortization, net operating profits after tax, and net income; total stockholder return; return on assets, equity, capital or investment; cash flow and cash flow return on investment; economic value added and economic profit; growth in earnings per share; levels of operating expense and maintenance expense or measures of customer satisfaction and customer service as determined from time to time including the relative improvement therein. Individual performance criteria shall relate to a participant's overall performance, taking into account, among other measures of performance, the attainment of individual goals and objectives. The performance goals may differ among participants.

(c) **Modification.** If the Committee determines, in its discretion exercised in good faith, that the established performance measures or objectives are no longer suitable to the Company's objectives because of a change in the Company's business, operations, corporate structure, capital structure, or other conditions the Committee deems to be appropriate, the Committee may modify the performance measures and objectives to the extent it considers such modification to be necessary. The Committee shall not permit any such modification that would cause the Performance Awards to fail to qualify for the Performance-Based Exception, if applicable.

(d) **Payment.** The basis for payment of Performance Awards for a given Performance Period shall be the achievement of those performance objectives determined by the Committee at the beginning of the Performance Period as specified in the Grantee's Incentive Agreement. If minimum performance is not achieved for a Performance Period, no payment shall be made and all contingent rights shall cease. If minimum performance is achieved or exceeded, the number of Performance Awards may be based on the degree to which actual performance exceeded the pre-established minimum performance standards. The amount of payment shall be determined by multiplying the number of Performance Awards granted at the beginning of the Performance Period times the final Performance Award value. Payments shall be made, in the discretion of the Committee as specified in the Incentive Agreement.

(e) **Special Rule for Covered Employees.** No later than the ninetieth (90th) day following the beginning of a Performance Period (or twenty-five percent (25%) of the Performance Period) the Committee shall establish performance goals as described in [Section 4.3](#) applicable to Performance Awards awarded to Covered Employees in such a manner as shall permit payments with respect thereto to qualify for the Performance-Based Exception, if applicable. If a Performance Award granted to a Covered Employee is intended to comply with the Performance-Based Exception, the Committee in establishing performance goals shall comply with Treasury Regulation §

1.162-27(e)(2) (or its successor). As soon as practicable following the Company's determination of the Company's financial results for any Performance Period, the Committee shall certify in writing: (i) whether the Company achieved its minimum performance for the objectives for the Performance Period, (ii) the extent to which the Company achieved its performance objectives for the Performance Period, (iii) any other terms that are material to the grant of Performance Awards, and (iv) the calculation of the payments, if any, to be paid to each Grantee for the Performance Period.

(f) **Supplemental Payment on Vesting of Performance Units or Performance Shares.** The Committee, either at the time of grant or at the time of vesting of Performance Units or Performance Shares, may provide for a Supplemental Payment by the Company to the Grantee in an amount specified by the Committee, which amount shall not exceed the amount necessary to pay the federal and state income tax payable with respect to both the vesting of such Performance Units or Performance Shares and receipt of the Supplemental Payment, assuming the Grantee is taxed at either the maximum effective income tax rate applicable thereto or at a lower tax rate as seemed appropriate by the Committee in its discretion. The Committee shall have the discretion to grant Supplemental Payments that are payable in cash, Common Stock, or a combination of both, as determined by the Committee at the time of payment.

SECTION 5.

PROVISIONS RELATING TO PLAN PARTICIPATION

5.1 Plan Conditions

(a) **Incentive Agreement.** Each Grantee to whom an Incentive Award is granted shall be required to enter into an Incentive Agreement with the Company, in such a form as is provided by the Committee. The Incentive Agreement shall contain specific terms as determined by the Committee, in its discretion, with respect to the Grantee's particular Incentive Award. Such terms need not be uniform among all Grantees or any similarly situated Grantees. The Incentive Agreement may include, without limitation, vesting, forfeiture and other provisions particular to the particular Grantee's Incentive Award, as well as, for example, provisions to the effect that the Grantee (i) shall not disclose any confidential information acquired during Employment with the Company, (ii) shall abide by all the terms and conditions of the Plan and such other terms and conditions as may be imposed by the Committee, (iii) shall not interfere with the employment or other service of any employee, (iv) shall not compete with the Company or become involved in a conflict of interest with the interests of the Company, (v) shall forfeit an Incentive Award if terminated for Cause, (vi) shall not be permitted to make an election under Section 83(b) of the Code when applicable, and (vii) shall be subject to any other agreement between the Grantee and the Company regarding Shares that may be acquired under an Incentive Award including, without limitation, an agreement restricting the transferability of Shares by Grantee. An Incentive Agreement shall include such terms and conditions as are determined by the Committee, in its discretion, to be appropriate with respect to any individual Grantee. The Incentive Agreement shall be

signed by the Grantee to whom the Incentive Award is made and by an Authorized Officer.

