FORM S-4

Registration of securities issued in business combination transactions

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HOUSTON AMERICAN ENERGY CORP

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AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON AUGUST 3, 2001
REGISTRATION NUMBER 333-_____

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

HOUSTON AMERICAN ENERGY CORP.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

1311
(Primary standard industrial classification code number)

76-0675953
(I.R.S. Employer Identification Number)

801 Travis Street, Suite 1425
Houston, Texas 77002
(713) 221-8838
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

John F. Terwilliger
801 Travis Street, Suite 1425
Houston, Texas 77002
(713) 221-8838
(Name, address, including zip code, and telephone number, including area code, of agent for service)

WITH COPIES TO:

Norman T. Reynolds, Esq.
Jackson Walker L.L.P.
1100 Louisiana, Suite 4200
Houston, Texas 77002

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE OF THE SECURITIES TO THE PUBLIC: AS SOON AS PRACTICABLE AFTER THIS REGISTRATION STATEMENT BECOMES EFFECTIVE.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [_]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

CALCULATION OF REGISTRATION FEE

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Title of each class of securities to be registered	Amount to be registered	Proposed Maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
<S>	<C>	<C>	<C>	<C>
Common Stock, par value $0.001 per share	596,569(1)	$0.001(2)	$ 597.00(2)	$ 1.00
Common Stock, par value $0.001 per share	4,187,324(3)	$ 5.00(4)	$20,936,700.00(4)	$5,234.00
Total registration fee				$5,235.00

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(1) Represents the number of shares of the common stock of Houston American Energy Corp. issuable to the shareholders of Texas Nevada Oil & Gas Co. in the merger of Texas Nevada Oil & Gas Co. with and into Houston American Energy Corp.

(2) Estimated solely for the purpose of calculating the registration fee, based on the book value as of June 30, 2001, of the 596,569 shares of common stock of Texas Nevada Oil & Gas Co. to be exchanged in the merger, in accordance with Rule 457(f)(2).

(3) Represents the number of shares of the common stock of Houston American Energy Corp. which may be sold from time to time pursuant to this Registration Statement by certain of Houston American's stockholders.

(4) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(d).

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

Subject To Completion. Dated August 2, 2001.

PROSPECTUS/INFORMATION STATEMENT

HOUSTON AMERICAN ENERGY CORP.
596,569 Shares of Common Stock, par value $0.001 Per Share Resale of 4,187,324 Shares of Common Stock, par value $0.001 Per Share

INFORMATION STATEMENT
TEXAS NEVADA OIL & GAS CO.

This prospectus/information statement is being furnished to the shareholders of Texas Nevada Oil & Gas Co., a Texas corporation, and the stockholders of Houston American Energy Corp., a Delaware corporation, in connection with the merger of TNOG with and into Houston American.

On July 31, 2001, Houston American and TNOG entered into a Plan and Agreement of Merger relating to the merger. The completion of the merger was previously approved by a majority of TNOG's shareholders and our stockholders, subject to completion, filing and effectiveness of the registration statement of which this prospectus/information statement is a part.

TNOG was previously a wholly-owned subsidiary of Unicorp, Inc., a Nevada corporation. Unicorp spun off all the shares of TNOG to the shareholders of Unicorp in _____ 2001. Since 1992, TNOG has not undertaken any business operations.

The merger of TNOG with and into Houston American will be completed 20 days after the effectiveness of this registration statement and delivery of this prospectus/information statement to TNOG's shareholders and our stockholders. Immediately upon filing the required certificates related to the merger with the Secretary of State of Texas and the Secretary of State of Delaware, we will issue an aggregate of 596,569 shares of our common stock to TNOG's shareholders, in exchange for their shares of TNOG common stock, and an aggregate of 11,403,431 shares of our common stock to our current shareholders, in exchange for all of our currently outstanding shares of common stock, as set forth in

this prospectus/information statement.

THIS PROSPECTUS/INFORMATION STATEMENT PROVIDES YOU WITH DETAILED INFORMATION ABOUT THE MERGER, A DESCRIPTION OF WHICH BEGINS ON PAGE 13. PLEASE GIVE ALL THIS INFORMATION YOUR CAREFUL ATTENTION, AS IT DESCRIBES YOUR RIGHTS TO EITHER ACCEPT THE CONSIDERATION YOU ARE TO RECEIVE IN THE MERGER OR TO EXERCISE YOUR APPRAISAL RIGHTS. YOU SHOULD ALSO CAREFULLY READ THE SECTION ENTITLED "RISK FACTORS" BEGINNING ON PAGE 3 FOR A DISCUSSION OF SPECIFIC RISKS THAT YOU SHOULD CONSIDER IN CONNECTION WITH THE MERGER.

In addition to registering the 596,569 shares of our common stock to be issued to TNOG's shareholders as a result of the merger, this prospectus relates to the aggregate resale of 4,187,324 shares of our common stock which may be sold from time to time by our selling stockholders.

NEITHER THE SEC NOR ANY STATE SECURITIES REGULATOR HAS APPROVED THE SECURITIES TO BE ISSUED UNDER THIS PROSPECTUS/INFORMATION STATEMENT OR DETERMINED IF THIS PROSPECTUS/INFORMATION STATEMENT IS ACCURATE OR ADEQUATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This prospectus/information statement is dated , 2001.

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* The information in this preliminary prospectus is not complete and may be *
* changed. These securities may not be sold until the registration statement *
* filed with the Securities and Exchange Commission is effective. This *
* preliminary prospectus is not an offer to sell nor does it seek an offer to *
* buy these securities in any state where the offer or sale is not permitted. *
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No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under the circumstances and in the jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q. What transaction is being proposed?

A. We are proposing to acquire all of the outstanding shares of TNOG common stock. The acquisition will be effected by the merger of TNOG with and into Houston American.

Q. Why are the two companies proposing to merge?

A. The merger provides TNOG's shareholders the opportunity to realize an increase in the value of their original investment in Unicorp, Inc. due to the growth opportunities created by the integration of Houston American and TNOG. Our stockholders will benefit from the merger because we will obtain TNOG's shareholder base while simultaneously developing a public market for our common stock, which is expected to provide us greater access to additional financing from public and private sources.

Q. What will I receive in the merger?

A. TNOG's shareholders will be entitled to receive one share of Houston American common stock in exchange for each share of TNOG common stock they own at the time of the merger. Our current stockholders will receive approximately 11.4 shares of Houston American common stock in exchange for each share of Houston American common stock they own at the time of the merger. We will not issue fractional shares in the merger. Instead, you will receive a payment equal to the market value of the fractional share. For example:

- If you currently own 1,000 shares of TNOG common stock, then after the merger, you will be entitled to receive 1,000 shares of Houston American common stock in exchange for your 1,000 shares of TNOG common stock.

- If you currently own 1,000 shares of Houston American common stock, then after the merger, you will be entitled to receive 11,403 shares of Houston American common stock and a check for the market value of the 0.431 fractional share of Houston American common stock to which you would otherwise be entitled.

As of the date of this prospectus/information statement, neither the TNOG common stock nor our common stock is publicly traded.

Q. As a TNOG shareholder, how will the merger affect me?

A. After the merger, you will own shares of Houston American common stock and you will have the same voting rights as our currently outstanding common stock.

Q. As a Houston American stockholder, how will the merger affect me?

A. After the merger, you will exchange your current certificate(s) representing your shares of Houston American common stock for new certificate(s) representing the increased number of shares of Houston American common stock to which you are entitled. You voting rights will not change as a result of the merger.

Q. Why is there no TNOG shareholder meeting about this transaction?

A. A TNOG shareholder meeting is not necessary because a number of TNOG shareholders owning a sufficient number of shares of TNOG common stock to approve the merger have already executed a written consent in favor of the merger.

Q. Why is there no meeting of our stockholders about this transaction?

A. A meeting of our stockholders is not necessary because a number of our stockholders owning a sufficient number of shares of our common stock to approve the merger have already executed a written consent in favor of the merger.

Q. Do I have appraisal rights?

A. Yes. Under Texas and Delaware law, which govern the merger, both TNOG's shareholders and our current stockholders are entitled to appraisal rights.

Q. When do you expect the merger to be completed?

A. The merger will be completed 20 days after the date this

prospectus/information statement is first mailed to TNOG's shareholders and our stockholders. TNOG set July 1, 2001 and we set July 23, 2001 as the record dates to determine TNOG's shareholders and our stockholders who are entitled to be sent a copy of this prospectus/information statement.

Q. Will the shares of Houston American common stock be listed on any stock exchange?

A. Yes. The shares of Houston American common stock will be listed on the American Stock Exchange.

Q. Will I be able to sell the shares that I receive in the merger?

A. Only TNOG's shareholders and our stockholders whose shares of our common stock are being registered pursuant to the registration statement of which this prospectus/information statement is apart will be able to sell the shares of our common stock received in the merger. However, if you are an affiliate of TNOG or Houston American, you will be subject to the securities laws restrictions placed on the selling of shares by affiliates.

Q. What are the tax consequences of the merger to me?

A. The exchange of TNOG common stock and the currently issued and outstanding shares of our common stock for new shares of our common stock is expected to be tax-free for federal income tax purposes. However, you will have to pay taxes on any payments you receive for fractional shares. We recommend that you read carefully the complete explanation of the tax consequences of the merger on pages 14 through 15.

Q. What will my tax basis be in the shares I receive in the merger?

A. Your tax basis in the shares of our common stock you receive in the merger will equal your current tax basis in your TNOG common stock or Houston American common stock, as applicable, reduced by the amount of basis allocable to fractional shares for which you will receive a cash payment.

Q. Should I send in my stock certificates now?

A. No. After the merger is completed, we will appoint an exchange agent to coordinate the exchange of your certificates representing shares of TNOG common stock or shares of our currently issued and outstanding common stock, as applicable. The exchange agent will send you a letter of transmittal and written instructions on how to exchange your stock certificates.

Q. Who can help answer my questions?

A. If you would like additional copies of this prospectus/information statement, or if you have questions about the merger, you should contact:

Mr. Louis Mehr Texas Nevada Oil & Gas Co. One Riverway, Suite 1700 Houston, Texas 77056	or	Mr. John F. Terwilliger Houston American Energy Corp. 801 Travis Street, Suite 1425 Houston, Texas 77002

PROSPECTUS/INFORMATION STATEMENT SUMMARY

This brief summary highlights selected information from this prospectus/information statement. It does not contain all of the information that is important. Please carefully read the entire prospectus/information statement and the other documents to which this prospectus/information statement refers for a complete understanding of the proposed merger.

THE COMPANIES

Houston American Energy Corp.

Houston American Energy Corp. is an oil and gas exploration and production company. Currently, Houston American's business activities are primarily conducted in the Sate of Texas.

Principal Executive Offices of Houston American Energy Corp.

Our principal executive offices are located at 801 Travis Street, Suite 1425, Houston, Texas 77002. Our telephone number is (713) 221-8838.

Texas Nevada Oil & Gas Co.

Since 1992, TNOG has not conducted any material business activities. From 1981 to 1991, TNOG held and operated all of the mineral interests of its parent, Unicorp, Inc., in the State of Texas. TNOG has not had any revenues after 1991, when it ceased operations and began liquidating its operating assets. Beginning in 1992, TNOG's activities have consisted primarily of maintaining its corporate status through filing franchise tax returns and paying franchise taxes in the State of Texas.

Principal Executive Offices of Texas Nevada Oil & Gas Co.

The principal executive offices of TNOG are located at One Riverway, Suite 1700, Houston, Texas 77056. The telephone number for TNOG is (713) 961-2696.

THE MERGER

TNOG will be merged with and into Houston American no sooner than 20 days after the registration statement of which this prospectus/information statement is a part has been declared effective and this prospectus/information statement has been mailed to TNOG's shareholders and our stockholders. The merger has previously been approved by the consent of a majority of TNOG's shareholders and over two-thirds of our stockholders. Upon the effectiveness of the merger, TNOG's shareholders will receive an aggregate of 596,569 shares of our common stock, or one share for each share of TNOG common stock surrendered, and our stockholders will receive an aggregate of 11,403,431 shares of our common stock in exchange for all of our currently outstanding common stock, or approximately 11.4 shares for each currently outstanding share of our common stock surrendered.

Appraisal Rights (See page 15)

Under Texas and Delaware law, as applicable, TNOG's shareholders and our stockholders have the right to dissent from the merger and obtain an amount in cash equivalent to the appraised value of their current shares when the merger is completed. However, you may only receive this cash payment if you correctly dissent from the merger by following specified procedures. The relevant sections of Texas and Delaware law are attached to this prospectus/information statement as Appendix B and Appendix C, respectively.
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Reasons for the Merger

TNOG's management believes that the merger will enable TNOG's shareholders to realize an increase in the value of their original investment in Unicorp, Inc. due to the growth opportunities created by the integration of Houston American and TNOG.

Our management believes that the merger will enable us to enhance the potential value for our stockholders by obtaining TNOG's shareholder base while simultaneously developing a public market for our common stock, which is expected to increase our ability to access additional financing from public and private sources.

No Fractional Shares

No fractional shares of our common stock will be issued at the closing of the merger. Rather, you will receive that number of shares of our common stock which you are entitled to receive on a pro rata basis and payment equal to the market value of any fractional share.

Governmental Approvals

We are not aware of any governmental approvals required to complete the merger other than compliance with the applicable corporate and securities laws of the States of Texas and Delaware.

Certain Tax Consequences (See page 14)

It is expected that, for United States federal income tax purposes, the completion of the merger generally will not cause TNOG's shareholders or our stockholders to recognize any gain or loss.

THE ACTUAL TAX CONSEQUENCES OF THE MERGER TO YOU WILL DEPEND ON YOUR SPECIFIC SITUATION. YOU SHOULD CONSULT YOUR OWN TAX ADVISER FOR A FULL UNDERSTANDING OF THE MERGER'S TAX CONSEQUENCES.

Risk Factors (See page 3)

An investment in our common stock involves significant risks and should not be made without reference to the risk factors incorporated into this prospectus/information statement.

Registration of Additional Shares

In addition to registering the 596,569 shares of our common stock to be issued to TNOG's shareholders as a result of the merger, this prospectus relates to the aggregate resale of 4,187,324 shares of our common stock which may be sold from time to time by our selling stockholders.

Forward-Looking Statements

There are forward-looking statements in this prospectus/information statement and in other documents to which you are referred that are subject to risks and uncertainties. These forward-looking statements include information about our possible or assumed future results of operations or our performance after the merger is completed. When any of the words "believes," "expects," "anticipates," "intends," "estimates" or similar expressions are used, forward-looking statements are being made. Many possible events or factors could affect the actual financial results and performance of each of the companies before the merger and of the combined company after the merger, and these events or factors could cause those results or performance to differ significantly from those expressed in these forward-looking statements. Many of these risks and uncertainties are not within our control or TNOG's control and are set forth under "Risk Factors" beginning on page 3 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 5.

COMPARATIVE PER SHARE DATA

As of June 30, 2001, the book value per share of the TNOG common stock was zero and the book value per share of our common stock was $(0.02). Since 1992, TNOG has not paid any cash dividends on the TNOG common stock. We have never paid cash dividends on our common stock.

For the period from January 1, 1999 to June 30, 2001, the net loss per share of the 1,000 shares of TNOG common stock outstanding on June 30, 2001 was $(1.00). From our inception on April 2, 2001 to June 30, 2001, the net loss per share of our common stock outstanding on June 30, 2001 was $(0.02).

MARKET VALUE OF SECURITIES AND FUTURE DIVIDENDS POLICY

As of the date of this prospectus/information statement, neither the TNOG common stock nor our common stock is publicly traded, although the TNOG common stock has been registered under the Securities Exchange Act of 1934. We have applied to list our common stock on the American Stock Exchange under the symbol "___." As of July 23, 2001, there were approximately 995 shareholders of record of TNOG common stock and 29 stockholders of record of our common stock.

We presently anticipate that all of our future earnings will be retained for the development of our business. Therefore, we do not expect to pay any cash dividends in the foreseeable future. The payment of any future dividends will be at the discretion of our board of directors and will be based on our future earnings, financial condition, capital requirements and other relevant factors.

RISK FACTORS

An investment in our common stock involves certain risks. Prospective investors should carefully review the following factors, together with the other information contained in this prospectus/information statement, prior to making a decision to invest in our common stock. The future trading price of shares of our common stock will be affected by the performance of our business relative to, among other things, competition, market conditions and general economic and industry conditions.

We may be unable to meet our capital requirements which may slow down or curtail our business plans

We have and expect to continue to have substantial capital expenditure and working capital needs. If low natural gas and oil prices, operating difficulties or other factors, many of which are beyond our control, cause our revenues or cash flows from operations to decrease, we may be limited in our ability to obtain the capital necessary to complete our development, exploitation and exploration programs. We have not thoroughly investigated whether this capital

would be available, who would provide it, and on what terms. If we are unable, on acceptable terms, to raise the required capital, our business may be seriously harmed or even terminated.

Our management owns a significant amount of our common stock, giving them influence or control in corporate transactions and other matters, and their interests could differ from those of other stockholders

Upon the effectiveness of the merger, John F. Terwilliger, our sole director and executive officer, will beneficially own approximately 60.1 percent of our outstanding common stock. As a result, he will continue to be in a position to significantly influence or control the outcome of matters requiring a stockholder vote, including the election of directors, the adoption of any amendment to our certificate of incorporation or bylaws, and the approval of mergers and other significant corporate transactions. His control of Houston American may delay or prevent a change of control on terms favorable to the other stockholders and may adversely affect the voting and other rights of other stockholders.

Our success depends on our management team and other key personnel, the loss of any of whom could disrupt our business operations

Our success will depend on our ability to retain John F. Terwilliger, our sole director and executive officer, and to attract other experienced management and non-management employees, including engineers, geoscientists and other technical and professional staff. We will depend, to a large extent, on the efforts, technical expertise and continued employment of such personnel and members of our management team. If members of our management team should resign or we are unable to attract the necessary personnel, our business operations could be adversely affected.

Future sales of our common stock may result in a decrease in the market price of our common stock, even if our business is doing well

The market price of our common stock could drop due to sales of a large number of shares of our common stock in the market after the merger or the perception that such sales could occur. This could make it more difficult to raise funds through future offerings of our common stock.

Our certificate of incorporation and bylaws and the Delaware General Corporation Law contain provisions that could discourage an acquisition or change of control of Houston American

Our certificate of incorporation authorizes our board of directors to issue preferred stock and common stock without stockholder approval. If our board of directors elects to issue preferred stock, it could be more difficult for a third party to acquire control of us. In addition, provisions of our certificate of incorporation and bylaws could also make it more difficult for a third party to acquire control of us. These provisions include a denial of cumulative voting rights, limitations on stockholder proposals at meetings of stockholders, and restrictions on the ability of our stockholders to call special meetings. Our certificate of incorporation provides that our board of directors is divided into three classes, each elected for staggered three-year terms. Although we currently have only one director, we anticipate additional directors will be added to our board of directors shortly after the completion of the merger. Thus, control of our board of directors cannot be changed in one year; rather, at least two annual meetings must be held before a majority of the members of our board of directors could be changed. In addition, the Delaware General Corporation Law imposes restrictions on mergers and other business combinations between us and any holder of 15 percent or more of our outstanding common stock.

These provisions of Delaware law and our certificate of incorporation and bylaws may delay, defer or prevent a tender offer or takeover attempt that a stockholder might consider in his best interest, including attempts that might result in a premium over the market price for the common stock.

TNOG's shareholders and our stockholders are entitled to appraisal rights

TNOG's shareholders and our stockholders who do not consent to the merger may, under certain circumstances and by following procedures prescribed by the Texas Business Corporation Act or the Delaware General Corporation Law, as applicable, exercise appraisal rights and receive cash for the fair value of their shares. Dissenters must follow the appropriate procedures under Texas or Delaware law, as applicable, or suffer the termination or waiver of such rights. In the event a dissenter relinquishes or loses his appraisal rights, the dissenter will receive the same number of shares of our common stock that the

dissenter would have received in the merger had such dissenter not attempted to exercise his appraisal rights.

We do not anticipate the payment of any cash dividends on our common stock

We have never paid cash dividends on our common stock. Our current policy is to retain earnings, if any, to finance the working capital needs and anticipated growth of our business. Any further determination as to the payment of dividends will be made at the discretion of our board of directors and will depend upon our operating results, financial condition, capital requirements, general business conditions and other factors our board of directors deems relevant.

The price of our common stock may be volatile due to an inefficient public market

Although we anticipate that our common stock will be listed on the American Stock Exchange following the completion of the merger, an active trading market for our common stock may not develop or, if developed, may not be sustained. The market price of our common stock could be subject to significant fluctuations in response to variations in results of operations and other factors. For instance, the equity markets in recent years have experienced price and volume fluctuations that often have been unrelated or disproportionate to the operating performance of companies.

Shares of our common stock may be "penny stocks"

If the market price per share of our common stock is less than $5.00, the shares of our common stock will be "penny stocks" as defined in the Exchange Act. As a result, an investor may find it more difficult to dispose of or obtain accurate quotations as to the price of the shares of our common stock being registered under this prospectus/information statement. In addition, the "penny stock" rules adopted by the SEC under the Exchange Act subject the sale of shares of our common stock to regulations which impose sales practice requirements on broker-dealers. For example, broker-dealers selling penny stocks must, prior to effecting the transaction, provide their customers with a document which discloses the risks of investing in penny stocks.

Furthermore, if the person purchasing the securities is someone other than an accredited investor or an established customer of the broker-dealer, the broker-dealer must also approve the potential customer's account by obtaining information concerning the customer's financial situation, investment experience and investment objectives. The broker-dealer must also make a determination whether the transaction is suitable for the customer and whether the customer has sufficient knowledge and experience in financial matters to be reasonably expected to be capable of evaluating the risk of transactions in penny stocks. Accordingly, the SEC's rules may limit the number of potential purchasers of shares of our common stock. Moreover, various state securities laws impose restrictions on transferring "penny stocks," and, as a result, investors in our common stock may have their ability to sell their shares impaired.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion contains certain forward-looking statements that are subject to business and economic risks and uncertainties, and actual results could differ materially from those forward-looking statements. The following discussion regarding our business and TNOG's business should be read in conjunction with the financial statements and related notes.

About Houston American Energy Corp.

General

Houston American Energy Corp. is an oil and gas exploration and production company. Currently, Houston American's business activities are conducted in the State of Texas.

Results of Operations for Houston American Energy Corp.

From our inception on April 2, 2001 to June 30, 2001, we had an operating loss of $19,517.

Liquidity and Capital Resources of Houston American Energy Corp.

Our management anticipates that our current financing in place will meet

our anticipated objectives and business operations for approximately the next 24 months. In addition to the income we will receive from our two producing wells, we anticipate raising additional funding from Moose Oil & Gas Company and Moose Operating Co., Inc., which are affiliates of John F. Terwilliger, our sole director and executive officer, and from outside investors coupled with bank or mezzanine lenders.

Business and Acquisition Strategy

Our primary focus over the next 12 months is the exploration and production of two significant leasehold interests we hold in Lavaca County, Texas. In addition to seeking out oil and gas property prospects using advanced seismic techniques, we will utilize our management's contacts to identify potential acquisition targets. In searching for potential acquisition targets, we will focus primarily on those areas in the State of Texas in which our management are most experienced and in areas where production can be enhanced through drilling, operations or re-completions.

In addition to our own drilling activities and acquisition strategy, we may encourage others in the oil and gas industry to enter into partnerships or joint ventures with us for purposes of acquiring properties and conducting drilling and exploration activities.

Exploration and Development Activities

Our exploration and development activities focus on the identification and drilling of new productive wells and the acquisition of existing producing wells from other producers.

Drilling Activities

As of the date of this prospectus/information statement, we have drilled and completed two gross wells (0.45 net wells). Those wells comprise two of the three anticipated test wells we are currently committed to drill on two of our four leaseholds in Lavaca County, Texas. Each of the first two wells were successful and appear capable of production. The first well is producing a non-material amount of natural gas and the second well is being connected to the pipeline system. Our goal in drilling the wells was to test the Frio and Miocene Formations at different depths above 3,500 feet. We are currently in the process of drilling the third of our required natural gas test wells, which represents one gross well (0.15 net well). This well will test the Lower Wilcox Formation at depths down to 16,500 feet.

The following table summarizes our development drilling activity for the period from our inception on April 2, 2001 through July 15, 2001. There is no correlation between the number of productive wells completed during any period and the aggregate reserves attributable to those wells. All of the wells we have drilled are natural gas wells.

Total		Productive		Dry	
Drilled	Net	Drilled	Net	Drilled	Net
2	0.45	2	0.45	0	0

A "gross well" is a well in which we own a working interest. A "net well" is deemed to exist when the sum of the fractional working interests in gross wells equals one.

Marketing

We anticipate marketing substantially all of the oil and gas to be produced from our properties to Kinder Morgan Pipeline, Inc., Texas Gas Plants, L.P. and Pinnacle Natural Gas Co.

Production

As of the date of this prospectus/information statement, we have not had any material production of oil or natural gas from our wells.

Reserves

Inasmuch as we have only recently completed the drilling of our first two test wells, our potential reserves have not been established as of the date of this prospectus/information statement.

Leaseholds

As of the date of this prospectus/information statement, we have leasehold interests in four oil and gas properties in Lavaca County, Texas, which represent a total of 239.8 gross and 51.95 net developed acres and 1,899 gross and 254.98 net undeveloped acres. A "gross acre" is an acre in which a working interest is owned. The number of gross acres represents the sum of acres in which a working interest is owned. A "net acre" is deemed to

exist when the sum of the fractional working interests in gross acres equals one. The number of net acres is the sum of the fractional working interests in gross acres expressed in whole numbers or fractions.

Operational Hazards and Insurance. Our development, exploitation and exploration activities may be unsuccessful for many reasons, including weather, cost overruns, equipment shortages and mechanical difficulties. Moreover, the successful drilling of a natural gas and oil well does not ensure a profit on investment. A variety of factors, both geological and market-related, can cause a well to become uneconomical or only marginally profitable.

Our business involves a variety of operating risks which may adversely affect our profitability, including:

- fires;
- explosions;
- blow-outs and surface cratering;
- uncontrollable flows of oil, natural gas, and formation water;
- natural disasters, such as hurricanes and other adverse weather conditions;
- pipe, cement, or pipeline failures;
- casing collapses;
- embedded oil field drilling and service tools;
- abnormally pressured formations; and
- environmental hazards, such as natural gas leaks, oil spills, pipeline ruptures and discharges of toxic gases.

If we experience any of these problems, it could affect well bores, gathering systems and processing facilities, which could adversely impact our ability to conduct operations. We could also incur substantial losses as a result of:

- injury or loss of life;
- severe damage to and destruction of property, natural resources and equipment;
- pollution and other environmental damage;
- clean-up responsibilities;
- regulatory investigation and penalties;
- suspension of our operations; and
- repairs to resume operations.

In accordance with industry practice, our insurance protects us against some, but not all, operational risks and we do not carry business interruption insurance at levels that would provide enough funds for us to continue operating without access to additional funds. For some risks, we may not obtain insurance if we believe the cost of available insurance is excessive relative to the risks presented. In addition, pollution and environmental risks generally are not fully insurable. Therefore, our insurance may be inadequate to cover any losses or exposure for liability. If a significant accident or other event occurs and is not fully covered by insurance, it could adversely affect our operations and financial condition.

Reserves. Our business strategy requires us to develop reserves through acquisitions of proved natural gas and oil properties, further development of our existing properties, and exploration activities. Properties may not be available for acquisition in the future on terms we find attractive. A substantial decrease in the availability of proved natural gas and oil properties in our areas of operation, or a substantial increase in their cost, would adversely affect our ability to develop and continuously replace our reserves as they are depleted. In addition, our exploration and development activities may not be successful. If we fail to develop and continuously replace our reserves, our level of production and cash flows will be adversely affected.

We have undeveloped properties that will require substantial costs to develop. We expect to continue incurring costs to acquire, explore and develop oil and gas properties, and our management predicts that these costs, together with general and administrative expenses, will be in excess of funds available from revenues from properties owned by us. It is anticipated that the source of funds to carry out exploration and development will come from a combination of our production revenues, sales of our securities, and funds from other funding transactions in which we might engage.

We will periodically review the carrying value of our natural gas and oil properties under the full cost accounting rules of the SEC. Under these rules, capitalized costs of proved natural gas and oil properties may not exceed the present value of estimated future net revenues from proved reserves, discounted at an annual rate of 10 percent. Application of this "ceiling" test requires pricing future revenue at the unescalated prices in effect as of the end of each fiscal quarter and requires a write-down for accounting purposes if the ceiling is exceeded, even if prices were depressed for only a short period of time. In the future, we may be required to write down the carrying value of our natural gas and oil properties when natural gas and oil prices are depressed or unusually volatile, which would result in a charge against our earnings. Once incurred, a write-down of the carrying value of our natural gas and oil properties is not reversible at a later date.

Financing of Drilling Activities

Shortages or an increase in costs of drilling rigs, equipment, supplies or personnel could delay or adversely affect our operations, which could have a material adverse effect on our business, financial condition and results of operations. Recently, drilling activity in many geographic areas has increased, resulting in increases in associated costs, including those related to drilling rigs, equipment, supplies and personnel and the services and products of other vendors to the industry. We do not have any contracts with providers of drilling rigs and we may find that drilling rigs will not be readily available when we need them.

Volatility of Oil and Gas Prices

As an independent oil and gas producer, our revenue, profitability and future rate of growth are substantially dependent upon the prevailing prices of, and demand for, natural gas, oil, and condensate. Our realized profits affect the amount of cash flow available for capital expenditures. Our ability to maintain or increase our borrowing capacity and to obtain additional capital on attractive terms is also substantially dependent upon oil and gas prices. From time to time, oil and gas prices have been depressed. However, prices for oil and gas have recently increased materially, only to fall back to their current levels. It is impossible to predict future oil and natural gas price movements with any certainty. Any continued and extended decline in the price of oil or gas could have a material adverse effect on our financial position, cash flows and results of operations and may reduce the amount of our oil and natural gas that can be produced economically.

Prices for oil and natural gas are subject to wide fluctuation in response to relatively minor changes in the supply of, and demand for, oil and gas, market uncertainty and a variety of additional factors that are beyond our control. Among the factors that can cause the volatility of oil and gas prices are:

- worldwide or regional demand for energy, which is affected by economic conditions;
- the domestic and foreign supply of natural gas and oil;
- weather conditions;

- domestic and foreign governmental regulations;
- political conditions in natural gas and oil producing regions;
- the ability of members of the Organization of Petroleum Exporting Countries to agree upon and maintain oil prices and production levels; and
- the price and availability of other fuels.

Competition

Competition in the oil and gas industry is intense and we compete with major and other independent oil and gas companies with respect to the acquisition of producing properties and proved undeveloped acreage. Our competitors actively bid for desirable oil and gas properties, as well as for the equipment and labor required to operate and develop the properties. Many of our competitors, however, have financial resources and exploration and development budgets that are substantially greater than ours and may be able to absorb the burden of any changes in federal, state and local laws and regulations more easily than we can, which would adversely affect our competitive position. These competitors may be able to pay more for natural gas and oil properties and may be able to define, evaluate, bid for and purchase a greater number of properties than we can. Our ability to acquire additional properties and develop new and existing properties in the future will depend on our capability to conduct operations, to evaluate and select suitable properties and to consummate transactions in this highly competitive environment.

Regulation

Our business and the oil and gas industry in general are subject to extensive laws and regulations, including environmental laws and regulations. We may be required to make large expenditures to comply with environmental and other governmental regulations. State and federal regulations generally are intended to prevent waste of oil and gas, protect rights to produce oil and gas between owners in a common reservoir and control contamination of the environment. Matters subject to regulation include:

- location and density of wells;
- the handling of drilling fluids and obtaining discharge permits for drilling operations;
- accounting for and payment of royalties on production from state, federal and Indian lands;
- bonds for ownership, development and production of natural gas and oil properties;
- transportation of natural gas and oil by pipelines;
- operation of wells and reports concerning operations; and
- taxation.

