

CERTIFICATE NO.

8

THE FEDERAL REPUBLIC OF NIGERIA

CORPORATE AFFAIRS COMMISSION
ASSESSMENT
29 FEB 2007
ASSESSMENT BY
Name: *[Signature]*
Sign: *[Signature]*

THE COMPANIES AND ALLIED MATTERS ACT, 1990

PRIVATE COMPANY LIMITED BY SHARES

CORPORATE AFFAIRS COMMISSION
VERIFICATION
29 FEB 2007
APPROVED BY *[Signature]*

MEMORANDUM AND ARTICLES OF ASSOCIATION

CORPORATE AFFAIRS COMMISSION
CERTIFIED TRUE COPY
08 MAR 2007
NAME *[Signature]*
DESIGNATION *[Signature]*

[Signature]
STERLING

OIL EXPLORATION & ENERGY PRODUCTION CO. LTD

#127000 *[Signature]*

Prepared by:

Ibrahim Angulu
Shaidah Chambers
Legal Practitioners & Consultants
Block 3 Suite 23
Sky Memorial Complex
Wuse Zone 5,
Abuja.

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481580 = 50,000
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THE FEDERAL REPUBLIC OF NIGERIA
THE COMPANIES AND ALLIED MATTERS ACT, 1990
PRIVATE COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION

OF

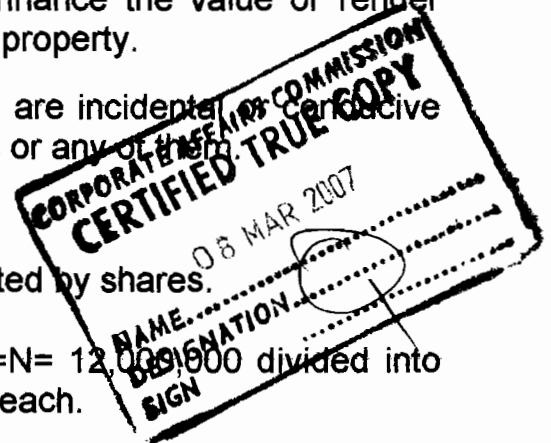
STERLING OIL EXPLORATION & ENERGY PRODUCTION CO. LTD

1. The name of Company is **STERLING OIL EXPLORATION & ENERGY PRODUCTION CO. LTD**
2. The registered office of the Company shall be situated in Nigeria
3. The objects for which the Company is established are:-
 - a. To carry on business as petroleum prospectors, producers, refiners, transporters and dealer; and to harness, process, render marketable, supply and deal in oil and natural gas.
 - b. To carry on business as processors and dealers of Liquefied Natural Gas.
 - c. To carry on business as producers, manufacturers, suppliers and dealers in petrol, kerosene, diesel oil, fuel oil, lubricating oil, paraffin was asphalt, carbon black and all petroleum products; and to do the same in respect of gas products, including but not limited to industrial, domestic and cooking gas.
 - d. To lay infrastructure, erect structures, install, construct, sink wells, construct refineries, lay pipelines and provide all things necessary or expedient to prospect and work for, petroleum and gas supplies, and to process, manufacture, treat and refine such products therefrom.
 - e. To supply and deal in (or manufacture and build) oil barges, tankers, plants, machinery, substances and things suited to use in carrying out the object of the company.