(b) **No Right to Employment.** Nothing in the Plan or any instrument executed pursuant to the Plan shall create any Employment rights (including without limitation, rights to continued Employment) in any Grantee or affect the right of the Company to terminate the Employment of any Grantee at any time without regard to the existence of the Plan.

(c) **Securities Requirements.** The Company shall be under no obligation to effect the registration pursuant to the Securities Act of 1933 of any Shares of Common Stock to be issued hereunder or to effect similar compliance under any state laws. Notwithstanding anything herein to the contrary, the Company shall not be obligated to cause to be issued or delivered any certificates evidencing Shares pursuant to the Plan unless and until the Company is advised by its counsel that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authorities, and the requirements of any securities exchange on which Shares are traded. The Committee may require, as a condition of the issuance and delivery of certificates evidencing Shares of Common Stock pursuant to the terms hereof, that the recipient of such Shares make such covenants, agreements and representations, and that such certificates bear such legends, as the Committee, in its discretion, deems necessary or desirable.

If the Shares issuable on exercise of an Incentive Award are not registered under the Securities Act of 1933, the Company may imprint on the certificate for such Shares the following legend or any other legend which counsel for the Company considers necessary or advisable to comply with the Securities Act of 1933:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT UPON SUCH REGISTRATION OR UPON RECEIPT BY THE CORPORATION OF AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION, IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION, THAT REGISTRATION IS NOT REQUIRED FOR SUCH SALE OR TRANSFER.

5.2 Transferability and Exercisability

Incentive Awards granted under the Plan shall not be transferable or assignable other than: (a) by will or the laws of descent and distribution or (b) pursuant to a qualified domestic relations order (as defined by Section 414(p) of the Code); provided, however, only with respect to Incentive Awards of Nonstatutory Stock Options, the Committee may, in its discretion, authorize all or a portion of the Nonstatutory Stock Options to be granted on terms which permit transfer by the Grantee to (i) the members of the Grantee's Immediate Family, (ii) a trust or trusts for the exclusive benefit of such

Immediate Family, or (iii) a partnership in which such members of such Immediate Family are the only partners, provided that (A) there may be no consideration for any such transfer, (B) the Incentive Agreement pursuant to which such Nonstatutory Stock Options are granted must be approved by the Committee, and must expressly provide for transferability in a manner consistent with this [Section 5.2](#), and (C) subsequent transfers of transferred Options shall be prohibited except in accordance with clauses (a) and (b) (above) of this sentence. Following any permitted transfer, any Incentive Award shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer, provided that the term “Grantee” shall be deemed to refer to the transferee. The termination of employment events of [Section 5.6](#) and in the Incentive Agreement shall continue to be applied with respect to the original Grantee, and the Incentive Award shall be exercisable by the transferee only to the extent, and for the periods, specified in the Incentive Agreement.

Except as may otherwise be permitted under the Code, in the event of a permitted transfer of a Nonstatutory Stock Option hereunder, the original Grantee shall remain subject to withholding taxes upon exercise. In addition, the Company shall have no obligation to provide any notices to a transferee including, for example, of the termination of an Incentive Award following the original Grantee’s termination of employment.

In the event that a Grantee terminates employment with the Company to assume a position with a governmental, charitable, educational or other nonprofit institution, the Committee may, in its discretion, subsequently authorize a third party, including but not limited to a “blind” trust, to act on behalf of and for the benefit of such Grantee regarding any outstanding Incentive Awards held by the Grantee subsequent to such termination of employment. If so permitted by the Committee, a Grantee may designate a beneficiary or beneficiaries to exercise the rights of the Grantee and receive any distribution under the Plan upon the death of the Grantee.

No transfer by will or by the laws of descent and distribution shall be effective to bind the Company unless the Committee has been furnished with a copy of the deceased Grantee’s enforceable will or such other evidence as the Committee deems necessary to establish the validity of the transfer. Any attempted transfer in violation of this [Section 5.2](#) shall be void and ineffective. All determinations under this [Section 5.2](#) shall be made by the Committee in its discretion.

