



*RULES OF OFFERING*

*Ward Petroleum Corporation, et al*

SELLER AND PINNACLE ENERGY PROPERTIES, LLC (“PEP”) MAKE NO WARRANTY OR REPRESENTATION, EXPRESS, STATUTORY, OR IMPLIED, AS TO (I) THE ACCURACY OR COMPLETENESS OF ANY OF THE MATERIALS, INFORMATION, OR DATA FURNISHED TO ANY PARTY IN CONNECTION WITH THE PROPERTY; (II) THE QUALITY OR QUANTITY OF THE HYDROCARBON RESERVES ATTRIBUTABLE TO THE PROPERTIES; (III) THE ABILITY OF THE PROPERTY TO PRODUCE HYDROCARBONS; AND, (IV) THE PRESENT OR FUTURE VALUE OF THE ANTICIPATED INCOME, COSTS, OR PROFITS DERIVED FROM THE PROPERTY.

**Rules and Schedule of Offering**

SELLER and PEP reserve the right to amend or alter in any way the following schedule, or cancel the process and withdraw the Property from the offering. Any costs, expenses, or lost opportunities incurred by the Prospective Bidder in the course of any evaluation of the Property will be the sole responsibility of the Prospective Bidder.

The information furnished to the Prospective Bidder does not purport to contain all of the information necessary to properly evaluate this transaction. Any Prospective Bidder must conduct its own independent analysis of the data available from public records and sources. Any information or data furnished to the Prospective Bidder is provided as a convenience and any Prospective Bidder’s reliance on or use of same shall be at the Prospective Bidder’s sole risk. Each Prospective Bidder must be able to represent that it is an experienced and knowledgeable investor in the oil and gas business.

Each Prospective Bidder is advised that the acquisition and operation of oil and gas properties involves substantial risk, which includes but is not limited to the possibility of loss or reduction of production rates, recoverable reserves, and revenues.

**Bids will be accepted until 5PM Monday, June 6th** and should be emailed to: [kytson@pinnacleenergy.com](mailto:kytson@pinnacleenergy.com); and/or [bsimmons@pinnacleenergy.com](mailto:bsimmons@pinnacleenergy.com)

or mailed to the attention of Kandy Tyson at:

Pinnacle Energy Properties, LLC  
9420 Cedar Lake Ave.  
Oklahoma City, OK 73114

Phone (405) 810-9151

Fax (405) 843-4700

All bids must constitute a cash offer for SELLER's interest as represented.

**It should be noted that additional interest may be available from other interest owners in these properties. Once these interests have been compiled, you will be notified and will have the opportunity to include this additional interest in your offer. No bid for the Ward Petroleum Corporation interests should be contingent upon any additional interests that may be available.**

By SELLER'S request, pre-emptive offers will be accepted prior to the bid deadline. SELLER retains the right to accept first satisfactory offer and to close the bidding process. All bids are subject to the final approval of SELLER'S management, and SELLER reserves the right to reject any or all offers made and shall have the exclusive right to determine which bid, if any, will be accepted.

All requests for data, information or questions concerning the Property should be directed exclusively to Kandy Tyson or Brian Simmons at (405) 810-9151. No contact should be made with the seller/operator of the properties.

All payments to SELLER shall be by wire transfer, at SELLER'S request. Upon execution of a Purchase and Sales Agreement, Seller may request a performance deposit in the amount of up to Ten (10%) percent from the "Selected Bidder".

The Selected Bidder may be required to provide a bank Letter of Credit that demonstrates the ability to close this transaction.

**The Effective Date of the sale will be May 1, 2016.** Upon acceptance of the offer, a mutually acceptable Purchase and Sale Agreement shall be negotiated and executed within 10 days of notice of acceptance. **Closing shall occur on or before July 1, 2016.** Closing shall occur upon execution and delivery of the necessary conveyance documents, and funding pursuant to the above paragraph.

SELLER shall pay all costs and expenses in operation of the Property prior to the Effective Date. All production from the Property attributable to the period prior to the Effective Date and all proceeds from the sale thereof, including oil in storage above the pipeline connection on the Effective Date shall be the property of SELLER. All production and proceeds attributable to the Property after the Effective Date shall be the property of the Purchaser and the Purchaser shall pay all costs and expenses in the operation of the Property on or after the Effective Date.

CONVEYANCE OF THE PROPERTY (INCLUDING BOTH REAL AND PERSONAL PROPERTY) SHALL BE "AS IS, WHERE IS", WITHOUT WARRANTY WHATSOEVER, EXPRESS, STATUTORY, OR IMPLIED, AS TO THE DESCRIPTION, TITLE, CONDITION, QUALITY, FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY OR OTHERWISE.

The Buyer shall satisfy itself, prior to Closing, as to the ownership it is receiving in the Property.

The Prospective Bidder shall be responsible for any and all costs and expenses associated with the appraisal, evaluation, examination or assignment of the Property.

SELLER and PEP will deal with principals only. SELLER will have no responsibility for any commission or brokerage fees to be paid by a Prospective Bidder or on behalf of a Prospective Bidder, or any other fees or expenses.

These rules of offering are not intended to be a contract between the parties, but an overview of the schedule and Seller's expectations. By signing below you are stating that these rules have been reviewed.

**RULES OF OFFERING REVIEWED BY:**

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Name

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Title

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Company

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Date