Under these laws and regulations, we could be liable for personal injuries, property damage, oil spills, discharge of hazardous materials, remediation and clean-up costs and other environmental damages. Failure to comply with these laws and regulations also may result in the suspension or termination of our operations and subject us to administrative, civil and criminal penalties. Moreover, these laws and regulations could change in ways that substantially increase our costs. Accordingly, any of these liabilities, penalties, suspensions, terminations or regulatory changes could materially adversely affect our financial condition and results of operations.

The availability of a ready market for oil and gas production depends on several factors beyond our control. These factors include regulation of oil and gas production, federal and state regulations governing environmental quality and pollution control, the amount of oil and gas available for sale, the availability of adequate pipeline and other transportation and processing facilities and the marketing of competitive fuels.

Pipelines are subject to the jurisdiction of various federal, state and local agencies. We take all necessary steps to comply with applicable regulations and we believe that we are in substantial compliance with applicable

statutes, rules, regulations and governmental orders although we cannot be certain that this is or will remain the case. The following discussion of the regulation of the United States natural gas industry is not intended to constitute a complete discussion of the various statutes, rules, regulations and environmental orders to which our operations may be subject.

Regulation of Natural Gas Exploration and Production. Our natural gas operations are subject to various types of regulation at the federal, state and local levels. Prior to commencing drilling activities for a well, we are required to procure permits and/or approvals for the various stages of the drilling process from the applicable state and local agencies in the state in which the area to be drilled is located. Permits and approvals include those for the drilling of wells, and regulations include maintaining bonding requirements in order to drill or operate wells and the location of wells, the method of drilling and casing wells, the surface use and restoration of properties on which

wells are drilled, the plugging and abandoning of wells, and the disposal of fluids used in connection with operations.

Our operations are also subject to various conservation laws and regulations. These include the regulation of the size of drilling and spacing units or portion units and the density of wells, which may be drilled and the unitization or pooling of natural gas properties. In this regard, some states allow the forced pooling or integration of tracts to facilitate exploration while other states rely primarily or exclusively on voluntary pooling of lands and leases. In areas where pooling is voluntary, it may be more difficult to form units, and therefore, more difficult to develop a project if the operator owns less than 100 percent of the leasehold.

In addition, some states have conservation laws that establish maximum rates of production from natural gas reservoirs and impose some requirements regarding the ratability of production. The effect of these regulations may limit the amount of natural gas we can produce from our wells and may limit the number of wells or the locations at which we can drill. The regulatory burden on the natural gas industry increases our cost of doing business and, consequently, affects our profitability. Inasmuch as laws and regulations are frequently expanded, amended, and reinterpreted, we are unable to predict the future cost or impact of complying with regulations.

Regulation of Sales and Transportation of Natural Gas. Historically, the transportation and resale of natural gas in interstate commerce have been regulated by the Natural Gas Act of 1938, the Natural Gas Policy Act of 1978, and the regulations promulgated by the Federal Energy Regulatory Commission. Maximum selling prices of some categories of natural gas sold in "first sales," whether sold in interstate or intrastate commerce, were regulated under the NGPA. The Natural Gas Well Head Decontrol Act removed, as of January 1, 1993, all remaining federal price controls from natural gas sold in "first sales" on or after that date. FERC's jurisdiction over natural gas transportation was unaffected by the Decontrol Act. While sales by producers of natural gas and all sales of crude oil, condensate and natural gas liquids can currently be made at market prices, Congress could reenact price controls in the future.

Our sales of natural gas are affected by the availability, terms and cost of transportation. The price and terms for access to pipeline transportation are subject to extensive regulation. In recent years, FERC has undertaken various initiatives to increase competition within the natural gas industry. As a result of initiatives like FERC Order No. 636, issued in April 1992, the interstate natural gas transportation and marketing system has been substantially restructured to remove various barriers and practices that historically limited non-pipeline natural gas sellers, including producers, from effectively competing with interstate pipelines for sales to local distribution companies and large industrial and commercial customers. The most significant provisions of Order No. 636 require that interstate pipelines provide transportation separate or "unbundled" from their sales service, and require that pipelines make available firm and interruptible transportation service on an open access basis that is equal for all natural gas suppliers.

In many instances, the result of Order No. 636 and related initiatives has been to substantially reduce or eliminate the interstate pipelines' traditional role as wholesalers of natural gas in favor of providing only storage and transportation services. Another effect of regulatory restructuring is the greater transportation access available on interstate pipelines. In some cases, producers and marketers have benefited from this availability. However, competition among suppliers has greatly increased and traditional long-term producer pipeline contracts are rare. Furthermore, gathering facilities of

interstate pipelines are no longer regulated by FERC, thus allowing gatherers to change higher gathering rates.

Additional proposals and proceedings that might affect the natural gas industry are nearly always pending before Congress, FERC, state commissions and the courts. The natural gas industry historically has been very heavily regulated; therefore, we cannot be certain that the less stringent regulatory approach recently pursued by FERC and Congress will continue. We cannot determine to what extent our future operations and earnings will be affected by new legislation, new regulations, or changes in existing regulations, at the federal, state or local levels.

Environmental Regulations. Our anticipated operations are subject to additional laws and regulations governing the discharge of materials into the environment or otherwise relating to environmental protection. Public interest in the protection of the environment has increased dramatically in recent years. The trend of more expansive and stricter environmental legislation and regulations could continue. To the extent laws are enacted or other

governmental action is taken that restrict drilling or impose environmental protection requirements that result in increased costs to the natural gas industry in general, our business and prospects could be adversely affected.

We generate wastes that may be subject to the Federal Resource Conservation and Recovery Act ("RCRA") and comparable state statutes. The U.S. Environmental Protection Agency and various state agencies have limited the approved methods of disposal for some hazardous wastes. Furthermore, some wastes generated by our operations that are currently exempt from treatment as "hazardous wastes" may in the future be designated as "hazardous wastes," and therefore be subject to more rigorous and costly operating and disposal requirements.

We currently own or lease properties that for many years have been used for the exploration and production of oil and natural gas. Although we believe that we have utilized good operating and waste disposal practices, prior owners and operators of these properties may not have utilized similar practices, and hydrocarbons or other wastes may have been disposed of or released on or under the properties owned or leased by us or on or under locations where wastes have been taken for disposal. These properties and the wastes disposed on the properties may be subject to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), RCRA and analogous state laws as well as state laws governing the management of oil and natural gas wastes. Under those laws, we could be required to remove or remediate previously disposed wastes, including waste disposed of or released by prior owners or operators, or property contamination, including groundwater contamination, or to perform remedial plugging operations to prevent future contamination.

CERCLA and similar state laws impose liability, without regard to fault or the legality of the original conduct, on some classes of persons that are considered to have contributed to the release of a "hazardous substance" into the environment. These persons include the owner or operator of the disposal site or sites where the release occurred and companies that disposed of or arranged for the disposal of the hazardous substances found at the site. Persons who are or were responsible for release of hazardous substances under CERCLA may be subject to joint and several liability for the costs of cleaning up the hazardous substances that have been released into the environment and for damages to natural resources, and it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the hazardous substances released into the environment.

Our anticipated operations may be subject to the Clean Air Act and comparable state and local requirements. Amendments to the CAA were adopted in 1990, and contain provisions that may result in the gradual imposition of pollution control requirements with respect to air emissions from our operations. The EPA and the states have been developing regulations to implement these requirements. We may be required to incur capital expenditures in the next several years for air pollution control equipment in connection with maintaining or obtaining operating permits and approvals addressing other air emission related issues.

Employees

As of July 23, 2001, we had one full-time employee and no part time employees. Our employee is not covered by a collective bargaining agreement, nor do we anticipate that any of our future employees will be so covered. If our operations continue to grow as expected, we anticipate hiring as many as three additional employees over the next six to eight months.

Facilities

We currently share on a rent free basis approximately 3,400 square feet of office space provided by Moose Oil & Gas Company in Houston, Texas as our executive offices. As we add employees and expand our business over the next six to eight months, we anticipate that we will need to lease new space for our executive offices.

Legal Proceedings

As of the date of this prospectus/information statement, we are not involved in any legal proceedings.

About Texas Nevada Oil & Gas Co.

Since 1992, TNOG has not conducted any material business activities. From 1981 to 1991, TNOG held and operated all of the mineral interests of Unicorp, Inc. in the State of Texas. TNOG has not had any revenues after 1991, when it ceased operations and began liquidating its operating assets. Beginning in 1992, TNOG's activities have consisted primarily of maintaining its corporate status through filing franchise tax returns and paying franchise taxes in the State of Texas. TNOG currently has only nominal assets.

MANAGEMENT OF HOUSTON AMERICAN ENERGY CORP.

Our Directors and Executive Officers

John F. Terwilliger, age 53, is our sole director and executive officer. Mr. Terwilliger has been our president, secretary and treasurer since our inception in April 2001. Our board of directors is divided into three classes, each elected for staggered three-year terms. Mr. Terwilliger is a Class C director and his term is scheduled to expire at the third annual meeting following the end of our 2001 fiscal year. Although we currently have only one director, we anticipate that additional directors will be appointed by Mr. Terwilliger, in accordance with our bylaws, shortly after the completion of the merger. The prospective directors have not yet been identified. Our executive officers are elected by our board of directors and serve terms of one year or until their death, resignation or removal by our board of directors.

Beginning in 1988, Mr. Terwilliger has served as the chairman of the board and president of Moose Oil & Gas Company, a Houston, Texas based company. Before 1988, Mr. Terwilliger was the chairman of the board and president of Cambridge Oil Company, a Houston, Texas based oil exploration and production company. Mr. Terwilliger served in the United States Army, receiving his honorable discharge in 1969.

Executive Compensation

Mr. Terwilliger does not currently receive a salary or any other compensation for the services he provides to Houston American, although he may receive compensation in the future.

Compensation of Directors

We do not compensate our directors for serving in such capacity, although we may do so in the future.

Stock Options and Warrants

As of the date of this prospectus/information statement, we have not issued any options or warrants to purchase shares of our common stock.

MANAGEMENT OF TEXAS NEVADA OIL & GAS CO.

Directors and Executive Officers

TNOG's directors serve for a term of one year and until their successors are elected and qualified. Louis G. Mehr will serve as TNOG's sole director until the effective date of the merger. TNOG's executive officers are elected by TNOG's board of directors and serve terms of one year or until their earlier death, resignation or removal.

Louis G. Mehr, age 68, has served as TNOG's sole director and president since March 2000. Mr. Mehr is an attorney licensed to practice in the State of Texas, having received his L.L.B. from South Texas College of Law in 1962. In

addition, Mr. Mehr is currently an officer and director of Texas Arizona Mining Company, Equitable Assets Incorporated, AZ Capital, Inc., Unicorp, Inc. and LGM Capital, Inc.

John Marrou, age 61, has served as TNOG's secretary and chief financial officer since March 2000. Mr. Marrou is a certified public accountant, with over 30 years experience in all phases of accounting. Mr. Marrou also

serves as the chief financial officer to Centre Capital Corporation, a publicly held company subject to the periodic reporting requirements of the Exchange Act.

Compensation of TNOG's Directors and Executive Officers

TNOG does not currently compensate its directors or executive officers, nor does TNOG plan to do so prior to the effective date of the merger.

Stock Options and Warrants

As of the date of this prospectus/information statement, TNOG has not issued any options or warrants to purchase shares of TNOG's common stock.

THE MERGER

This section of the prospectus/information statement describes material aspects of the proposed merger, including the agreement between TNOG and Houston American relating to the merger. While we believe that the description covers the material terms of the merger, this summary may not contain all of the information that is important to you. You should read this entire document and the other documents we refer to carefully for a more complete understanding of the merger. The terms and provisions of the agreement relating to the merger, which is attached to this prospectus/information statement as Appendix A, are
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incorporated herein by reference.

Background of the Merger

On March 23, 2001, Opportunity Acquisition Company, a Texas corporation, entered into an agreement with Unicorp, Inc., a Nevada corporation, Equitable Assets Incorporated, a Belize corporation and the controlling shareholder of Unicorp, and TNOG, a wholly owned subsidiary of Unicorp, a public company, relating to the anticipated merger of TNOG with and into Opportunity Acquisition Company. As a result of the merger of Opportunity Acquisition Company with and into Houston American on April 12, 2001, Houston American succeeded to the rights of Opportunity Acquisition Company under the March agreement. As required by the March agreement, Unicorp delivered shares of TNOG common stock as a dividend to Unicorp's stockholders in _____ 2001, and caused the TNOG common stock to be registered under the Exchange Act by filing a Form 10-SB which became effective on _____, 2001. Since the effective date of the Form 10-SB, TNOG has been a fully reporting company under the Exchange Act.

On July 31, 2001, we entered into an Agreement and Plan of Merger with TNOG, whereby the companies agreed to the terms governing the merger of TNOG with and into Houston American as required by the March agreement. Upon the effectiveness of the merger, we will be the surviving entity, the separate existence of TNOG will cease, and we will succeed to all of TNOG's rights and properties and shall be subject to all of TNOG's debts and liabilities. Additionally, as TNOG's successor, we will succeed to its status as a fully reporting public company under the Exchange Act. Prior to the delivery of this prospectus/information statement, the completion of the merger was approved by the consent of a majority of TNOG's shareholders and over two-thirds of our stockholders, subject to completion, filing and effectiveness of the registration statement of which this prospectus/information statement is a part.

Texas Nevada Oil & Gas Co.'s Reasons for the Merger

Since 1992, TNOG has not generated any revenues or undertaken any business activities. The management of Unicorp and TNOG reviewed our business plan and concepts and believe that the merger will enable TNOG's shareholders to realize an increase in value of their original investment in Unicorp's capital stock due to the growth opportunities created by the integration of Houston American and TNOG.

Our Reasons for the Merger

Our management believes that the merger will enable us to enhance the potential value for our stockholders by obtaining TNOG's shareholder base while simultaneously developing a public market for our common stock, which is expected to provide us greater access to additional financing from public and private sources.

The foregoing discussion is not exhaustive of all of the factors considered by our board of directors and TNOG's board of directors in deciding to approve the merger. Each director may have considered different factors, and the boards evaluated these factors as a whole and did not qualify or otherwise assign relative weights to the factors considered.

Completion and Effectiveness of the Merger

The merger will be completed upon the filing of the necessary certificates with the Secretary of State of Texas and the Secretary of State of Delaware, which will not be prior to 20 days after the effectiveness of the registration statement of which this prospectus/information statement is a part and the notification of TNOG's shareholders and our stockholders.

Exchange of the TNOG Common Stock and Our Currently Outstanding Common Stock

Upon completion of the merger, each outstanding share of TNOG common stock will be exchanged for one share of our common stock and each currently issued and outstanding share of our common stock will be exchanged for approximately 11.4 shares of our common stock. After the merger is complete, the certificates representing the shares you currently own should be sent to the transfer agent, with any required documentation, in exchange for new certificates representing the shares of our common stock to be issued as a result of the merger.

Material United States Federal Income Tax Consequences of the Merger

The following are the material United States federal income tax consequences of the merger. The following discussion is based on and subject to the Internal Revenue Code of 1986, the regulations promulgated thereunder, existing administrative interpretations and court decisions and any related laws, all of which are subject to change, possibly with retroactive effect. This discussion does not address all aspects of United States federal income taxation that may be important to you in light of your particular circumstances or if you are subject to special rules, such as rules relating to:

- shareholders who are not citizens or residents of the United States;
- financial institutions;
- tax exempt organizations;
- insurance companies; and
- dealers in securities.

This discussion assumes you hold your current shares as capital assets within the meaning of Section 1221 of the Internal Revenue Code.

We have discussed the tax consequences of the merger with our legal and accounting advisers and TNOG has done the same. No opinion, however, has been sought or obtained regarding material United States federal income tax consequences of the merger.

It has been determined that the merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a)(1)(A) of the Internal Revenue Code, and TNOG and Houston American will each be a party to that reorganization within the meaning of that code section.

TNOG's shareholders and our stockholders should not recognize gain or loss for United States federal income tax purposes as a result of the merger. The aggregate tax basis of the shares of our common stock you are to receive as a result of the merger will be the same as your aggregate tax basis in the stock you surrender.

THE FOREGOING DISCUSSION IS NOT INTENDED TO BE A COMPLETE ANALYSIS OR DESCRIPTION OF ALL POTENTIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OR ANY OTHER CONSEQUENCES OF THE MERGER.

IN ADDITION, THIS DISCUSSION DOES NOT ADDRESS TAX CONSEQUENCES WHICH MAY VARY

WITH, OR ARE CONTINGENT ON, YOUR INDIVIDUAL CIRCUMSTANCES. MOREOVER, THIS DISCUSSION DOES NOT ADDRESS ANY NON-INCOME TAX OR ANY FOREIGN, STATE OR LOCAL TAX CONSEQUENCES OF THE MERGER. ACCORDINGLY, YOU ARE STRONGLY URGED TO CONSULT WITH YOUR TAX ADVISER TO DETERMINE THE PARTICULAR UNITED STATES FEDERAL, STATE, LOCAL OR FOREIGN INCOME OR OTHER TAX CONSEQUENCES TO YOU OF THE MERGER.

Regulatory Filings and Approvals Required to Complete the Merger

We are not aware of any material governmental or regulatory approval required for completion of the merger, other than compliance with the applicable corporate laws of the States of Texas and Delaware.

DISSENTERS' AND APPRAISAL RIGHTS

TNOG's Shareholders

Under Texas law, TNOG's shareholders are entitled, after complying with certain requirements of Texas law, to dissent to the approval of the merger, pursuant to Article 5.11 of the Texas Business Corporation Act, and to be paid the "fair value" of their shares of TNOG common stock in cash by complying with the procedures set forth in Articles 5.12 and 5.13 of the Texas Business Corporation Act. Set forth below is a summary of the procedures relating to the exercise of dissenters' rights by TNOG's shareholders. This summary does not purport to be a complete statement of the provisions of Articles 5.11, 5.12 and 5.13 of the Texas Business Corporation Act and is qualified in its entirety by reference to Articles 5.11, 5.12 and 5.13 of the Texas Business Corporation Act, which are attached as Appendix B to this prospectus/information statement.

Within 10 days after the effective date of the merger, we will deliver a written dissenters' notice to each of TNOG's shareholders of record. The dissenters' notice must:

- notify the shareholder of the effective date of the merger; and
- be accompanied by a copy of Articles 5.11, 5.12, and 5.13 of the Texas Business Corporation Act.

Any TNOG shareholder who did not consent to the merger can exercise his dissenters' rights by making written demand on us, within 20 days after the mailing of the dissenters' notice, for payment of the fair value of his shares of TNOG common stock. The shareholder's demand must state:

- the number of shares of TNOG common stock owned by the dissenting shareholder; and
- the fair value of the shares, as of the date of the consent approving the merger, as estimated by the shareholder.

Any shareholder failing to make demand within the 20-day period will be bound by the merger and will lose his right to be paid the fair value of his shares. Within 20 days after receipt of a demand for payment, we will deliver or mail to the shareholder a written notice that shall either:

- set out that we accept the amount claimed by the shareholder and agree to pay that amount within 90 days after the action was effected, provided the shareholder has surrendered the certificates representing the shareholder's shares of TNOG common stock; or
- contain our estimate of the fair value of the shares, together with an offer to pay our estimate within 90 days after the action was effected, upon receipt of notice within 60 days after that date from the shareholder that the shareholder agrees to accept our estimate, provided the shareholder has surrendered the certificates representing the shareholder's shares of TNOG common stock.

If we are unable to agree upon the fair value of any shareholder's shares of TNOG common stock within 60 days of the date the merger was effected, either party may, within 60 days of the expiration of such 60 day period, file a petition in any court of competent jurisdiction in Harris County, Texas asking for a finding and determination of the fair value of the shareholder's shares of TNOG common stock. Upon the filing of a petition by a TNOG shareholder, we are required to file, within 10 days of service, a list containing the names and addresses of all of TNOG's shareholders who have demanded payment and with whom agreements as to the value of their shares have not been reached. If we file a petition, we must file the applicable shareholder list at the same time as the

petition. If necessary, we shall, within 90 days of the court's determination of fair value and upon surrender of the applicable certificates representing the TNOG common stock, pay the applicable shareholders the fair value of their respective shares.

Our Stockholders

Under Delaware law, our stockholders may exercise appraisal rights by delivering to us a demand in writing for the appraisal of their shares and not voting for or consenting in writing to the merger. Our stockholders considering seeking appraisal should recognize that the fair value of shares could be determined to be more than, the same as or less than the value of the merger consideration to which our stockholders are entitled if they do not exercise their appraisal rights. Our stockholders who elect to exercise appraisal rights must comply strictly with all of the procedures set forth in Section 262 of the Delaware General Corporation Law to preserve those rights. We have attached a copy of Section 262 of the Delaware General Corporation Law, which sets forth these appraisal rights, as Appendix C to this prospectus/information statement.

Making sure that you actually perfect your appraisal rights can be complicated. The procedural rules are specific and must be followed completely. Failure to comply with the procedure may cause you to lose your appraisal rights. The following is only a summary of your rights and the procedure relating to appraisal rights and is qualified in its entirety by the provisions of Section 262 of the Delaware General Corporation Law. Please review the entirety of Section 262 for the complete procedure. We will not give you any notice other than as described in this prospectus/information statement and as required by Delaware law.

Only a record holder may demand appraisal, and therefore, if you are the beneficial owner of shares held of record by a broker, bank or other nominee, you must direct such record owner to comply with the following requirements of the statute:

- either before the effective date of the merger or within 10 days after the effective date, we will provide written notice to each of our stockholders who are entitled to appraisal rights. The written notice we provide must include a copy of Section 262 of the Delaware General Corporation Law;

- within 20 days of our mailing of the notice, you must deliver a written demand for appraisal to us;

- you must not consent in writing to the merger; if you consent to the merger, you will not be entitled to seek appraisal of your shares; and

- you must continuously hold, as a record holder, your shares of our common stock from the date you make the demand for appraisal through the completion of the merger.

A written demand for appraisal of our common stock must be executed by or on behalf of a stockholder of record and must reasonably identify the stockholder and that he intends to demand appraisal of his shares. If you own our common stock in a fiduciary capacity, such as a trustee, guardian or custodian, the demand for appraisal must be executed by or for the record owner. If you own our common stock with one or more persons, such as in a joint tenancy or tenancy in common, the demand for appraisal must be executed by or for all joint owners. An authorized agent, which could include one or more of the joint owners, may sign the demand for appraisal for a stockholder of record; however, the agent must expressly disclose who the stockholder of record is and that the agent is signing the demand as that stockholder's agent.

If you are a record owner, such as a broker, who holds our common stock as a nominee for others, you may exercise a right of appraisal with respect to the shares held for one or more beneficial owners, while not exercising such right for other beneficial owners. In such a case, you should specify in the written demand the number of

shares as to which you wish to demand appraisal. If you do not expressly specify the number of shares, we will assume that your written demand covers all the shares of our common stock that are in your name.

Within 120 days after the completion of the merger, either we or any of our stockholders who have complied with the conditions of Section 262 may file a petition for appraisal in the Delaware Court of Chancery demanding that the

court determine the value of the shares of our common stock by all of our stockholders who are entitled to appraisal rights. We have no present intention of filing an appraisal petition. Accordingly, if you intend to preserve your rights of appraisal, you should file a petition in the Delaware Court of Chancery.

If you change your mind and decide you no longer want to assert appraisal rights, you may withdraw your demand for appraisal rights at any time within 60 days after the closing of the merger. You may also withdraw your demand for appraisal rights more than 60 days after the closing of the merger, but only with our written consent. Once a petition for appraisal has been filed with the Delaware Court of Chancery, such proceeding may not be discussed as to any stockholder without approval of the court. If you effectively withdraw your demand for appraisal rights, you will receive the merger consideration provided in the agreement relating to the merger.

If you have complied with the conditions of Section 262, you are entitled to receive a statement from us which sets forth the number of shares held by stockholders who have demanded appraisal rights, and the number of stockholders who own those shares. To receive this statement, you must send a written request to us within 120 days after the completion of the merger. If you request a statement, we will have 10 days after receiving your request to mail you the statement.

If you properly file a petition for appraisal in the Delaware Court of Chancery, we will then have 20 days after service of a copy of the petition is made on us to provide the court with a list of the names and addresses of all of our stockholders who have demanded appraisal rights and have not reached an agreement with us as to the value of their shares. At a hearing on the petition, the Delaware Court of Chancery will determine which of our stockholders, if any, have fully complied with Section 262 of the Delaware General Corporation Law and whether they are entitled to appraisal rights under Section 262. The Delaware Court of Chancery may also require you to submit your stock certificates to the Register in Chancery so that it can note on the certificates that an appraisal proceeding is pending. If you do not follow the court's directions, you may be dismissed from the proceeding.

After the Delaware Court of Chancery determines which of our stockholders are entitled to appraisal rights, it will determine the fair value of your shares exclusive of any value arising from the expectation or accomplishment of the merger. After the court determines the fair value of their shares, it will direct us to pay that value to the stockholders who qualified to have their shares appraised. The court can also direct us to pay interest, simple or compound, on that value if the court determines that interest is appropriate. In order to receive your payment for your shares, you must then surrender your stock certificates to us.

The costs of the appraisal proceeding may be assessed against us and/or our stockholders participating in the appraisal proceeding, as the Delaware Court of Chancery deems equitable under the circumstances. You may also request that the court allocate the expenses of the appraisal action incurred by any stockholder pro rata against the value of all of the shares entitled to appraisal.

PRINCIPAL STOCKHOLDERS OF HOUSTON AMERICAN ENERGY CORP.

The following table sets forth certain information regarding the beneficial ownership of our issued and outstanding common stock as of July 23, 2001 by each person or entity known to beneficially own more than five percent of our common stock and John F. Terwilliger, our sole director and executive officer.

<TABLE>
<CAPTION>

	Shares Beneficially Owned (2)	
Name and Address of Beneficial Owner (1)	Number	Percent (3)
<S>	<C>	<C>
John F. Terwilliger.....	632,800	63.3
Orrie Lee Tawes.....	62,000	6.2
c/o O. Lee Tawes III C.E. Unterberg Towbin 350 Madison Avenue, 10/th/ Floor		

New York, New York 10017		
John A. Morgan.....	50,000	5.0
c/o Morgan Lewis Githens & Ahn, Inc.		
767 Fifth Avenue		
New York, New York 10153		
Arend Resources & Trading Company, S.A.....	100,000	10.0
c/o Anthony Gorham		
13 Crow Valley		
Smith's FL03 Bermuda		
All directors and officers as a group (one person).....	632,800	63.3

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(1) Unless otherwise indicated, the address for each of these stockholders is c/o Houston American Energy Corp., 801 Travis, Suite 1425, Houston, Texas 77002.
(2) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission.
(3) Based on 1,000,000 shares of our common stock outstanding as of July 23, 2001.

PRINCIPAL SHAREHOLDERS OF TEXAS NEVADA OIL & GAS CO.

The following table sets forth certain information regarding the beneficial ownership of the TNOG common stock as of _____, 2001 by each person or entity known to beneficially own more than five percent of the TNOG common stock, each of TNOG's directors, each of TNOG's named executive officers and all of TNOG's executive officers and directors as a group.

	Shares Beneficially Owned (2)	
Name and Address of Beneficial Owner (1)	Number	Percent (3)
Louis G. Mehr.....	0	0.0
John Marrou.....	0	0.0
Equitable Assets Incorporated.....	474,589	79.6
All directors and officers as a group (two persons)....	0	0.0

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(1) Unless otherwise indicated, the address for each of these shareholders is c/o Texas Nevada Oil & Gas Co., One Riverway, Suite 1700, Houston, Texas 77056.
(2) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission.
(3) Based on 596,569 shares of TNOG's common stock outstanding as of _____, 2001.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Our oil and gas properties were purchased, at cost, from Moose Oil & Gas Company, a Texas corporation and an affiliate of John F. Terwilliger, our sole director and executive officer. As payment for the properties, we issued Moose Oil & Gas a promissory note in the amount of $216,981. The note bears interest at a rate of 10 percent per annum and is due on demand. Our payment of the note is secured by our interests in our oil and gas properties. Should we fail to make any required payment or otherwise default on the note, Moose Oil & Gas would have the right to foreclose on our interests in our oil and gas properties, which would have a materially adverse effect on our ability to conduct our business.

On April 6, 2001, we entered into an Operating Agreement with Moose Operating Co., Inc., a Texas corporation and a subsidiary of Moose Oil & Gas. The following summary does not purport to be a complete statement of all of the relevant terms of the Operating Agreement and is qualified in its entirety by reference to the Operating Agreement, which is attached as an exhibit to the registration statement of which this prospectus/information statement is a part.

Under the terms of the Operating Agreement, Moose Operating has full control over the drilling activities to be conducted on our current leaseholds in Lavaca County, Texas. The Operating Agreement initially obligated Moose Operating to commence drilling the first of our test wells prior to March 31, 2001, which Moose Operating completed timely. Although Moose Operating is

initially responsible for the payment of all costs associated with development and operation, we, along with Moose Oil & Gas, are ultimately responsible for our proportionate share of the costs based on our respective working interests. In order to secure repayment of the costs, the Operating Agreement grants Moose Operating a security interest in our proportionate share of the oil or gas produced from any wells. In addition to being entitled to utilize and receive payment for the use of its own equipment and labor in conducting the operations, the Operating Agreement entitles Moose Operating to receive monthly fixed overhead payments of $4,500 per well being drilled and $500 per producing well.

DESCRIPTION OF HOUSTON AMERICAN ENERGY CORP. SECURITIES

Our authorized capital stock consists of 100,000,000 shares of common stock, par value $0.001 per share, and 10,000,000 shares of preferred stock, par value $0.001 per share. The following summary of certain provisions of our common stock and preferred stock is qualified in its entirety by reference to our certificate of incorporation and bylaws, which have been filed as Exhibit A and Exhibit B, respectively, to Appendix A attached to the registration statement of which this prospectus/information statement is a part. As of July 23, 2001, there were 1,000,000 shares of our common stock outstanding. No shares of our preferred stock are outstanding.

Common Stock

The holders of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of our stockholders, including the election of directors, and do not have cumulative voting rights. Subject to preferences that may be applicable to any then outstanding series of our preferred stock, holders of our common stock are entitled to receive ratably such dividends, if any, as may be declared by our board of directors out of legally available funds. Upon our liquidation, dissolution or winding up, the holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to our stockholders after the payment of all our debts and other liabilities, subject to the prior rights of any series of our preferred stock then outstanding. The holders of our common stock have no preemptive or conversion rights or other subscription rights and there are no redemption or sinking fund provisions applicable to our common stock. All outstanding shares of our common stock are fully paid and nonassessable.

Preferred Stock

Our board of directors has the authority, without further action by our stockholders, to provide for the issuance of our preferred stock in one or more series and to fix the number of shares, designations, preferences, powers and relative, participating, optional or other special rights and the qualifications or restrictions on such rights. The preferences, powers, rights and restrictions of different series of our preferred stock may differ with respect to dividend rates, amounts payable on liquidation, voting rights, conversion rights, redemption provisions,

sinking fund provisions and purchase funds and other matters. The issuance of a series of our preferred stock could decrease the amount of earnings and assets available for distribution to holders of our common stock or affect adversely the rights and powers, including voting rights, of the holders of our common stock, and may have the effect of delaying, deferring or preventing a change in control of us.

Transfer Agent

The transfer agent for our common stock is Atlas Stock Transfer Corporation, 5899 South State Street, Salt Lake City, Utah 84107.