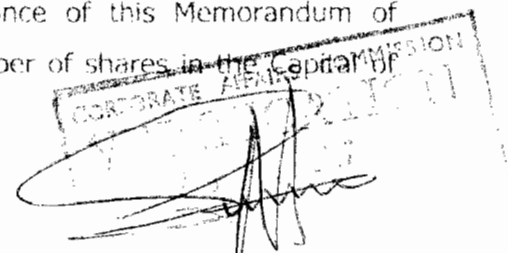
- f. To carry on business as miners, and as refiners, suppliers and merchants of mining produce (not limited to petroleum and gas).
- g. To acquire all lands, properties, licenses, concessions, grants, rights, privileges and powers necessary or desirable to carry out the objects of the company; and to deal in, deal with and dispose of the same in any desired manners.
- h. To carry on the trade or business of construction and installation of Mechanical and electrical instrumentation and civil works for oil exploration and producing plant, petrol-chemical plants, liquefied natural gas plants, refineries, pipelines and water mains.
- i. To carry on the business as contractors, designers, inspectors or supervisors in relation to the application of machinery, equipment and installation for:
 - i. the extraction, refining, processing, blending, movement and storage of oil and hydrocarbon gases, liquids and solids for the chemical and petrochemical industry;
 - ii. the installation of petroleum and petrochemical plants;
 - iii. the manufacture, transportation and storage of chemical, basic industrial organic and non-organic chemicals;
 - iv. the collection, treatment, transportation, distribution or dispersal of waterborne and airborne industrial and chemical effluents;
- j. To manufacture, supply, import, export and otherwise, deal in boreholes, castings, oil rigs, oil transfer pumps, flare units, gas/oil separators, drilling rods, drill bits, drill presses, hydraulic jacks, pistons pipe fittings, pipes, PVC tubes, marine engineers and accessories, oil tanks, calibrators, oil field equipment and all equipment and all equipment, apparatus and things capable of being used in oil prospecting, exploration and refining.
- k. To engage in the business of pipeline construction, installation, repairs upgrading and maintenance.



- I. To perform or do any of the following operations, acts or things such as:
- i. to pay all costs, charges and expenses of the promotion and establishment of the company;
 - ii. to sell, let dispose of or grant rights over all or any of the properties of the company;
 - iii. acquire the goodwill, patent rights, designs, trademarks and all proprietary rights of any business within the objects of the company and upon such acquisition to undertake the liabilities of any company, association, partnership or person;
 - iv. to borrow money or receive money on deposit either with or without security or secured by debentures, debenture stock (perpetual or terminable), mortgage or other security charge on the undertaking or on all any of the assets of the company including uncalled capital;
 - v. to enter into arrangement for joint working in business of sharing profits or for amalgamation, with any other company, firm or person carrying on business within the objects of the company;
 - vi. to sell any undertaking and all or any of the properties of the company for cash or stock, shares or securities of any other company or for other consideration.
 - vii. to carry on business as international general merchants particularly in rice and all other incidental activities to it, general contractors, importers, exporters, dealers and to manufacture, buy, sell, deal in whether by wholesale or retail of all kinds of goods, commodities and merchandise.
- m. To carry on any business, in connection with the above or calculated directly or indirectly to enhance the value or render more profitable any of the company's property.
- n. To do all such other lawful things as are incidental to the attainment of the above objects or any of them.
4. The company is a Private Company.
5. The liability of the members shall be limited by shares.
6. The Share Capital of the Company is =N= 12,000,000 divided into 12,000,000 ordinary shares of =N= 1.00 each.



WE, the several persons whose names, addresses and descriptions are inscribed are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names.



**NAMES, ADDRESSES AND
DESCRIPTION OF SUBSCRIBERS**

**NUMBER OF SHARES
TAKEN BY EACH
SUBSCRIBER**

SIGNATURE

1. STERLING OIL RESOURCES LLC
1595, SANDESARA DRIVE
PRINCE GEORGE, VA 23775

4,000,000

[Signature]

2. NITIN SANDESARA
205, ABIOLA SEGUN AJAYI STREET
VICTORIA ISLAND, LAGOS

6,000,000

[Signature]

3. DAKSHAY PATEL
205, ABIOLA SEGUN AJAYI STREET
VICTORIA ISLAND, LAGOS

1,000,000

[Signature]

4. TRUPTI PATEL
205, ABIOLA SEGUN AJAYI STREET
VICTORIA ISLAND, LAGOS

1,000,000

[Signature]

DATED 15 DAY OF APRIL 2007

Witness to the above signature:

Name: Mr. Nitin Sandesara

Address: 205, Abiola Segun Ajayi Street, Victoria Island, Lagos

Occupation: Managing Director



**THE FEDERAL REPUBLIC OF NIGERIA
COMPANIES AND ALLIED MATTERS ACT, 1990
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION**