5.3 Rights as a Stockholder

(a) **No Stockholder Rights.** Except as otherwise provided in [Section 3.1\(b\)](#) for grants of Restricted Stock, a Grantee of an Incentive Award (or a permitted transferee of such Grantee) shall have no rights as a stockholder with respect to any Shares of Common Stock until the issuance of a stock certificate for such Shares.

(b) **Representation of Ownership.** In the case of the exercise of an Incentive Award by a person or estate acquiring the right to exercise such Incentive Award by reason of the death or Disability of a Grantee, the Committee may require reasonable

evidence as to the ownership of such Incentive Award or the authority of such person and may require such consents and releases of taxing authorities as the Committee may deem advisable.

5.4 Listing and Registration of Shares of Common Stock

The exercise of any Incentive Award granted hereunder shall only be effective at such time as counsel to the Company shall have determined that the issuance and delivery of Shares of Common Stock pursuant to such exercise is in compliance with all applicable laws, regulations of governmental authorities and the requirements of any securities exchange on which Shares of Common Stock are traded. The Committee may, in its discretion, defer the effectiveness of any exercise of an Incentive Award in order to allow the issuance of Shares of Common Stock to be made pursuant to a registration statement, or an exemption from registration, or other methods for compliance available under federal or state securities laws. The Committee shall inform the Grantee in writing of its decision to defer the effectiveness of the exercise of an Incentive Award. During the period that the effectiveness of the exercise of an Incentive Award has been deferred, the Grantee may, by written notice to the Committee, withdraw such exercise and obtain the refund of any amount paid with respect thereto.

5.5 Change in Stock and Adjustments

(a) **Changes in Law or Circumstances.** Subject to [Section 5.7](#) (which only applies in the event of a Change in Control), in the event of any change in applicable law or any change in circumstances which results in or would result in any dilution of the rights granted under the Plan, or which otherwise warrants an equitable adjustment because it interferes with the intended operation of the Plan, then, if the Committee should so determine, in its absolute discretion, that such change equitably requires an adjustment in the number or kind of shares of stock or other securities or property theretofore subject, or which may become subject, to issuance or transfer under the Plan or in the terms and conditions of outstanding Incentive Awards, such adjustment shall be made in accordance with such determination. Such adjustments may include changes with respect to (i) the aggregate number of Shares that may be issued under the Plan, (ii) the number of Shares subject to Incentive Awards, and (iii) the Option Price or other price per Share for outstanding Incentive Awards. Any adjustment under this paragraph of an outstanding Incentive Stock Option shall be made only to the extent not constituting a “modification” within the meaning of Section 424(h)(3) of the Code unless otherwise agreed to by the Grantee in writing. The Committee shall give notice to each applicable Grantee of such adjustment which shall be effective and binding.

(b) **Exercise of Corporate Powers.** The existence of the Plan or outstanding Incentive Awards hereunder shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalization, reorganization or other changes in the Company’s capital structure or its business or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stocks ahead of or affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of

its assets or business, or any other corporate act or proceeding whether of a similar character or otherwise.

(c) **Recapitalization of the Company.** Subject to [Section 5.7](#) (which only applies in the event of a Change in Control), if while there are Incentive Awards outstanding, the Company shall effect any subdivision or consolidation of Shares of Common Stock or other capital readjustment, the payment of a stock dividend, stock split, combination of Shares, recapitalization or other increase or reduction in the number of Shares outstanding, without receiving compensation therefor in money, services or property, then the number of Shares available under the Plan and the number of Incentive Awards which may thereafter be exercised shall (i) in the event of an increase in the number of Shares outstanding, be proportionately increased and the Option Price or Fair Market Value of the Incentive Awards awarded shall be proportionately reduced; and (ii) in the event of a reduction in the number of Shares outstanding, be proportionately reduced, and the Option Price or Fair Market Value of the Incentive Awards awarded shall be proportionately increased. The Committee shall take such action and whatever other action it deems appropriate, in its discretion, so that the value of each outstanding Incentive Award to the Grantee shall not be adversely affected by a corporate event described in this subsection (c).

(d) **Issue of Common Stock by the Company.** Except as hereinabove expressly provided in this [Section 5.5](#) and subject to [Section 5.7](#) in the event of a Change in Control, the issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon any conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of, or Option Price or Fair Market Value of, any Incentive Awards then outstanding under previously granted Incentive Awards; provided, however, in such event, outstanding Shares of Restricted Stock shall be treated the same as outstanding unrestricted Shares of Common Stock.