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COMPARATIVE RIGHTS OF HOUSTON AMERICAN ENERGY CORP. STOCKHOLDERS AND TEXAS NEVADA OIL & GAS CO. SHAREHOLDERS

We were incorporated under the laws of the State of Delaware. TNOG was incorporated under the laws of the State of Texas. TNOG's shareholder's rights

are currently governed by Texas law, TNOG's restated articles of incorporation and amended and restated bylaws and, upon the exchange of their shares under the terms of the agreement relating to the merger, TNOG's shareholders will become holders of shares of our common stock. Their rights as our stockholders will be governed by Delaware law, our certificate of incorporation and our bylaws. A summary of the material similarities and differences between the current rights of TNOG's shareholders and the rights those shareholders will have as our stockholders upon completion of the merger is summarized below. The identification of specific differences is not meant to indicate that other equally or more significant differences do not exist. Copies of TNOG's restated articles of incorporation and amended and restated bylaws, and our certificate of incorporation and bylaws are incorporated by reference and will be sent to TNOG's shareholders and to our stockholders upon request.

<TABLE>
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Texas Law and Current Governing Documents of TNOG	Delaware Law and Current Governing Documents of Houston American
<S>	<C>
Authorized Stock	
TNOG's restated articles of incorporation provide for authorized stock consisting of 200,000,000 shares of common stock, no par value per share, and 50,000,000 shares of preferred stock, no par value per share.	Our certificate of incorporation provides for authorized stock consisting of 100,000,000 shares of common stock, par value $0.001 per share, and 10,000,000 shares of preferred stock, par value $0.001 per share
Election and Size of Board of Directors	
TNOG's restated articles of incorporation fix TNOG's number of directors at no fewer than one nor more than nine. Currently, TNOG's board is composed of one director. TNOG's amended and restated bylaws provide that the number of directors may be increased or decreased by resolution of TNOG's board. TNOG's bylaws do not provide for classification of TNOG's board of directors. TNOG's amended and restated bylaws provide that TNOG's directors are elected by a plurality of votes at the annual meeting of shareholders and serve until the next annual meeting and until their successors shall have been elected and qualified. TNOG's shareholders do not have cumulative voting rights.	Our bylaws do not fix our number of directors. Currently, our board is divided into three classes and is composed of one director. Our bylaws provide that the size of our board may be increased by the vote of a majority of directors then in office, although less than a quorum. Our bylaws provide that our directors are elected by a plurality of votes at annual meetings and hold office until the next annual meeting and until their successors are elected and qualify or until their earlier resignation or removal. Our stockholders do not have cumulative voting rights.
Removal of Directors	
As permitted by Texas law, TNOG's amended and restated bylaws provide generally that TNOG's directors may be removed from office, with or without cause, only by the affirmative vote of the holders of at least a majority of the combined voting power of the then outstanding shares of all classes of TNOG's stock entitled to vote generally in the election of directors.	Any of our directors may be removed, with or without cause, by the holders of a majority of our outstanding shares entitled to vote in an election of directors.

</TABLE>

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<CAPTION>

Vacancies on the Board of Directors	
<S>	<C>
Under Texas law and TNOG's amended and restated bylaws, a vacancy occurring in TNOG's board of directors may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the board of directors.	Under Delaware law and our bylaws, our board of directors may fill any vacancy on our board, including vacancies resulting from an increase in the number of directors.
Action by Written Consent	
Under Texas law and TNOG's restated articles of incorporation, any action required to be taken at an annual or special meeting of TNOG's shareholders may be taken without a meeting if a	Under Delaware law and our certificate of incorporation, any action that could be taken by our stockholders at a meeting may be taken without a meeting if a consent in writing, setting forth

consent in writing, setting forth the action so taken, is signed by the holders of record of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take that action at a meeting at which all shares entitled to vote thereon were present and voted.	the action so taken, is signed by the holders of record of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take that action at a meeting at which all shares entitled to vote thereon were present and voted.
Amendments to Charter	
Under Texas law and TNOG's restated articles of incorporation, an amendment to TNOG's restated articles of incorporation generally would require the approval of the holders of at least two-thirds of TNOG's shares entitled to vote thereon.	Under Delaware law and our certificate of incorporation, an amendment to our certificate of incorporation must be approved by a majority of our outstanding shares and a majority of our outstanding shares of each class entitled to vote upon the proposed amendment.
Amendments to Bylaws	
Under TNOG's amended and restated bylaws, the power to alter, amend or repeal the bylaws or adopt new bylaws is vested in TNOG's board of directors, subject to repeal or change by action of the affirmative vote of the holders of a majority of the then outstanding shares of all classes of TNOG's shares entitled to vote.	As permitted by Delaware law, our certificate of incorporation gives our directors the power to make, alter, amend, change, add to or repeal our bylaws. Our bylaws provide that they may be amended or repealed, and new bylaws may be adopted, by the affirmative vote of a majority of the shares then entitled to vote.
Special Meetings of Shareholders/Stockholders	
TNOG's amended and restated bylaws provide that special meetings of TNOG's shareholders may be called by TNOG's president, its board of directors or by the holders of at least 50 percent of TNOG's shares entitled to vote at the meeting.	Our bylaws provide that special meetings of our stockholders may be called by our board of directors and by one or more of our stockholders who together own of record 10 percent or more of the outstanding shares of each class of stock entitled to vote at the meeting.

Vote on Extraordinary Corporate Transactions	
Unless the board of directors requires a greater vote, Texas law, with limited exceptions, requires the affirmative vote of the corporation's board of directors and the holders of at least two-thirds of the outstanding shares entitled to vote to approve a merger agreement, in addition to any required class vote. Similar voting requirements apply for statutory share exchanges or conversions. Texas law generally requires the affirmative vote of the corporation's board of directors and the holders of at least two-thirds of the shares entitled to vote to approve the sale, lease, exchange or other disposition of all or substantially all the corporation's assets if other than in the usual and regular course of business, and if any class of shares is entitled to vote as a class on a transaction, in addition to any required class vote. Texas law does not require shareholder approval of a sale of assets in the usual and regular course of business unless otherwise specified in the articles of incorporation. Under Texas law, a sale of assets is deemed to be in the usual and regular course of business if the corporation continues to engage in one or more businesses or applies a portion of the proceeds to the conduct of a business in which it engages following the transaction.	Under Delaware law, a sale or other disposition of all or substantially all of a corporation's assets, a merger or consolidation of the corporation with another corporation or a dissolution of the corporation requires the affirmative vote of the board of directors, except in limited circumstances, plus, with limited exceptions, the affirmative vote of a majority of the outstanding stock entitled to vote thereon. Delaware law does not provide for statutory share exchanges. Also, unlike the Texas corporate statute, the Delaware corporate statute does not define what constitutes a sale of substantially all of a corporation's assets.
Inspection of Documents	
Under Texas law, any person who has been a shareholder of a corporation for at least six	The Delaware General Corporation Law allows any shareholder the right to inspect, for any proper

months immediately preceding the shareholder's demand, or is the holder of at least five percent of all the outstanding shares of a corporation, has the right to examine a corporation's relevant books and records of account, minutes and share transfer records.	purpose, a corporation's stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose means a purpose reasonably related to the person's interest as a stockholder

Appraisal Rights	
Shareholders of a Texas corporation generally have dissenter's rights in connection with significant business transactions requiring shareholder approval, including mergers. However, a shareholder of a Texas corporation has no appraisal rights with respect to any plan of merger pursuant to which there is a single surviving or new domestic or foreign corporation, or with respect to any plan of exchange, if: . the shares held by the shareholder are part of a class of shares listed on a national securities exchange, listed on the NASDAQ National Market or held of record by not less than 2,000 shareholders; . the shareholder is not required to accept for his shares any consideration that is different than the consideration to be received by other holders of the same class or series of shares held by such shareholder; and . the shareholder is not required to accept any consideration other than shares of a corporation which satisfy the requirements of the first bullet point above and cash in lieu of fractional shares.	Delaware law provides for appraisal rights with respect to mergers or consolidations. However, stockholders of a Delaware corporation generally have no appraisal rights in the event of a merger or consolidation of a corporation if the stock of the Delaware corporation is listed on a national securities exchange or the NASDAQ National Market, or such stock is held of record by more than 2,000 stockholders, or in the case of a merger for which stockholder approval is not required by statute, in each such case, unless stockholders of the Delaware corporation are required to accept for their stock anything other than: . shares of stock of the surviving corporation (or depositary receipts in respect thereof), or shares of stock or depositary receipts of any other corporation whose share or depositary receipts will satisfy the listing or ownership requirements described above; and . cash in lieu of fractional shares.

State Antitakeover Statutes	
Texas law generally prohibits public corporations from engaging in significant business transactions, including mergers, with a holder of 20 percent or more of the corporation's stock for a period of three years after such holder exceeds such ownership level, unless: . the board approves either the transaction in question or the acquisition of shares by the affiliated shareholder prior to the affiliated shareholder's share acquisition date; or . the transaction is approved by the holders of at least two-thirds of the corporation's shares entitled to vote thereon, excluding the shares held by the shareholder in question and its affiliates, at a meeting of shareholders not less than six months after the affiliated shareholder's share acquisition date.	Delaware law generally prohibits public corporations from engaging in significant business transactions, including mergers, with a holder of 15 percent or more of the corporation's stock for a period of three years after such holder exceeds such ownership level, unless: . the board approves either the transaction in question or the acquisition of shares by the interested stockholder prior to the time the stockholder becomes an interested stockholder based on its direct or indirect ownership of 15 percent of the corporation's stock; . when the interested stockholder exceeds the 15 percent threshold, it acquires at least 85 percent of the outstanding shares not held by certain affiliates, such as pursuant to a tender offer; or . the transaction is approved by the board of directors and the holders of at least two-thirds of the corporation's shares entitled to vote thereon, excluding the shares held by the interested stockholder, at a meeting of stockholders. Delaware law does not require that this vote occur at least six months after the interested stockholder's share acquisition date.

	Our certificate of incorporation provides that this section of the Delaware General Corporation Law applies to us. However, John F. Terwilliger is expressly excluded from the application of this section.
Consistency Statute	
Texas law expressly provides that in discharging a director's fiduciary duties, a director, in considering the best interests of the corporation, may consider the long-term as well as the short-term interests of the corporation and its shareholders, including the possibility that those interests may be best served by the continued independence of the corporation	Delaware law does not have a similar provision in its corporate statute.

</TABLE>

THIS SUMMARY OF THE MATERIAL SIMILARITIES AND DIFFERENCES IN THE CORPORATION LAWS OF TEXAS AND DELAWARE, TNOG'S AMENDED ARTICLES OF INCORPORATION AND AMENDED AND RESTATED BYLAWS AND OUR CERTIFICATE OF INCORPORATION AND BYLAWS DOES NOT PURPORT TO BE A COMPLETE LISTING OF THE

DIFFERENCES IN THE RIGHTS AND REMEDIES OF HOLDERS OF SHARES OF A TEXAS CORPORATION AS OPPOSED TO A DELAWARE CORPORATION AND TNOG'S SHAREHOLDERS AND OUR STOCKHOLDERS IN PARTICULAR. THE DIFFERENCES CAN BE DETERMINED IN FULL BY REFERENCE TO TEXAS LAW, DELAWARE LAW, TNOG'S AMENDED ARTICLES OF INCORPORATION AND AMENDED AND RESTATED BYLAWS AND OUR CERTIFICATE OF INCORPORATION AND BYLAWS.

INDEMNIFICATION AND LIMITATION OF LIABILITY

As permitted by the Delaware General Corporation Law, our certificate of incorporation includes, subject to the limitations described below, a provision that would limit or eliminate our directors' liability for monetary damages for breaches of their fiduciary duties. A director's liability cannot be limited or eliminated for:

- breaches of the duty of loyalty;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- the payment of unlawful dividends or expenditure of funds for unlawful stock purchases or redemptions; or
- transactions from which the director derived an improper personal benefit.

In addition, the limitation of liability provisions may not restrict a director's liability for violation of, or otherwise relieve the corporation or its directors from, the necessity of complying with federal or state securities laws or affect the availability of nonmonetary remedies such as injunctive relief or rescission.

Our certificate of incorporation provides that we shall, to the extent legally permissible, indemnify each of our former or present directors or officers against all liabilities and expenses imposed upon or incurred by any of them in connection with, or arising out of, the defense or disposition of any action, suit or other proceeding, civil or criminal, in which he may be threatened or involved, by reason of his having been a director or officer, if it is determined that he acted in good faith and reasonably believed:

- in the case of conduct in his official capacity on our behalf that his conduct was in our best interests;
- in all other cases, that his conduct was not opposed to our best interests; and
- with respect to any proceeding which is a criminal action, that he had no reasonable cause to believe his conduct was unlawful.

The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself be determinative of whether the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to our best interests, and, with respect to any proceeding which is a criminal action, had

no reasonable cause to believe that his conduct was unlawful.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling Houston American pursuant to the foregoing provisions, or otherwise, we are aware that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

INTERESTED DIRECTOR TRANSACTIONS

Under Delaware law, certain contracts or transactions between a corporation and one or more of its directors or officers, or between a Delaware corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers, are directors or officers, or have a financial interest, is not void or voidable solely for that reason, or solely because the interested director or officer was present at or participates in the board or board committee meeting that authorizes the contract or transaction, or solely because the director's or officer's votes are counted for that purpose, if:

- the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or known to the board of directors or committee, and the board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors constitute less than a quorum; or

- the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or known to the stockholders entitled to vote on the contract or transaction, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or

- the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the board of directors, a board committee or the stockholders.

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SELLING STOCKHOLDERS

In addition to registering the 596,569 shares of our common stock to be issued to TNOG's shareholders as a result of the merger, this prospectus relates to the aggregate resale of 4,187,324 shares of our common stock which may be sold from time to time by our selling stockholders. The following table sets forth certain information with respect to the resale of our common stock by our selling stockholders. We will not receive any proceeds from the resale of our common stock by our selling stockholders.

Sales By Our Selling Stockholders

<TABLE>
<CAPTION>

Stockholder	Shares Beneficially Owned Before Sale	Percentage Before Sale (1)	Amount Offered	Shares Beneficially Owned After Sale	Percentage After Sale (1)
<S>	<C>	<C>	<C>	<C>	<C>
Orrie Lee Tawes	707,012	5.9	707,012	-0-	*
Marsha Russell	114,034	*	114,034	-0-	*
George Kandle	22,806	*	22,806	-0-	*
Lizette LaMalfa	11,403	*	11,403	-0-	*
Albert B. Alkek, Jr.	45,613	*	45,613	-0-	*
Alkek 1998-1 L.P.	34,210	*	34,210	-0-	*
Shirley V. Alkek	11,403	*	11,403	-0-	*
E.C. Broun III	114,034	*	114,034	-0-	*
John A. Hull	22,806	*	22,806	-0-	*
Mark Hallenbeck	22,806	*	22,806	-0-	*
David W. Barrell Trust REV U/A 3/25/95	30,789	*	30,789	-0-	*
Steven Eisenberg	11,403	*	11,403	-0-	*

John A. Morgan	570,171	4.8	570,171	-0-	*
Peder Monsen	22,806	*	22,806	-0-	*
Stephen P. Hartzell	28,508	*	28,508	-0-	*
Ian Wright	11,403	*	11,403	-0-	*
A. Steve Powell	11,403	*	11,403	-0-	*
Robert L. Hodgkinson	142,542	1.2	142,542	-0-	*
Arend Resources &Trading Company, S.A.	1,140,343	9.5	1,140,343	-0-	*
Margaret Geer Walker	524,557	4.4	524,557	-0-	*
David Harris Walker	22,806	*	22,806	-0-	*
Edith A.K. Walker	22,806	*	22,806	-0-	*
Mark Shanker	34,210	*	34,210	-0-	*
John R. Terwilliger	205,261	1.7	205,261	-0-	*
Todd A. Terwilliger	142,542	1.2	142,542	-0-	*
Courtney Terwilliger	114,034	*	114,034	-0-	*
Irene B. Farrington	28,508	*	28,508	-0-	*
Paul J. Terwilliger	17,105	*	17,105	-0-	*

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* less than one percent

(1) Based on 12,000,000 shares of our common stock to be outstanding as of the effective date of the merger.

PLAN OF DISTRIBUTION

All securities referenced above under "Selling Stockholders" may be offered by the identified stockholders from time to time on the American Stock Exchange in privately negotiated sales or on other markets. We believe that virtually all of such sales will occurring transactions at prevailing market rates. Any securities sold in brokerage transactions will involve customary brokers' commissions. No underwriters will participate in any such sales on behalf of the selling stockholders.

LEGAL MATTERS

The validity of the securities offered hereby will be passed upon for us by Norman T. Reynolds, Esq. of Jackson Walker L.L.P., 1100 Louisiana, Suite 4200, Houston, Texas 77002.

EXPERTS

Our financial statements for the period from April 2, 2001 (date of inception) to April 15, 2001 included in this prospectus/information statement have been so included in reliance on the report of Thomas Leger & Co. L.L.P., certified public accountants, given on that firm's authority as experts in auditing and accounting.

The financial statements of TNOG for the period from January 1, 1999 to December 31, 2000 included in this prospectus/information statement have been so included in reliance on the report of Ham, Langston & Brezina, LLP, certified public accountants, given on that firm's authority as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form S-4 under the Securities Act of 1933 with the Securities and Exchange Commission with respect to our common stock to be issued in the merger. This prospectus/information statement constitutes our prospectus filed as part of the registration statement. This prospectus/information statement does not contain all of the information set forth in the registration statement because certain parts of the registration statement are omitted in accordance with the rules and regulations of the SEC. The registration statement and its exhibits are available for inspection and copying from the Public Reference Section of the SEC, 450 Fifth Street, N.W., Washington, D.C. 20549 or by calling the SEC at (800) SEC-0330. The SEC maintains a Website that contains reports, proxy statements and other information regarding each of us. The address of the SEC Website is http://www.sec.gov.

TNOG files reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information filed by TNOG at the SEC's public reference rooms. TNOG's filings with the SEC are also available to the public from services and at the SEC web site identified above.

Houston American has not been previously subject to the reporting

requirements of the Exchange Act, although we will become subject to the reporting requirements of the Exchange Act following the completion of the merger described in this prospectus/information statement. In accordance with the Exchange Act, we will file reports, proxy statements, and other information with the SEC. In addition, we intend to furnish our shareholders with annual reports containing audited financial statements and interim reports as we deem appropriate. No person is authorized by us to give any information or to make any representations other than those contained in this prospectus, and, if given or made, you should not rely upon that information.

If you have any questions about the merger, please call us at (713) 221-8838.

THIS PROSPECTUS/INFORMATION STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO PURCHASE, THE SECURITIES OFFERED BY THIS PROSPECTUS/ INFORMATION STATEMENT IN ANY JURISDICTION TO OR FROM ANY PERSON TO WHOM OR FROM WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS PROSPECTUS/INFORMATION STATEMENT NOR ANY DISTRIBUTION OF SECURITIES PURSUANT TO THIS PROSPECTUS/INFORMATION STATEMENT SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATIONS THAT THERE HAS BEEN NO CHANGE IN THE

INFORMATION SET FORTH OR INCORPORATED INTO THIS PROSPECTUS/INFORMATION STATEMENT BY REFERENCE OR IN OUR AFFAIRS SINCE THE DATE OF THIS PROSPECTUS/INFORMATION STATEMENT.

INDEX TO FINANCIAL STATEMENTS

HOUSTON AMERICAN ENERGY CORP.:

<TABLE>
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HOUSTON AMERICAN ENERGY CORP.

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AUDITED FINANCIAL STATEMENTS
for the period from inception April 2, 2001 to April 15, 2001

INDEPENDENT AUDITORS REPORT

Houston American Energy Corp.
Houston, Texas

We have audited the accompanying balance sheet of Houston American Energy Corp. (a development stage company) as of April 15, 2001, and the related statement of loss, stockholders' deficit, and cash flows for the period from April 2, 2001 (date of inception), to April 15, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the over-all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of Houston American Energy Corp. as of April 15, 2001, and the results of its operations and its cash flows from April 2, 2001 (date of inception), to April 15, 2001, in conformity with accounting principles generally accepted in the United States of America.

The Company is in the development stage as of April 15, 2001. As discussed in Note 2 to the financial statements, successful completion of the Company's fund raising activities and, ultimately, the attainment of profitable operations is dependent upon future events, including obtaining adequate financing to fulfill its development activities and achieving a level of revenue adequate to support the Company's cost structure.

/s/ Thomas Leger & Co., L.L.P.
Thomas Leger & Co., L.L.P.

April 27, 2001
Houston, Texas

HOUSTON AMERICAN ENERGY CORP.
BALANCE SHEET
APRIL 15, 2001

ASSETS

CURRENT ASSETS, Cash	$ 1,000
OIL AND GAS PROPERTIES, Full cost method	
Cost subject to amortization	15,417
Cost not being amortized	155,730
Oil and gas properties	171,147
DEFERRED ASSETS	63,871
TOTAL ASSETS	$ 236,018

LIABILITIES AND SHAREHOLDERS' DEFICIT

CURRENT LIABILITIES	
Accrued liabilities	$ 30,592
Notes payable, affiliated company	216,981
Total current liabilities	247,573
SHAREHOLDERS' DEFICIT	
Common stock, par value $.001;	
100,000,000 shares authorized, 1,000,000 shares outstanding	1,000
Deficit accumulated in development stage	(12,555)
Total shareholders' deficit	(11,555)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	$ 236,018

The accompanying notes are an integral part of these financial statements.

HOUSTON AMERICAN ENERGY CORP.
STATEMENT OF LOSS AND SHAREHOLDERS' DEFICIT
ACCUMULATED IN DEVELOPMENT STAGE
FROM APRIL 2, 2001 (DATE OF INCEPTION) TO APRIL 15, 2001

<TABLE>

<S>	<C>
Revenue	$ -
General and administrative expense	12,555
Net loss and shareholders' deficit accumulation in development stage	$ 12,555
Basic loss per share	$ 0.013
Basic weighted average share	1,000,000

</TABLE>

The accompanying notes are an integral part of these financial statements.

HOUSTON AMERICAN ENERGY CORP.

STATEMENT OF CASH FLOWS
FROM APRIL 2, 2001 (DATE OF INCEPTION) TO APRIL 15, 2001

OPERATING ACTIVITIES	
Loss from operations	$ (12,555)
Adjustment to reconcile net loss to net cash from operations	
Non-cash transactions	(18,037)
Increase in working capital:	
Increase in accounts payable	30,592
Net cash provided by operation	-
CASH FLOW FROM INVESTING	
Acquisition of oil and gas properties	-
CASH FLOW FROM FINANCING	
Sale of common stock	1,000
Net increase in cash and cash at end of year	$ 1,000
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES	
Oil and gas properties acquired and deferred assets	$235,018
Note payable for oil and gas properties and deferred assets	216,981

The accompanying notes are an integral part of these financial statements.

HOUSTON AMERICAN ENERGY CORP.
NOTES TO THE FINANCIAL STATEMENTS
FROM APRIL 2, 2001 (DATE OF INCEPTION) TO APRIL 15, 2001

NOTE 1. - NATURE OF COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Houston American Energy Corp. (a Delaware Corporation) ("the Company") was incorporated on April 2, 2001. The Company was organized to engage in the exploration, development and acquisition of domestic oil and gas properties principally in the State of Texas.

Oil and Gas Revenues Receivables - The Company recognizes oil and gas revenue from its interest in producing wells as oil and gas is produced and sold from those wells. The Company does not anticipate that the oil and gas sold will be significantly different from the Company's production entitlement.

Oil and Gas Properties and Equipment - The Company follows the full cost method of accounting for oil and gas property acquisition, exploration and development activities. Under this method, all productive and nonproductive costs incurred in connection with the exploration for and development of oil and gas reserves are capitalized. Capitalized costs include lease acquisition, geological and geophysical work, delay rentals, costs of drilling, completing and equipping successful and unsuccessful oil and gas wells and related general corporate overhead costs engaged in exploration and development activities. Gains or losses are not recognized on the sale or other disposition of oil and gas properties except in extraordinary transactions.

The capitalized costs of oil and gas properties, plus estimated future development costs relating to proved reserves are amortized on a unit-of-production method over the estimated productive life of the proved oil and gas reserves. Unevaluated oil and gas properties are excluded from this calculation. As of April 15, 2001, the Company has not had any oil and gas revenue, therefore, no amortization of the capitalized cost is necessary.

Capitalized oil and gas property costs, less accumulated amortization, are limited to an amount (the ceiling limitation) equal to the sum of: (a) the

present value of estimated future net revenues from the projected production of proved oil and gas reserves, calculated at prices in effect as of the balance sheet date (with consideration of price changes only to the extent provided by contractual arrangements) and a discount factor of 10%; (b) the cost of unproved and unevaluated properties excluded from the costs being amortized; (c) the lower of cost or estimated fair value of unproved properties included in the costs being amortized; and (d) related income tax effects. Excess costs are charged to proved properties impairment expense.

Unevaluated Oil and Gas Properties - Unevaluated oil and gas properties consist
---
principally of the Company's acquisition costs in undeveloped leases net of an allowance for impairment and transfers to depletable oil and gas properties.

When leases are developed, expire or are abandoned, the related costs are transferred from unevaluated oil and gas properties to depletable oil and gas properties. Additionally, the Company reviews the carrying costs of unevaluated oil and gas properties for the purpose of determining probable future lease expirations and abandonments, and prospective discounted future economic benefit attributable to the leases. The Company records an allowance for impairment based on the review with the corresponding charge being made to depletable oil and gas properties. There is no such allowance for impairment presented in the accompanying financial statements.

Deferred Assets - Deferred assets consist of expenditures associated with a
---
potential merger discussion in Note 7.

Income Taxes - Deferred income taxes are provided on a liability method whereby
---
deferred tax assets and liabilities are established for the difference between the financial reporting and income tax basis of assets and liabilities as well as operating loss and tax credit carryforwards. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

NOTE 1. - NATURE OF COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued ...

Preferred Stock - The Company has authorized 10,000,000 shares of preferred
---
stock with a par value of $0.001. The Board of Directors shall determine the designations, rights, preferences, privileges and voting rights of the preferred stock as well as any restrictions and qualifications thereon. No shares of preferred stock have been issued.

Statement of Cash Flows - Cash equivalents consists of demand deposits and cash
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investments with initial maturity dates of less than three months. The Company paid no interest or taxes during the period of the accompanying financial statements.

Net Loss Per Share - Net loss per share is computed by dividing the net loss by
---
the common and common equivalent shares considered outstanding during each period.

Use of Estimates - The preparation of financial statements in conformity with
---
generally accepted accounting principles requires the Company to make estimates and assumptions that could affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2. - DEVELOPMENT STAGE

The Company is in the development stage and does not have any revenue to support its operations. It is dependent on an affiliated entity to fund its operations and costs associated with the acquisition, exploration and development of oil and gas properties. Management intends to obtain funds through private and/or

public securities offerings. In the event that the affiliated entities ceases to fund the Company's operations, the oil and gas properties would be used to reduce the amounts due the affiliates.

NOTE 3. - NOTES PAYABLE

Notes payable at April 15, 2001, in the amount of $216,981, is due to an affiliated company. The note bears interest at 10%, is due on demand for principal and interest and is secured by all the oil and gas properties owned by the Company.

NOTE 4. - RELATED PARTIES

The Company's oil and gas properties were purchased from an affiliate entity at their cost. Another affiliated entity will be the operator of the oil and gas properties and will be responsible for drilling certain wells in which the Company participates. All of the charges from this affiliate will be at cost.

NOTE 5 - INCOME TAXES

At April 15, 2001, the Company had an operating loss of $12,555 which provides a future tax benefit of $4,266, computed at the statutory rate. This future tax benefit has a valuation allowance of $4,266.

NOTE 6. - COMMITMENT

As of April 15, 2001, the Company has commitment to complete one well currently being drilled and to commence drilling two additional wells. The estimated commitment for the completing and drilling is $273,000 to $458,000.

NOTE 7. - SUBSEQUENT EVENTS

The Company has entered into an agreement with a public entity where by the public entity will spin off a wholly-owned subsidiary. A registration statement under the Securities Exchange Act of 1934, as amended, will be filed for the subsidiary and upon its effectiveness, the subsidiary will be a fully reporting company with no liabilities.

After the above registration statement is effective, the Company will merge with the reporting entity. The merged companies will be Houston American Energy Corp.

NOTE 8. - SUPPLEMENTAL INFORMATION ON OIL AND GAS EXPLORATION, DEVELOPMENT AND PRODUCTION ACTIVITIES (UNAUDITED)

This footnote provides unaudited information required by Statement of Financial Accounting Standards No. 69, "Disclosures about Oil and gas Producing Activities."

Capital Costs

Capitalized costs relating to the Company's oil and gas producing activities as of April 15, 2001, all of which are conducted within the continental United States are summarized below:

Properties subject to amortization	$ 15,417
Unevaluated properties	155,730
Capitalized costs	$ 171,147

Costs Incurred

Costs incurred in oil and gas property acquisition, exploration and development activities are summarized below:

Property acquisition costs:	
Proved	$ -
Unproved	155,730
Exploration costs	-

Development costs	15,417
Total costs incurred	$ 171,147

Reserves, standardized measures and changes in standardized measures are not presented because the Company has one well, which is in the process of being completed as of April 15, 2001. Sufficient information is not available to estimate the reserves and its cash flows as of April 15, 2001.

HOUSTON AMERICAN ENERGY CORP.

_____

INTERIM FINANCIAL STATEMENTS
for the period from inception April 2, 2001 to June 30, 2001
(Unaudited)

HOUSTON AMERICAN ENERGY CORP.
BALANCE SHEET
JUNE 30, 2001 (UNAUDITED)

ASSETS

CURRENT ASSETS, Cash	$ 976
OIL AND GAS PROPERTIES, Full cost method	
Cost subject to amortization	136,029
Cost not being amortized	124,441
Oil and gas properties	260,470
DEFERRED ASSETS	108,840
TOTAL ASSETS	$ 370,286

LIABILITIES AND SHAREHOLDERS' DEFICIT

CURRENT LIABILITIES	
Payable to affiliated companies	$ 171,822
Notes payable, affiliated company	216,981
Total current liabilities	388,803
SHAREHOLDERS' DEFICIT	
Common stock, par value $.001;	
100,000,000 shares authorized, 1,000,000 shares outstanding	1,000
Deficit accumulated in development stage	(19,517)
Total shareholders' deficit	(18,517)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	$ 370,286

The accompanying notes are an integral part
of these financial statements.

HOUSTON AMERICAN ENERGY CORP.
STATEMENT OF LOSS AND SHAREHOLDERS' DEFICIT
ACCUMULATED IN DEVELOPMENT STAGE
FROM APRIL 2, 2001 (DATE OF INCEPTION) TO JUNE 30, 2001 (UNAUDITED)

	<C>
Revenue	$ -
General and administrative expense	19,517
Net loss and shareholders' deficit accumulation in development stage	$ 19,517
Basic loss per share	$ 0.020
Basic weighted average share	1,000,000

The accompanying notes are an integral part
of these financial statements.

HOUSTON AMERICAN ENERGY CORP.
STATEMENT OF CASH FLOWS
FROM APRIL 2, 2001 (DATE OF INCEPTION) TO JUNE 30, 2001 (UNAUDITED)

	<C>
OPERATING ACTIVITIES	
Loss from operations	$ (19,517)
Adjustment to reconcile net loss to net cash from operations non-cash transactions	(152,329)
Increase in working capital:	
Increase in payables to affiliated companies	171,822
Net cash used by operation	(24)
CASH FLOW FROM INVESTING	
Acquisition of oil and gas properties	-
CASH FLOW FROM FINANCING	
Sale of common stock	1,000
Net increase in cash and cash at end of year	$ 976
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES	
Oil and gas properties acquired and deferred assets	$ 369,310
Note payable for oil and gas properties and deferred assets	216,981

The accompanying notes are an integral part
of these financial statements.

HOUSTON AMERICAN ENERGY CORP.

NOTE 1. - NATURE OF COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Houston American Energy Corp. (a Delaware Corporation) ("the Company") was incorporated on April 2, 2001. The Company was organized to engage in the exploration, development and acquisition of domestic oil and gas properties principally in the State of Texas.