OF

STERLING OIL EXPLORATION & ENERGY PRODUCTION CO., LTD
INTERPRETATION

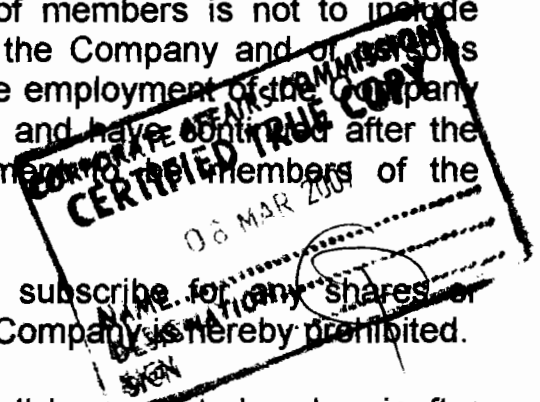
1. In these regulations, "the Act" means the Companies and Allied Matters Act, Laws of the Federation of Nigeria, 1990.

Unless the context otherwise requires, words or expressions contained in these Regulations bear the same meaning as in the Act.

PRIVATE COMPANY

2. The Company shall be a Private Company and accordingly:-

- (a) The number of members for the time being of the Company is not to exceed fifty, but where two or more persons hold one or more shares in the Company jointly they shall for the purpose of this paragraph be treated as a single member, provide that the limitation on the number of members is not to include persons in the employment of the Company and of persons who having formerly been in the employment of the Company were while in that employment and have continued after the determination of that employment to be members of the Company.
- (b) Any invitation to the public to subscribe for any shares or debentures or debenture of the Company is hereby prohibited.
- (c) The right to transfer shares shall be restricted as hereinafter provided.



- (d) The Company shall not have power to issue share warrants to bearers.

CAPITAL

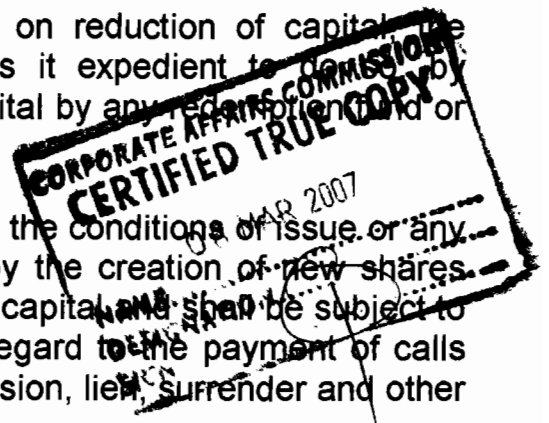
3. The Share Capital of the Company is N12, 000,000 (Twelve million Naira) divided into 12,000,000 (Twelve million) Ordinary Shares of N1.00 (One Naira) each.
4. The shares for the time being not issued shall be issued upon such terms and conditions as the Directors shall determine.

CLASSES OF SHARES

5. The Company may from time to time issue classes of shares. It shall be the responsibility of the directors to decide the classes of shares to be issued. All the rights or restrictions attached to each particular class of shares shall be specified in the terms of issue but such rights may at any time be varied in accordance with the provisions of Section 141 of the Act.

ALTERATION OF CAPITAL

6. The Company may from time to time by Ordinary Resolution effect alteration of its Share Capital in any of the ways set out in Section 100 of the Act.
7. Subject to the provisions of the Act on reduction of capital, the company may, whenever it considers it expedient to do so, by special resolution reduce its share capital by any reduction of or any share premium account.
8. Except so far as otherwise provided by the conditions of issue or any of these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with regard to the payment of calls and installments, transfer and transmission, lien, surrender and other wise.