(e) **Assumption under the Plan of Outstanding Stock Options.** Notwithstanding any other provision of the Plan, the Committee, in its absolute discretion, may authorize the assumption and continuation under the Plan of outstanding and unexercised stock options or other types of stock-based incentive awards that were granted under a stock option plan (or other type of stock incentive plan or agreement) that is or was maintained by a corporation or other entity that was merged into, consolidated with, or whose stock or assets were acquired by, the Company as the surviving corporation. Any such action shall be upon such terms and conditions as the Committee, in its discretion, may deem appropriate, including provisions to preserve the holder's rights under the previously granted and unexercised stock option or other stock-based incentive award, such as, for example, retaining an existing exercise price under an outstanding stock option. Any such assumption and continuation of any such previously granted and unexercised incentive award shall be treated as an outstanding Incentive Award under the Plan and shall thus count against the number of Shares reserved for issuance pursuant to [Section 1.4](#). In addition, any Shares issued by the Company through

the assumption or substitution of outstanding grants from an acquired company shall reduce the Shares available for grants under [Section 1.4](#).

(f) **Assumption of Incentive Awards by a Successor.** Subject to the accelerated vesting and other provisions of [Section 5.7](#) that apply in the event of a Change in Control, in the event of a Corporate Event (defined below), each Grantee shall be entitled to receive, in lieu of the number of Shares subject to Incentive Awards, such shares of capital stock or other securities or property as may be issuable or payable with respect to or in exchange for the number of Shares which Grantee would have received had he exercised the Incentive Award immediately prior to such Corporate Event, together with any adjustments (including, without limitation, adjustments to the Option Price and the number of Shares issuable on exercise of outstanding Stock Options). For this purpose, Shares of Restricted Stock shall be treated the same as unrestricted outstanding Shares of Common Stock. A “**Corporate Event**” means any of the following: (i) a dissolution or liquidation of the Company, (ii) a sale of all or substantially all of the Company’s assets, or (iii) a merger, consolidation or combination involving the Company (other than a merger, consolidation or combination (A) in which the Company is the continuing or surviving corporation and (B) which does not result in the outstanding Shares being converted into or exchanged for different securities, cash or other property, or any combination thereof). The Committee shall take whatever other action it deems appropriate to preserve the rights of Grantees holding outstanding Incentive Awards.

Notwithstanding the previous paragraph of this [Section 5.5\(f\)](#), but subject to the accelerated vesting and other provisions of [Section 5.7](#) that apply in the event of a Change in Control, in the event of a Corporate Event (described in the previous paragraph), the Committee, in its discretion, shall have the right and power to:

(i) cancel, effective immediately prior to the occurrence of the Corporate Event, each outstanding Incentive Award (whether or not then exercisable) and, in full consideration of such cancellation, pay to the Grantee an amount in cash equal to the excess of (A) the value, as determined by the Committee, of the property (including cash) received by the holders of Common Stock as a result of such Corporate Event over (B) the exercise price of such Incentive Award, if any; provided, however, this subsection (i) shall be inapplicable to an Incentive Award granted within six (6) months before the occurrence of the Corporate Event but only if the Grantee is an Insider and such disposition is not exempt under Rule 16b-3 (or other rules preventing liability of the Insider under Section 16(b) of the Exchange Act) and, in that event, the provisions hereof shall be applicable to such Incentive Award after the expiration of six (6) months from the date of grant; or

(ii) provide for the exchange or substitution of each Incentive Award outstanding immediately prior to such Corporate Event (whether or not then exercisable) for another award with respect to the Common Stock or other property for which such Incentive Award is exchangeable and, incident thereto, make an equitable adjustment as determined by the Committee, in its discretion, in the Option Price or exercise price of the Incentive Award, if any, or in the

number of Shares or amount of property (including cash) subject to the Incentive Award; or

(iii) provide for assumption of the Plan and such outstanding Incentive Awards by the surviving entity or its parent.

The Committee, in its discretion, shall have the authority to take whatever action it deems to be necessary or appropriate to effectuate the provisions of this subsection (f).