The Statement of Loss and Shareholders' Deficit Accumulated in Development Stage for the period from April 2, 2001 (Date of Inception) to June 30, 2001, the Statement of Cash Flows for the period April 2, 2001 (Date of Inception) to June 30, 2001, and the Balance Sheet as of June 30, 2001 include, in the opinion of management, all of the adjustments necessary, consisting only of normal recurring adjustments, for a fair presentation of the results for this period and the financial condition as of that date. Historical interim results are not necessarily indicative of results that may be expected for any future period.

Oil and Gas Revenues Receivables - The Company recognizes oil and gas revenue from its interest in producing wells as oil and gas is produced and sold from those wells. The Company does not anticipate that the oil and gas sold will be significantly different from the Company's production entitlement.

Oil and Gas Properties and Equipment - The Company follows the full cost method of accounting for oil and gas property acquisition, exploration and development activities. Under this method, all productive and nonproductive costs incurred in connection with the exploration for and development of oil and gas reserves are capitalized. Capitalized costs include lease acquisition, geological and geophysical work, delay rentals, costs of drilling, completing and equipping successful and unsuccessful oil and gas wells and related general corporate overhead costs engaged in exploration and development activities. Gains or losses are not recognized on the sale or other disposition of oil and gas properties except in extraordinary transactions.

The capitalized costs of oil and gas properties, plus estimated future development costs relating to proved reserves are amortized on a unit-of-production method over the estimated productive life of the proved oil and gas reserves. Unevaluated oil and gas properties are excluded from this calculation. As of June 30, 2001, the Company has not had any oil and gas revenue, therefore, no amortization of the capitalized cost is necessary.

Capitalized oil and gas property costs, less accumulated amortization, are limited to an amount (the ceiling limitation) equal to the sum of: (a) the present value of estimated future net revenues from the projected production of proved oil and gas reserves, calculated at prices in effect as of the balance sheet date (with consideration of price changes only to the extent provided by contractual arrangements) and a discount factor of 10%; (b) the cost of unproved and unevaluated properties excluded from the costs being amortized, (c) the lower of cost or estimated fair value of unproved properties included in the costs being amortized; and (d) related income tax effects. Excess costs are charged to proved properties impairment expense.

Unevaluated Oil and gas Properties - Unevaluated oil and gas properties consist principally of the Company's acquisition costs in undeveloped leases net of an allowance for impairment and transfers to depletable oil and gas properties.

When leases are developed, expire or are abandoned, the related costs are transferred from unevaluated oil and gas properties to depletable oil and gas properties. Additionally, the Company reviews the carrying costs of unevaluated oil and gas properties for the purpose of determining probable future lease expirations and abandonments, and prospective discounted future economic benefit attributable to the leases. The Company records an allowance for impairment based on the review with the corresponding charge being made to depletable oil and gas properties. There is no such allowance for impairment presented in the accompanying financial statements.

Deferred Assets - Deferred assets consist of expenditures associated with a potential merger discussion in Note 7.

NOTE 1. - NATURE OF COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued ...

Income Taxes - Deferred income taxes are provided on a liability method whereby deferred tax assets and liabilities are established for the difference between the financial reporting and income tax basis of assets and liabilities as well as operating loss and tax credit carryforwards. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Preferred Stock - The Company has authorized 10,000,000 shares of preferred stock with a par value of $0.001. The Board of Directors shall determine the designations, rights, preferences, privileges and voting rights of the preferred stock as well as any restrictions and qualifications thereon. No shares of preferred stock have been issued.

Statement of Cash Flows - Cash equivalents consists of demand deposits and cash investments with initial maturity dates of less than three months. The Company paid no interest or taxes during the period of the accompanying financial statements.

Net Loss Per Share - Net loss per share is computed by dividing the net loss by the common and common equivalent shares considered outstanding during each period.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires the Company to make estimates and assumptions that could affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2. - DEVELOPMENT STAGE

The Company is in the development stage and does not have any revenue to support its operations. It is dependent on an affiliated entity to fund its operations and cost associated with the acquisition, exploration and development of oil and gas properties. Management intends to obtain funds through private and/or public securities offerings. In the event, that the affiliated entities ceases to fund the Company's operations, the oil and gas properties would be used to reduce the amounts due the affiliates.

NOTE 3. - NOTES PAYABLE

Notes payable at June 30, 2001, in the amount of $216,981, is due to an affiliated company. The note bears interest at 10%, is due on demand for principal and interest and is secured by all the oil and gas properties owned by the Company.

NOTE 4. - RELATED PARTIES

The Company's oil and gas properties were purchased from an affiliate entity at their cost. Another affiliated entity will be the operator of the oil and gas properties and will be responsible for drilling certain wells in which the Company participates. All of the charges from this affiliate will be at cost. As of June 30, 2001, there is $171,822 due to affiliates for expenditure paid on behalf of the Company.

NOTE 5 - INCOME TAXES

At June 30, 2001, the Company had an operating loss of $19,517 which provided a net operating loss of $6,636, computed at the statutory rate. This net operating

loss benefit has a valuation allowance of $6,636.

NOTE 6. - COMMITMENT

As of June 30, 2001, the Company has completed two wells, Kalmus No. 1 and Carl Klimitchek No. 2 wells, and commenced drilling one well, Sartwelle No. 5 well. The estimated commitment for drilling and completing the Sartwelle No. 5 well is $430,900 to $774,800.

NOTE 7. - SUBSEQUENT EVENTS

The Company has entered into an agreement with a public entity where by the public entity will spin off a wholly-owned subsidiary. A registration statement under the Securities Exchange Act of 1934, as amended, will be filed for the subsidiary and upon its effectiveness, the subsidiary will be a fully reporting company with no liabilities.

After the above registration statement is effective, the Company will merge with the reporting entity. The merged companies will be Houston American Energy Corp.

NOTE 8. - SUPPLEMENTAL INFORMATION ON OIL AND GAS EXPLORATION, DEVELOPMENT AND PRODUCTION ACTIVITIES (UNAUDITED)

This footnote provides unaudited information required by Statement of Financial Accounting Standards No. 69, "Disclosures about Oil and gas Producing Activities."

Capital Costs

Capitalized costs relating to the Company's oil and gas producing activities as of June 30, 2001, all of which are conducted within the continental United States are summarized below:

Properties subject to amortization	$136,029
Unevaluated properties	124,441
Capitalized costs	$260,470

Costs Incurred

Costs incurred in oil and gas property acquisition, exploration and development activities are summarized below:

Property acquisition costs:	
Proved	$ 34,561
Unproved	124,441
Exploration costs	-
Development costs	101,468
Total costs incurred	$260,470

NOTE 8. - SUPPLEMENTAL INFORMATION ON OIL AND GAS EXPLORATION, DEVELOPMENT AND PRODUCTION ACTIVITIES (UNAUDITED), continued ...

Reserves, standardized measures and changes in standardized measures are not presented because the Company has two wells, which are in the process of being completed as of June 30, 2001. Sufficient information is not available to estimate the reserves and their cash flows as of June 30, 2001.

PRO FORMA FINANCIAL STATEMENTS
for the six months ended June 30, 2001

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HOUSTON AMERICAN ENERGY CORP. AND
TEXAS NEVADA OIL & GAS CO.
PRO FORMA BALANCE SHEET
JUNE 30, 2001

<TABLE>
<CAPTION>

ASSETS	TEXAS NEVADA OIL & GAS CO.	HOUSTON AMERICAN ENERGY CORP.	PRO FORMA ADJUSTMENTS(1)	PRO FORMA
<S>	<C>	<C>	<C>	<C>
CURRENT ASSETS				
Cash	$ -	$ 976	$ -	$ 976
Total Current Assets	-	976	-	976
OIL AND GAS PROPERTIES	-	260,470	-	260,470
DEFERRED ASSETS	-	108,840	-	108,840
TOTAL ASSETS	$ -	$370,286	$ -	$370,286
LIABILITIES AND SHAREHOLDERS' DEFICIT				
CURRENT LIABILITIES				
Payables	$ -	$171,822	$ -	$171,822
Notes payable	-	216,981	-	216,981
Total current liabilities	-	388,803	-	388,803
SHAREHOLDERS' EQUITY				
Common stock	1,000	1,000	(1,000)	1,000
Accumulated Deficit	(1,000)	(19,517)	1,000	(19,517)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ -	$370,286	$ -	$370,286

</TABLE>

NOTES TO PRO FORMA FINANCIAL STATEMENTS

1. Recapitalize Texas Nevada Oil & Gas Co. with capital structure of Houston American Energy Corp.

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HOUSTON AMERICAN ENERGY CORP. AND
TEXAS NEVADA OIL & GAS CO.
PRO FORMA STATEMENT OF LOSS
SIX MONTH PERIOD ENDED JUNE 30, 2001

<TABLE>
<CAPTION>

	TEXAS NEVADA OIL & GAS CO.	HOUSTON AMERICAN ENERGY CORP.	PRO FORMA ADJUSTMENTS(1)	PRO FORMA
<S>	<C>	<C>	<C>	<C>
Revenue	$ -	$ -	$ -	$ -
General and administrative expense	-	19,517	-	19,517

Net loss	$ -	$ 19,517	$ -	$ 19,517
Basic loss per share	$ -	$ 0.02	$ -	$ 0.02
Basic weighted average shares	1,000	1,000,000	(1,000)	1,000,000

</TABLE>

NOTES TO PRO FORMA FINANCIAL STATEMENTS

1. Recapitalize Texas Nevada Oil & Gas Co. with capital structure of Houston American Energy Corp.

TEXAS NEVADA OIL & GAS CO.
(A Corporation in the Development Stage)

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FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT AUDITORS
for the year ended December 31, 2000 and 1999, and for the period from inception of the development stage, January 1, 1999, to December 31, 2000

Report of Independent Accountants

Board of Directors and Stockholder
Texas Nevada Oil & Gas Co.

We have audited the accompanying balance sheet of Texas Nevada Oil & Gas Co. (a corporation in the development stage) as of December 31, 2000 and the related statements of operations, stockholder's equity and cash flows for the two years in the period then ended and for the period from inception of the development stage, January 1, 1999, to December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Texas Nevada Oil & Gas Co. as of December 31, 2000, and the results of its operations and its cash flows for the two years in the period then ended and for the period from inception of the development stage, January 1, 1999, to December 31, 2000, in conformity with generally accepted accounting principles.

/s/ Ham, Langston & Brezina, L.L.P.

Houston, Texas
July 17, 2001

TEXAS NEVADA OIL & GAS CO.
(A Corporation in the Development Stage)
BALANCE SHEET
DECEMBER 31, 2000

<TABLE>
<CAPTION>

ASSETS

Current Assets	$ -
Total Assets	$ -

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities	$ -
Total liabilities	-
Stockholders' Equity	
Preferred Stock: no par value; 50,000,000 shares authorized; no shares issued and outstanding	
Common Stock: no par value; 200,000,000 shares authorized; 1,000 shares issued and outstanding	-
Losses accumulated during the development stage	1,000
	(1,000)
Total stockholders' deficit	-
Total liabilities and stockholders' equity	$ -

The accompanying notes are an integral part of these financial statements.

TEXAS NEVADA OIL & GAS CO.
(A Corporation in the Development Stage)
STATEMENTS OF OPERATIONS

	Year Ended December 31, 2000	Year Ended December 31, 1999	Inception, January 1, 1999, to December 31, 2000
General and administrative expense	$ -	$ 1,000	$ 1,000
Net loss	$ -	$ (1,000)	$ (1,000)
Basic and dilutive net loss per common share	$ -	$ (1.00)	
Weighted average common shares outstanding (basic and dilutive)	1,000	1,000	

The accompanying notes are an integral part of these financial statements.

TEXAS NEVADA OIL & GAS CO.
(A Corporation in the Development Stage)
STATEMENTS OF STOCKHOLDER'S EQUITY
for the years ended December 31, 2000 and 1999, and for the period from inception of the development stage,

January 1, 1999 to December 31, 2000

<TABLE>
<CAPTION>

	Common Stock Shares	Common Stock Amount	Losses Accumulated During the Development Stage	Total
<S>	<C>	<C>	<C>	<C>
Balance at inception, January 1, 1999	-	$ -	$ -	$ -
Organizational services performed by the Parent considered effective January 1, 1999	1,000	1,000	-	1,000
Net loss	-	-	(1,000)	(1,000)
Balance at December 31, 1999	1,000	1,000	(1,000)	-
Net loss	-	-	-	-
Balance at December 31, 2000	1,000	$ 1,000	$ (1,000)	$ -

</TABLE>

The accompanying notes are an integral part of these financial statements.

TEXAS NEVADA OIL & GAS CO.
(A Corporation in the Development Stage)
STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	Year Ended December 31, 2000	Year Ended December 31, 1999	Inception, January 1, 1999, to December 31, 2000
<S>	<C>	<C>	<C>
Cash flows from operating activities			
Net loss	$ -	$ (1,000)	$ (1,000)
Adjusted to reconcile net loss to net cash used in operating activities:			
Common stock issued for services	-	(1,000)	1,000
Net cash provided by operating activities and net increase in cash and cash equivalents	-	-	-
Cash and cash equivalents, beginning of year	-	-	-
Cash and cash equivalents, end of year	$ -	$ -	$ -

</TABLE>

The accompanying notes are an integral part of these financial statements.

TEXAS NEVADA OIL & GAS CO.
(A Corporation in the Development Stage)
NOTES TO FINANCIAL STATEMENTS

1. Description Of Business

Texas Nevada Oil & Gas Co. (the "Company") was incorporated on June 15, 1981 in the state of Texas. The Company is a wholly-owned subsidiary of Unicorp, Inc. (the "Parent") and was originally formed for the purpose of holding and operating the Parent's mineral interests in the State of Texas. The Company has not been engaged in any significant activities since 1991 when it ceased active operations and liquidated its operating assets. The Company is now considered a development stage enterprise because it has not yet commenced new commercial operations and because its current efforts are focused almost entirely on corporate structure and capital raising activities.

The date of inception of the development stage of the Company for purposes of financial reporting is considered to be January 1, 1999, because on or about that date management began planning future activities for the dormant Company. Accordingly, in accordance with Statement of Financial Accounting Standards #1, Accounting and Reporting by Development Stage Enterprises, the accompanying financial statements include cumulative amounts from January 1, 1999, the inception of the development stage.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and any highly liquid short-term investments with an original maturity of three months or less.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. This method also requires the recognition of future tax benefits such as net operating loss carryforwards, to the extent that realization of such benefits is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Net Loss Per Common Share

Basic and dilutive net loss per common share for the years ended December 31, 2000 and 1999 have been computed by dividing net loss by the weighted average number of shares of common stock outstanding during these periods.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies, continued

Fair Value of Financial Instruments

The Company includes fair value information in the notes to the financial statements when the fair value of its financial instruments is different from the book value. When the book value approximates fair value, no additional disclosure is made.

Comprehensive Income

The Company has adopted Statement of Financial Accounting Standard ("SFAS") No. 130, "Reporting Comprehensive Income". Comprehensive income includes such items as unrealized gains or losses on certain investment securities and certain foreign currency translation adjustments. The Company's financial statements include none of the additional elements that affect comprehensive income. Accordingly, comprehensive income and net income are identical.

Segment Information

The Company has adopted SFAS 131, "Disclosures About Segments of an Enterprise and Related Information". SFAS 131 requires a company to disclose financial and other information, as defined by the statement, about its business segments, their products and services, geographic areas, major customers, revenues, profits, assets and other information. The Company currently operates in only one business segment and does not have geographically diversified business operations.

3. Income Taxes

The tax effects of temporary differences that give rise to deferred tax assets at December 31, 2000 are as follows:

Net operating loss carryforward	$ 150
Total gross deferred tax assets	150
Less valuation allowance	(150)
Net deferred tax assets	$ -

4. Subsequent Event

On March 23, 2001, the Company entered into an agreement with the Parent, the controlling stockholder of the Parent, and Opportunity Acquisition Company ("Opportunity") under which the Company agreed to merge with Opportunity in a transaction (the "Transaction") that will be treated as a recapitalization of Opportunity. Under the Transaction, the parties agreed to the following:

. The Parent will "spin-off" the Company to its stockholders and promptly thereafter the Parent and the Company will register the Company's common stock on Form 10-SB in accordance with the Securities Exchange Act of 1934, as amended (the "Exchange Act").

. Following the completion of the spin-off and effective registration of the Company's common stock, Opportunity will merge (the "Merger") with the Company through the exchange of 5% of its common stock for 100% of the Company's common stock.

. The Company and the Parent will prepare and send to the stockholders of the Parent an information statement (the "Information Statement") required by the Exchange Act in connection with obtaining approval for the Merger.

4. Subsequent Event, continued

. Opportunity, in connection with the Information Statement and as part of the merger, will prepare a registration statement on Form S-4 under the Securities Act of 1933 to register the Opportunity common stock received by the Company's stockholders.

. If the Company, the Parent and the controlling stockholder of the Parent comply with all requirements of the Transaction, Opportunity will pay up to $75,000 of the costs of the Transaction through cancellation of a $75,000 promissory note that was originated as part of the Transaction.

TEXAS NEVADA OIL & GAS CO.
(A Corporation in the Development Stage)

UNAUDITED INTERIM FINANCIAL STATEMENTS
for the six months ended June 30, 2001 and 2000, and
for the period from inception of the development stage,
January 1, 1999, to June 30, 2001

TEXAS NEVADA OIL & GAS CO.
(A Corporation in the Development Stage)
UNAUDITED INTERIM BALANCE SHEET
JUNE 30, 2001

<TABLE>
<CAPTION>
ASSETS

<S>	<C>
Current Assets	$ -
Total Assets	$ -
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current Liabilities	$ -
Total liabilities	-
Stockholders' Equity	
Preferred Stock: no par value; 50,000,000 shares authorized; no shares issued and outstanding	-
Common Stock: no par value; 200,000,000 shares authorized; 1,000 shares issued and outstanding	1,000
Losses accumulated during the development stage	(1,000)
Total stockholders' deficit	-
Total Liabilities and Stockholders' Equity	$ -

</TABLE>

The accompanying notes are an integral part
of these financial statements.

TEXAS NEVADA OIL & GAS CO.
(A Corporation in the Development Stage)
UNAUDITED INTERIM STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	Six Months Ended June 30,		Inception, January 1, 1999, to June 30,
	2001	2000	2001
<S>	<C>	<C>	<C>
General and administrative expense	$ -	$ -	$ 1,000
Net loss	$ -	$ -	$ (1,000)
Basic and dilutive net loss per common share	$ -	$ -	
Weighted average common shares outstanding (basic and dilutive)	1,000	1,000	

</TABLE>

The accompanying notes are an integral part of these financial statements.

TEXAS NEVADA OIL & GAS CO.
(A Corporation in the Development Stage)
UNAUDITED INTERIM STATEMENTS OF STOCKHOLDER'S EQUITY
for the six months ended June 30, 2001 and 2000, and for the period from inception of the development stage, January 1, 1999 to June 30, 2001

<TABLE>
<CAPTION>

	Common Stock Shares	Common Stock Amount	Losses Accumulated During the Development Stage	Total
<S>	<C>	<C>	<C>	<C>
Balance at inception, January 1, 1999	-	$ -	$ -	$ -
Organizational services performed by the Parent considered effective January 1, 1999	1,000	1,000	-	1,000
Net loss	-	-	(1,000)	(1,000)
Balance at December 31, 1999	1,000	1,000	(1,000)	-
Net loss	-	-	-	-
Balance at December 31, 2000	1,000	1,000	(1,000)	-
Net loss	-	-	-	-
Balance at June 30, 2001	1,000	$ 1,000	$ (1,000)	$ -

</TABLE>

The accompanying notes are an integral part of these financial statements.

TEXAS NEVADA OIL & GAS CO.
(A Corporation in the Development Stage)

UNAUDITED INTERIM STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	Six Months Ended June 30,		Inception, January 1, 1999, to June 30,
	2001	2000	2001
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net loss	$ -	$ -	$ (1,000)
Adjustment to reconcile net loss to net cash used in operating activities:			
Common stock issued for services	-	-	1,000
Net cash provided by operating activities and net increase in cash and cash equivalents	-	-	-
Cash and cash equivalents, beginning of year	-	-	-
Cash and cash equivalents, end of year	$ -	$ -	$ -

</TABLE>

The accompanying notes are an integral part of these financial statements.

TEXAS NEVADA OIL & GAS CO.
(A Corporation in the Development Stage)
NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

1. Description of Business

Texas Nevada Oil & Gas Co. (the "Company") was incorporated on June 15, 1981 in the state of Texas. The Company is a wholly-owned subsidiary of Unicorp, Inc. (the "Parent") and was originally formed for the purpose of holding and operating the Parent's mineral interests in the State of Texas. The Company has not been engaged in any significant activities since 1991 when it ceased active operations and liquidated its operating assets. The Company is now considered a development stage enterprise because it has not yet commenced new commercial operations and because its current efforts are focused almost entirely on corporate structure and capital raising activities.

The date of inception of the development stage of the Company for purposes of financial reporting is considered to be January 1, 1999, because on or about that date management began planning future activities for the dormant Company. Accordingly, in accordance with Statement of Financial Accounting Standards #1, Accounting and Reporting by Development Stage Enterprises, the accompanying financial statements include cumulative amounts from January 1, 1999, the inception of the development stage.

2. Interim Financial Statements

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-SB and Article 10 of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six months ended June 30, 2001 and 2000 are not necessarily indicative of the results that may be expected for the respective full years.

A summary of the Company's significant accounting policies and other information necessary to understand these financial statements is presented

in the Company's audited financial statements for the years ended December 31, 2000 and 1999. Accordingly, the Company's audited financial statements should be read in connection with these financial statements.

3. Merger with Opportunity Acquisition Company

On March 23, 2001, the Company entered into an agreement with the Parent, the controlling stockholder of the Parent, and Opportunity Acquisition Company ("Opportunity") under which the Company agreed to merge with Opportunity in a transaction (the "Transaction") that will be treated as a recapitalization of Opportunity. Under the Transaction, the parties agreed to the following:

- The Parent will "spin-off" the Company to its stockholders and promptly thereafter the Parent and the Company will register the Company's common stock on Form 10-SB in accordance with the Securities Exchange Act of 1934, as amended (the "Exchange Act").

- Following the completion of the spin-off and effective registration of the Company's common stock, Opportunity will merge (the "Merger") with the Company through the exchange of 5% of its common stock for 100% of the Company's common stock.

- The Company and the Parent will prepare and send to the stockholders of the Parent an information statement (the "Information Statement") required by the Exchange Act in connection with obtaining approval for the Merger.

3. Merger with Opportunity Acquisition Company, continued

- Opportunity, in connection with the Information Statement and as part of the Merger, will prepare a registration statement on Form S-4 under the Securities Act of 1933 to register the Opportunity common stock received by the Company's stockholders.

- If the Company, the Parent and the controlling stockholder of the Parent comply with all requirements of the Transaction, Opportunity will pay up to $75,000 of the costs of the Transaction through cancellation of a promissory note that will be funded as part of the Transaction.

APPENDIX A

PLAN AND AGREEMENT OF MERGER
BETWEEN
TEXAS NEVADA OIL & GAS CO.
AND
HOUSTON AMERICAN ENERGY CORP.

Texas Nevada Oil & Gas Co., a Texas corporation ("TNOG"), and Houston American Energy Corp., a Delaware corporation ("HAEC"), hereby agree as follows:

1. Plan Adopted. A plan of merger merging TNOG with and into HAEC (this "Plan of Merger"), pursuant to the provisions of Section 252 of the Delaware General Corporation Law (the "DGCL"), Article 5.01 of the Texas Business Corporation Act (the "TBCA") and Section 368(a)(1)(A) of the Internal Revenue Code, is adopted as follows:

(a) TNOG shall be merged with and into HAEC, to exist and be governed by the laws of the State of Delaware.

(b) The name of the Surviving Corporation shall be Houston American Energy Corp. (the "Surviving Corporation").

(c) When this Plan of Merger shall become effective, the separate existence of TNOG shall cease and the Surviving Corporation shall succeed,

without other transfer, to all the rights and properties of TNOG and shall be subject to all the debts and liabilities of such corporation in the same manner as if the Surviving Corporation had itself incurred them. All rights of creditors and all liens upon the property of each constituent entity shall be preserved unimpaired, limited in lien to the property affected by such liens immediately prior to the merger (the "Merger").

(d) The Surviving Corporation will be responsible for the payment of all fees and franchise taxes of the constituent entities payable to the State of Delaware and the State of Texas, if any.

(e) The Surviving Corporation will carry on business with the assets of TNOG, as well as with the assets of HAEC.

(f) The Surviving Corporation will be responsible for the payment of the fair value of shares, if any, required under Article 5.12 of the TBCA or Section 262 of the DGCL.

(g) The shareholders of TNOG will surrender all of their shares in the manner hereinafter set forth.

(h) In exchange for the shares of TNOG surrendered by its shareholders, the Surviving Corporation will issue and transfer to such shareholders on the basis hereinafter set forth, shares of its common stock.

(i) In exchange for the currently outstanding shares of HAEC surrendered by the stockholders of HAEC, the Surviving Corporation will issue and transfer to such stockholders on the basis hereinafter set forth, shares of its common stock.

2. Effective Date. The effective date of the Merger (the "Effective Date") shall be the first permissible date following the effectiveness of the S-4 Registration Statement to be filed by HAEC.

3. Submission to Shareholders and Stockholders. This Plan of Merger shall be submitted for approval separately to the shareholders of TNOG and to the stockholders of HAEC in the manner provided by the laws of the State of Texas and the State of Delaware.

4. Manner of Exchange. On the Effective Date of the Merger, the shareholders of TNOG and the current stockholders of HAEC shall surrender their stock certificates to HAEC in exchange for shares of the Surviving Corporation to which they are entitled pursuant to the provisions of this Plan of Merger.

5. Basis of Exchange. The holders of shares of the common stock, no par value per share, of TNOG shall be entitled to receive, ratably, in exchange for the surrender of all of the outstanding shares of TNOG common stock, 596,569 shares of the common stock of the Surviving Corporation, par value $0.001 per share.

6. Shares of the Surviving Corporation. The holders of the presently outstanding shares of the common stock of HAEC shall be entitled to receive, ratably, in exchange for the surrender and cancellation of all such currently outstanding shares, 11,403,431 shares of the common stock of the Surviving Corporation.

7. Directors and Officers.

(a) The present Board of Directors of HAEC shall continue to serve as the Board of Directors of the Surviving Corporation until the next annual meeting or until such time as their successors have been elected and qualified.

(b) If a vacancy shall exist on the Board of Directors of the Surviving Corporation on the Effective Date of the Merger, such vacancy may be filled by the Board of Directors as provided in the Bylaws of the Surviving Corporation.

(c) All persons who, on the Effective Date of the Merger, are executive or administrative officers of HAEC shall remain as officers of the Surviving Corporation until the Board of Directors of the Surviving Corporation shall otherwise determine. The Board of Directors of the Surviving Corporation may

elect or appoint such additional officers as it may determine.

8. Certificate of Incorporation. The Certificate of Incorporation of HAEC, attached hereto as Exhibit A and incorporated herein for all purposes, existing on the Effective Date of the Merger shall continue in full force as the Certificate of Incorporation of the Surviving Corporation until altered, amended, or repealed as provided therein or as provided by law.

9. Bylaws. The Bylaws of HAEC, attached hereto as Exhibit B and incorporated herein for all purposes, existing on the Effective Date of the Merger shall continue in full force as the Bylaws of the Surviving Corporation until altered, amended, or repealed as provided therein or as provided by law.

10. Copies of the Plan of Merger. A copy of this Plan of Merger is on file at 801 Travis Street, Suite 1425, Houston, Texas 77002, which is the principal office of the Surviving Corporation. A copy of this Plan of Merger will be furnished to any shareholder of TNOG or stockholder of HAEC, on written request and without cost.

11. Legal Construction. In case any one or more of the provisions contained in this Plan of Merger shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, and this Plan of Merger shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

12. Benefit. All the terms and provisions of this Plan of Merger shall be binding upon and inure to the benefit of and be enforceable by the parties hereto, and their successors and permitted assigns.

13. Law Governing. This Plan of Merger shall be construed and governed by the laws of the State of Delaware, and all obligations hereunder shall be deemed performable in Harris County, Texas.

14. Perfection of Title. The parties hereto shall do all other acts and things that may be reasonably necessary or proper, fully or more fully, to evidence, complete or perfect this Plan of Merger, and to carry out the intent of this Plan of Merger.

15. Cumulative Rights. The rights and remedies of any party under this Plan of Merger and the instruments executed or to be executed in connection herewith, or any of them, shall be cumulative and the exercise or partial exercise of any such right or remedy shall not preclude the exercise of any other right or remedy.

16. Waiver. No course of dealing on the part of any party hereto or its agents, nor any failure or delay by any such party with respect to exercising any right, power or privilege of such party under this Plan of Merger or any instrument referred to herein shall operate as a waiver thereof, and any single or partial exercise of any such right, power or privilege shall not preclude any later exercise thereof or any exercise of any other right, power or privilege hereunder or thereunder.

17. Construction. Whenever used herein, the singular number shall include the plural, the plural number shall include the singular, and the masculine gender shall include the feminine.

18. Multiple Counterparts. This Plan of Merger may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Plan of Merger on July 31, 2001.

TEXAS NEVADA OIL & GAS CO.

By /s/ Louis G. Mehr

Louis G. Mehr, President

HOUSTON AMERICAN ENERGY CORP.

By /s/ John F. Terwilliger

John F. Terwilliger, President

Attachments:

Exhibit A - Certificate of Incorporation of Houston American Energy Corp.
Exhibit B - Bylaws of Houston American Energy Corp.

Exhibit A

CERTIFICATE OF INCORPORATION
OF
HOUSTON AMERICAN ENERGY CORP.

Pursuant to the Delaware General Corporation Law (the "DGCL"), the undersigned, being of the age of 18 years or more and acting as the incorporator of HOUSTON AMERICAN ENERGY CORP. (the "Company"), under the laws of the State of Delaware, hereby adopts this Certificate of Incorporation:

ARTICLE I
Name

The name of the Company is Houston American Energy Corp.

ARTICLE II
Registered Office and Agent

The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III
Business

The purpose of the Company shall be to engage in any lawful act or activity for which corporations may be organized and incorporated under the DGCL.

ARTICLE IV
Capital Stock

1. Authorized Stock. The total number of shares of stock which the Company shall have authority to issue is 110,000,000, consisting of 100,000,000 shares of common stock, par value $0.001 per share (the "Common Stock"), and 10,000,000 shares of preferred stock, par value $0.001 per share (the "Preferred Stock").

2. Preferred Stock. The Preferred Stock may be issued from time to time in one or more series. The Company's board of directors (the "Board of Directors") is hereby authorized to create and provide for the issuance of shares of Preferred Stock in series and, by filing a certificate pursuant to the applicable section of the DGCL (the "Preferred Stock Designation"), to establish from time to time the number of shares to be included in each such series, and to fix the designations, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof. The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

(a) The designation of the series, which may be by distinguishing number, letter or title.

(b) The number of shares of the series, which number the Board of Directors may thereafter (except where otherwise provided in the Preferred Stock Designation) increase or decrease (but not below the number of shares thereof then outstanding).

(c) Whether dividends, if any, shall be cumulative or noncumulative and the dividend rate of the series.

(d) The dates at which dividends, if any, shall be payable.

(e) The redemption rights and price or prices, if any, for shares of the series.

(f) The terms and amount of any sinking fund provided for the purchase or redemption of shares of the series.

(g) The amounts payable on, and the preferences, if any, of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company.

(h) Whether the shares of the series shall be convertible into shares of any other class or series, or any other security, of the Company or any other corporation, and, if so, the specification of such other class or series of such other security, the conversion price or prices or rate or rates, any adjustments thereof, the date or dates at which such shares shall be convertible and all other terms and conditions upon which such conversion may be made.

