

SERVICES AGREEMENT
BETWEEN
PROENERGY EPC SERVICES LLC
AND
K&P ENERGY HOLDINGS, LLC
FOR
TACOA POWER PROJECT

JUNE 30, 2009

1. ENGAGEMENT – DESCRIPTION OF TRANSACTION – DEFINITIONS

ProEnergy EPC Services LLC, a limited liability company organized and existing under the laws of the State of Missouri, USA (hereinafter called the "Company"), with a place of business at 2031 Adams Road, Sedalia, Missouri 65301 USA, hereby engages the services of K&P Energy Holdings, LLC, a limited liability company organized and existing under the laws of the State of Texas, USA (hereinafter called the "Contractor"), with a place of business at 9816 Whithorn, Suite B, Houston, Texas 77095 USA, in connection with Company providing EPC services (the "Services") to Derwick Associates S.A. ("Derwick") under that certain Engineering, Procurement and Construction Services Agreement dated on or about June 30, 2009 (the "Contract"), for the Tacos Power Project (the "Project") located at Josefa Joaquina Sanchez Bastidas in Picure, Vargas State, Venezuela.

2. TERM

The term of this Agreement shall be from the last date of signature of this Agreement through the completion and payment of the Services under the Contract unless sooner cancelled or terminated as herein provided.

3. COMPANY'S RESPONSIBILITIES

The Company agrees that at all times prior to and during the term of this Agreement it will, subject to the terms and conditions herein expressed:

3.1 Pay the fee as provided in Section 5 hereof.

3.2 Not circumvent or attempt to circumvent paying Contractor any fee earned hereunder or attempt to furnish the Services either directly or indirectly through another individual, entity, company, broker or dealer or through any other means in order to circumvent paying the fee to Contractor.

4. CONTRACTOR'S RESPONSIBILITIES

The Contractor agrees that at all times prior to and during the term of this Agreement, it will, subject to the terms and conditions herein expressed:

4.1 Use its best efforts to assist the Company in the sourcing of the Services to Derwick for the Project. Contractor further agrees that during the term of this Agreement it shall represent Company on an exclusive basis with respect to the sourcing of the Services to Derwick for the Project.

4.2 Maintain active contacts with Derwick for or in relation to the sourcing of the Services to Derwick for the Project.

4.3 Keep the Company fully informed of all governmental, commercial and industrial activities and plans which do or could affect the sourcing of the Services to Derwick for the Project to the extent Contractor has knowledge thereof.

4.4 Provide market information to the Company on any third party activities for or in relation to the sourcing of the Services to Derwick for the Project to the extent it has knowledge thereof.

4.5 As requested by the Company, recommend improvements to marketing and sourcing plans, assist in the development of a strategy, and clarify the scope of the Services or information relating thereto.

4.6 As requested by the Company, transmit proposals and data to Derwick to the extent available to the Contractor, interpret Derwick inquiries, requirements and attitudes, and assist in contract negotiations. Except as agreed to in writing by Company, the Contractor shall have no rights to make offers for the Services in the name of or on behalf of Company, or execute documents or perform any other act in the name of or on behalf of Company, or otherwise bind Company to any commitment or agreement.

4.7 Perform such liaison services with Derwick as the Company may from time to time direct.

4.8 Prior to formal discussions with Derwick for the sourcing of Services for the Project, assist Company in receiving from Derwick and any other third party assurances that Derwick is free and under no restrictions, contractually or otherwise, to negotiate with Company for the sourcing of the Services for the Project. Such assurances will be in a form and manner acceptable to Company.

4.9 Contractor agrees to support Company's efforts in performing the Services by having Mr. Neil Karr and Mr. Rolando Mario Pestana make every reasonable effort to be available at the project site as requested by Company to provide technical assistance. Company will reimburse Contractor for the reasonable travel and living expenses incurred by Mr. Karr and Mr. Pestana in providing

the technical services at the project site. Contractor will provide receipts and documentation supporting reimbursement of said expenses and otherwise comply with the Company's travel policies.