5.6 Termination of Employment, Death, Disability and Retirement

(a) **Termination of Employment.** Unless otherwise expressly provided in the Grantee's Incentive Agreement, if the Grantee's Employment is terminated for any reason other than due to his death, Disability, Retirement or for Cause, any non-vested portion of any Stock Option or other applicable Incentive Award at the time of such termination shall automatically expire and terminate and no further vesting shall occur after the termination date. In such event, except as otherwise expressly provided in his Incentive Agreement, the Grantee shall be entitled to exercise his rights only with respect to the portion of the Incentive Award that was vested as of the termination date for a period that shall end on the earlier of (i) the expiration date set forth in the Incentive Agreement with respect to the vested portion of such Incentive Award or (ii) the date that occurs ninety (90) calendar days after his termination date (not to exceed three (3) months in the case of an ISO). Unless otherwise expressly provided in his Incentive Agreement, a Grantee's Employment shall not be deemed to have been terminated if a Grantee who is an Employee becomes a Consultant or Outside Director immediately upon his termination of employment with the Company, or if a Grantee's status otherwise changes between or among Employee, Consultant or Outside Director without a gap in service for the Company in any such capacity. All determinations regarding whether and when there has been a termination of Employment shall be made by the Committee.

(b) **Termination of Employment for Cause.** Unless otherwise expressly provided in the Grantee's Incentive Agreement, in the event of the termination of a Grantee's Employment for Cause, all non-vested Stock Options and other Incentive Awards granted to such Grantee shall immediately expire, and shall not be exercisable to any extent, as of 12:01 a.m. (CST) on the date of such termination of Employment.

(c) **Retirement.** Unless otherwise expressly provided in the Grantee's Incentive Agreement, upon the Retirement of any Employee who is a Grantee:

(i) any non-vested portion of any outstanding Option or other Incentive Award shall immediately terminate and no further vesting shall occur; and

(ii) any vested Option or other Incentive Award shall expire on the earlier of (A) the expiration date set forth in the Incentive Agreement for such Incentive Award; or (B) the expiration of (1) six (6) months after the date of Retirement in the case of any Incentive Award other than an Incentive Stock Option, or (2) three (3) months after termination of employment in the case of an Incentive Stock Option.

(d) **Disability or Death.** Unless otherwise expressly provided in the Grantee's Incentive Agreement, upon termination of Employment as a result of the Grantee's Disability or death:

(i) any nonvested portion of any outstanding Option or other applicable Incentive Award shall immediately terminate upon termination of Employment and no further vesting shall occur; and

(ii) any vested Incentive Award shall expire on the earlier of either (A) the expiration date set forth in the Incentive Agreement or (B) the one (1) year anniversary date of the Grantee's termination of Employment date.

In the case of any vested Incentive Stock Option held by an Employee following termination of Employment, notwithstanding the definition of "Disability" in [Section 1.2](#), whether the Employee has incurred a "Disability" for purposes of determining the length of the Option exercise period following termination of Employment under this paragraph (d) shall be determined by reference to Section 22(e)(3) of the Code to the extent required by Section 422(c)(6) of the Code. The Committee shall determine whether a Disability for purposes of this subsection (d) has occurred.

(e) **Continuation.** Subject to the conditions and limitations of the Plan and applicable law and regulation in the event that a Grantee ceases to be an Employee, Outside Director or Consultant, as applicable, for whatever reason, the Committee and Grantee may mutually agree with respect to any outstanding Option or other Incentive Award then held by the Grantee (i) for an acceleration or other adjustment in any vesting schedule applicable to the Incentive Award, (ii) for a continuation of the exercise period following termination for a longer period than is otherwise provided under such Incentive Award, or (iii) to any other change in the terms and conditions of the Incentive Award. In the event of any such change to an outstanding Incentive Award, a written amendment to the Grantee's Incentive Agreement shall be required.

5.7 Change in Control

Notwithstanding any contrary provision in the Plan, in the event of a Change in Control (as defined below) the following actions shall automatically occur as of the day immediately preceding the Change in Control date unless expressly provided otherwise in the Grantee's Incentive Agreement:

(a) all of the Stock Options then outstanding shall become one hundred percent (100%) vested and immediately and fully exercisable;

(b) all of the restrictions and conditions of any Restricted Stock and any Other Stock-Based Awards then outstanding shall be deemed satisfied, and the Restriction Period with respect thereto shall be deemed to have expired; and

(c) all of the Other Stock-Based Awards shall become fully vested, deemed earned in full, and promptly paid within thirty (30) days to the affected Grantees without

regard to payment schedules and notwithstanding that the applicable performance cycle, retention cycle or other restrictions and conditions have not been completed or satisfied.