(i) Restrictions on the issuance of shares of the same series or of any other class or series.

(j) The voting rights, if any, of the holders of shares of the series.

(k) Such other powers, preferences and relative, participating, optional and other special rights, and the qualifications, limitations and restrictions thereof as the Board of Directors shall determine.

3. Common Stock. The Common Stock shall be subject to the express terms of the Preferred Stock and any series thereof. Each share of the Common Stock shall be equal to each other share of Common Stock. The holders of shares of the Common Stock shall be entitled to one vote for each such share upon all questions presented to the stockholders.

4. Voting Rights. Except as may be provided in this Certificate of Incorporation or in a Preferred Stock Designation, or as may be required by applicable law, the Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes, and holders of shares of Preferred Stock shall not be entitled to receive notice of any meeting of stockholders at which they are not entitled to vote. At each election for directors every stockholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected and for whose election he has a right to vote. It is expressly prohibited for any stockholder to cumulate his votes in any election of directors.

5. Denial of Preemptive Rights. No stockholder of the Company shall by reason of his holding shares of any class have any preemptive or preferential right to purchase or subscribe to any shares of any class of the Company now or hereafter to be authorized or any notes, debentures, bonds, or other securities convertible into or carrying options or warrants to purchase shares of any class, now or hereafter to be authorized, whether or not the issuance of any such shares, or such notes, debentures, bonds or other securities would adversely affect dividend or voting rights of such stockholder, other than such rights, if any, as the Board of Directors in its discretion may fix; and the Board of Directors may issue shares of any class of the Company, or any notes, debentures, bonds, or other securities convertible into or carrying options or warrants to purchase shares of any class, without offering any such shares of any class, either in whole or in part, to the existing stockholders of any class.

ARTICLE V
Incorporator

The name and mailing address of the incorporator is as follows:

Name	Address
Norman T. Reynolds	1100 Louisiana Street, Suite 4200 Houston, Texas 77002

ARTICLE VI
Election of Directors

1. Number. The number of directors constituting the initial Board of Directors of the Company is one. The name and address of the person who is to serve as the initial director until the first annual meeting of the stockholders, or until his successor(s) have been elected and qualified is:

Name	Address
John F. Terwilliger	801 Travis, Suite 1425 Houston, Texas 77002

The business and affairs of the Company shall be conducted and managed by, or under the direction of, the Board of Directors. The total number of directors constituting the entire Board of Directors shall be fixed and may be altered from time to time by or pursuant to a resolution passed by the Board of Directors.

2. Classes of Directors. The Board of Directors shall be divided into three classes, Class A, Class B and Class C. Such classes shall be as nearly equal in number of directors as possible. Each director shall serve for a term expiring at the third annual meeting following the annual meeting at which such director was elected; provided, however, that the directors first elected to Class A shall serve for an initial term expiring at the annual meeting following the end of the Company's 2001 fiscal year, the directors first elected to Class B shall serve for an initial term expiring at the second annual meeting next following the end of the Company's 2001 fiscal year, and the directors first elected to Class C shall serve for an initial term expiring at the third annual meeting next following the end of the Company's 2001 fiscal year. Notwithstanding anything herein contained to the contrary, the person named in subparagraph 1 of this Article VI shall be a Class C director. Moreover, except as otherwise provided in this Certificate of Incorporation or any Preferred Stock Designation, directors who are elected at an annual meeting of stockholders, and directors elected in the interim to fill vacancies and newly created directorships, shall hold office for the term for which elected and until their successors are elected and qualified or until their earlier death, resignation or removal. Whenever the holders of any class or classes of stock or any series thereof shall be entitled to elect one or more directors pursuant to any Preferred Stock Designation, and except as otherwise provided herein or therein, vacancies and newly created directorships of such class or classes or series thereof may be filled by a majority of the directors elected by such class or classes or series thereof then in office, by a sole remaining director so elected or by the unanimous written consent or the affirmative vote of a majority of the outstanding shares of such class or classes or series entitled to elect such director or directors.

3. Vacancies. Except as otherwise provided for herein, newly created directorships resulting from any increase in the authorized number of directors, and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause, may be filled only by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the newly created directorship or for the directorship in which the vacancy occurred, and until such director's successor shall have been duly elected and qualified, subject to his earlier death, disqualification, resignation or removal. Subject to the provisions of this Certificate of Incorporation, no decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

4. Removal of Directors. Except as otherwise provided in any Preferred Stock Designation, any director may be removed from office only by the affirmative vote of the holders of two-thirds (2/3) or more of the combined voting power of the then outstanding shares of capital stock of the Company entitled to vote at a meeting of stockholders called for that purpose, voting

together as a single class.

ARTICLE VII
Powers of the Board of Directors

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized:

(a) To authorize and cause to be executed mortgages and liens upon the real and personal property of the Company.

(b) To set apart out of any of the funds of the Company available for dividends a reserve or reserves for any proper purpose and to abolish any such reserve in the manner in which it was created.

(c) The Board of Directors may, by resolution adopted by a majority of the whole Board, designate an Executive Committee, and one or more additional committees, to exercise, subject to applicable provisions of law, such powers of the Board of Directors in the management of the business and affairs of the Company as set forth in said resolution, but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required to be submitted to the stockholders for approval or, (ii) adopting, amending or repealing any Bylaw of the Company. The Executive Committee and each such other committee shall consist of two or more directors of the Company. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee may to the extent permitted by law exercise such powers and shall have such responsibilities as shall be specified in the designating resolution. In the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(d) When and as authorized by the stockholders in accordance with law, to sell, lease or exchange all or substantially all of the property and assets of the Company, including its good will and its corporate franchises, upon such terms and conditions and for such consideration, which may consist in whole or in part of money or property including shares of stock in, and/or other securities of, any other corporation or corporations, as its board of directors shall deem expedient and for the best interests of the Company.

ARTICLE VIII
Receivers and Trustees

Whenever a compromise or arrangement is proposed between the Company and its creditors or any class of them and/or between the Company and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Company or of any creditor or stockholder thereof, on the application of any receiver or receivers appointed for the Company under the provisions of Section 291 of the DGCL or on the application of trustees in dissolution or of any receiver or receivers appointed for the Company under the provisions of Section 279 of the DGCL, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Company, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Company, as the case may be, agree to any compromise or arrangement and to any reorganization of the Company as a consequence of such compromise or arrangement, the said compromise or arrangement and said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Company, as the case may be, and also on the Company.

ARTICLE IX
Bylaws

Bylaws of the Company may be adopted, amended or repealed by the Board of Directors or by the affirmative vote of the holders of a majority of the Company's stock, outstanding and entitled to vote at the meeting at which any Bylaw is adopted, amended or repealed. Such Bylaws may contain any provision for the regulation and management of the affairs of the Company and the rights or powers of its stockholders, directors, officers or employees not inconsistent with statute or this Certificate of Incorporation.

ARTICLE X
Amendment of Certificate of Incorporation

The Company reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE XI
Existence

The Company is to have perpetual existence.

ARTICLE XII
Limitation of Liability

A director of the Company shall not be personally liable to the Company or its stockholders for monetary damages for breach of his fiduciary duty as a director; provided, however, that this Article XII shall not eliminate or limit the liability of a director: (a) for any breach of the director's duty of loyalty to the Company or stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (d) for any transaction from which the director derived an improper personal benefit.

If the DGCL is amended after the date of filing of this Certificate of Incorporation to authorize corporate action further limiting or eliminating the personal liability of a director, then the liability of the directors of the Company shall be limited or eliminated to the fullest extent permitted by the DGCL, as so amended. Any repeal or modification of this Article by the stockholders of the Company or otherwise shall not adversely affect any right or protection of a director of the Company existing at the time of such repeal or modification.

ARTICLE XIII
Business Combinations with Interested Stockholders

The Company shall be governed by Section 203 of the DGCL. Provided, however, notwithstanding anything herein contained to the contrary, the provisions of Section 203 of the DGCL shall not be applicable to John F. Terwilliger.

ARTICLE XIV
Indemnification

The Company shall indemnify each director and officer of the Company who may be indemnified, to the fullest extent permitted by Section 145 of the DGCL ("Section 145"), as it may be amended from time to time, in each and every situation where the Company is obligated to make such indemnification pursuant to Section 145. In addition, the Company shall indemnify each of the Company's directors and officers in each and every situation where, under Section 145, the Company is not obligated, but is permitted or empowered, to make such indemnification. The Company may, in the sole discretion of the Board of Directors, indemnify any other person who may be indemnified pursuant to Section 145 to the extent the Board of Directors deems advisable, as permitted by such section. The Company shall promptly make or cause to be made any determination which Section 145 requires.

ARTICLE XV
Transactions with Interested Parties

No contract or transaction between the Company and one or more of its directors or officers, or between the Company and any other corporation, partnership, association, or other organization in which one or more of its directors or officers, are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee which authorizes the contract or transaction, or solely because his or their votes are counted for such

purpose, if: (a) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors

or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (b) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by a vote of the stockholders; or (c) the contract or transaction is fair as to the Company as of the time it is authorized, approved or ratified, by the Board of Directors, a committee or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 2nd day of April, 2001.

/s/ Norman T. Reynolds

NORMAN T. REYNOLDS

Exhibit B

BYLAWS
OF
HOUSTON AMERICAN ENERGY CORP.

ARTICLE I
Offices and Records

1.1 Delaware Office. The registered office of Houston American Energy Corp. (the "Company") in the State of Delaware shall be located in the City of Wilmington, County of New Castle, and the name and address of its registered agent is The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware.

1.2 Other Offices. The Company may have such other offices, either within or without the State of Delaware, as the Company's board of directors (the "Board of Directors") may from time to time designate or as the business of the Company may from time to time require, including, without limitation, the Company's principal business office in Houston, Texas.

1.3 Books and Records. The books and records of the Company may be kept outside the State of Delaware at such place or places as may from time to time be designated by the Board of Directors.

ARTICLE II
Stockholders

2.1 Annual Meeting. The annual meeting of stockholders of the Company shall be held at such place, either within or without the State of Delaware, and at such time and date as the Board of Directors, by resolution, shall determine for the purpose of electing directors and for the transaction of such other business as may be properly brought before the meeting.

2.2 Special Meeting. Subject to the rights of the holders of any series of the Company's preferred stock, par value $0.001 per share (the "Preferred Stock"), as designated in any resolutions adopted by the Board of Directors and filed with the State of Delaware (a "Preferred Stock Designation"), special meetings of the stockholders may be called by the Board of Directors or by one or more stockholders holding at least one-tenth of the shares entitled to vote at any such meeting.

2.3 Place of Meeting. The Board of Directors may designate the place of meeting for any meeting of the stockholders. If no designation is made by the Board of Directors, the place of meeting shall be the principal business office of the Company in Houston, Texas.

2.4 Notice of Meeting. Written or printed notice, stating the place, day

and hour of the meeting and the purpose or purposes for which the meeting is called, shall be prepared and delivered by the Company not less than 10 days nor more than 60 days before the date of the meeting, either personally or by mail, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at such stockholder's address as it appears on the stock transfer books of the Company. Such further notice shall be given as may be required by law. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Company's notice of meeting. Meetings may be held without notice if all stockholders entitled to vote are present, or if notice is waived by those not present in accordance with Paragraph 7.4 of these Bylaws. Any previously scheduled meeting of the stockholders may be postponed by resolution of the Board of Directors upon public notice given prior to the time previously scheduled for such meeting of stockholders.

2.5 Quorum and Adjournment. Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the voting power of the outstanding shares of the Company entitled to vote generally in the election of directors (the "Voting Stock"), represented in person or by proxy, shall constitute a quorum at a meeting of stockholders, except that when specified business is to be voted on by a class or series voting as a class, the holders of a majority of the voting power of the shares of such class or series shall constitute a

quorum for the transaction of such business. The chairman of the meeting or a majority of the shares of Voting Stock so represented may adjourn the meeting from time to time, whether or not there is such a quorum (or, in the case of specified business to be voted on by a class or series, the chairman or a majority of the shares of such class or series so represented may adjourn the meeting with respect to such specified business). No notice of the time and place of adjourned meetings need be given except as required by law. The stockholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

2.6 Proxies. At all meetings of stockholders, a stockholder may vote by proxy executed in writing by the stockholder or as may be permitted by law, or by such stockholder's duly authorized attorney-in-fact. Such proxy must be filed with the Secretary of the Company or such stockholder's representative at or before the time of the meeting.

2.7 Notice of Stockholder Business and Nominations.

A. Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board of Directors of the Company and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (a) pursuant to the Company's notice of meeting delivered pursuant to Paragraph 2.4 of these Bylaws, (b) by or at the direction of the Board of Directors, or (c) by any stockholder of the Company who is entitled to vote at the meeting, who complied with the notice procedures set forth in clauses (2) and (3) of this Paragraph 2.7(A) and these Bylaws and who was a stockholder of record at the time such notice is delivered to the Secretary of the Company.

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of Paragraph 2.7(A)(1) of these Bylaws, the stockholder must have given timely notice thereof in writing to the Secretary of the Company and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal office of the Company not less than 70 days nor more than 90 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of an annual meeting is advanced by more than 30 days, or delayed by more than 70 days, from the first anniversary date of the previous year's annual meeting, notice by the stockholder to be timely must be so delivered not earlier than the 90th day prior to such annual meeting and not later than the close of business on the later of the 70th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made by the Company. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate

for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the regulations promulgated thereunder, including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Company's books, and of such beneficial owner, and (ii) the class and number of shares of the Company which are owned beneficially and of record by such stockholder and such beneficial owner.

(3) Notwithstanding anything in the second sentence of Paragraph 2.7(A)(2) of these Bylaws to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Company is increased and there is no public announcement by the Company naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Company at least 80 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by these Bylaws shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal office of the Company not later than the close of business on the 10th day following the day on which such public announcement is first made by the Company.

B. Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Company's notice of meeting pursuant to Paragraph 2.4 of these Bylaws. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Company's notice of meeting (a) by or at the direction of the Board of Directors, or (b) by any stockholder of the Company who is entitled to vote at the meeting, who complies with the notice procedures set forth in these Bylaws and who is a stockholder of record at the time such notice is delivered to the Secretary of the Company. Nominations by stockholders of persons for election to the Board of Directors may be made at such a special meeting of stockholders if the stockholder's notice as required by Paragraph 2.7(A)(2) of these Bylaws shall be delivered to the Secretary at the principal executive offices of the Company not earlier than the 90th day prior to such special meeting and not later than the close of business on the later of the 70th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting.

C. General.

(1) Only persons who are nominated in accordance with the procedures set forth in these Bylaws shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in these Bylaws. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, to declare that such defective proposal or nomination shall be disregarded.

(2) For purposes of these Bylaws, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Company with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of these Bylaws, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in these Bylaws. Nothing in these Bylaws shall be deemed to affect any

rights of stockholders to request inclusion of proposals in the Company's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

2.8 Procedure for Election of Directors. Election of directors at all meetings of the stockholders at which directors are to be elected may be by written ballot, and, subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specific circumstances, directors shall be elected by a plurality of the votes cast at such meetings. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, all matters other than the election of directors submitted to the stockholders at any meeting shall be decided by a majority of the votes cast with respect thereto.

2.9 Inspectors of Elections; Opening and Closing the Polls.

A. The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve the Company in other capacities, including, without limitation, as officers, employees, agents or representatives of the Company, to act at a meeting of stockholders and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act, or if all inspectors or alternates who have been appointed are unable to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his ability. The inspectors shall have the duties prescribed by the Delaware General Corporation Law (the "DGCL").

B. The secretary of the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting.

2.10 Stockholder Action by Written Consent. Any action required to be taken at any annual or special meeting of stockholders, or any action which may be taken at any such meeting, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

ARTICLE III
Board of Directors

3.1 General. The powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Board of Directors. The Board of Directors shall be divided into three classes as provided in the Company's Certificate of Incorporation. In addition to the powers and authorities by these Bylaws expressly conferred upon them, the Board of Directors may exercise all such powers of the Company and do all such lawful acts and things as are not by law or by the Certificate of Incorporation or by these Bylaws required to be exercised or done by the stockholders.

3.2 Number, Tenure and Qualifications. Subject to the rights of the holders of any series of Preferred Stock to elect directors under specific circumstances, the number of directors shall be fixed by, and may be increased from time to time by, the affirmative vote of a majority of the members at any time constituting the Board of Directors. Each director shall hold office for the full term for which such director is elected and until his successor shall have been duly elected and qualified or until his earlier death, resignation or removal in accordance with the Certificate of Incorporation or these Bylaws. Directors need not be residents of the State of Delaware or stockholders of the Company.

3.3 Place of Meeting; Order of Business. Except as otherwise provided by law, meetings of the Board of Directors, regular or special, may be held either within or without the State of Delaware, at whatever place is specified by the person or persons calling the meeting. In the absence of specific designation,

the meetings shall be held at the principal office of the Company. At all meetings of the Board of Directors, business shall be transacted in such order as shall from time to time be determined by the Chairman of the Board, or in his absence by the President, or by resolution of the Board of Directors.

3.4 Regular Meetings. A regular meeting of the Board of Directors may be held without other notice than these Bylaws immediately after, and at the same place as, each annual meeting of stockholders. The Board of Directors may, by resolution, provide the time and place, and charges thereof, for the holding of additional regular meetings without other notice than such resolution.

3.5 Special Meetings. Special meetings of the Board of Directors shall be called at the request of the Chairman of the Board, the Chief Executive Officer or a majority of the Board of Directors. The person or persons authorized to call special meetings of the Board of Directors may fix the place and time of the meetings.

3.6 Notice of Special Meetings. Notice of any special meeting shall be given to each director at such director's business or residence in writing or by telegram or by telephone communication. If mailed, such notice shall be deemed adequately delivered when deposited in the United States mail so addressed, with postage thereon prepaid, at least five days before such meeting. If by telegram, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph company at least 24 hours before such meeting. If by facsimile transmission, such notice shall be transmitted at least 24 hours before such meeting. If by telephone, the notice shall be given at least 12 hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting. A meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in writing, either before or after such meeting.

3.7 Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business, but if at any meeting of the Board of Directors there shall be less than a quorum present, a majority of the directors present may adjourn the meeting from time to time without further notice. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. The directors

present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

3.8 Vacancies. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specific circumstances, and except as provided in the Certificate of Incorporation, vacancies resulting from death, resignation or removal, and newly created directorships resulting from any increase in the authorized number of directors, shall be filled by the affirmative vote of a majority of the remaining directors then in office, though less than a quorum of the Board of Directors, and directors so chosen shall hold office for the remainder of the full term of the class of directors in which the vacancy occurred or the new directorship was created and until such director's successor shall have been duly elected and qualified or until his earlier death, resignation or removal. No decrease in the number of authorized directors shall shorten the term of any incumbent director.

3.9 Executive and Other Committees. The Board of Directors may, by resolution adopted by a majority of the whole Board, designate an Executive Committee, and one or more additional committees, to exercise, subject to applicable provisions of law, such powers of the Board in the management of the business and affairs of the Company as set forth in said resolution, but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required to be submitted to the stockholders for approval or (ii) adopting, amending or repealing any Bylaw of the Company. The Executive Committee and each such other committee shall consist of two or more directors of the Company. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee may to

the extent permitted by law exercise such powers and shall have such responsibilities as shall be specified in the designating resolution. In the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Each committee shall keep written minutes of its proceedings and shall report such proceedings to the Board of Directors when required.

A majority of any committee may determine its action and fix the time and place of its meetings, unless the Board of Directors shall otherwise provide. Notice of such meetings shall be given to each member of the committee in the manner provided for in Paragraph 3.6 of these Bylaws. The Board of Directors shall have power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee. Nothing herein shall be deemed to prevent the Board of Directors from appointing one or more committees consisting in whole or in part of persons who are not directors of the Company; provided, however, that no such committee shall have or may exercise any authority of the Board of Directors.

3.10 Action Without a Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at a meeting of the Board of Directors, or any committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the members of the Board of Directors, or such committee, as the case may be, and filed with the Secretary.

3.11 Board and Committee Telephone Meetings. Subject to the provisions required or permitted by the DGCL for notice of meetings, unless otherwise restricted by the Certificate of Incorporation or these Bylaws, members of the Board of Directors, or members of any committee designated by the Board of Directors, may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Paragraph 3.11 shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

3.12 Removal. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specific circumstances, any director, or the entire Board of Directors, may be removed from office at any time, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors.

ARTICLE IV
Officers

4.1 Elected Officers. The elected officers of the Company shall be a Chairman of the Board, a Chief Executive Officer, one or more Vice Presidents, a Secretary, and such other officers (including, without limitation, a President and a Treasurer) as the Board of Directors from time to time may deem proper. The Chairman of the Board may also serve as the Chief Executive Officer. The Chairman of the Board shall be chosen from the directors. All officers chosen by the Board of Directors shall each have such powers and duties as generally pertain to their respective stockholders and of the Board of Directors.

4.2 Election and Term of Office. The elected officers of the Company shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held at the time of each annual meeting of the stockholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Subject to Paragraph 4.9 of these Bylaws, each officer shall hold office until such officer's successor shall have been duly elected and shall have qualified or until such officer's death or until such officer shall resign.

4.3 Chairman of the Board. The Chairman of the Board shall preside at all meetings of the stockholders and of the Board of Directors. The Chairman shall make reports to the Board of Directors and the stockholders and shall perform

all such other duties as are properly required of him by the Board of Directors.

4.4 Chief Executive Officer. The Chief Executive Officer shall be responsible for the general management of the affairs of the Company and shall perform all duties incidental to the Chief Executive Officer's office which may be required by law and all such other duties as are properly required of him by the Board of Directors. The Chief Executive Officer shall see that all orders and resolutions of the Board of Directors and of any committee thereof are carried into effect.

4.5 President. The President (if one shall have been chosen by the Board of Directors) shall act in a general executive capacity and shall assist the Chairman of the Board in the administration and operation of the Company's business and general supervision of its policies and affairs. The President shall, in the absence of or because of the inability to act of the Chairman of the Board, perform all duties of the Chairman of the Board and preside at all meetings of stockholders and of the Board of Directors. The President may sign, alone or with the Secretary, or an Assistant Secretary, or any other proper officer of the Company authorized by the Board of Directors, certificates, contracts, and other instruments of the Company as authorized by the Board of Directors.

4.6 Vice Presidents. Each Vice President shall have such powers and perform such duties as from time to time may be assigned to him by the Board of Directors or be delegated to him by the President. The Board of Directors may assign to any Vice President general supervision and charge over any territorial or functional division of the business and affairs of the Company.

4.7 Secretary. The Secretary shall give, or cause to be given, notice of all meetings of stockholders and directors and all other notices required by law or by these Bylaws, and in case of the Secretary's absence or refusal or neglect so to do, any such notice may be given by any person thereunto directed by the Chairman of the Board, the Chief Executive Officer, or by the Board of Directors, upon whose request the meeting is called as provided in these Bylaws. The Secretary shall record all the proceedings of the meetings of the Board of Directors, any committees thereof and the stockholders of the Company in a book to be kept for that purpose, and shall perform such other duties as may be assigned to him by the Board of Directors, the Chairman of the Board or the Chief Executive Officer. The Secretary shall have the custody of the seal of the Company and shall affix the same to all instruments requiring it, when authorized by the Board of Directors, the Chairman of the Board or the Chief Executive Officer, and attest to the same.

4.8 Treasurer. The Treasurer, if there is one, shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipt and disbursements in books belonging to the Company and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Company as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chairman of the Board and the Board of Directors, at its regular meeting, or when the Board of

Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Company. If required by the Board of Directors, the Treasurer shall give the Company a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Company, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Company.

4.9 Removal. Any officer elected by the Board of Directors may be removed by a majority of the members of the Board of Directors whenever, in their judgment, the best interests of the Company would be served thereby. No elected officer shall have any contractual rights against the Company for compensation by virtue of such election beyond the date of the election of such officer's successor or such officer's death, resignation or removal, whichever event shall first occur, except as otherwise provided in an employment contract or an employee plan.

4.10 Vacancies. A newly created office and a vacancy in any office because of death, resignation, or removal may be filled by the Board of Directors for the unexpired portion of the term at any meeting of the Board of Directors.

ARTICLE V
Stock Certificates and Transfers

5.1 Stock Certificates and Transfers.

A. The interest of each stockholder of the Company shall be evidenced by certificates for shares of stock in such form as the appropriate officers of the Company may from time to time prescribe, unless it shall be determined by, or pursuant to, a resolution adopted by the Board of Directors that the shares representing such interest be uncertificated. The shares of the stock of the Company shall be transferred on the books of the Company by the holder thereof in person or by such person's attorney, upon surrender for cancellation of certificates for the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Company or its agents may reasonably require.

B. The certificates of stock shall be signed, countersigned and registered in such manner as the Board of Directors may by resolution prescribe, which resolution may permit all or any of the signatures on such certificates to be in facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Company with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

ARTICLE VI
Indemnification

6.1 Mandatory Indemnification. Each person who was or is made a party or is threatened to be made a party, or who was or is a witness without being named a party, to any threatened, pending or completed action, claim, suit or proceeding, whether civil, criminal, administrative or investigative, any appeal in such an action, suit or proceeding, and any inquiry or investigation that could lead to such an action, suit or proceeding (a "Proceeding"), by reason of the fact that such individual is or was a director or officer of the Company, or while a director or officer of the Company is or was serving at the request of the Company as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another corporation, partnership, trust, employee benefit plan or other enterprise, shall be indemnified and held harmless by the Company from and against any judgments, penalties (including excise taxes), fines, amounts paid in settlement and reasonable expenses (including court costs and attorneys' fees) actually incurred by such person in connection with such Proceeding if it is determined that he acted in good faith and reasonably believed (A) in the case of conduct in his official capacity on behalf of the Company that his conduct was in the Company's best interests, (B) in all other cases, that his conduct was not opposed to the best interests of the Company, and (C) with respect to any Proceeding which is a criminal action, that he had no reasonable cause to believe his conduct was unlawful; provided, however, that in the event a determination is made that such person is liable to the Company or is found liable on the basis that personal benefit was improperly received by such person, the indemnification is limited to reasonable expenses actually

incurred by such person in connection with the Proceeding and shall not be made in respect of any Proceeding in which such person shall have been found liable for willful or intentional misconduct in the performance of his duty to the Company. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself be determinative of whether the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any Proceeding which is a criminal action, had no reasonable cause to believe that his conduct was unlawful. A person shall be deemed to have been found liable in respect of any claim, issue or matter only after the person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom.

6.2 Determination of Indemnification. Any indemnification under the foregoing Paragraph 6.1 (unless ordered by a court of competent jurisdiction) shall be made by the Company only upon a determination that indemnification of such person is proper in the circumstances by virtue of the fact that it shall have been determined that such person has met the applicable standard of conduct. Such determination shall be made (A) by a majority vote of a quorum consisting of directors who at the time of the vote are not named defendants or respondents in the Proceeding; (B) if such quorum cannot be obtained, by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority of all directors, consisting solely of two or more directors who at the time of the vote are not named defendants or respondents in the Proceeding; (C) by special legal counsel (in a written opinion) selected by the Board of Directors or a committee of the Board of Directors by a vote as set forth in clause (A) or (B) of this Paragraph 6.2, or, if such quorum cannot be obtained and such committee cannot be established, by a majority vote of all directors (in which directors who are named defendants or respondents in the Proceeding may participate); or (D) by the stockholders of the Company in a vote that excludes the shares held by directors who are named defendants or respondents in the Proceeding.

6.3 Advance of Expenses. Reasonable expenses, including court costs and attorneys' fees, incurred by a person who was or is a witness or who was or is named as a defendant or respondent in a Proceeding, by reason of the fact that such individual is or was a director or officer of the Company, or while a director or officer of the Company is or was serving at the request of the Company as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another corporation, partnership, trust, employee benefit plan or other enterprise, shall be paid by the Company at reasonable intervals in advance of the final disposition of such Proceeding, and without the determination specified in the foregoing Paragraph 6.2, upon receipt by the Company of a written affirmation by such person of his good faith belief that he has met the standard of conduct necessary for indemnification under this Article 6, and a written undertaking by or on behalf of such person to repay the amount paid or reimbursed by the Company if it is ultimately determined that he is not entitled to be indemnified by the Company as authorized in this Article 6. Such written undertaking shall be an unlimited obligation of such person and it may be accepted without reference to financial ability to make repayment.

6.4 Permissive Indemnification. The Board of Directors of the Company may authorize the Company to indemnify employees or agents of the Company, and to advance the reasonable expenses of such persons, to the same extent, following the same determinations and upon the same conditions as are required for the indemnification of and advancement of expenses to directors and officers of the Company.

6.5 Nature of Indemnification. The indemnification and advancement of expenses provided hereunder shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Certificate of Incorporation, these Bylaws, any agreement, vote of stockholders or disinterested directors or otherwise, both as to actions taken in an official capacity and as to actions taken in any other capacity while holding such office, shall continue as to a person who has ceased to be a director, officer, employee or agent of the Company and shall inure to the benefit of the heirs, executors and administrators of such person.

6.6 Insurance. The Company shall have the power and authority to purchase and maintain insurance or another arrangement on behalf of any person who is or was a director, officer, employee or agent of the Company, or who is or was serving at the request of the Company as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise against any liability, claim, damage, loss or risk asserted against such person and incurred by such person in any such capacity or arising out of the status of such person as such, irrespective of whether the Company would have the power to indemnify and hold such person harmless against such liability under the provisions hereof. If the insurance or other arrangement is with a person or entity that is not regularly engaged in the business of providing insurance coverage, the insurance or arrangement

may provide for payment of a liability with respect to which the Company would

not have the power to indemnify the person only if including coverage for the additional liability has been approved by the stockholders of the Company. Without limiting the power of the Company to procure or maintain any kind of insurance or other arrangement, the Company may, for the benefit of persons indemnified by the Company, (A) create a trust fund; (B) establish any form of self-insurance; (C) secure its indemnity obligation by grant of a security interest or other lien on the assets of the Company; or (D) establish a letter of credit, guaranty, or surety arrangement. The insurance or other arrangement may be procured, maintained, or established within the Company or with any insurer or other person deemed appropriate by the Board of Directors regardless of whether all or part of the stock or other securities of the insurer or other person are owned in whole or part by the Company. In the absence of fraud, the judgment of the Board of Directors as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other person participating in the arrangement shall be conclusive and the insurance or arrangement shall not be voidable and shall not subject the directors approving the insurance or arrangement to liability, on any ground, regardless of whether directors participating in the approval are beneficiaries of the insurance or arrangement.

6.7 Notice. Any indemnification or advance of expenses to a present or former director of the Company in accordance with this Article 6 shall be reported in writing to the stockholders of the Company with or before the notice or waiver of notice of the next stockholders' meeting or with or before the next submission of a consent to action without a meeting and, in any case, within the next twelve month period immediately following the indemnification or advance.

6.8 Change of Control. Following any "change of control" of the Company of the type required to be reported under Item 1 of Form 8-K promulgated under the Exchange Act, any determination as to entitlement to indemnification shall be made by independent legal counsel selected by the claimant which independent legal counsel shall be retained by the Board of Directors on behalf of the Company.

6.9 Amendment. Any amendment or repeal of this Article VI shall not adversely affect any right or protection existing hereunder in respect of any act or omission occurring prior to such amendment or repeal.

ARTICLE VII
Miscellaneous Provisions

7.1 Fiscal Year. The fiscal year of the Company shall be determined by resolution of the Board of Directors.

7.2 Dividends. The Board of Directors may from time to time declare, and the Company may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its Certificate of Incorporation.

7.3 Seal. The corporate seal may bear in the center the emblem of some object, and shall have inscribed thereunder the words "Corporate Seal" and around the margin thereof the words "Houston American Energy Corp."

7.4 Waiver of Notice. Whenever any notice is required to be given to any stockholder or director of the Company under the provisions of the DGCL, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders or of the Board of Directors need be specified in any waiver of notice of such meeting.