TRANSFER OF SHARES

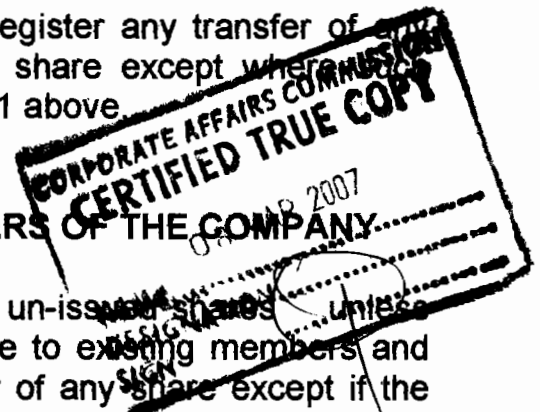
9. Any member of the Company may, subject to the approval and other conditions laid down by the Directors, transfer his share(s) or a fraction of it to any other person being the actual purchaser of the share(s) be offered first to existing shareholders.
10. In the case of the death of a member, the survivors where the deceased was a joint holder and the executors or only surviving holders, shall be the only persons recognized by the Company as having any title to his shares, but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him.
11. Any person becoming entitled to a share in consequence of the death or bankruptcy of any member may, upon producing such evidence of title as the Directors may request, shall be required to register himself as holder of the share or, subject to the provision as to transfers herein contained, transfer the same to some other person; provided always that a person entitled may receive dividends but may not vote unless registered.

RESTRICTION ON TRANSFER OF SHARES

12. The Directors however may, in their absolute discretion and without giving any reason therefore, refuse to register any transfer of any share whether or not it is a fully paid share except where the transfer results from regulations 10 and 11 above.

PRE-EMPTIVE RIGHTS OF SHAREHOLDERS OF THE COMPANY

13. The Company shall not allot any new or un-issued shares unless the same are offered in the first instance to existing members and the Board shall not register any transfer of any share except if the said share had been first offered to and been declined by the existing members or if the existing members do not accept the allotment or members or the offer within sixty (60) days of the said offer then the said allotment or offer shall be made in the second instance to all the shareholders or to all shareholders of the classes

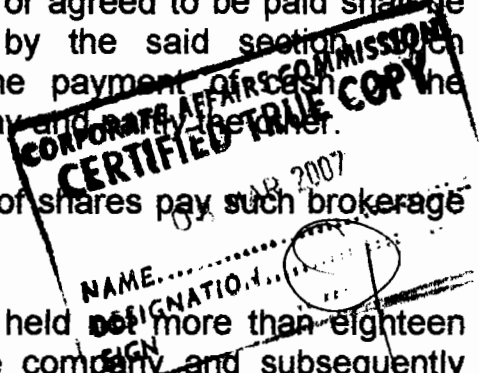


being issued in proportion as nearly as may be to their existing holdings.

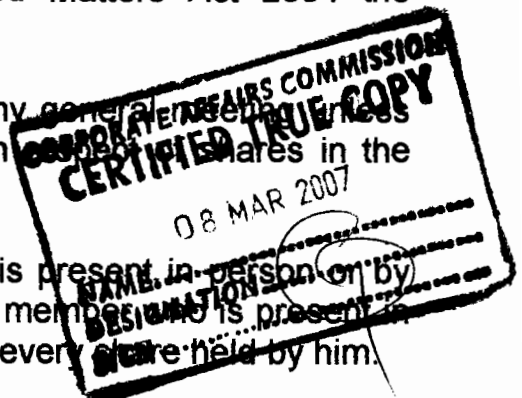
14. The offer to existing shareholders shall be by notice specifying the number of shares to which the shareholder is entitled to subscribe and limiting a time subject to the foregoing stipulations, not being less than 21 days after the service of the notice, after the expiration of which the offer, if not accepted will be deemed to be declined. On the receipt of an intimation from the shareholder that he declines to accept the shares offered or after the expiration of the stipulated time as the case may be the Board of Directors may, subject to the terms of any resolution of the company, dispose of the shares at a price not less than that specified in the offer, in such manner as they think most beneficial to the Company.
15. The share of the founding members may only be offered and transferred at 3 times their value at the time of transfer with existing members having the right of first option to such offer.
16. Regulations 13, 14 and 15 above are not alterable except with unanimous consent of all the members of the company.

