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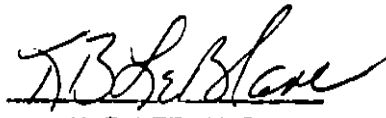
MEMORANDUM OF OIL AND GAS LEASE

State: Louisiana  
Parish: Caddo  
Lessor: City of Shreveport  
505 Travis Street,  
Shreveport, LA 71101

Lessee: Alternate Fuel Systems of Louisiana, Inc.  
400 Travis Street, Suite 2000,  
Shreveport, LA 71101

Effective Date: August 13, 2004

Gary Loftin  
Caddo Parish Clerk of Court  
2003061  
10/14/2005 02:42 PM

  
K. B. LEBLANC  
DEPUTY CLERK

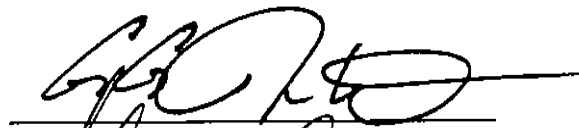
For adequate consideration, Lessor, named above, has granted, leased, and let to Lessee, named above, for the purpose of investigating, exploring, prospecting, drilling, mining for, and producing oil, gas, and other minerals, laying pipelines, building roads, tanks, power stations, telephone lines and other structures, and producing, saving, take care of, treating, transporting, and owning oil, gas, and other minerals, all on or from the following lands (the "Lands") in the parish and state named above:

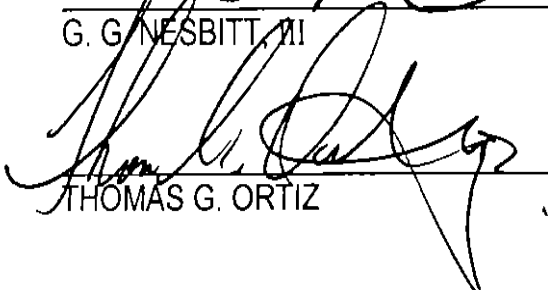
SEE EXHIBIT "A", ATTACHED HERETO AND MADE A PART HEREOF, FOR DESCRIPTION OF PROPERTY.

The Oil and Gas Lease (the "Lease") is for a primary term of three (3) years from the Effective Date stated above, and is effective as long thereafter as oil, gas, or other minerals are produced in paying quantities from the Lands, or other lands pooled with the Lands, according to and by the terms and provisions of the Lease between Lessor and Lessee. The Lease, with all of its terms, covenants, and other provisions, is referred to and incorporated into this Memorandum for all purposes. This Memorandum is placed of record for the purpose of giving notice of the Lease. The original of the Lease is maintained in the office of the Lessee.

This Memorandum is signed by Lessee as of the date of acknowledgment of its signature, but is effective for all purposes as of the Effective Date stated above.

WITNESSES:

  
G. G. NESBITT, III

  
THOMAS G. ORTIZ

LESSEE:

ALTERNATE FUEL SYSTEMS  
OF LOUISIANA, INC.

By:   
FRANK GOLDSBERRY, President

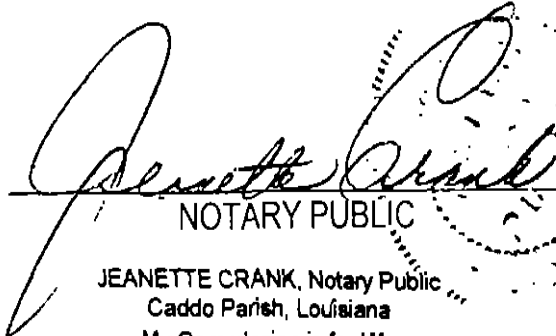
STATE OF LOUISIANA

PARISH OF Caddo

On this 12th day of October, 2005, before me personally appeared FRANK GOLDSBERRY, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of ALTERNATE FUEL SYSTEMS OF LOUISIANA, INC., and that he executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

My Commission Expires:

at large

  
NOTARY PUBLIC  
JEANETTE CRANK, Notary Public  
Caddo Parish, Louisiana  
My Commission is for Life  
Notary ID # 002298

## **EXHIBIT "A"**

### **ELSTON PARTITION**

Lot Nos. 12, 13, 14, 15, 16, 17 and 18 of the Mrs. E. O. Elston Estate Partition South and East of the T & P Railroad, Section 29, Township 17 North, Range 14 West, located in the North 3/4 E/2 E/2 of said Section 29, identified by a plat dated June 30, 1948, recorded under Instrument No. 30293, Book 600, Page 211 of the Conveyance Records of Caddo Parish, Louisiana, containing 16.21 acres, more or less. **Geo #'s 171429-0001-0021-00, 171429-0001-0023-00, 171429-0001-0025-00, 171429-0001-0027-00, 171429-0001-0029-00, 171429-0001-0031-00, and 171429-0001-0033-00.**

END OF EXHIBIT