7.5 Audits. The accounts, books and records of the Company shall be audited upon the conclusion of each fiscal year by an independent certified public accountant selected by the Board of Directors, and it shall be the duty of the Board of Directors to cause such audit to be made annually.

7.6 Resignations. Any director or any officer, whether elected or appointed, may resign at any time by serving written notice of such resignation on the Chairman of the Board, the Chief Executive Officer, the President, if any, or the Secretary, and such resignation shall be deemed to be effective as

of the close of business on the date said notice is received by the Chairman of the Board, the Chief Executive Officer, the President, if any, or

the Secretary or at such later date as is stated therein. No formal action shall be required of the Board of Directors or the stockholders to make any such resignation effective.

ARTICLE VIII
Amendments

8.1 Amendments. These Bylaws may be amended, added to, rescinded or repealed by the Board of Directors or by the affirmative vote of the holders of a majority of the Company's stock, outstanding and entitled to vote at the meeting at which any Bylaw is adopted, amended or repealed.

Adopted April 2, 2001.

/s/ John F. Terwilliger
JOHN F. TERWILLIGER, Secretary

APPENDIX B

TEXAS BUSINESS CORPORATION ACT

Art. 5.11. Rights of Dissenting Shareholders in the Event of Certain Corporate Actions

A. Any shareholder of a domestic corporation shall have the right to dissent from any of the following corporate actions:

(1) Any plan of merger to which the corporation is a party if shareholder approval is required by Article 5.03 or 5.16 of this Act and the shareholder holds shares of a class or series that was entitled to vote thereon as a class or otherwise;

(2) Any sale, lease, exchange or other disposition (not including any pledge, mortgage, deed of trust or trust indenture unless otherwise provided in the articles of incorporation) of all, or substantially all, the property and assets, with or without good will, of a corporation if special authorization of the shareholders is required by this Act and the shareholders hold shares of a class or series that was entitled to vote thereon as a class or otherwise;

(3) Any plan of exchange pursuant to Article 5.02 of this Act in which the shares of the corporation of the class or series held by the shareholder are to be acquired.

B. Notwithstanding the provisions of Section A of this Article, a shareholder shall not have the right to dissent from any plan of merger in which there is a single surviving or new domestic or foreign corporation, or from any plan of exchange, if:

(1) the shares held by the shareholder are part of a class or series, shares of which are on the record date fixed to determine the shareholders entitled to vote on the plan of merger or plan of exchange:

(a) listed on a national securities exchange;

(b) listed on the Nasdaq Stock Market (or successor quotation system) or designated as a national market security on an interdealer quotation system by the National Association of Securities Dealers, Inc., or successor entity; or

(c) held of record by not less than 2,000 holders;

(2) the shareholder is not required by the terms of the plan of merger or plan of exchange to accept for the shareholder's shares any consideration that is different than the consideration (other than cash in lieu of fractional shares that the shareholder would otherwise be entitled to receive) to be provided to any other holder of shares of the same class or series of shares held by such shareholder; and

(3) the shareholder is not required by the terms of the plan of merger or

the plan of exchange to accept for the shareholder's shares any consideration other than:

(a) shares of a domestic or foreign corporation that, immediately after the effective time of the merger or exchange, will be part of a class or series, shares of which are:

(i) listed, or authorized for listing upon official notice of issuance, on a national securities exchange;

(ii) approved for quotation as a national market security on an interdealer quotation system by the National Association of Securities Dealers, Inc., or successor entity; or

(iii) held of record by not less than 2,000 holders;

(b) cash in lieu of fractional shares otherwise entitled to be received; or

(c) any combination of the securities and cash described in Subdivisions (a) and (b) of this subsection.

Art. 5.12. Procedure for Dissent by Shareholders as to Said Corporate Actions

A. Any shareholder of any domestic corporation who has the right to dissent from any of the corporate actions referred to in Article 5.11 of this Act may exercise that right to dissent only by complying with the following procedures:

(1) (a) With respect to proposed corporate action that is submitted to a vote of shareholders at a meeting, the shareholder shall file with the corporation, prior to the meeting, a written objection to the action, setting out that the shareholder's right to dissent will be exercised if the action is effective and giving the shareholder's address, to which notice thereof shall be delivered or mailed in that event. If the action is effected and the shareholder shall not have voted in favor of the action, the corporation, in the case of action other than a merger, or the surviving or new corporation (foreign or domestic) or other entity that is liable to discharge the shareholder's right of dissent, in the case of a merger, shall, within ten (10) days after the action is effected, deliver or mail to the shareholder written notice that the action has been effected, and the shareholder may, within ten (10) days from the delivery or mailing of the notice, make written demand on the existing, surviving, or new corporation (foreign or domestic) or other entity, as the case may be, for payment of the fair value of the shareholder's shares. The fair value of the shares shall be the value thereof as of the day immediately preceding the meeting, excluding any appreciation or depreciation in anticipation of the proposed action. The demand shall state the number and class of the shares owned by the shareholder and the fair value of the shares as estimated by the shareholder. Any shareholder failing to make demand within the ten (10) day period shall be bound by the action.

(b) With respect to proposed corporate action that is approved pursuant to Section A of Article 9.10 of this Act, the corporation, in the case of action other than a merger, and the surviving or new corporation (foreign or domestic) or other entity that is liable to discharge the shareholder's right of dissent, in the case of a merger, shall, within ten (10) days after the date the action is effected, mail to each shareholder of record as of the effective date of the action notice of the fact and date of the action and that the shareholder may exercise the shareholder's right to dissent from the action. The notice shall be accompanied by a copy of this Article and any articles or documents filed by the corporation with the Secretary of State to effect the action. If the shareholder shall not have consented to the taking of the action, the shareholder may, within twenty (20) days after the mailing of the notice, make written demand on the existing, surviving, or new corporation (foreign or domestic) or other entity, as the case may be, for payment of the fair value of the shareholder's shares. The fair value of the shares shall be the value thereof as of the date the written consent authorizing the action was delivered to the corporation pursuant to Section A of Article 9.10 of this Act, excluding any appreciation or depreciation in anticipation of the action. The demand shall state the number and class of shares owned by the dissenting shareholder and the fair value of the shares as estimated by the shareholder. Any shareholder failing to make demand within the twenty (20) day period shall be bound by the action.

(2) Within twenty (20) days after receipt by the existing, surviving, or new corporation (foreign or domestic) or other entity, as the case may be, of a demand for payment made by a dissenting shareholder in accordance with

Subsection (1) of this Section, the corporation (foreign or domestic) or other entity shall deliver or mail to the shareholder a written notice that shall either set out that the corporation (foreign or domestic) or other entity accepts the amount claimed in the demand and agrees to pay that amount within ninety (90) days after the date on which the action was effected, and, in the case of shares represented by certificates, upon the surrender of the certificates duly endorsed, or shall contain an estimate by the corporation (foreign or domestic) or other entity of the fair value of the shares, together with an offer to pay the amount of that estimate within ninety (90) days after the date on which the action was effected, upon receipt of notice within sixty (60) days after that date from the shareholder that the shareholder agrees to accept that amount and, in the case of shares represented by certificates, upon the surrender of the certificates duly endorsed.

(3) If, within sixty (60) days after the date on which the corporate action was effected, the value of the shares is agreed upon between the shareholder and the existing, surviving, or new corporation (foreign or domestic) or other entity, as the case may be, payment for the shares shall be made within ninety (90) days after the date on which the action was effected and, in the case of shares represented by certificates, upon surrender of the certificates

duly endorsed. Upon payment of the agreed value, the shareholder shall cease to have any interest in the shares or in the corporation.

B. If, within the period of sixty (60) days after the date on which the corporate action was effected, the shareholder and the existing, surviving, or new corporation (foreign or domestic) or other entity, as the case may be, do not so agree, then the shareholder or the corporation (foreign or domestic) or other entity may, within sixty (60) days after the expiration of the sixty (60) day period, file a petition in any court of competent jurisdiction in the county in which the principal office of the domestic corporation is located ` asking for a finding and determination of the fair value of the shareholder's shares. Upon the filing of any such petition by the shareholder, service of a copy thereof shall be made upon the corporation (foreign or domestic) or other entity, which shall, within ten (10) days after service, file in the office of the clerk of the court in which the petition was filed a list containing the names and addresses of all shareholders of the domestic corporation who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the corporation (foreign or domestic) or other entity. If the petition shall be filed by the corporation (foreign or domestic) or other entity, the petition shall be accompanied by such a list. The clerk of the court shall give notice of the time and place fixed for the hearing of the petition by registered mail to the corporation (foreign or domestic) or other entity and to the shareholders named on the list at the addresses therein stated. The forms of the notices by mail shall be approved by the court. All shareholders thus notified and the corporation (foreign or domestic) or other entity shall thereafter be bound by the final judgment of the court.

C. After the hearing of the petition, the court shall determine the shareholders who have complied with the provisions of this Article and have become entitled to the valuation of and payment for their shares, and shall appoint one or more qualified appraisers to determine that value. The appraisers shall have power to examine any of the books and records of the corporation the shares of which they are charged with the duty of valuing, and they shall make a determination of the fair value of the shares upon such investigation. The appraisers shall also afford a reasonable opportunity to the parties interested to submit to them pertinent evidence as to the value of the shares. The appraisers shall also have such power and authority as may be conferred on Masters in Chancery by the Rules of Civil Procedure or by the order of their appointment.

D. The appraisers shall determine the fair value of the shares of the shareholders adjudged by the court to be entitled to payment for their shares and shall file their report of that value in the office of the clerk of the court. Notice of the filing of the report shall be given by the clerk to the parties in interest. The report shall be subject to exceptions to be heard before the court both upon the law and the facts. The court shall by its judgment determine the fair value of the shares of the shareholders entitled to payment for their shares and shall direct the payment of that value by the existing, surviving, or new corporation (foreign or domestic) or other entity, together with interest thereon, beginning 91 days after the date on which the applicable corporate action from which the shareholder elected to dissent was effected to the date of such judgment, to the shareholders entitled to payment The judgment shall be payable to the holders of uncertificated shares immediately but to the holders of shares represented by certificates only upon, and simultaneously with, the surrender to the existing, surviving, or new

corporation (foreign or domestic) or other entity, as the case may be, of duly endorsed certificates for those shares. Upon payment of the judgment, the dissenting shareholders shall cease to have any interest in those shares or in the corporation. The court shall allow the appraisers a reasonable fee as court costs, and all court costs shall be allotted between the parties in the manner that the court determines to be fair and equitable.

E. Shares acquired by the existing, surviving, or new corporation (foreign or domestic) or other entity, as the case may be, pursuant to the payment of the agreed value of the shares or pursuant to payment of the judgment entered for the value of the shares, as in this Article provided, shall, in the case of a merger, be treated as provided in the plan of merger and, in all other cases, may be held and disposed of by the corporation as in the case of other treasury shares.

F. The provisions of this Article shall not apply to a merger if, on the date of the filing of the articles of merger, the surviving corporation is the owner of all the outstanding shares of the other corporations, domestic or foreign, that are parties to the merger.

G. In the absence of fraud in the transaction, the remedy provided by this Article to a shareholder objecting to any corporate action referred to in Article 5.11 of this Act is the exclusive remedy for the recovery of the value of his shares or money damages to the shareholder with respect to the action. If the existing, surviving, or new

corporation (foreign or domestic) or other entity, as the case may be, complies with the requirements of this Article, any shareholder who fails to comply with the requirements of this Article shall not be entitled to bring suit for the recovery of the value of his shares or money damages to the shareholder with respect to the action.

Art. 5.13. Provisions Affecting Remedies of Dissenting Shareholders

A. Any shareholder who has demanded payment for his shares in accordance with either Article 5.12 or 5.16 of this Act shall not thereafter be entitled to vote or exercise any other rights of a shareholder except the right to receive payment for his shares pursuant to the provisions of those articles and the right to maintain an appropriate action to obtain relief on the ground that the corporate action would be or was fraudulent, and the respective shares for which payment has been demanded shall not thereafter be considered outstanding for the purposes of any subsequent vote of shareholders.

B. Upon receiving a demand for payment from any dissenting shareholder, the corporation shall make an appropriate notation thereof in its shareholder records. Within twenty (20) days after demanding payment for his shares in accordance with either Article 5.12 or 5.16 of this Act, each holder of certificates representing shares so demanding payment shall submit such certificates to the corporation for notation thereon that such demand has been made. The failure of holders of certificated shares to do so shall, at the option of the corporation, terminate such shareholder's rights under Articles 5.12 and 5.16 of this Act unless a court of competent jurisdiction for good and sufficient cause shown shall otherwise direct. If uncertificated shares for which payment has been demanded or shares represented by a certificate on which notation has been so made shall be transferred, any new certificate issued therefor shall bear similar notation together with the name of the original dissenting holder of such shares and a transferee of such shares shall acquire by such transfer no rights in the corporation other than those which the original dissenting shareholder had after making demand for payment of the fair value thereof.

C. Any shareholder who has demanded payment for his shares in accordance with either Article 5.12 or 5.16 of this Act may withdraw such demand at any time before payment for his shares or before any petition has been filed pursuant to Article 5.12 or 5.16 of this Act asking for a finding and determination of the fair value of such shares, but no such demand may be withdrawn after such payment has been made or, unless the corporation shall consent thereto, after any such petition has been filed. If, however, such demand shall be withdrawn as hereinbefore provided, or if pursuant to Section B of this Article the corporation shall terminate the shareholder's rights under Article 5.12 or 5.16 of this Act, as the case may be, or if no petition asking for a finding and determination of fair value of such shares by a court shall have been filed within the time provided in Article 5.12 or 5.16 of this Act, as the case may be, or if after the hearing of a petition filed pursuant to Article 5.12 or 5.16, the court shall determine that such shareholder is not entitled to the relief provided by those articles, then, in any such case, such shareholder and

all persons claiming under him shall be conclusively presumed to have approved and ratified the corporate action from which he dissented and shall be bound thereby, the right of such shareholder to be paid the fair value of his shares shall cease, and his status as a shareholder shall be restored without prejudice to any corporate proceedings which may have been taken during the interim, and such shareholder shall be entitled to receive any dividends or other distributions made to shareholders in the interim.

APPENDIX C

DELAWARE GENERAL CORPORATE LAW

262. Appraisal Rights.

(a) Any stockholder of a corporation of this State who holds shares of stock on the date of the making of a demand pursuant to subsection (d) of this section with respect to such shares, who continuously holds such shares through the effective date of the merger or consolidation, who has otherwise complied with subsection (d) of this section and who has neither voted in favor of the merger or consolidation nor consented thereto in writing pursuant to 228 of this title shall be entitled to an appraisal by the Court of Chancery of the fair value of the stockholder's shares of stock under the circumstances described in subsections (b) and (c) of this section. As used in this section, the word "stockholder" means a holder of record of stock in a stock corporation and also a member of record of a nonstock corporation; the words "stock" and "share" mean and include what is ordinarily meant by those words and also membership or membership interest of a member of a nonstock corporation; and the words "depository receipt" mean a receipt or other instrument issued by a depository representing an interest in one or more shares, or fractions thereof, solely of stock of a corporation, which stock is deposited with the depository.

(b) Appraisal rights shall be available for the shares of any class or series of stock of a constituent corporation in a merger or consolidation to be effected pursuant to 251 (other than a merger effected pursuant to 251(g) of this title), 252, 254, 257, 258, 263 or 264 of this title:

(1) Provided, however, that no appraisal rights under this section shall be available for the shares of any class or series of stock, which stock, or depository receipts in respect thereof, at the record date fixed to determine the stockholders entitled to receive notice of and to vote at the meeting of stockholders to act upon the agreement of merger or consolidation, were either (i) listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. or (ii) held of record by more than 2,000 holders; and further provided that no appraisal rights shall be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the stockholders of the surviving corporation as provided in subsection (f) of 251 of this title.

(2) Notwithstanding paragraph (1) of this subsection, appraisal rights under this section shall be available for the shares of any class or series of stock of a constituent corporation if the holders thereof are required by the terms of an agreement of merger or consolidation pursuant to 251, 252, 254, 257, 258, 263 and 264 of this title to accept for such stock anything except:

a. Shares of stock of the corporation surviving or resulting from such merger or consolidation, or depository receipts in respect thereof;

b. Shares of stock of any other corporation, or depository receipts in respect thereof, which shares of stock (or depository receipts in respect thereof) or depository receipts at the effective date of the merger or consolidation will be either listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. or held of record by more than 2,000 holders;

c. Cash in lieu of fractional shares or fractional depository receipts described in the foregoing subparagraphs a. and b. of this paragraph; or

d. Any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts described in the foregoing subparagraphs a., b. and c. of this paragraph.

(3) In the event all of the stock of a subsidiary Delaware corporation party to a merger effected under 253 of this title is not owned by the parent

corporation immediately prior to the merger, appraisal rights shall be available for the shares of the subsidiary Delaware corporation.

(c) Any corporation may provide in its certificate of incorporation that appraisal rights under this section shall be available for the shares of any class or series of its stock as a result of an amendment to its certificate of incorporation, any merger or consolidation in which the corporation is a constituent corporation or the sale of all or substantially all of the assets of the corporation. If the certificate of incorporation contains such a provision, the procedures of this section, including those set forth in subsections (d) and (e) of this section, shall apply as nearly as is practicable.

(d) Appraisal rights shall be perfected as follows:

(1) If a proposed merger or consolidation for which appraisal rights are provided under this section is to be submitted for approval at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, shall notify each of its stockholders who was such on the record date for such meeting with respect to shares for which appraisal rights are available pursuant to subsection (b) or (c) hereof that appraisal rights are available for any or all of the shares of the constituent corporations, and shall include in such notice a copy of this section. Each stockholder electing to demand the appraisal of such stockholder's shares shall deliver to the corporation, before the taking of the vote on the merger or consolidation, a written demand for appraisal of such stockholder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such stockholder's shares. A proxy or vote against the merger or consolidation shall not constitute such a demand. A stockholder electing to take such action must do so by a separate written demand as herein provided. Within 10 days after the effective date of such merger or consolidation, the surviving or resulting corporation shall notify each stockholder of each constituent corporation who has complied with this subsection and has not voted in favor of or consented to the merger or consolidation of the date that the merger or consolidation has become effective; or

(2) If the merger or consolidation was approved pursuant to 228 or 253 of this title, each constituent corporation, either before the effective date of the merger or consolidation or within ten days thereafter, shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of this section; provided that, if the notice is given on or after the effective date of the merger or consolidation, such notice shall be given by the surviving or resulting corporation to all such holders of any class or series of stock of a constituent corporation that are entitled to appraisal rights. Such notice may, and, if given on or after the effective date of the merger or consolidation, shall, also notify such stockholders of the effective date of the merger or consolidation. Any stockholder entitled to appraisal rights may, within 20 days after the date of mailing of such notice, demand in writing from the surviving or resulting corporation the appraisal of such holder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such holder's shares. If such notice did not notify stockholders of the effective date of the merger or consolidation, either (i) each such constituent corporation shall send a second notice before the effective date of the merger or consolidation notifying each of the holders of any class or series of stock of such constituent corporation that are entitled to appraisal rights of the effective date of the merger or consolidation or (ii) the surviving or resulting corporation shall send such a second notice to all such holders on or within 10 days after such effective date; provided, however, that if such second notice is sent more than 20 days following the sending of the first notice, such second notice need only be sent to each stockholder who is entitled to appraisal rights and who has demanded appraisal of such holder's shares in accordance with this subsection. An affidavit of the secretary or assistant secretary or of the transfer agent of the corporation that is required to give either notice that such notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. For purposes of determining the stockholders entitled to receive either notice, each constituent corporation may fix, in advance, a record date that shall be not more than 10 days prior to the date the notice is given, provided, that if the notice is given on or after the effective date of the merger or consolidation, the record date shall be such effective date. If no record date is fixed and the notice is given prior to the effective date, the record date shall be the close of business on the day next preceding the day on

which the notice is given.

(e) Within 120 days after the effective date of the merger or consolidation, the surviving or resulting corporation or any stockholder who has complied with subsections (a) and (d) hereof and who is otherwise entitled to appraisal rights, may file a petition in the Court of Chancery demanding a determination of the value of the stock of all such stockholders. Notwithstanding the foregoing, at any time within 60 days after the effective date of the merger or consolidation, any stockholder shall have the right to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation. Within 120 days after the effective date of the merger or consolidation, any stockholder who has

complied with the requirements of subsections (a) and (d) hereof, upon written request, shall be entitled to receive from the corporation surviving the merger or resulting from the consolidation a statement setting forth the aggregate number of shares not voted in favor of the merger or consolidation and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. Such written statement shall be mailed to the stockholder within 10 days after such stockholder's written request for such a statement is received by the surviving or resulting corporation or within 10 days after expiration of the period for delivery of demands for appraisal under subsection (d) hereof, whichever is later.

(f) Upon the filing of any such petition by a stockholder, service of a copy thereof shall be made upon the surviving or resulting corporation, which shall within 20 days after such service file in the office of the Register in Chancery in which the petition was filed a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the surviving or resulting corporation. If the petition shall be filed by the surviving or resulting corporation, the petition shall be accompanied by such a duly verified list. The Register in Chancery, if so ordered by the Court, shall give notice of the time and place fixed for the hearing of such petition by registered or certified mail to the surviving or resulting corporation and to the stockholders shown on the list at the addresses therein stated. Such notice shall also be given by 1 or more publications at least 1 week before the day of the hearing, in a newspaper of general circulation published in the City of Wilmington, Delaware or such publication as the Court deems advisable. The forms of the notices by mail and by publication shall be approved by the Court, and the costs thereof shall be borne by the surviving or resulting corporation.

(g) At the hearing on such petition, the Court shall determine the stockholders who have complied with this section and who have become entitled to appraisal rights. The Court may require the stockholders who have demanded an appraisal for their shares and who hold stock represented by certificates to submit their certificates of stock to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with such direction, the Court may dismiss the proceedings as to such stockholder.

(h) After determining the stockholders entitled to an appraisal, the Court shall appraise the shares, determining their fair value exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, together with a fair rate of interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the Court shall take into account all relevant factors. In determining the fair rate of interest, the Court may consider all relevant factors, including the rate of interest which the surviving or resulting corporation would have had to pay to borrow money during the pendency of the proceeding. Upon application by the surviving or resulting corporation or by any stockholder entitled to participate in the appraisal proceeding, the Court may, in its discretion, permit discovery or other pretrial proceedings and may proceed to trial upon the appraisal prior to the final determination of the stockholder entitled to an appraisal. Any stockholder whose name appears on the list filed by the surviving or resulting corporation pursuant to subsection (f) of this section and who has submitted such stockholder's certificates of stock to the Register in Chancery, if such is required, may participate fully in all proceedings until it is finally determined that such stockholder is not entitled to appraisal rights under this section.

(i) The Court shall direct the payment of the fair value of the shares, together with interest, if any, by the surviving or resulting corporation to the stockholders entitled thereto. Interest may be simple or compound, as the Court may direct. Payment shall be so made to each such stockholder, in the case of holders of uncertificated stock forthwith, and the case of holders of shares

represented by certificates upon the surrender to the corporation of the certificates representing such stock. The Court's decree may be enforced as other decrees in the Court of Chancery may be enforced, whether such surviving or resulting corporation be a corporation of this State or of any state.

(j) The costs of the proceeding may be determined by the Court and taxed upon the parties as the Court deems equitable in the circumstances. Upon application of a stockholder, the Court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorney's fees and the fees and expenses of experts, to be charged pro rata against the value of all the shares entitled to an appraisal.

(k) From and after the effective date of the merger or consolidation, no stockholder who has demanded appraisal rights as provided in subsection (d) of this section shall be entitled to vote such stock for any purpose or to receive payment of dividends or other distributions on the stock (except dividends or other distributions payable to

stockholders of record at a date which is prior to the effective date of the merger or consolidation); provided, however, that if no petition for an appraisal shall be filed within the time provided in subsection (e) of this section, or if such stockholder shall deliver to the surviving or resulting corporation a written withdrawal of such stockholder's demand for an appraisal and an acceptance of the merger or consolidation, either within 60 days after the effective date of the merger or consolidation as provided in subsection (e) of this section or thereafter with the written approval of the corporation, then the right of such stockholder to an appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding in the Court of Chancery shall be dismissed as to any stockholder without the approval of the Court, and such approval may be conditioned upon such terms as the Court deems just.

(l) The shares of the surviving or resulting corporation to which the shares of such objecting stockholders would have been converted had they assented to the merger or consolidation shall have the status of authorized and unissued shares of the surviving or resulting corporation.

Part II

INFORMATION NOT REQUIRED IN PROSPECTUS
INDEMNIFICATION OF DIRECTORS AND OFFICERS

As permitted by the DGCL, our certificate of incorporation includes, subject to the limitations described below, a provision that would limit or eliminate our directors' liability for monetary damages for breaches of their fiduciary duties. A director's liability cannot be limited or eliminated for:

- breaches of the duty of loyalty;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- the payment of unlawful dividends or expenditure of funds for unlawful stock purchases or redemptions; or
- transactions from which the director derived an improper personal benefit.

In addition, the limitation of liability provisions may not restrict a director's liability for violation of, or otherwise relieve the corporation or its directors from, the necessity of complying with federal or state securities laws or affect the availability of nonmonetary remedies such as injunctive relief or rescission.

Our certificate of incorporation provides that we shall, to the extent legally permissible, indemnify each of our former or present directors or officers against all liabilities and expenses imposed upon or incurred by any of them in connection with, or arising out of, the defense or disposition of any action, suit or other proceeding, civil or criminal, in which he may be threatened or involved, by reason of his having been a director or officer, if it is determined that he acted in good faith and reasonably believed:

- in the case of conduct in his official capacity on our behalf that his

conduct was in our best interests;

. in all other cases, that his conduct was not opposed to our best interests; and

. with respect to any proceeding which is a criminal action, that he had no reasonable cause to believe his conduct was unlawful.

The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself be determinative of whether the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to our best interests, and, with respect to any proceeding which is a criminal action, had no reasonable cause to believe that his conduct was unlawful.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling Houston American pursuant to the foregoing provisions, or otherwise, we are aware that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable

EXHIBITS

The following exhibits are filed as part of this registration statement:

<TABLE>
<CAPTION>

Exhibit No.	Identification of Exhibit
<S>	<C>
2.1	Plan and Agreement of Merger dated as of July 31, 2001, between Texas Nevada Oil & Gas Co. and Houston American Energy Corp. (included as Appendix A of this registration statement)
3.1	Certificate of Incorporation of Houston American Energy Corp. filed April 2, 2001 (included as Exhibit A to Appendix A of this registration statement).
3.2	Certificate of Merger Merging Opportunity Acquisition Company with and into Houston American Energy Corp. filed April 12, 2001.
3.3	Bylaws of Houston American Energy Corp. adopted April 2, 2001 (included as Exhibit B to Appendix A of this registration statement).
4.1	Text of Common Stock Certificate of Houston American Energy Corp.
4.2	Text of Preferred Stock Certificate of Houston American Energy Corp.
5.1	Opinion regarding legality.
10.1	Model Form Operating Agreement dated April 6, 2001, between Moose Operating Co., Inc. and Houston American Energy Corp.
10.2	Agreement to Assign Interests in Oil and Gas Leases dated as of April 6, 2001, between Moose Oil & Gas Company and Houston American Energy Corp.
10.3	Assignment of Interests in Oil and Gas Leases and Bill of Sale effective as of April 6, 2001, between Moose Oil & Gas Company and Houston American Energy Corp.
10.4	Promissory Note of Houston American Energy Corp. in the amount of $216,981.06 dated April 15, 2001, payable to Moose Oil & Gas Company
10.5	Plan and Agreement of Merger dated as of April 12, 2001, between Opportunity Acquisition Company and Houston American Energy Corp.
10.6	Agreement dated as of March 23, 2001, between Unicorp, Inc., Equitable Assets, Incorporated, Texas Nevada Oil & Gas Co. and Opportunity Acquisition Company.
10.7	First Amendment of Agreement dated as of July 31, 2001, between Unicorp, Inc., Equitable Assets, Incorporated, Texas Nevada Oil & Gas Co. and Houston American Energy Corp.
23.1	Consent of Counsel (included in Exhibit 5).
23.2	Consent of Thomas Leger & Co. L.L.P., C.P.A.
23.3	Consent of Ham, Langston & Brezina, LLP, C.P.A.

</TABLE>

_____

UNDERTAKINGS

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which it offers or sells securities, a post-effective amendment to this registration statement to:

(i) Include any prospectus required by section 10(a)(3) of the Securities Act;

(ii) Reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would

not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) Include any additional or changed material information on the plan of distribution.

(2) For determining liability under the Securities Act, treat each post-effective amendment as a new registration statement of the securities offered, and the offering of the securities at that time to be the initial bona fide offering.

(3) File a post-effective amendment to remove from registration any of the securities that remain unsold at the end of the offering.

(4) The undersigned registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(5) The undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston, Texas, on August 2, 2001.

HOUSTON AMERICAN ENERGY CORP.

By /s/ John F. Terwilliger

John F. Terwilliger, President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

By /s/ John F. Terwilliger

John F. Terwilliger, President

August 2, 2001

Exhibit 3.2

CERTIFICATE OF MERGER
MERGING OPPORTUNITY ACQUISITION CORPORATION,
A TEXAS CORPORATION,
WITH AND INTO
HOUSTON AMERICAN ENERGY CORP.,
A DELAWARE CORPORATION

Pursuant to the provisions of Section 252(C) of the Delaware General Corporation Law, the undersigned corporation hereby certifies as follows:

1. The name and state of incorporation of each of the constituent corporations are:

(a) Opportunity Acquisition Corporation, a Texas corporation; and

(b) Houston American Energy Corp., a Delaware corporation.

2. A Plan and Agreement of Merger (the "Plan of Merger") has been approved, adopted, certified, executed and acknowledged by Opportunity Acquisition Corporation and by Houston American Energy Corp., in accordance with the provisions of subsection (C) of Section 252 of the Delaware General Corporation Law.

3. The name of the surviving corporation is Houston American Energy Corp.

4. The Certificate of Incorporation of Houston American Energy Corp., in effect as of the effective date of the merger, shall be the Certificate of Incorporation of the surviving corporation.

5. The surviving corporation is a corporation of the State of Delaware.

6. The executed Plan of Merger is on file at 801 Travis Street, Suite 1425, Houston, Texas 77002, which is the principal place of business of the surviving corporation.

7. A copy of the Plan of Merger will be furnished by Houston American Energy Corp. on written request and without cost, to any shareholder of Opportunity Acquisition Corporation or any stockholder of Houston American Energy Corp.

8. The authorized capital stock of Opportunity Acquisition Corporation is 100,000,000 shares of common stock, no par value per share.

9. The effective date of this certificate and of the merger described herein shall be April 12, 2001.

IN WITNESS WHEREOF, Houston American Energy Corp. has caused this certificate to be signed by John F. Terwilliger, its authorized officer, on April 11, 2001.

HOUSTON AMERICAN ENERGY CORPORATION

By /s/ John F. Terwilliger

John F. Terwilliger, President

Exhibit 4.1

Certificate Number | SEE REVERSE FOR CERTAIN RESTRICTIONS | Shares

HOUSTON AMERICAN ENERGY CORP.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

COMMON STOCK

The Corporation is authorized to issue 100,000,000 shares of Common Stock, $0.001 par value per share and 10,000,000 shares of Preferred Stock, $0.001 par value per share.

This Certifies that _____S P E C I M E N _____ is the owner of _____ fully paid and non-assessable shares of Common Stock, par value $0.001 per share, of Houston American Energy Corp. (the "Corporation").

This Certificate is transferable only on the books of the Corporation by the holder hereof in person, or by duly authorized attorney, upon surrender of this Certificate properly endorsed.

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be signed by its duly authorized officers this _____ day of _____, 20___.