COMMISSIONS AND BROKERAGE

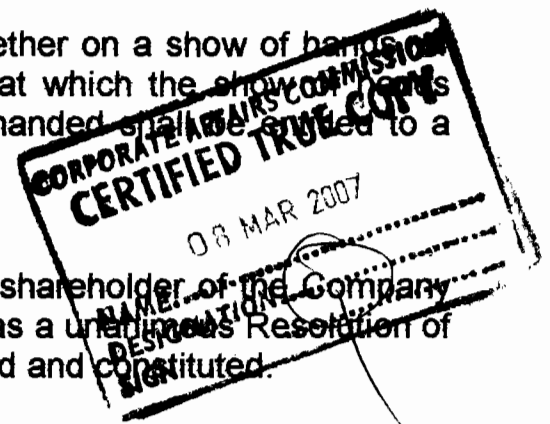
17. The Company may exercise the powers of paying commissions conferred by section 131 of the Act, provided that the rate, percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section. Such commission may be satisfied by the payment of cash or by the allotments or partly shares or in one way or another.
18. The Company may also on any issue of shares pay such brokerage as may be lawful.
19. An Annual General Meeting shall be held not more than eighteen months after the incorporation of the company and subsequently once in every year at such time (or within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other Meetings shall be called Extraordinary General Meeting.



20. The Annual General Meeting shall be held at such time and place as the Directors shall appoint.
21. The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company, or where there is no such Chairman, or if he is not present within thirty minutes after the time appointed for the holding of the meeting or is unwilling to act, the Directors present shall elect one of their number to be Chairman of the meeting.
22. If at any meeting no Director is willing to act as Chairman or if no Director is present within thirty minutes after time appointed for holding the meeting, the members present shall choose one of their members to be Chairman of the meeting.
23. The Directors may whenever they think fit, on requisition in accordance with the Act, proceed to convene an Extraordinary General Meeting. If at any time there are not sufficient Directors, any two members of the Company may convene an Extraordinary General Meeting in the same manner or as nearly as possible as that which such Meeting may be convened by the Director.
24. An Annual General Meeting and Extraordinary General Meeting shall be called by giving twenty one days' notice in writing at the least, (exclusive of the day on which it is served and of the day for which it is given) in the manner hereinafter mentioned to such members as are under the provisions of these Articles entitled to receive such notice from the company and to the Auditors. Provided that a General Meeting notwithstanding that it had been called by a shorter notice than that specified above shall be deemed to have been called if it is so agreed as provided under the provisions of Section 217(2) of Companies and Allied Matters Act 2004 the statute.
25. No member shall be entitled to vote at any general meeting unless all calls or other sums payable by him in respect of shares in the company have been paid.
26. On a show of hands every member who is present in person or by proxy will have one vote. On a poll, every member who is present in person or by proxy shall have one vote for every share held by him.



27. A person may act as proxy whether or not he is a member of the Company.
28. Four members entitled to vote and be present or represented by proxy shall form a quorum.'
29. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded:-
- a. By the Chairman, where he is a shareholder; or a proxy
 - b. By at least 3 members present in person or by proxy;
 - c. Any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the rights to vote at the meeting;
or
 - d. A member or members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up on all the shares conferring that right.
30. When a resolution is voted on a show of hands, the Chairman shall forthwith declare the result of the voting and the declaration by the Chairman that the resolution has been carried, or carried unanimously or by a particular majority, or lost shall not be challenged by any member of the Company and an entry made in the book containing the minutes of the proceedings of the Company or the declaration by the Chairman shall be conclusive evidence of the act without proof of the number or proportion of the votes recorded in favour of or against such resolution.
31. In the case of an equality of votes, whether on a show of hands or on poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
32. A resolution in writing signed by every shareholder of the Company shall have the same effect and validity as a unanimous Resolution of shareholders at a meeting duly convened and constituted.