5. COMPENSATION

5.1 As compensation to the Contractor for services rendered hereunder, the Company agrees to pay the Contractor a fee equal to two and one-half percent (2.50%) of the net purchase price of the Services as stated in the Contract. No fee shall be earned under any circumstances until the Contract has been executed by both Derwick and Company. The fee shall be due and payable on a pro rata basis as payments are made and received by Company from Derwick under the Contract.

5.2 No fee shall be paid on insurance premiums, bond or guarantee fees, taxes and other governmental assessments, interest, escalation, freight, transportation fees or other similar charges which may be included in any invoice. No fee will be calculated or paid on any portion of the Contract price or any other amounts paid to Company or its affiliates or subsidiaries under separate contracts or change orders with respect to the Services or other services or equipment provided for the Project or that may be paid to Company in Venezuelan currency.

5.3 The fee will be paid in United States Dollars.

5.4 The Contractor represents that the manner of remittance provided for in this Agreement is not contrary to any applicable law or regulation of the country in which the Contractor's principal place of business is located. In the event such law or regulation at any time requires remittance in some other manner, the Contractor shall notify the Company in writing.

5.5 Where the Company enters into a consortium, joint venture or other like association agreement relating to a transaction falling within the scope of this Agreement, the Contractor's fee shall be calculated on the purchase price actually received by the Company and will not be payable on revenues allocable to goods or services furnished by any other participant in the transaction.

5.6 Company shall have the sole right to determine whether to execute a Contract for the sourcing of the Services to Derwick for the Project and what terms and conditions shall be acceptable. Contractor acknowledges and agrees that should Company, for any reason, elect not to negotiate with Derwick for the sourcing of the Services for the Project and/or not execute a Contract following said negotiations, then Contractor shall not be entitled to any fee or any other compensation from Company with respect to said transaction.

5.7 It is understood that if a Contract should be terminated, rescinded, revoked or repudiated for any reason, the Contractor shall not be entitled to a fee with respect to such Contract, except pro rata to the extent of any amount the Company may have been paid as payment for the Services furnished to Derwick.

5.8 It is further understood that no compensation by way of fee or otherwise shall be paid, or if already paid shall be refunded to the Company by the Contractor, in connection with a Contract on which a fee would otherwise be payable, if as to such Contract:

- a) any applicable government law, rule or regulation prohibits or makes improper the payment of any such fee or other payment to a third party; or
- b) any action has been taken by the Contractor in violation of its obligations set forth in this Agreement.

5.9 Any taxes, USA or foreign, attributable to fees remitted to the Contractor under this Agreement shall be the responsibility of the Contractor and the Company is entitled to make any withholdings required by law from such payments. Except as may be expressly provided in this Agreement, each party shall be responsible for any costs or expenses it may incur in performing its obligations hereunder. Company shall not be responsible for paying any fee to any other party as a result of the sourcing of the Services to Derwick for the Project and Contractor agrees to indemnify, hold harmless and defend Company with regards to any such third party claim.

6. RELATIONSHIP OF THE PARTIES AND CONTROLLING LAWS

6.1 This Agreement and any rights hereunder are non-assignable by Contractor and any assignment by Contractor without the prior written consent of the Company shall be void. The Contractor shall notify the Company in writing in advance of any proposed change in ownership, control or management of the Contractor and shall not without the written consent of the Company utilize any firm or person (other than a principal, officer or regular employee of the Contractor) in connection with any transaction arising under this Agreement.

6.2 The Contractor is an independent contractor to the Company. It is understood that the Contractor or its contractors, subsidiaries, affiliates, and employees are in no way the legal representatives or employees of the Company for any purpose

whatsoever and have no right or authority to assume or create, in writing or otherwise, any obligation of any kind express or implied in the name of or on behalf of the Company. The Company reserves the right to determine in its sole discretion the acceptability of any Contract, any provisions thereof, or any condition proposed by Derwick and shall in no way be obligated to bid, quote to, or negotiate with Derwick.