---------- PRESIDENT

---------- SECRETARY

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE. THE SECURITIES ARE "RESTRICTED SECURITIES" AND HAVE BEEN ACQUIRED FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED IF SUCH SALE, PLEDGE, OR TRANSFER WOULD BE IN VIOLATION OF THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE.

THE CORPORATION WILL FURNISH WITHOUT CHARGE TO EACH SHAREHOLDER WHO SO REQUESTS, A STATEMENT OF THE DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OR SERIES THEREOF WHICH THE CORPORATION IS AUTHORIZED TO ISSUE AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND/OR RIGHTS. ANY SUCH REQUEST IS TO BE ADDRESSED TO THE SECRETARY OF THE CORPORATION.

The following abbreviations, when used in the inscription on the face of this Certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

<TABLE>
<S>
TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common
</TABLE>

<C>
UNIF GIFT MIN ACT - _____ Custodian _____ (Cust) (Minor) under Uniform Gifts to Minors Act _____ (State)

Additional abbreviations may also be used though not in the above list.

For Value Received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE

_____

_____shares of Common Stock represented by the within certificate, and do hereby irrevocably constitute and appoint _____ attorney to transfer the said shares on the books of the within named Corporation with full power of substitution in the premises.

Dated _____

_____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION ENLARGEMENT OR ANY CHANGE WHATEVER.

Exhibit 4.2

Certificate Number | Shares

SEE REVERSE FOR CERTAIN RESTRICTIONS

HOUSTON AMERICAN ENERGY CORP.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

PREFERRED STOCK

The Corporation is authorized to issue 100,000,000 shares of Common Stock, $0.001 par value per share and 10,000,000 shares of Preferred Stock, $0.001 par value per share.

This Certifies that _____S P E C I M E N _____ is the owner of _____ fully paid and non-assessable shares of Preferred Stock, par value $0.001 per share, of Houston American Energy Corp. (the "Corporation").

This Certificate is transferable only on the books of the Corporation by the holder hereof in person, or by duly authorized attorney, upon surrender of this Certificate properly endorsed.

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be signed by its duly authorized officers this _____day of_____ , 20___.

_____ PRESIDENT

_____ SECRETARY

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE. THE SECURITIES ARE "RESTRICTED SECURITIES" AND HAVE BEEN ACQUIRED FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED IF SUCH SALE, PLEDGE, OR TRANSFER WOULD BE IN VIOLATION OF THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE.

THE CORPORATION WILL FURNISH WITHOUT CHARGE TO EACH SHAREHOLDER WHO SO REQUESTS, A STATEMENT OF THE DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OR SERIES THEREOF WHICH THE CORPORATION IS AUTHORIZED TO ISSUE AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND/OR RIGHTS. ANY SUCH REQUEST IS TO BE ADDRESSED TO THE SECRETARY OF THE CORPORATION.

The following abbreviations, when used in the inscription on the face of this Certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

<TABLE>
<S>
TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common
</TABLE>

<C>
UNIF GIFT MIN ACT - ____ Custodian _____ (Cust) (Minor) under Uniform Gifts to Minors Act _____ (State)

Additional abbreviations may also be used though not in the above list.

For Value Received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

_____

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE

_____

_____shares of Preferred Stock represented by the within certificate, and do hereby irrevocably constitute and appoint _____ attorney to transfer the said shares on the books of the within named Corporation with full power of substitution in the

premises.

Dated _____

_____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION ENLARGEMENT OR ANY CHANGE WHATEVER.

Exhibit 5.1

JACKSON WALKER, L.L.P.
1100 LOUISIANA, SUITE 4200
HOUSTON, TEXAS 77002
TELEPHONE: (713) 752-4200
TELECOPIER: (713) 752-4221

July 31, 2001

Houston American Energy Corp.
801 Travis Street, Suite 1425
Houston, Texas 77002

Re: Form S-4 Registration Statement

Gentlemen:

As counsel for Houston American Energy Corp. (the "Company"), you have requested our firm to render this opinion in connection with the Registration Statement on Form S-4 (the "Registration Statement") filed under the Securities Act of 1933, as amended, with the Securities and Exchange Commission relating to the resale of 4,783,909 shares of the common stock of the Company, par value $0.001 per share (the "Common Stock"), which may be resold by the holders thereof (the "Selling Stockholders") from time to time as market conditions permit in the market, or otherwise, at prices and terms then prevailing or at prices related to the then current market price, or in negotiated transactions. The shares of the Common Stock to be resold include: (i) 596,569 shares to be issued to the shareholders of Texas Nevada Oil & Gas Co. ("TNOG") following the merger (the "Merger") of TNOG with and into the Company as described in the Registration Statement; and (ii) 4,187,324 shares currently issued and outstanding.

We are familiar with the Registration Statement and the registration of the shares of the Common Stock contemplated thereby. In giving this opinion, we have reviewed the Registration Statement and such other documents and certificates of public officials and officers of the Company with respect to the accuracy of the factual matters contained therein as we have felt necessary or appropriate in order to render the opinions expressed herein. In making our examination, we have assumed the genuineness of all signatures, the authenticity of all documents presented to us as originals, the conformity to original documents of all documents presented to us as copies thereof, and the authenticity of the original documents from which any such copies were made, which assumptions we have not independently verified.

Based upon and subject to the foregoing, and upon such other matters as we have determined to be relevant, we are of the opinion that:

1. The Company is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware.

2. The shares of the Common Stock to be issued upon the Consummation of the Merger, are validly authorized and, when issued, will be validly issued, fully paid and nonassessable.

We hereby consent to use in the Registration Statement of the reference to Jackson Walker L.L.P. under the heading "Legal Matters." We also consent to the filing of this opinion letter as an exhibit to the Registration Statement.

This opinion is conditioned upon the Registration Statement being declared effective.

Very truly yours,

JACKSON WALKER L.L.P.

/s/ Jackson Walker L.L.P.

Exhibit 10.1

A.A.P.L. FORM 610-1982

MODEL FORM OPERATING AGREEMENT

OPERATING AGREEMENT

DATED

April 6, 2001

OPERATOR Moose Operating Co., Inc.

CONTRACT AREA Kalmus #1 Well, Carl Klimitchek #1 Well, Sartwelle Area, Viking Ventures Area

COUNTY OR PARISH OF Lavaca STATE OF Texas

OPERATING AGREEMENT

THIS AGREEMENT, entered into by and between Moose Operating Co., Inc., hereinafter designated and referred to as "Operator", and the signatory party or parties other than Operator, sometimes hereinafter referred to individually herein as "Non-Operator", and collectively as "Non-Operators".

W I T N E S S E T H:

WHEREAS, the parties to this agreement are owners of oil and gas leases and/or oil and gas leases in the land identified in Exhibit "A", and the parties hereto have reached an agreement to explore and develop these leases and/or oil and gas interests for the production of oil and gas to the extent and as hereinafter provided,

NOW, THEREFORE, it is agreed as follows:

ARTICLE I.

DEFINITIONS

As used in this agreement, the following words and terms shall have the meanings here ascribed to them:

A. The term "oil and gas" shall mean oil, gas, casinghead gas, gas condensate, and all other liquid or gaseous hydrocarbons and other marketable substances produced therewith, unless an intent to limit the inclusiveness of this term is specifically stated.

B. The terms "oil and gas lease", "lease" and "leasehold" shall mean the oil and gas leases covering tracts of land lying within the Contract Area which are owned by the Parties to this agreement.

C. [Intentionally Deleted]

D. The term "Contract Area" shall mean all of the lands, oil and gas leasehold interests and oil and gas interests intended to be developed and operated for oil and gas purposes under this agreement. Such lands, oil and gas leasehold interests and oil and gas interests are described in Exhibit "A".

E. The term "drilling unit" shall mean the area fixed for the drilling of one well by order or rule of any state or federal body having authority. If a drilling unit is not fixed by any such rule or order, a drilling unit shall be the drilling unit as established by the pattern of drilling in the Contract Area or as fixed by express agreement of the Drilling Parties.

F. The term "drillsite" shall mean the oil and gas lease or interest on which a proposed well is to be located.

G. The terms "Drilling Party" and "Consenting Party" shall mean a party

who agrees to join in and pay its share of the cost of any operation conducted under the provisions of this agreement.

H. The terms "Non-Drilling Party" and "Non-Consenting Party" shall mean a party who elects not to participate in a proposed operation.

Unless the context otherwise clearly indicates, words used in the singular include the plural, the plural includes the singular, and the neuter gender includes the masculine and the feminine.

ARTICLE II.
EXHIBITS

The following exhibits, as indicated below and attached hereto, are incorporated in and made a part hereof:

A. Exhibit "A" shall include the following information:

(1) Identification of lands subject to this agreement,
(2) Restrictions, if any, as to depths, formation, or substances,
(3) Percentages or fractional interests of parties to this agreement,
(4) Oil and gas leases and/or oil and gas interests subject to this agreement,
(5) Addresses of parties for notice purposes.

B. Exhibit "B", Form of Lease. There is no Exhibit "B"

C. Exhibit "C", Accounting Procedure.

D. Exhibit "D", Insurance.

E. Exhibit "E", Gas Balancing Agreement.

F. Exhibit "F", Non-Discrimination and Certification of Non-Segregated Facilities. There is no Exhibit "F"

G. Exhibit "G", Tax Partnership. There is no Exhibit "G"

ARTICLE III.
INTERESTS OF PARTIES

A. [Intentionally Deleted]

B. Interests of Parties in Costs and Production:

Unless changed by other provisions, all costs and liabilities incurred in operations under this agreement shall be borne and paid, and all equipment and

materials acquired in operations on the Contract Area shall be owned, by the parties as their interests are set forth in Exhibit "A". In the same manner, the parties shall also own all production of oil and gas from the Contract Area subject to the payment of royalties to the extent of land owners and overriding royalties reserved by the Operator which shall be borne as hereinafter set forth.

Regardless of which party has contributed the lease(s) and/or oil and gas interest(s) hereto on which royalty is due and payable, each party entitled to receive a share of production of oil and gas from the Contract Area shall bear and shall pay or deliver, or cause to be paid or delivered, to the extent of its interest in such production, the royalty amount stipulated hereinabove and shall hold the other parties free from any liability therefor. No party shall ever be responsible, however, on a price basis higher than the price received by such party, to any other party's lessor or royalty owner, and if any such other party's lessor or royalty owner should demand and receive settlement on a higher price basis, the party contributing the affected lease shall bear the additional royalty burden attributable to such higher price.

Nothing contained in this Article III.B. shall be deemed an assignment or crossassignment of interests covered hereby.

C. Excess Royalties, Overriding Royalties and Other Payments:

Unless changed by other provisions, if the interest of any party in any lease covered hereby is subject to any royalty, overriding royalty, production payment or other burden on production in excess of the amount stipulated in Article III.B., such party so burdened shall assume and alone bear all such excess obligations and shall indemnify and hold the other parties hereto harmless from any and all claims and demands for payment asserted by owners of such excess burden.

D. Subsequently Created Interests:

If any party should hereafter create an overriding royalty, production payment or other burden payable out of production attributable to its working interest hereunder, or if such a burden existed prior to this agreement and is not set forth in Exhibit "A", or was not disclosed in writing to all other parties prior to the execution of this

agreement by all parties, or is not a jointly acknowledged and accepted obligation of all parties (any such interest being hereinafter referred to as "subsequently created interest" irrespective of the timing of its creation and the party out of whose working interest the subsequently created interest is derived being hereinafter referred to as "burdened party"), and:

1. If the burdened party is required under this agreement to assign or relinquish to any other party, or parties, all or a portion of its working interest and/or the production attributable thereto, said other party, or parties, shall receive said assignment and/or production free and clear of said subsequently created interest and the burdened party shall indemnify and save said other party, or parties, harmless from any and all claims and demands for payment asserted by owners of the subsequently created interest; and,

2. If the burdened party fails to pay, when due, its share of expenses chargeable hereunder, all provisions of Article VII.B. shall be enforceable against the subsequently created interest in the same manner as they arc enforceable against the working interest of the burdened party.

ARTICLE IV.
TITLES

A. Title Examination:

Title examination shall be made on the drillsite of any proposed well prior to commencement of drilling operations or, if the Drilling Parties so request, title examination shall be made on the leases and/or oil and gas interests included, or planned to be included, in the drilling unit around such well. The opinion will include the ownership of the working interest, minerals, royalty, overriding royalty and production payments under the applicable leases. At the time a well is proposed, each party contributing leases and/or oil and gas interests to the drillsite, or to be included in such drilling unit, shall furnish to Operator all abstracts (including federal lease status reports), title opinions, title papers and curative material in its possession free of charge. All such information not in the possession of or made available to Operator by the parties, but necessary for the examination of the title, shall be obtained by Operator. Operator shall cause title to be examined by attorneys on its staff or by outside attorneys. Copies of all title opinions shall be furnished to each party hereto. The cost incurred by Operator in this title program shall be borne as follows:

Option No. 1: [Intentionally Deleted]

Option No. 2: Costs incurred by Operator in procuring abstracts and fees
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paid outside attorneys for title examination (including preliminary, supplemental, shut-in gas royalty opinions and division order title opinions) shall be borne by the Drilling Parties in the proportion that the interest of each Drilling Party bears to the total interest of all Drilling Parties as such interests appear in Exhibit "A". Operator shall make no charge for services rendered by its staff attorneys or other personnel in the performance of the above functions.

Each party shall be responsible for securing curative matter and pooling

amendments or agreements required in connection with leases or oil and gas interests contributed by such party. Operator shall be responsible for the preparation and recording of pooling designations or declarations as well as the conduct of hearings before governmental agencies for the securing of spacing or pooling orders. This shall not prevent any party from appearing on its own behalf at any such hearing.

No well shall be drilled on the Contract Area until after (1) the title to the drillsite or drilling unit has been examined as above provided, and (2) the title has been approved by the examining attorney or title has been accepted by all of the parties who are to participate in the drilling of the well.

B. Loss of Title:

1. [Intentionally Deleted]

2. [Intentionally Deleted]

3. Other Losses: All losses incurred shall be joint losses and shall be borne by all parties in proportion to their interests. There shall be no readjustment of interests in the remaining portion of the Contract Area.

ARTICLE V.
OPERATOR

A. Designation and Responsibilities of Operator:

Moose Operating Co., Inc, shall be the Operator of the Contract Area, and shall conduct and direct and have full control of all operations on the Contract Area as permitted and required by, and within the limits of this agreement. It shall conduct all such operations in a good and workmanlike manner, but it shall have no liability as Operator to the other parties for losses sustained or liabilities incurred, except such as may result from gross negligence or willful misconduct.

B. Resignation or Removal of Operator and Selection of Successor:

1. Resignation or Removal of Operator: Operator may resign at any time by giving written notice thereof to Non-Operators. If Operator terminates its legal existence, no longer owns an interest hereunder in the Contract Area, or is no longer capable of serving as Operator, Operator shall be deemed to have resigned without any action by Non-Operators, except the selection of a successor. Operator may be removed if it fails or refuses to carry out its duties hereunder, or becomes insolvent, bankrupt or is placed in receivership, by the affirmative vote of two (2) or more Non-Operators owning a majority interest based on ownership as shown on Exhibit "A" remaining after excluding

the voting interest of Operator. Such resignation or removal shall not become effective until 7:00 o'clock A.M. on the first day of the calendar month following the expiration of ninety (90) days after the giving of notice of resignation by Operator or action by the Non-Operators to remove Operator, unless a successor Operator has been selected and assumes the duties of Operator at an earlier date. Operator, after effective date of resignation or removal, shall be bound by the terms hereof as a Non-Operator. A change of a corporate name or structure of Operator or transfer of Operator's interest to any single subsidiary, parent or successor corporation shall not be the basis for removal of Operator.

2. Selection of Successor Operator: Upon the resignation or removal of Operator, a successor Operator shall be selected by the parties. The successor Operator shall be selected from the parties owning an interest in the Contract Area at the time such successor Operator is selected. The successor Operator shall be selected by the affirmative vote of two (2) or more parties owning a majority interest based on ownership as shown on Exhibit "A"; provided, however, if an Operator which has been removed fails to vote or votes only to succeed itself, the successor Operator shall be selected by the affirmative vote of two (2) or more parties owning a majority interest based on ownership as shown on Exhibit "A" remaining after excluding the voting interest of the Operator that was removed.

C. Employees:

The number of employees used by Operator in conducting operations hereunder, their selection, and the hours of labor and the compensation for services performed shall be determined by Operator, and all such employees shall be the employees of Operator.

D. Drilling Contracts:

All wells drilled on the Contract Area shall be drilled on a competitive contract basis at the usual rates prevailing in the area. If it so desires, Operator may employ its own tools and equipment in the drilling of wells, but its charges therefor shall not exceed the prevailing rates in the area and the rate of such charges shall be agreed upon by the parties in writing before drilling operations are commenced, and such work shall be performed by Operator under the same terms and conditions as are customary and usual in the area in contracts of independent contractors who are doing work of a similar nature.

ARTICLE VI.
DRILLING AND DEVELOPMENT

A. Initial Well:

On or before the 31st day of March, 2001, Operator shall commence the drilling

of a well for oil and gas at the following location:

Henry P. Mills Survey, A-330
Lavaca County, Texas

and shall thereafter continue the drilling of the well with due diligence to

2,400 feet or the base of the Miocene formation, which ever is the lesser.

unless granite or other practically impenetrable substance or condition in the hole, which renders further drilling impractical, is encountered at a lesser depth, or unless all parties agree to complete or abandon the well at a lesser depth.

Operator shall make reasonable tests of all formations encountered during drilling which give indication of containing oil and gas in quantities sufficient to test, unless this agreement shall be limited in its application to a specific formation or formations, in which event Operator shall be required to test only the formation or formations to which this agreement may apply.

If, in Operator's judgment, the well will not produce oil or gas in paying quantities, and it wishes to plug and abandon the well as a dry hole, the provisions of Article VI.E.1 shall thereafter apply.

B. Subsequent Operations:

1. Proposed Operations: Should any party hereto desire to drill any well
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on the Contract Area other than the well provided for in Article VI.A., or to rework, deepen or plug back a dry hole drilled at the joint expense of all parties or a well jointly owned by all the parties and not then producing or capable of producing in paying quantities, the party desiring to drill, rework, deepen or plug back such a well shall give the other parties written notice of the proposed operation, specifying the work to be performed, the location, proposed depth, objective formation and the estimated cost of the operation. The parties receiving such a notice shall have fifteen (15) days after receipt of the notice within which to notify the party wishing to do the work whether they elect to participate in the cost of the proposed operation. If a drilling rig is on location, notice of a proposal to rework, plug back or drill deeper may be given by telephone and the response period shall be limited to twenty-four (24) hours, exclusive of Saturday, Sunday, and legal holidays. Failure of a party receiving such notice to reply within the period above fixed shall constitute an election by that party not to participate in the cost of the proposed operation. Any notice or response given by telephone shall be promptly confirmed in writing.

If all parties elect to participate in such a proposed operation, Operator shall, within ninety (90) days after expiration of the notice period of fifteen (15) days (or as promptly as possible after the expiration of the twenty-four (24) hour period when a drilling rig is on location, as the case may be), actually commence the proposed operation and complete it with due diligence at

the risk and expense of all parties hereto; provided, however, said commencement date may be extended upon written notice of same by Operator to the other parties, for a period of up to fifteen (15) addition days if, in the sole opinion of Operator , such additional time is reasonably necessary to obtain permits from governmental authorities, surface rights (including rights-of-way) or appropriate drilling equipment, or to complete title examination or curative matter required for title approval or acceptance. Notwithstanding the force majeure provisions of Article XI, if the actual operation has not been commenced within the time provided (including any extension thereof as specifically permitted herein) and if any party hereto still desires to conduct said operation, written notice proposing same must be resubmitted to the other parties in accordance with the provisions hereof as if no prior proposal had been made.

2. Operations by Less than all Parties: If any party receiving such
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notice as provided in Article VI.B.1. or VII.D.1. (Option No. 2) elects not to participate in the proposed operation, then, in order to be entitled to the benefits of this Article, the party or parties giving the notice and such other parties as shall elect to participate in

the operation shall, within ninety (90) days after the expiration of the notice period of fifteen (15) days (or as possible after the expiration of the twenty-four (24) hour period when a drilling rig is on location, as the case may be) actually commence the proposed operation and complete it with due diligence. Operator shall perform all work for the account of the Consenting Parties; provided, however, if no drilling rig or other equipment is on location, and if Operator is a Non-Consenting Party, the Consenting Parties shall either: (a) request Operator to perform the work required by such proposed operation for the account of the Consenting Parties, or (b) designate one (1) of the Consenting Parties as Operator to perform such work. Consenting Parties, when conducting operations on the Contract Area pursuant to this Article VI.B.2., shall comply with all terms and conditions of this agreement.

If less than all parties approve any proposed operation, the proposing party, immediately after the expiration of the applicable notice period, shall advise the Consenting Parties of the total interest of the parties approving such operation and its recommendation as to whether the Consenting Parties should proceed with the operation as proposed. Each Consenting Party, within twenty-four (24) hours (exclusive of Saturday, Sunday and legal holidays) after receipt of such notice, shall advise the proposing party of its desire to (a) limit participation to such party's interest as shown on Exhibit "A" or (b) carry its proportionate part of Non-Consenting Parties' interests, and failure to advise the proposing party shall be deemed an election under (a). In the event a drilling rig is on location, the time permitted for such a response shall not exceed a total of twenty-four (24) hours (exclusive of Saturday, Sunday and legal holidays). The proposing party, at its election, may withdraw such proposal if there is insufficient participation and shall promptly notify

all parties of such decision.

The entire cost and risk of conducting such operations shall be borne by the Consenting Parties in the proportions they have elected to bear same under the terms of the preceding paragraph. Consenting Parties shall keep the leasehold estates involved in such operations free and clear of all liens and encumbrances of every kind created by or arising from the operations of the Consenting Parties. If such an operation results in a dry hole, the Consenting Parties shall plug and abandon the well and restore the surface location at their sole cost, risk and expense. If any well drilled, reworked, deepened or plugged back under the provisions of this Article results in a producer of oil and/or gas in paying quantities, the Consenting Parties shall complete and equip the well to produce at their sole cost and risk, and the well shall then be turned over to Operator and shall be operated by it at the expense and for the account of the Consenting Parties. Upon commencement of operations for the drilling, reworking, deepening or plugging back of any such well by Consenting Parties in accordance with the provisions of this Article, each Non-Consenting Party shall be deemed to have relinquished to Consenting Parties, and the Consenting Parties shall own and be entitled to receive, in proportion to their respective interests, all of such Non-Consenting Party's interest in the well and share of production therefrom until the proceeds of the sale of such share, calculated at the well, or market value thereof if such share is not sold, (after deducting production taxes, excise taxes, royalty, overriding royalty and other interests not excepted by Article III.D. payable out of or measured by the production from such well accruing with respect to such interest until it reverts) shall equal the total of the following:

(a) 500% of each such Non-Consenting Party's share of the cost of any newly acquired surface equipment beyond the wellhead connections (including, but not limited to, stock tanks, separators, treaters, pumping equipment and piping), plus 100% of each such Non-Consenting Party's share of the cost of operation of the well commencing with first production and continuing until each such Non-Consenting Party's relinquished interest shall revert to it under other provisions of this Article, it being agreed that each Non-Consenting Party's share of such costs and equipment will be that interest which would have been chargeable to such Non-Consenting Party had it participated in the well from the beginning of the operations, and

(b) 500 % of that portion of the costs and expenses of drilling, reworking, deepening, plugging back, testing and completing, after deducting any cash contributions received under Article VIII.C., and 500 % of that portion of the cost of newly acquired equipment in the well (to and including the wellhead connections), which would have been chargeable to such Non-Consenting Party if it had participated therein.

An election not to participate in the drilling or the deepening of a well shall be deemed an election not to participate in any reworking or plugging back operation proposed in such a well, or portion thereof, to which the initial Non-Consent election applied that is conducted at any time prior to full recovery by the Consenting Parties of the Non-Consenting Party's recoupment account. Any such reworking or plugging back operation conducted during the recoupment period

shall be deemed part of the cost of operation of said well and there shall be added to the sums to be recouped by the Consenting Parties one hundred percent (100%) of that portion of the costs of the reworking or plugging back operation which would have been chargeable to such Non-Consenting Party had it participated

therein. If such a reworking or plugging back operation is proposed during such recoupment period, the provisions of this Article VI.B. shall be applicable as between said Consenting Parties in said well.

During the period of time Consenting Parties are entitled to receive Non-Consenting Party's share of production, or the proceeds therefrom, Consenting Parties shall be responsible for the payment of all production, severance, excise, gathering and other taxes, and all royalty, overriding royalty and other burdens applicable to Non-Consenting Party's share of production not excepted by Article III.D.

In the case of any reworking, plugging back or deeper drilling operation, the Consenting Parties shall be permitted to use, free of cost, all casing, tubing and other equipment in the well, but the ownership of all such equipment shall remain unchanged; and upon abandonment of a well after such reworking, plugging back or deeper drilling, the Consenting Parties shall account for all such equipment to the owners thereof, with each party receiving its proportionate part in kind or in value, less cost of salvage.

Within sixty (60) days after the completion of any operation under this Article, the party conducting the operations for the Consenting Parties shall furnish each Non-Consenting Party with an inventory of the equipment in and connected to the well, and an itemized statement of the cost of drilling, deepening, plugging back, testing, completing, and equipping the well for production; or, at its option, the operating party, in lieu of an itemized statement of such costs of operation, may submit a detailed statement of monthly billings. Each month thereafter, during the time the Consenting Parties are being reimbursed as provided above, the party conducting the operations for the Consenting Parties shall furnish the Non-Consenting Parties with an itemized statement of all costs and liabilities incurred in the operation of the well, together with a statement of the quantity of oil and gas produced from it and the amount of proceeds realized from the sale of the well's working interest production during the preceding month. In determining the quantity of oil and gas produced during any month, Consenting Parties shall use industry accepted methods such as, but not limited to, metering or periodic well tests. Any amount realized from the sale or other disposition of equipment newly acquired in connection with any such operation which would have been owned by a Non-Consenting Party had it participated therein shall be credited against the total unreturned costs of the work done and of the equipment purchased in determining when the interest of such Non-Consenting Party shall revert to it as above provided; and if there is a credit balance, it shall be paid to such Non-Consenting Party.

If and when the Consenting Parties recover from a Non-Consenting Party's relinquished interest the amounts provided for above, the relinquished interests of such Non-Consenting Party shall automatically revert to it, and, from and after such reversion, such Non-Consenting Party shall own the same interest in such well, the material and equipment in or pertaining thereto, and the production therefrom as such Non-Consenting Party would have been entitled to had it participated in the drilling, reworking, deepening or plugging back of said well. Thereafter, such Non-Consenting Party shall be charged with and shall pay its proportionate part of the further costs of the operation of said well in accordance with the terms of this agreement and the Accounting Procedure attached hereto.

Notwithstanding the provisions of this Article VI.B.2., it is agreed that without the mutual consent of all parties, no wells shall be completed in or produced from a source of supply from which a well located elsewhere on the Contract Area is producing, unless such well conforms to the then existing well spacing pattern for such source of supply.

The provisions of this Article shall have no application whatsoever to the drilling of the initial well described in Article VI.A. except (a) as to Article VII.D.1. (Option No. 2), if selected, or (b) as to the reworking, deepening and plugging back of such initial well after if has been drilled to the depth specified in Article VI.A. if it shall thereafter prove to be a dry hole or, if initially completed for production, ceases to produce in paying quantities.

3. Stand-By Time: When a well which has been drilled or deepened has reached its authorized depth and all tests have been completed, and the results thereof furnished to the parties, standby costs incurred pending response to a party's notice proposing a reworking, deepening, plugging back or completing operation in such a well shall be charged and borne as part of the drilling or deepening operation just completed. Standby costs subsequent to all parties responding, or expiration of the response time permitted, whichever first occurs, and prior to agreement as to the participating interests of all Consenting Parties pursuant to the terms of the second grammatical paragraph of Article VI.B.2., shall be charged to and borne as part of the proposed operation, but if the proposal is subsequently withdrawn because of insufficient participation, such standby costs shall be allocated between the

Consenting Parties in the proportion each Consenting Party's interest as shown on Exhibit "A" bears to the total interest as shown on Exhibit "A" of all Consenting Parties.

4. Sidetracking: Except as hereinafter provided, those provisions of this agreement applicable to a "deepening" operation shall also be applicable to any proposal to directionally control and intentionally deviate a well from vertical

so as to change the bottom hole location (herein call "sidetracking"), unless done to straighten the hole or to drill around junk in the hole or because of other mechanical difficulties. Any party having the right to participate in a proposed sidetracking operation that does not own an interest in the affected well bore at the time of the notice shall, upon electing to participate, tender to the well bore owners its proportionate share (equal to its interest in the sidetracking operation) of the value of that portion of the existing well bore to be utilized as follows:

(a) If the proposal is for sidetracking an existing dry hole, reimbursement shall be on the basis of the actual costs incurred in the initial drilling of the well down to the depth at which the sidetracking operation is initiated.

(b) If the proposal is for sidetracking a well which has previously produced, reimbursement shall be on the basis of the well's salvable materials and equipment down to the depth at which the sidetracking operation is initiated, determined in accordance with the provisions of Exhibit "C", less the estimated cost of salvaging and the estimated cost of plugging and abandoning.

In the event that notice for a sidetracking operation is given while the drilling rig to be utilized is on location, the response period shall be limited to twenty-four (24) hours, exclusive of Saturday, Sunday and legal holidays; provided, however, any party may request and receive up to eight (8) additional days after expiration of the twenty-four (24) hours within which to respond by paying for all standby time incurred during such extended response period. If more than one party elects to take such additional time to respond to the notice, standby costs shall be allocated between the parties taking additional time to respond on a day-to-day basis in the proportion each electing party's interest as shown on Exhibit "A" bears to the total interest as shown on Exhibit "A" of all the electing parties. In all other instances the response period to a proposal for sidetracking shall be limited to thirty (30) days.

C. Taking Production In Kind:

Each party shall have the right to take in kind or separately dispose of its proportionate share of all oil and gas produced from the Contract Area, exclusive of production which may be used in development and producing operations and in preparing and treating oil and gas for marketing purposes and production unavoidably lost. Any extra expenditure incurred in the taking in kind or separate disposition by any party of its proportionate share of the production shall be borne by such party. Any party taking its share of production in kind shall be required to pay for only its proportionate share of such part of Operator's surface facilities which it uses.

Each party shall execute such division orders and contracts as may be necessary for the sale of its interest in production from the Contract Area, and, except as provided in Article VII.B., shall be entitled to receive payment directly from the purchaser thereof for its share of all production.

In the event any party shall fail to make the arrangements necessary to

take in kind or separately dispose of its proportionate share of the oil produced from the Contract Area, Operator shall have the right, subject to the revocation at will by the party owning it, but not the obligation, to purchase such oil or sell it to others at any time and from time to time, for the account of the non-taking party at the best price obtainable in the area for such production. Any such purchase or sale by Operator shall be subject always to the right of the owner of the production to exercise at any time its right to take in kind, or separately dispose of, its share of all oil not previously delivered to a purchaser. Any purchase or sale by Operator of any other party's share of oil shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the particular circumstances, but in no event for a period in excess of one (1) year.

In the event one or more parties' separate disposition of its share of the gas causes split-stream deliveries to separate pipelines and/or deliveries which on a day-to-day basis for any reason are not exactly equal to a party's respective proportionate share of total gas sales to be allocated to it, the balancing or accounting between the respective accounts of the parties shall be in accordance with any gas balancing agreement between the parties hereto, whether such an agreement is attached as Exhibit "E", or is a separate agreement.