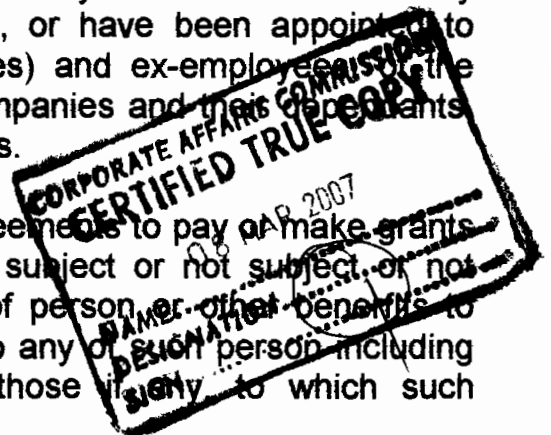
DIRECTORS

33. Three Directors entitled to vote and attend board meeting shall form a quorum.
34. The subscribers to the Memorandum of Association shall appoint the first Directors of the company who shall all hold office for any period agreed to by the members of the company. The Company in a General Meeting may by Ordinary Resolution elect any person to be a Director thereafter.
35. A Director shall not necessarily hold any share qualification.
36. Any Director not ordinarily resident in the Federal Republic of Nigeria or who is to be absent from Nigeria for a period of not less than six weeks may appoint any person to be his alternate or substitute Director provided that such appointment is approved by a Resolution of the Board of Directors. The appointee whilst he holds office shall be entitled to receive notice of the meetings of the Board and to attend and vote thereat and to act to the same extent as the Director appointing him. But he shall not require additional qualification and shall not be entitled to any remuneration from the Company otherwise than out of the remuneration of the Director, appointing him as may be agreed between the said Director and the appointee. The Directors making the appointment may revoke any appointment so made, at any time. Any appointment or revocation made under this clause shall be in writing and shall be given to the Company.
37. The Company in General Meeting may from time to time direct that such amounts as may be deemed fit, be paid by way of remuneration to the Directors and any such remuneration shall be divided among them as they may agree, or failing agreement, equally. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in or about the performance of their duties as Directors subject to the approval of the Chairman.
38. The Directors may from time to time appoint any one or more of their body to be Managing Director or Managing Directors, for such period and upon such terms as they think fit, and may vest in such Managing Director/s such powers hereby vested in the Directors generally as they may deem fit, and generally commission such remuneration and otherwise, as they may determine.



The remuneration of the Managing Director may be made payable by way of salary or commission or participation in profits, or by of all or those modes or otherwise as may be thought expedient, and it may be made a term of his appointment that he shall receive a pension, gratuity or other benefit on his retirement.

39. A Managing Director shall be subjected to the same provisions as for disqualification of Directors, and if he ceases to be a Director he shall automatically and immediately cease to be a Managing
40. The Directors may from time to time and at any time by power of attorney appoint any Company, firm or person or body of persons whether nominated directly or indirectly by the Directors, to be the attorneys of the Company for such purpose and with such powers and authorities (not exceeding those vested in or exercisable by the Directors under the Articles) and for such period and subject to such conditions as they may deem fit and any such powers or attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney to delegate all or any of the powers, authorities and discretion vested in him.
41. All acts by any meeting of the Directors, or of a Committee of Directors, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors or persons acting as Directors, be as valid as if every such person had been appointed and was qualified to be a Director.
42. The Directors may establish or concur to join with other Companies in establishing and may take contributions out of the Company's money to any schemes or fund for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the next following Article shall include any Director who may hold or have held any executive office or place or position, or have been appointed to exercise special powers or authorities) and ex-employees of the Company, and of any such other Companies and their dependants or any class or classes of such persons.
43. The Directors may pay, enter into agreements to pay or make grants (revocable or irrevocable and either subject or not subject or not subject to any terms or conditions) of person or other benefits to employees and their dependants or to any of such person including pensions or benefits additional to those to which such



employee or ex-employees or their dependants are or may become entitled under any such scheme or funds as mentioned in the last preceding Article. Any such pension or benefit may, as the Directors consider desirable, be granted to an employee either before or in anticipation of or upon or at any time after his actual retirement.

44. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.
45. The Directors may from time to time pay to members such interim dividends as appears to the Directors to be justified by the profits.
46. No dividend shall be paid otherwise than out of profits.