Notwithstanding any other provision of the Plan, unless otherwise expressly provided in the Grantee's Incentive Agreement, the provisions of this [Section 5.7](#) may not be terminated, amended, or modified to adversely affect any Incentive Award theretofore granted under the Plan without the prior written consent of the Grantee with respect to his outstanding Incentive Awards subject, however, to the last paragraph of this [Section 5.7](#).

For all purposes of this Plan, a "**Change in Control**" of the Company shall be deemed to occur if:

(a) the Company (A) shall not be the surviving entity in any merger, consolidation or other reorganization (or survives only as a subsidiary of an entity other than a previously wholly-owned subsidiary of the Company) or (B) is to be dissolved and liquidated, and as a result of or in connection with such transaction, the persons who were directors of the Company before such transaction shall cease to constitute a majority of the Board, or

(b) any person or entity, including a "group" as contemplated by Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, acquires or gains ownership or control (including, without limitation, power to vote) of 30% or more of the outstanding shares of the Company's voting stock (based upon voting power), and as a result of or in connection with such transaction, the persons who were directors of the Company before such transaction shall cease to constitute a majority of the Board, or

(c) the Company sells all or substantially all of the assets of the Company to any other person or entity (other than a wholly-owned subsidiary of the Company) in a transaction that requires shareholder approval pursuant to applicable corporate law; or

(d) During a period of two consecutive calendar years, individuals who at the beginning of such period constitute the Board, and any new director(s) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least a majority of the directors then still in office, who either were directors at the beginning of the two (2) year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board; or

(e) any other event that a majority of the Board, in its sole discretion, shall determine constitutes a Change in Control hereunder.

Notwithstanding the occurrence of any of the foregoing events of this [Section 5.7](#) which would otherwise result in a Change in Control, the Board may determine in its discretion, if it deems it to be in the best interest of the Company, that an event or events otherwise constituting a Change in Control shall not be deemed a Change in Control hereunder. Such determination shall be effective only if it is made by the Board prior to the occurrence of an event that otherwise would be a Change in Control, or after such event if made by the Board a majority of which is composed of directors who were members of the Board immediately prior to the event that otherwise would be or probably would lead to a Change in Control.

5.8 Exchange of Incentive Awards

The Committee may, in its discretion, permit any Grantee to surrender outstanding Incentive Awards in order to exercise or realize his rights under other Incentive Awards or in exchange for the grant of new Incentive Awards, or require holders of Incentive Awards to surrender outstanding Incentive Awards (or comparable rights under other plans or arrangements) as a condition precedent to the grant of new Incentive Awards.

5.9 Financing

To the extent permitted by the Sarbanes-Oxley Act of 2002 or other applicable law, the Company may extend and maintain, or arrange for and guarantee, the extension and maintenance of financing to any Grantee to purchase Shares pursuant to exercise of an Incentive Award upon such terms as are approved by the Committee and the Board in their discretion.

SECTION 6.

GENERAL

6.1 Effective Date and Grant Period

This Plan is adopted by the Board effective as of the Effective Date subject to the approval of the stockholders of the Company within twelve (12) months from the Effective Date. Incentive Awards may be granted under the Plan at any time prior to receipt of such stockholder approval; provided, however, if the requisite stockholder approval is not obtained within the permissible time frame, then the Plan and any Incentive Awards granted hereunder shall automatically become null and void and of no force or effect. Unless sooner terminated by the Board pursuant to [Section 6.7](#), no Incentive Award shall be granted under the Plan after ten (10) years from the Effective Date.

6.2 Funding and Liability of Company

No provision of the Plan shall require the Company, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made, or otherwise to segregate any assets. In addition, the Company shall not be required to maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for purposes of the Plan. Although bookkeeping accounts may be established with respect to Grantees who are entitled to cash, Common Stock or rights thereto under the Plan, any such accounts shall be used merely as a bookkeeping convenience. The Company shall not be required to segregate any assets that may at any time be represented by cash, Common Stock or rights thereto. The Plan shall not be construed as providing for such segregation, nor shall the Company, the Board or the Committee be deemed to be a trustee of any cash, Common Stock or rights thereto. Any liability or obligation of the Company to any Grantee with respect to an Incentive Award shall be based solely upon any contractual obligations that may be created by this Plan and any Incentive Agreement, and no such liability or obligation of the Company shall be deemed to be secured by any pledge or other encumbrance on any property of the Company. Neither the Company, the

Board nor the Committee shall be required to give any security or bond for the performance of any obligation that may be created by the Plan.

