

## MEMORANDUM OF AGREEMENT

The following agreement (hereinafter referred to as the "Agreement") is made and entered into as of the March 14, 2009,

BETWEEN

SIGMUND Oilfield Limited (SIGMUND), a company representing GRASSO Nigeria Limited, both companies incorporated in the Federal Republic of Nigeria

-AND-

ASHER Energy Corporation (ASHER), a company incorporated in the United States of America (also known as the American Consortium).

The companies named above may sometimes individually be referred to as "Party" and collectively as the "Parties"

### WITNESSETH

WHEREAS GRASSO was awarded the offshore Nigerian Oil Prospecting License (OPL) 2012 on June 15 2007, and awaiting the execution of a Production Sharing Contract (PSC) with the Nigerian National Petroleum Corporation (NNPC).

AND WHEREAS GRASSO has given to SIGMUND Oilfield Limited the "power of attorney" to represent the company, in all transaction relating to the said concession (OPL 2012)

AND WHEREAS it is SIGMUND intent to enter into a "farm-in" or "Finance and Service Agreement (FSA), with a financial/technical partner also a "Service Provider" for some interest in OPL 2012. ASHER by this contract intends to farm-in or enter into a Finance and Service Agreement with SIGMUND. This Intent is an exclusive agreement for the provision of technical and financial services, and other ancillary services that may arise in connection therewith.

AND WHEREAS the Parties have agreed that ASHER will provide financial and technical services to SIGMUND for the seismic survey program, exploration, appraisal, development and production of Hydrocarbons within the OPL 2012 and when OPL 2012 is converted to an Oil Mining License (OML), and the Parties desire to define their respective rights and obligations with respect to financial services to be conducted on and provided by both Parties in respect thereof;

AND WHEREAS SIGMUND and ASHER have agreed that ASHER will provide technical services (which scope will be determined in a Farm-In or Financial Service Agreement (FSA) to be executed upon complete execution of this agreement) for the seismic survey program, exploration, appraisal, development and production of Hydrocarbons within OPL 2012 and its future conversion into an exploration license.

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1. ASHER agrees to pay to the Nigerian National Petroleum Corporation (NNPC) the agreed “signature bonus” of Twelve million, Five hundred thousand dollars (\$12.5m), and SIGMUND a Farm-In agreement Fee of Ten million dollars (\$10 million), a “Discovery bonus” of Ten million dollars (\$10 million) and fifty percent (50%) of recoverable amount from ENI AGIP, for hydrocarbon production from OPL 2012

2. The Participating / Economic interest of the parties to the OPL 2012 shall be:

SIGMUND Oilfields Limited (SIGMUND)	- 40%
ASHER Energy Corporation (ASHER)	- 60%

This equity sharing will reverse in favor of GRASSO immediately after payback period to:

SIGMUND Oilfields Limited (SIGMUND)	- 60%
ASHER Energy Corporation (ASHER)	- 40%

3. The parties (SIGMUND and ASHER) shall jointly establish an Operating Committee, and the committee shall agree upon a production Work Program and Budget

4. ASHER as the “Technical/Financial” Partner will undertake 100% development of OPL 2012.

5. The parties (SIGMUND and ASHER) shall arrange for an escrow account (the “Revenue Collection Escrow Account”) to be set up for the duration of the agreement with a recognized international bank acceptable to all parties for the purpose of receiving revenues from the sale of Hydrocarbons produced from the property.

6. ASHER shall retain the services of an agreed upon international oil and gas project finance evaluators to certify the reserves of OPL 2012 in preparation for ASHER and SIGMUND amicably agreeing on a term of implementation. The international independent evaluators experience and judgment in conducting thorough evaluations ensure that the oil and gas reserves and deliverability are adequate to support the Parties financial commitment to the project.

7. ASHER will issue an acceptable letter of credit of Twelve million and five hundred dollars (\$12.5 million) to NNPC and the farm in fee of Ten million dollars (\$10) to SIGMUND no later than thirty days (30 days) after auditing of report provided by SIGMUND.

#### APPLICABLE LAW AND DISPUTE RESOLUTION

It is further agreed that any controversy, claims and or dispute arising from or relating to any part or the whole of this Agreement or breach thereof, which is not settled amicably between the Parties, shall be referred to arbitration in accordance with the rules and through the institution of the International Chamber of Commerce, and the outcome of the arbitration shall be binding on the Parties. Any decision and/or award made by the arbitrators shall be final, conclusive and binding on the Parties and enforceable in the country of choice of the Party in whose favour the award was made. This Agreement shall be governed by, construed, interpreted and applied in accordance with the laws of the Federal Republic of Nigeria excluding any choice of law rules, which would refer the matter to the laws of another jurisdiction.

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This Agreement may be signed in one or more counterparts and the Parties agree that facsimile or email copies of this Agreement would be regarded as legal originals and admissible for all purposes;

All Parties hereby acknowledge that they have read and understood the foregoing agreement and by their signature confirm that they have full and complete authority to execute this agreement.

IN WITNESS WHEREOF the parties hereto execute this agreement the day and year first above written.

Signed: \_\_\_\_\_

Name: Chief Chris Uba

Title: Chairman / Managing Director

For and on behalf of: **SIGMUND OILFIELD LIMITED**

I have authority to bind the Company / Corporation

Date: \_\_\_\_\_

**In the presence of:**

**Signature:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

For and on behalf of: **ASHER ENERGY CORPORATION**

I have authority to bind the Company / Corporation

Date: \_\_\_\_\_

**In the presence of:**

**Signature:** \_\_\_\_\_

**Name:** \_\_\_\_\_ **Date:** \_\_\_\_\_