SECRETARY

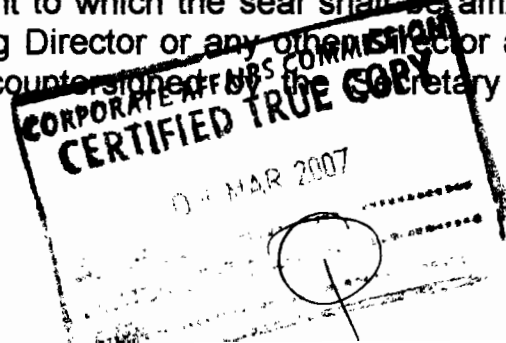
47. The Directors shall appoint a Secretary to the Company for such terms and remuneration and upon conditions as they may deem fit and the Directors may at any time remove any Secretary so appointed.

BORROWING POWERS

48. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof, and to issue debenture, debenture stock and other securities, whether outright or as security for any debt, liability or obligations of the Company or of any third party; provided that the Directors shall have power to borrow money in excess of the authorized share capital of the Company as the need shall arise.

SEAL

49. The Directors shall provide for the safe custody of the Company seal, which shall be used on the authority of the Directors or of a Committee of the Directors authorized by the Directors on their behalf and every instrument to which the seal shall be affixed shall be signed by the Managing Director or any other Director or acting on his behalf and shall be countersigned by the Secretary or by a



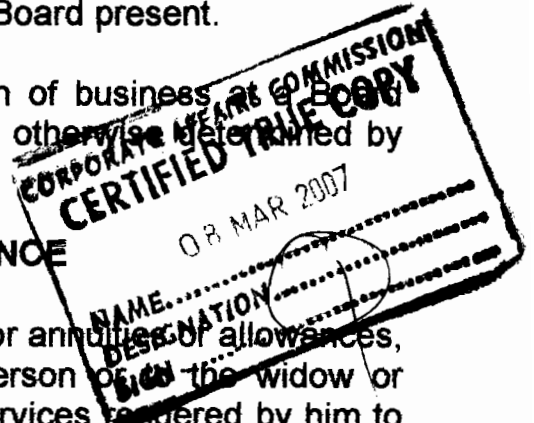
second Director or some other person appointed by the Directors for the purpose.

DISQUALIFICATION OF DIRECTORS

50. The Office of a Director shall be vacated in any of the following events namely:-
- a. if he resigns his appointment by writing under his hand at his office;
 - b. if he becomes prohibited by law from acting as a Director;
 - c. if he be found to be a lunatic or becomes of unsound mind or bankrupt or compounds with his creditors;
51. A Director may hold any other office of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms as to remuneration as may be agreed between him and the other Directors.
52. A Director shall be capable of contracting or participating in the profits of any contract or arrangement with the Company in the same manner as if he were not a Director and shall not be liable to account for any profit or benefit derived by him from any such contract or arrangement; provided that such director makes an early and full disclosure to the Board of such interest and participates in any Board deliberations on such contracts or arrangements with the unanimous consent of the members of the Board present.
53. The quorum necessary for the transaction of business Meeting of the Directors shall be two until otherwise determined by the Directors.

PENSIONS AND ALLOWANCE

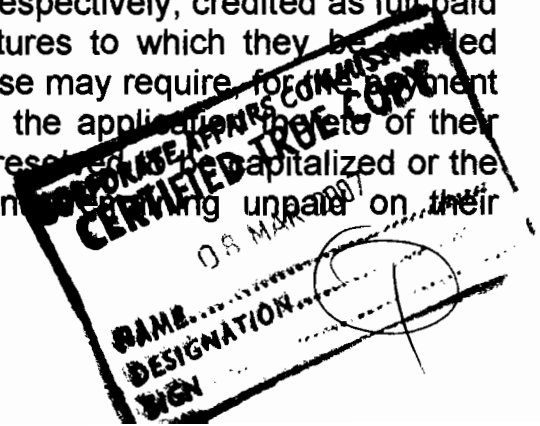
54. The Directors may grant retiring pensions or annuities or allowances, including allowances on death, to any person or to the widow or dependants of any person in respect of services rendered by him to the Company as Managing Director, Assistant Managing Director or in any other executive capacity or employment under the Company or indirectly as an executive office of any subsidiary company of the Company or of its Holding Company, if any notwithstanding that he



may be or may have been a Director of the Company and may make payments towards insurance or trusts for such purposes in respect of such pensions, annuities and allowances in the terms of engagement of any such person.