6.3 Withholding Taxes

(a) **Tax Withholding.** The Company shall have the power and the right to deduct or withhold, or require a Grantee to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan or an Incentive Award hereunder.

(b) **Share Withholding.** With respect to tax withholding required upon the exercise of Stock Options, upon the lapse of restrictions on Restricted Stock, or upon any other taxable event arising as a result of any Incentive Awards, Grantees may elect, subject to the approval of the Committee in its discretion, to satisfy the withholding requirement, in whole or in part, by having the Company withhold Shares having a Fair Market Value on the date the tax is to be determined equal to the statutory total tax which could be imposed on the transaction. All such elections shall be made in writing, signed by the Grantee, and shall be subject to any restrictions or limitations that the Committee, in its discretion, deems appropriate. Any fraction of a Share required to satisfy such obligation shall be disregarded and the amount due shall instead be paid in cash by the Grantee.

(c) **Incentive Stock Options.** With respect to Shares received by a Grantee pursuant to the exercise of an Incentive Stock Option, if such Grantee disposes of any such Shares within (i) two (2) years from the date of grant of such Option or (ii) one (1) year after the transfer of such shares to the Grantee, the Company shall have the right to withhold from any salary, wages or other compensation payable by the Company to the Grantee an amount sufficient to satisfy federal, state and local tax withholding requirements attributable to such disqualifying disposition.

6.4 No Guarantee of Tax Consequences

Neither the Company nor the Committee makes any commitment or guarantee that any federal, state or local tax treatment will apply or be available to any person participating or eligible to participate hereunder.

6.5 Designation of Beneficiary by Participant

Each Grantee may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in case of his death before he receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Grantee, shall be in a form prescribed by the Committee, and will be effective only when filed by the Grantee in writing with the Committee during the Grantee's lifetime. In the absence of any such designation, benefits remaining unpaid at the Grantee's death shall be paid to the Grantee's estate.

6.6 Deferrals

The Committee may permit a Grantee to defer such Grantee's receipt of the payment of cash or the delivery of Shares that would, otherwise be due to such Grantee by virtue of the lapse or waiver of restrictions with respect to Restricted Stock, or the satisfaction of any requirements or goals with respect to Other Stock-Based Awards. If any such deferral election is permitted, the Committee shall, in its discretion, establish rules and procedures for such payment deferrals to the extent consistent with the Code.

6.7 Amendment and Termination

The Board shall have complete power and authority to terminate or amend the Plan at any time; provided, however, if the Company is a Publicly Held Corporation, the Board shall not, without the approval of the stockholders of the Company within the time period required by applicable law, (a) except as provided in [Section 5.5](#), increase the maximum number of Shares which may be issued under the Plan pursuant to [Section 1.4](#), (b) amend the requirements as to the class of Employees eligible to purchase Common Stock under the Plan, (c) to the extent applicable, increase the maximum limits on Incentive Awards to Covered Employees as set for compliance with the Performance-Based Exception, (d) extend the term of the Plan, or (e) to the extent applicable, decrease the authority granted to the Committee under the Plan in contravention of Rule 16b-3 under the Exchange Act.

No termination, amendment, or modification of the Plan shall adversely affect in any material way any outstanding Incentive Award previously granted to a Grantee under the Plan, without the written consent of such Grantee or other designated holder of such Incentive Award.

In addition, to the extent that the Committee determines that (a) the listing for qualification requirements of any national securities exchange or quotation system on which the Common Stock is then listed or quoted, if applicable, or (b) the Code (or regulations promulgated thereunder), require stockholder approval in order to maintain compliance with such listing requirements or to maintain any favorable tax advantages or qualifications, then the Plan shall not be amended in such respect without approval of the Company's stockholders.

6.8 Requirements of Law

The granting of Incentive Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. The Committee may refuse to issue or transfer any Shares or other consideration under an Incentive Award if, acting in its sole discretion, it determines that the issuance or transfer of such Shares or other consideration might violate applicable laws. Certificates evidencing shares of Common Stock delivered under this Plan (to the extent that such shares are so evidenced) may be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules and regulations of the Securities and Exchange Commission, any securities exchange or transaction reporting system upon which the Common Stock is then listed or to which it is admitted for quotation, and any applicable federal or state securities law, if applicable. The Committee may cause a legend

or legends to be placed upon such certificates (if any) to make appropriate reference to such restrictions.