6.3 This Agreement is subject to and shall be governed by all applicable laws and regulations of the United States Government, its departments and agencies. Rights and obligations of the Contractor as well as those of the Company under or in connection with this Agreement shall be governed by such laws and regulations and by the laws of the State of Missouri, USA (excluding instances where Missouri conflict of law rules would require the application of the laws of another jurisdiction).

6.4 The Contractor agrees to comply with the law applicable to the performance of its obligations under the terms of this Agreement. Without limitation to the foregoing:

- a) the Contractor agrees to comply fully with the export control laws and regulations of the United States Government and the printed commercial and technical data and information and other publications that may be supplied by the Company. Accordingly, the Contractor agrees that all technical data, software, or other information or assistance (other than publicly available information) furnished by the Company, and any product thereof, shall not be re-exported by the Contractor, directly or indirectly, from the United States unless explicitly permitted by U.S. export control laws and regulations. The obligations of the Contractor shall survive any satisfaction, expiration, termination, or discharge of contract obligations hereunder; and
- b) the Contractor agrees that in such performance, it will not directly or indirectly pay, offer or authorize payment of anything of value (either in the form of compensation, gift, contribution or otherwise) to any person or organization contrary to applicable law, including the laws of the United States (such as the Foreign Corrupt Practices Act) and the laws of the country in which the Contractor provides services under this Agreement. In addition, the Contractor will comply with applicable rules and policies of the Company concerning acceptance of entertainment, gifts, or other business courtesies.

6.5 With respect to any transaction arising under this Agreement, it is specifically understood and agreed that neither the Contractor nor its employees or representatives shall receive any payments in the nature of a rebate or similar benefit paid directly or indirectly by Derwick, nor shall any employee or representative of the Company receive any such payment paid directly or indirectly by the Contractor.

6.6 In executing this Agreement, the Contractor hereby represents that there presently exists no conflict of interest which would prevent the Contractor from acting in the best interest of the Company and that such a situation will not exist during the term of this Agreement.

7. EXPIRATION – RENEWAL – TERMINATION

7.1 This Agreement shall automatically expire at the end of the term specified in Section 2 hereof (subject to cancellation pursuant to Section 1 hereof) unless specifically renewed prior thereto by mutual consent given in writing by the parties hereto.

7.2 This Agreement may be terminated prior to the completion of the term specified in Section 2 hereof:

- a) By mutual consent given in writing by the parties hereto;
- b) By the Company upon three (3) day's notice in writing by registered mail, cable, or personal delivery to the Contractor in the event:
 - (i) The Contractor attempts to assign this Agreement or any right hereunder without the Company's prior written consent, or
 - (ii) There is a change in the control or management of the Contractor unacceptable to the Company, or
 - (iii) The Contractor ceases to conduct its operations in the normal course of business, or
 - (iv) A receiver for the Contractor is appointed or applied for, or it otherwise takes advantage of an insolvency law, or
 - (v) The Contractor represents other parties which representation in the Company's opinion involves a conflict with the Contractor's obligations hereunder, or

- (vi) The Company concludes in its sole discretion that the Contractor has failed to meet its obligations under Sections 6.4, 6.5 or 6.6 hereof, or
- (vii) The Contractor breaches any other provision of this Agreement or acts in any manner deemed by the Company to be detrimental to the best interest of the Company, or
- (viii) The Contractor's activity (under this Agreement) requires it to qualify to do business under the laws of the jurisdiction(s) where such activities are conducted, and the Contractor either fails to qualify or, having qualified, subsequently ceases to qualify.

Without limitation, the foregoing events shall be deemed to be cause for termination by the Company.

8. OBLIGATIONS UPON EXPIRATION OR TERMINATION

The Company shall not be liable by reason of the termination or expiration of this Agreement to the Contractor for compensation, reimbursement or damages on account of the loss of prospective profits on anticipated sales or on account of expenditures, investments, leases or commitments in connection with the business or goodwill of the Contractor or otherwise.