CAPITALISATION OF PROFITS

55. The Company in a General Meeting may, upon the recommendations of the Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts or to the credit of the profit and loss account, or otherwise available for distribution and accordingly that such sum shall be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions; provided that same be not paid in cash, but be applied, either in or towards paying up members for the time being unpaid, either in or towards paying up members respectively, or paying up in full un-issued shares or debentures of the company to be allotted and distributed and credited as fully paid up, to and amongst such members in the proportion aforesaid or partly in the one way and partly in the other; but notwithstanding any thing therein before contained in this clause share premium account and a capital subject to the provisions of any other clause in the Articles, only be applied in the paying up of un-issued shares to be issued to members of the Company as fully paid up bonus shares.
56. Whether such a Resolution as aforesaid shall have been passed, the Directors shall make all applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid shares or debentures, if any and generally shall do all acts and make such provisions, by the issue of fractional certificates or by payments in cash or shares or debentures becoming distributable in fractions; and also authorize any person to enter on behalf of all the members entitled thereto, into an agreement with the Company, providing for the allotments to them respectively, credited as full paid up, of any further shares or debentures to which they be entitled upon such capitalization or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized or the amounts or any part of the amount for the time being unpaid on their

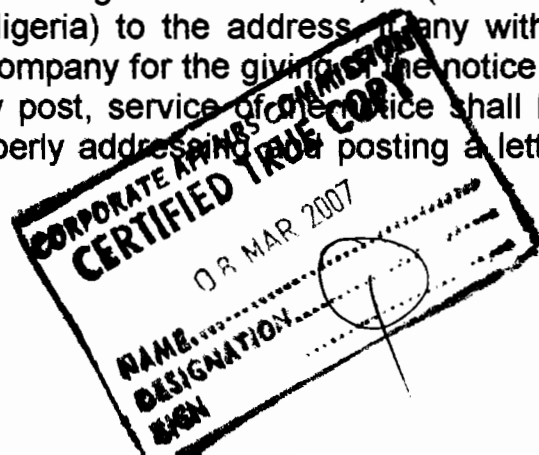


existing shares and any agreement made under the aforesaid authority of the Directors shall be effective and binding on all such members.

57. On a voluntary winding up of the company, the assets remaining after payment or satisfaction of the costs of the winding up and outstanding debts and liabilities of the Company shall be applied in paying back the members of the company the amount of their paid up capital, in the order, if any, provided by any Resolution of the Company and shall be distributed among the members in proportions sufficient to repay the paid up capital in full the loss shall be borne by the members in proportions to the nominal capital held by them respectively.
58. If the Company shall be wound up, the liquidator may, with sanction of an Extraordinary Resolution of the Company and any other sanction required by the Act, divide amongst the members the whole or any part of the assets of the Company whether these assets shall consist of property of the same kind or not, and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid, and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, vest the whole or part of such assets, in trustees upon such trust for the benefit of the contributories the liquidator, shall think fit; provided that no member shall be compelled to accept any share or securities where there is any liability.

INDEMNITY

59. Subject to the provisions of the Act, every Director, Auditor, Secretary or other Officer of the Company shall be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by them in the execution and discharge of their duties or in relation thereto.
60. The company may give a notice to any member either personally or by sending it by post to him to his registered address, or (if he has no registered address within Nigeria) to the address, if any within Nigeria supplied by him to the company for the giving of the notice to him. Where a notice is sent by post, service of the notice shall be deemed to be effected, by properly addressing and posting a letter containing the same as posted.



SIGNATURE

D. K. 1. 100

Adrian

Adrian