6.9 Rule 16b-3 Securities Law Compliance and Compliance with Company Policies

With respect to Insiders to the extent applicable, transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 under the Exchange Act. With respect to all Grantees, transactions under the Plan are intended to comply with Securities Regulation BTR and the Company's insider trading policies as revised from time to time or such other similar Company policies, including but not limited to, policies relating to black out periods. Any ambiguities or inconsistencies in the construction of an Incentive Award or the Plan shall be interpreted to give effect to such intention. However, to the extent any provision of the Plan or action by the Committee fails to so comply, it shall be deemed null and void to the extent deemed advisable by the Committee in its discretion.

**CERTIFICATE OF AMENDMENT TO ARTICLES OF INCORPORATION FOR
NEVADA PROFIT CORPORATIONS**

(PURSUANT TO NRS 78.385 and 78.390 — After Issuance of Stock)

1. Name of corporation: Endeavour International Corporation
2. The articles have been amended as follows (provide article numbers, if available)

The first paragraph of Section 4.01 of Article IV is hereby amended to read in its entirety as follows:

Section 4.01 Number and Class. The total number of shares of authorized capital stock of the corporation that the corporation shall have the authority to issue is Three Hundred Ten Million (310,000,000), of which Three Hundred Million (300,000,000) shares having a par value of \$0.001 per share shall be designated as Common Stock and Ten Million (10,000,000) shares having a par value of \$0.001 per share shall be designated as Preferred Stock.

3. The vote by which the stockholders holding shares in the corporation entitling them to exercise at least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the articles of incorporation have voted in favor of the amendment is: 54,363,674 shares voted for, 2,682,792 shares voted against; and 398,147 shares abstaining.

4. Effective date of filing (optional): N/A

Certificate of Amendment to Articles of Incorporation
For Nevada Profit Corporations
(Pursuant to NRS 78.385 and 78.390 - After Issuance of Stock)

1. Name of corporation:

Endeavour International Corporation

2. The articles have been amended as follows: (provide article numbers, if available)

The first paragraph of Section 4.01 of Article IV is hereby amended to read in its entirety as follows:

"The total number of shares of authorized capital stock of the corporation that the corporation shall have the authority to issue is Four Hundred & Sixty Million (460,000,000), of which Four Hundred and Fifty Million (450,000,000) shares having a par value of \$0.001 per share shall be designated as Common Stock and Ten Million (10,000,000) shares having a par value of \$0.001 per share shall be designated as Preferred Stock."

3. The vote by which the stockholders holding shares in the corporation entitling them to exercise a least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the articles of incorporation* have voted in favor of the amendment is: 135,779,963 (out of 145,519,920)

4. Effective date of filing: (optional)

N/A

(must not be later than 90 days after the certificate is filed)

5. Signature: (required)

Signature of Officer CORPORATE SECRETARY

* If any proposed amendment would alter or change any preference or any relative or other right given to any class or series of outstanding shares, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of shares representing a majority of the voting power of each class or series affected by the amendment regardless to limitations or restrictions on the voting power thereof.

IMPORTANT: Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.

Nevada Secretary of State Amend Profit-After

Revised: 3-6-09

This form must be accompanied by appropriate fees.

Certificate of Amendment to Articles of Incorporation

For Nevada Profit Corporations

(Pursuant to NRS 78.385 and 78.390 — After Issuance of Stock)

1. Name of corporation:

Endeavour International Corporation

2. The articles have been amended as follows: (provide article numbers, if available)

The first paragraph of Section 4.01 of Article IV is hereby amended to read in its entirety as follows:

"Section 4.01 Number and Class. The total number of shares of authorized capital stock of the corporation that the corporation shall have the authority to issue is One Hundred Thirty-Five Million (135,000,000), of which One Hundred Twenty-Five Million (125,000,000) shares having a par value of \$0.001 per share shall be designated as Common Stock and Ten Million (10,000,000) shares having a par value of \$0.001 per share shall be designated as Preferred Stock."

3. The vote by which the stockholders holding shares in the corporation entitling them to exercise a least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the articles of incorporation* have voted in favor of the amendment is: 30,929,351 (out of 42,187,863).

4. Effective date and time of filing: (optional)

N/A

(must not be later than 90 days after the certificate is filed)

5. Signature: (required)