9. PRIVATE INFORMATION

9.1 The Contractor shall maintain in confidence and safeguard all business and technical information of the Company which becomes available to it in connection with this Agreement, which information is either of a proprietary nature or is not intended to be disclosed to others. This obligation shall continue for five years after expiration or termination of this Agreement. Upon receipt of request from the Company, the Contractor will promptly return all documents containing any such information.

9.2 Knowledge or information of any kind disclosed by Contractor to the Company shall be deemed to have been disclosed without obligation on the part of the Company to hold the same in confidence, and the Company shall have full right to use and disclose such information without any compensation to the Contractor beyond that specifically provided by this Agreement.

10. COMPANY TRADEMARKS AND TRADE NAMES

The Contractor agrees that it will comply at all times with the rules and regulations furnished to the Contractor by the Company with respect to the use of the Company's trademarks and trade names, and express and identify properly the Contractor relationship with the Company for or in relation to the transaction described in this Agreement and that it will not publish or cause to be published any statement, or encourage or approve any advertising or practice, which might mislead or deceive any parties or might be detrimental to the good name, trademarks, good will or reputation of the Company. The Contractor further agrees upon request to withdraw any statement and discontinue any advertising or practice deemed by the Company to have such effect.

11. LIMITATION OF LIABILITY

The Company shall have no liability to the Contractor with respect to claims arising out of, in connection with or resulting from this Agreement, whether in contract, tort (including negligence of any degree) or otherwise except as specifically provided under the terms of this Agreement. In no event, whether as a result of breach of contract, indemnity, warranty, tort (including negligence of whatever degree), strict liability or otherwise, shall the Company or its employees be liable to the Contractor for loss of profit or revenues, downtime costs, cost of capital, cost of facilities or services, or any other costs or damages which may be categorized as indirect, incidental, exemplary, special, punitive or consequential damages.

12. RELEASE OF CLAIMS

In consideration of the execution of this Agreement by the Company, the Contractor hereby releases the Company from all claims, demands, contracts and liabilities, if there be, as of the date of execution of this Agreement by the Contractor, except indebtedness which may be founded upon a written contract signed on behalf of the Company.

13. FAILURE TO ENFORCE

The failure of either party to enforce at any time or for any period of time the provisions hereof in accordance with its terms shall not be construed to be a waiver of such provisions or of the right of such party thereafter to enforce each and every position.

14. DISPUTES

Any controversy, claim or dispute between the parties to this Agreement arising out of, or relating to, this Agreement, or the breach, termination or validity thereof, which the parties are unable to resolve by mutual negotiation, shall be settled and determined by any court in Missouri.

15. NOTICES

All notices and other communications shall be in the English language and shall be deemed to be validly given if transmitted in writing, by mail, cable, telex, facsimile or other means of electronic transmission, or personal delivery to the other party at the address indicated in Section 1 of this Agreement. Either party may change its address by giving notice thereof to the other party in like manner.

16. EXECUTION AND MODIFICATION

16.1 This Agreement constitutes the entire and only agreement between the parties respecting the sales transaction specified in Section 1 hereof.

16.2 This Agreement wholly cancels, terminates and supersedes any and all previous negotiations, commitments and writings between the parties with respect to the subject matter hereof. This Agreement shall not become effective or binding upon the Company until signed by a cognizant officer of the Company.

16.3 No change, modification, extension, renewal, ratification, rescission, termination, notice of termination, discharge, abandonment or waiver of this Agreement or any of the provisions hereof, nor any representation, promise, or condition relating to this Agreement shall be binding upon the Company unless made in writing and signed by one of the aforementioned executives.

IN WITNESS WHEREOF, this Agreement has been executed by both parties effective as of the date set forth hereinabove.

PROENERGY EPC SERVICES LLC

By: Scott Dieball

SCOTT DIEBALL
(Print or Type Name)

VICE PRESIDENT
(Title)

K&P ENERGY HOLDINGS, LLC

By: Neil Karr

Neil Karr
(Print or Type Name)

CEO
(Title)