D. Access to Contract Area and Information:

Each party shall have access to the Contract Area at all reasonable times, at its sole cost and risk to inspect or observe operations, and shall have access at reasonable times to information pertaining to the development or operation thereof, including Operator's books and records relating thereto. Operator, upon request, shall furnish each of the other parties with copies of all forms or reports filed with governmental agencies, daily drilling reports, well logs, tank tables, daily gauge and run tickets and reports of stock on hand at the first of each month, and shall make available samples of any cores or cuttings taken from any well drilled on the Contract Area. The cost of gathering and furnishing information to Non-Operator, other than that specified above, shall be charged to the Non-Operator that requests the Information.

E. Abandonment of Wells:

1. Abandonment of Dry Holes: Except for any well drilled or deepened
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pursuant to Article VI.B.2., any well which has been drilled or deepened under the terms of this agreement and is proposed to be completed as a dry hole shall not be plugged and abandoned without the consent of all parties. Should Operator, after diligent effort, be unable to contact any party, or should any party fail to reply within twenty-four (24) hours (exclusive of Saturday, Sunday and legal holidays) after receipt of notice of the proposal to plug and abandon such well, such party shall be deemed to have consented to the proposed abandonment. All such wells shall be plugged and abandoned in accordance with

applicable regulations and at the cost, risk and expense of the parties who participated in the cost of drilling or deepening such well. Any party who objects to plugging and abandoning such well shall have the right to take over the well and conduct further operations in search of oil and/or gas subject to the provisions of Article VI.B.

2. Abandonment of Wells that have Produced: Except for any well in which a Non-Consent operation has been conducted hereunder for which the Consenting Parties have not been fully reimbursed as herein provided, any well which has been completed as a producer shall not be plugged and abandoned without the consent of all parties. If all parties consent to such abandonment, the well shall be plugged and abandoned in accordance with applicable regulations and at the cost, risk and expense of all the parties hereto. If, within thirty (30) days after receipt of notice of the proposed abandonment of any well, all parties do not agree to the abandonment of such well, those wishing to continue its operation from the interval(s) of the formation(s) then open to production shall tender to each of the other parties its proportionate share of the value of the well's salvable material and equipment determined in accordance with the provisions of Exhibit "C", less the estimated cost of salvaging and the estimated cost of plugging and abandoning. Each abandoning party shall assign the non-abandoning parties, without warranty, express or implied, as to title or as to quantity, or fitness for use of the equipment and material, all of its interest in the well and related equipment, together with its interest in the leasehold estate as to, but only as to, the interval or intervals of the formation or formations then open to production. The assignments or leases so limited shall encompass the "drilling unit" upon which the well is located. The payments by, and the assignments or leases to, the assignees shall be in a ratio based upon the relationship of their respective percentage of participation in the Contract Area to the aggregate of the percentages of participation in the Contract Area of all assignees. There shall be no readjustment of interests in the remaining portion of the Contract Area.

Thereafter, abandoning parties shall have no further responsibility, liability, or interest in the operation of or production from the well in the interval or intervals then open other than the royalties retained in any lease made under the terms of this Article. Upon request, Operator shall continue to operate the assigned well for the account of the non-abandoning parties at the rates and charges contemplated by this agreement, plus any additional cost and charges which may arise as the result of the separate ownership of the assigned well. Upon proposed abandonment of the producing interval(s) assigned or leased, the assignor or lessor shall then have the option to repurchase its prior interest in the well (using the same valuation formula) and participate in further operations therein subject to the provisions hereof.

3. Abandonment of Non-Consent Operations: The provisions of Article VI.E.1. or VI.E.2 above shall be applicable as between Consenting Parties in the event of the proposed abandonment of any well excepted from said Articles; provided, however, no well shall be permanently plugged and abandoned unless and until all parties having the right to conduct further operations therein have

been notified of the proposed abandonment and afforded the opportunity to elect to take over the well in accordance with the provisions of this Article VI.E.

ARTICLE VII.
EXPENDITURES AND LIABILITY OF PARTIES

A. Liability of Parties:

The liability of the parties shall be several, not joint or collective. Each party shall be responsible only for its obligations, and shall be liable only for its proportionate share of the costs of developing and operating the Contract Area. Accordingly, the liens granted among the parties in Article VII.B. are given to secure only the debts of each severally. It is not the intention of the parties to create, nor shall this agreement be construed as creating, a mining or other partnership or association, or to render the parties liable as partners.

B. Liens and Payment Defaults:

Each Non-Operator grants to Operator a lien upon its oil and gas rights in the Contract Area, and a security interest in its share of oil and/or gas when extracted and its interest in all equipment, to secure payment of its share of expense, together with interest thereon at the rate provided in Exhibit "C". To the extent that Operator has a security interest under the Uniform Commercial Code of the state, Operator shall be entitled to exercise the rights and remedies of a secured party under the Code. The bringing of a suit and the obtaining of judgment by Operator for the secured indebtedness shall not be deemed an election of remedies or otherwise affect the lien rights or security interest as security for the payment thereof. In addition, upon default by any Non-Operator in the payment of its share of expense, Operator shall have the right, without prejudice to other rights or remedies, to collect from the purchaser the proceeds from the sale of such Non-Operator's share of oil and/or gas until the amount owed by such Non-Operator, plus interest, has been paid. Each purchaser shall be entitled to rely upon Operator's written statement concerning the amount of any default. Operator grants a like lien and security interest to the Non-Operators to secure payment of Operator's proportionate share of expense.

C. Payments and Accounting:

Except as herein otherwise specifically provided, Operator shall promptly pay and discharge expenses incurred in the development and operation of the Contract Area pursuant to this agreement and shall charge each of the parties hereto with their respective proportionate shares upon the expense basis provided in Exhibit "C". Operator shall keep an accurate record of the joint account hereunder, showing expenses incurred and charges and credits made and received.

Operator, at its election, shall have the right from time to time to demand and receive from the other parties payment in advance of their respective shares of the estimated amount of the expense to be incurred in operations hereunder during the next succeeding month, which right may be exercised only by submission to each such party of an itemized statement of such estimated expense, together with an invoice for its share thereof. Each such statement and invoice for the payment in advance of estimated expense shall be submitted on or before the 20th day of the next preceding month. Each party shall pay to Operator its proportionate share of such estimate within fifteen (15) days after such estimate and invoice is received. If any party fails to pay its share of said estimate within said time, the amount due shall bear interest as provided in Exhibit "C" until paid. Proper adjustment shall be made monthly between advances and actual expense to the end that each party shall bear and pay its proportionate share of actual expenses incurred, and no more.

D. Limitation of Expenditures:

1. Drill or Deepen: Without the consent of all parties, no well shall be drilled or deepened, except any well drilled or deepened pursuant to the provisions of Article VI.B.2. of this agreement. Consent to the drilling or deepening shall include:

Option No. 1: [Intentionally Deleted]

Option No. 2: All necessary expenditures for the drilling or deepening and testing of the well. When such well has reached its authorized depth, and all tests have been completed, and the results thereof furnished to the parties, Operator shall give immediate notice to the Non-Operators who have the right to participate in the completion costs. The parties receiving such notice shall have twenty-four (24) hours (exclusive) of Saturday, Sunday and legal holidays) in which to elect to participate in the setting of casing and the completion attempt. Such

election, when made, shall include consent to all necessary expenditures for the completing and equipping of such well, including necessary tankage and/or surface facilities. Failure of any party receiving such notice to reply within the period above fixed shall constitute an election by that party not to participate in the cost of the completion attempt. If one or more, but less than all of the parties, elect to set pipe and to attempt a completion, the provisions of Article VI.B.2. hereof (the phrase "reworking, deepening or plugging back" as contained in Article VI.B.2. shall be deemed to include "completing") shall apply to the operations thereafter conducted by less than all parties.

2. Rework or Plug Back: Without the consent of all parties, no well shall

be reworked or plugged back except a well reworked or plugged back pursuant to the provisions of Article VI.B.2. of this agreement. Consent to the reworking or plugging back of a well shall include all necessary expenditures in conducting such operations and completing and equipping of said well, including necessary tankage and/or surface facilities.

3. Other Operations: Without the consent of all parties, Operator shall not undertake any single project reasonably estimated to require an expenditure in excess of Ten Thousand and no/100 Dollars ($10,000.00) except in connection with a well, the drilling, reworking, deepening, completing, recompleting, or plugging back of which has been previously authorized by or pursuant to this agreement; provided, however, that, in case of explosion, fire, flood or other sudden emergency, whether of the same or different nature, Operator may take such steps and incur such expenses as in its opinion are required to deal with the emergency to safeguard life and property but Operator, as promptly as possible, shall report the emergency to the other parties. If Operator prepares an authority for expenditure (AFE) for its own use, Operator shall furnish any Non-Operator so requesting an information copy thereof for any single project costing in excess of Five Thousand and no/100 Dollars ($5,000.00) but less than the amount first set forth above in this paragraph.

E. Rentals, Shut-in Well Payments and Minimum Royalties:

Rentals, shut-in well payments and minimum royalties which may be required under the terms of any lease shall be paid by the Operator at its or their joint expense. In the event two or more parties own and have contributed interests in the same lease to this agreement, such parties may designate one of such parties to make said payments for and on behalf of all such parties. Any party may request and shall be entitled to receive, proper evidence of all such payments. In the event of failure to make proper payment of any rental, shut-in well payment or minimum royalty through mistake or oversight where such payment is required to continue the lease in force, any loss which results from such non-payment shall be borne in accordance with the provisions of Article IV.B.2.

Operator shall notify Non-Operator of the anticipated completion of a shutin gas well, or the shutting in or return to production of a producing gas well, at least five (5) days (excluding Saturday, Sunday and legal holidays), or at the earliest opportunity permitted by circumstances, prior to taking such action, but assumes no liability for failure to do so. In the event of failure by Operator to so notify Non-Operator, the loss of any lease contributed hereto by Non-Operator for failure to make timely payments of any shut-in well payment shall be borne jointly by the parties hereto under the provisions of Article IV.B.3.

F. Taxes:

Beginning with the first calendar year after the effective date hereof, Operator shall render for ad valorem taxation all property subject to this agreement which by law should be rendered for such taxes, and it shall pay or

cause to be rendered all such taxes assessed thereon before they become delinquent. Prior to the rendition date, each Non-Operator shall furnish Operator information as to burdens (to include, but not be limited to, royalties, overriding royalties and production payments) on leases and oil and gas interests contributed by such Non-Operator. If the assessed valuation of any leasehold estate is reduced by reason of its being subject to outstanding excess royalties, overriding royalties or production payments, the reduction in ad valorem taxes resulting therefrom shall inure to the benefit of the owner or owners of such leasehold estate, and Operator shall adjust the charge to such owner or owners so as to reflect the benefit of such reduction. If the ad valorem taxes are based in whole or in part upon separate valuations of each party's working interest, then notwithstanding anything to the contrary herein, charges to the joint account shall be made and paid by the parties hereto in accordance with the tax value generated by each party's working interest. Operator shall bill the other parties for their proportionate shares of all tax payments in the manner provided in Exhibit "C".

If Operator considers any tax assessment improper, Operator may, at its discretion, protest within the time and manner prescribed by law, and prosecute the protest to a final determination, unless all parties agree to abandon

the protest prior to final determination. During the pendency of administrative or judicial proceedings, Operator may elect to pay, under protest, all such taxes and any interest and penalty. When any such protested assessment shall have been finally determined, Operator shall pay the tax for the joint account, together with any interest and penalty accrued, and the total cost shall then be assessed against the parties, and be paid by them, as provided in Exhibit "C".

Each party shall pay or cause to be paid all production, severance, excise, gathering and other taxes imposed upon or with respect to the production or handling of such party's share of oil and/or gas produced under the terms of this agreement.

G. Insurance:

At all times while operations are conducted hereunder, Operator shall comply with the workmen's compensation law of the state where the operations are being conducted. Operator shall also carry or provide insurance for the benefit of the joint account of the parties as outlined in Exhibit "D", attached to and made a part hereof. Operator shall require all contractors engaged in work on or for the Contract Area to comply with the workmen's compensation law of the state where the operations are being conducted and to maintain such other insurance as specified in Exhibit "D" Operator may require.

In the event automobile public liability insurance is specified in said Exhibit "D", or subsequently receives the approval of the parties, no direct charge shall be made by Operator for premiums paid for such insurance for Operator's automotive equipment.

ARTICLE VIII.
ACQUISITION, MAINTENANCE OR TRANSFER OF INTEREST

A. Surrender of Leases:

The leases covered by this agreement, insofar as they embrace acreage in the Contract Area, shall not be surrendered in whole or in part unless all parties consent thereto.

However, should any party desire to surrender its interest in any lease or in any portion thereof, and the other parties do not agree or consent thereto, the party desiring to surrender shall assign, without express or implied warranty of title, all of its interest in such lease, or portion thereof, and any well, material and equipment which may be located thereon and any rights in production thereafter secured, to the parties not consenting to such surrender. If the interest of the assigning party is or includes an oil and gas interest, the assigning party shall execute and deliver to the party or parties not consenting to such surrender an oil and gas lease covering such oil and gas interest for a term of one (1) year and so long thereafter as oil and/or gas is produced from the land covered thereby, such lease to be on the form attached hereto as Exhibit "B". Upon such assignment or lease, the assigning party shall be relieved from all obligations thereafter accruing, but not theretofore accrued, with respect to the interest assigned or leased and the operation of any well attributable thereto, and the assigning party shall have no further interest in the assigned or leased premises and its equipment and production other than the royalties retained in any lease made under the terms of this Article. The party assignee or lessee shall pay to the party assignor or lessor the reasonable salvage value of the latter's interest in any wells and equipment attributable to the assigned or leased acreage. The value of all material shall be determined in accordance with the provisions of Exhibit "C", less the estimated cost of salvaging and the estimated cost of plugging and abandoning. If the assignment or lease is in favor of more than one party, the interest shall be shared by such parties in the proportions that the interest of each bears to the total interest of all such parties.

Any assignment, lease or surrender made under this provision shall not reduce or change the assignor's, lessor's or surrendering party's interest as it was immediately before the assignment, lease or surrender in the balance of the Contract Area; and the acreage assigned, leased or surrendered, and subsequent operations thereon, shall not thereafter be subject to the terms and provisions of this agreement.

B. Renewal or Extension of Leases:

If any party secures a renewal of any oil and gas lease subject to this agreement, all other parties shall be notified promptly, and shall have the right for a period of thirty (30) days following receipt of such notice in which

to elect to participate in the ownership of the renewal lease, insofar as such lease affects lands within the Contract Area, by paying to the party who acquired it their several proper proportionate shares of the acquisition cost allocated to that part of such lease within the Contract Area, which shall be in proportion to the interests held at that time by the parties in the Contract Area.

If some, but less than all, of the parties elect to participate in the purchase of a renewal lease, it shall be owned by the parties who elect to participate therein, in a ratio based upon the relationship of their respective percentage of participation in the Contract Area to the aggregate of the percentages of participation in the Contract Area of all parties participating in the purchase of such renewal lease. Any renewal lease in which less than all parties elect to participate shall not be subject to this agreement.

Each party who participates in the purchase of a renewal lease shall be given an assignment of its proportionate interest therein by the acquiring party.

The provisions of this Article shall apply to renewal leases whether they are for the entire interest covered by the expiring lease or cover only a portion of its area or an interest therein. Any renewal lease taken before the expiration of its predecessor lease, or taken or contracted for within six (6) months after the expiration of the existing lease shall be subject to this provision, but any lease taken or contracted for more than six (6) months after the expiration of an existing lease shall not be deemed a renewal lease and shall not be subject to the provisions of this agreement.

The provisions in this Article shall also be applicable to extensions of oil and gas leases, top leases, option leases or all or part of existing oil and gas leases.

C. Acreage or Cash Contributions:

While this agreement is in force, if any party contracts for a contribution of cash towards the drilling of a well or any other operation on the Contract Area, such contribution shall be paid to the party who conducted the drilling or other operation and shall be applied by it against the cost of such drilling or other operation. If the contribution be in the form of acreage, the party to whom the contribution is made shall promptly tender an assignment of the acreage, without warranty of title, to the Drilling Parties in the proportions said Drilling Parties shared the cost of drilling the well. Such acreage shall become a separate Contract Area and, to the extent possible, be governed by provisions identical to this agreement. Each party shall promptly notify all other parties of any acreage or cash contributions it may obtain in support of any well or any other operation on the Contract Area. The above provisions shall also be applicable to optional rights to cam acreage outside the Contract Area which are in support of a well drilled inside the Contract Area.

If any party contracts for any consideration relating to disposition of

such party's share of substances produced hereunder, such consideration shall not be deemed a contribution as contemplated in this Article VIII.C.

D. Maintenance of Uniform Interests:

Every such sale, encumbrance, transfer or other disposition made by any party shall be made expressly subject to this agreement and shall be made without prejudice to the right of the other parties provided, however, any Non-Operator proposing to make such sale shall first obtain written consent from Operator, which consent shall not be unreasonably denied.

If, at any time the interest of any party is divided among and owned by four or more co-owners, Operator, at its discretion, may require such co-owners to appoint a single trustee or agent with full authority to receive notices, approve expenditures, receive billings for and approve and pay such party's share of the joint expenses, and to deal generally with, and with power to bind, the co-owners of such party's interest within the scope of the operations embraced in this agreement; however, all such co-owners shall have the right to enter into and execute all contracts or agreements for the disposition of their respective shares of the oil and gas produced from the Contract Area and they shall have the right to receive, separately, payment of the sale proceeds thereof.

E. Waiver of Rights to Partition:

If permitted by the laws of the state or states in which the property covered hereby is located, each party hereto owning an undivided interest in the Contract Area waives any and all rights it may have to partition and have set aside to it in severalty its undivided interest therein.

F. [Intentionally Deleted]

ARTICLE IX.
INTERNAL REVENUE CODE ELECTION

This agreement is not intended to create, and shall not be construed to create, a relationship of partnership or an association for profit between or among the parties hereto. Notwithstanding any provision herein that the rights and liabilities hereunder are several and not joint or collective, or that this agreement and operations hereunder shall not constitute a partnership, if, for federal income tax purposes, this agreement and the operations hereunder are regarded as a partnership, each party hereby affected elects to be excluded from the application of all of the provisions of Subchapter "K", Chapter 1, Subtitle "A", of the Internal Revenue Code of 1986, as permitted and authorized by Section 761 of the Code and the regulations promulgated thereunder. Operator is authorized and directed to execute on behalf of each party hereby affected such evidence of this election as may be required by the Secretary of the Treasury of the United States or the Federal Internal Revenue Service, including

specifically, but not by way of limitation, all of the returns, statements, and the data required by Federal Regulations 1.761. Should there be any requirement that each party hereby affected give further evidence of this election, each such party shall execute such documents and furnish such other evidence as may be required by the Federal Internal Revenue Service or as may be necessary to evidence this election. No such party shall give any notices or take any other action inconsistent with the election made hereby. If any present or future income tax laws of the state or states in which the Contract Area is located or any future income tax laws of the United States contain provisions similar to those in Subchapter "K", Chapter 1, Subtitle "A", of the Internal Revenue Code of 1986, under which an election similar to that provided by Section 761 of the Code is permitted, each party hereby affected shall make such election as may be permitted or required by such laws. In making the foregoing election, each such party states that the income derived by such party from operations hereunder can be adequately determined without the computation of partnership taxable income.

ARTICLE X.
CLAIMS AND LAWSUITS

Operator may settle any single uninsured third party damage claim or suit arising from operations hereunder if the expenditure does not exceed Five Thousand and no/100 Dollars ($5,000.00) and if the payment is in complete settlement of such claim or suit. If the amount required for settlement exceeds the above amount, the parties hereto shall assume and take over the further handling of the claim or suit, unless such authority is delegated to Operator. All costs and expenses of handling, settling, or otherwise discharging such claim or suit shall be at the joint expense of the parties participating in the operation from which the claim or suit arises. If a claim is made against any party or if any party is sued on account of any matter arising from operations hereunder over which such individual has no control because of the rights given Operator by this agreement, such party shall immediately notify all other parties, and the claim or suit shall be treated as any other claim or suit involving operations hereunder. All claims or suits involving title to any interest subject to this agreement shall be treated as a claim or suit against all parties hereto.

ARTICLE XI.
FORCE MAJEURE

If any party is rendered unable, wholly or in part, by force majeure to carry out its obligations under this agreement, other than the obligation to make money payments, that party shall give to all other parties prompt written notice of the force majeure with reasonably full particulars concerning it; thereupon, the obligations of the party giving the notice, so far as they are affected by the force majeure, shall be suspending during, but no longer than, the continuance of the force majeure. The affected party shall use all reasonable diligence to remove the force majeure situation as quickly as practicable.

The requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts, or other labor difficulty by the party involved, contrary to its wishes, how all such difficulties shall be handled shall be entirely within the discretion of the party concerned.

The term "force majeure", as here employed, shall mean an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public riot, lightning, fire, storm, flood, explosion, governmental action, governmental delay, restraint or inaction, unavailability of equipment, and any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within the control of the party claiming suspension.

ARTICLE XII.
NOTICES

All notices authorized or required between the parties and required by any of the provisions of this agreement, unless otherwise specifically provided, shall be given in writing by mail or telegram, postage or charges prepaid, or by telex or telecopier and addressed to the parties to whom the notice is given at the addresses listed on Exhibit "A". The originating notice given under any provision hereof shall be deemed given only when received by the party to whom such notice is directed, and the time for such party to give any notice in response thereto shall run from the date the originating notice is received. The second or any responsive notice shall be deemed given when deposited in the mail or with the telegraph company, with postage or charges prepaid, or sent by telex or telecopier. Each party shall have the right to change its address at any time, and from time to time, by giving written notice thereof to all other parties.

ARTICLE XIII.
TERM OF AGREEMENT

This agreement shall remain in full force and effect as to the oil and gas leases and/or oil and gas interests subject hereto for the period of time selected below; provided, however, no party hereto shall ever be construed as having any right, title or interest in or to any lease or oil and gas interest contributed by any other party beyond the term of this agreement.

Option No. 1: So long as any of the oil and gas leases subject to this agreement remain or are continued in force as to any part of the Contract Area, whether by production, extension, renewal, or otherwise.

Option No. 2: In the event the well described in Article VI.A., or any subsequent well drilled under any provision of this agreement, results in production of oil and/or gas in paying quantities, this agreement shall continue in force so long as any such well or wells produce, or are capable of

production, and for an additional period of _____ days from cessation of all production; provided, however, if, prior to the expiration of such additional period, one or more of the parties hereto are engaged in drilling, reworking, deepening, plugging back, testing or attempting to complete a well or wells hereunder, this agreement shall continue in force until such operations have been completed and if production results therefrom, this agreement shall continue in force as provided herein. In the event the well described in Article VI.A., or any subsequent well drilled hereunder, results in a dry hole, and no other well is producing, or capable of producing oil and/or gas from the Contract Area, this agreement shall terminate unless drilling, deepening, plugging back or reworking operations are commenced within ___ days from the date of abandonment of said well.

It is agreed, however, that the termination of this agreement shall not relieve any party hereto from any liability which has accrued or attached prior to the date of such termination.

ARTICLE XIV.
COMPLIANCE WITH LAWS AND REGULATIONS

A. Laws, Regulations and Orders:

This agreement shall be subject to the conservation laws of the state in which the Contract Area is located, to the valid rules, regulations, and orders of any duly constituted regulatory body of said state, and to all other applicable federal, state, and local laws, ordinances, rules, regulations, and orders.

B. Governing Law:

This agreement and all matters pertaining hereto, including, but not limited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties, and interpretation or construction, shall be governed and determined by the law of the state in which the Contract Area is located. If the Contract Area is in two or more states, the law of the state of Texas shall govern.

C. Regulatory Agencies:

Nothing herein contained shall grant, or be construed to grant, Operator the right or authority to waive or release any rights, privileges, or obligations which Non-Operators may have under federal or state laws or under rules, regulations or orders promulgated under such laws in reference to oil, gas and mineral operations, including the location, operation, or production of wells, on tracts offsetting or adjacent to the Contract Area.

With respect to operations hereunder, Non-Operators agree to release Operator from any and all losses, damages, injuries, claims and causes of action

arising out of, incident to or resulting directly or indirectly from Operator's interpretation or application of rules, rulings, regulations or orders of the Department of Energy or predecessor or successor agencies to the extent such interpretation or application was made in good faith. Each Non-Operator further agrees to reimburse Operator for any amounts applicable to such Non-Operator's share of production that Operator may be required to refund, rebate or pay as a result of such an incorrect interpretation or application, together with interest and penalties thereon owing by Operator as a result of such incorrect interpretation or application.

Non-Operators authorize Operator to prepare and submit such documents as may be required to be submitted to the purchaser of any crude oil sold hereunder or to any other person or entity pursuant to the requirements of the "Crude Oil Windfall Profit Tax Act of 1980", as same may be amended from time to time ("Act"), and any valid regulations or rules which may be issued by the Treasury Department from time to time pursuant to said Act. Each party hereto agrees to furnish any and all certifications or other information which is required to be furnished by said Act in a timely manner and in sufficient detail to permit compliance with said Act.

ARTICLE XV.
OTHER PROVISIONS

See Articles A thru G

In the event there should be any conflict between the preceding provisions and the following provisions of Articles A thru G then Articles A thru G shall prevail.

A. A party may be required to consider and/or make an election to participate in any proposed additional operation to drill, rework, deepen, or plug back any well while any such operations are in progress or while any other proposal for such operations is being considered by the parties to the Operating Agreement.

B. The term "necessary expenditures," as used in Article VII.D., shall not include sidetracking operations unless covered specifically in the Authority For Expenditures approved by the participating party or parties.

C. All parties recognize that the Operator may from time to time be required in the first instance to pay, or to incur the obligation to pay, to third parties for the account of the other parties substantial amounts of money and that the Operator is thereby at risk with respect to such payment or obligation to the extent made or incurred for another party. Accordingly, all parties agree that the Operator has the unqualified right to require from any other party advance payment, within fifteen (15) days after billing, of such other party's anticipated share of any item of cost or expense for which the Operator would be entitled to reimbursement under any provision of this Operating Agreement. Such right includes the right to require advance payment for the estimated costs of completion of a well as to which an election to participate in drilling has been made,

notwithstanding that a party's obligation to pay completion costs will not arise until it has made the further election to participate in completion under Option No. 2 of Article VII.D.1 of this Operating Agreement. Each party which elects to participate in the completion shall advance its share of the estimated completion costs and expenses within five (5) days after the effective date of its election to participate in such completion attempt.

D. Notwithstanding anything to the contrary contained in this Agreement, if a Party ("Non-Consenting Party") elects to not participate in the drilling of any well or in the attempted completion, deepening or reworking of any well on the Joint Property (the "Subsequent Operation"), then all of the respective right, title and interest of each such Non-Consenting Party in that part of the lease designated by the Texas Railroad Commission as the proration unit around such well (hereinafter referred to as the "Proration Unit"), shall automatically terminate and pass to and vest in the Parties (the "Consenting Parties") participating in the Subsequent Operation, conditioned upon the Consenting parties carrying on the Subsequent Operation in good faith. In the event temporary or permanent field rules applicable to a well drilled hereunder have not been adopted, a Proration Unit shall be deemed to consist of and not exceed the following acreage:

1. For each well classified as an oil well in accordance with the rules and regulations of the Railroad Commission of Texas, the size of such unit shall not exceed forty (40) acres.

2. For each well classified as a gas well in accordance with the rules and regulations of the Railroad Commission of Texas, the size of such unit shall not exceed one hundred sixty (160) acres.

Notwithstanding the foregoing, any one or more of the Consenting Parties may expressly decline (which shall be stated in its or their election to participate in the Subsequent Operations) to be vested with its or their proportionate share of the right, title and interest of the Non-Consenting party or Parties in, to and under the Proration Unit and, in such event, unless one or more of the Consenting Parties agree (within such election period) to be vested with such right, title and interest of the Non-Consenting Party or Parties, Operator shall have the right, as its option, to abandon the Subsequent Operation. The Non-Consenting Party shall execute an assignment of its interest in the Proration Unit around the well that may be vested in the Consenting Parties who paid their proportionate share of such non-consent amount immediately upon the Consenting Parties request, free and clear of any mortgages, encumbrances or overriding royalties or lease burdens created subsequent to the date of this Agreement. In the absence of Texas Railroad Commission Field Rules which designate the configuration of the Proration Unit, the Proration Unit as described above will be designated and configured by the Operator at its sole discretion and the interests assigned by the Non-Consenting Parties to the Consenting

Parties shall include the rights to all depths which are held by the Non-Consenting Parties.

E. Notwithstanding anything herein to the contrary, the proportionate share of costs, expenses and/or advance due by any Non-Operator to Operator pursuant to any provision of this Operating Agreement shall be due and payable immediately upon receipt by Non-Operator of Operator's invoice therefor (and, in the case of an advance for estimated costs, a statement thereof). In the event that operator does not receive Non-Operator's payment of the relevant invoice amount within the time period as set out in this Agreement, such invoice amount shall bear interest as provided in Exhibit "C" attached hereto until paid and the relevant Non-Operator shall be deemed to be in default under the terms hereof, and Operator may select from the following remedies with respect to such default by notice to the relevant Non-Operator in writing:

1. Operator may treat the amount of the unpaid invoice as a valid obligation, and collect same (subject to final adjustment in the case of invoices for estimates) in any legal manner; or

2. Operator may require the defaulting Non-Operator to assign to Operator, without warranty of title, either express or implied, and free of any liens, encumbrances or overriding royalty interests created after the date of this Agreement all of the right, title and interest of the defaulting Non-Operator in that portion of the lease located in the Proration Unit around the well for which such invoice pertains. The assignment of a defaulting Non-Operator's interest in the lease in the Proration Unit will not create an obligation on the part of the Operator to reimburse the defaulting Non-Operator for sums previously paid by the defaulting Non-Operator to Operator pursuant hereto.

F. All parties to the Operating Agreement shall be secured parties with respect to the oil and gas leases within the Contract Area; all equipment and fixtures in, on, or appurtenant thereto; all hydrocarbons extracted from or attributable thereto; and all accounts (including but not limited to accounts resulting from the sale of hydrocarbons at the wellhead), contract rights, and general intangibles arising in connection with the sale or other disposition of all such properties.

G. Operator shall prepare and record (having secured the execution thereof by all parties) a memorandum containing the security provisions set forth in the Operating Agreement and identifying the oil and gas leases within the Contract Area, and the parties to the Operating Agreement sufficiently to place third parties on notice of such Operating Agreement.

H. Operator shall have the right to conduct 3D geophysical seismic operations across the Contract Area after it has notified the Non-Operator in writing

of the area in which the seismic operations are to be conducted and the estimated costs thereof. The Non-Operator shall pay the Operator for its proportionate share of such costs within thirty (30) days after it is in receipt of such notice and estimated costs thereof. In the event the Non-Operator does not timely pay Operator its proportionate share of such costs, then Operator shall be entitled to all of the provisions and remedies as to nonpayment as provided in this agreement.

ARTICLE XVI.
MISCELLANEOUS

This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, devisees, legal representatives, successors and assigns.

This instrument may be executed in any number of counterparts, each of which shall be considered an original for all purposes.

IN WITNESS WHEREOF, this agreement shall be effective as of the 8th day of December, (year) 2000. _____, who has prepared and circulated this form for execution, represents and warrants that the form was printed from and with the exception listed below, is identical to the AAPL Form 610-1982 Model Form Operating Agreement, as published in diskette form by Forms On-A-Disk, Inc. No changes, alterations, or modifications, other than those in Articles _____ have been made to the form.

O P E R A T O R

Moose Operating Co., Inc.

_____

/s/ John F. Terwilliger

John F. Terwilliger
President

N O N - O P E R A T O R S

Houston American Energy Corp.

_____

/s/ John F. Terwilliger

John F. Terwilliger
President

EXHIBIT "A"

Attached and made a part of that certain Operating Agreement dated April 6, 2001, made between Moose Operating Co., Inc., as Operator, and Houston American Energy Corp., as Non-Operator.

I. Lands Subject To This Agreement

Sartwelle Area

704.0 acre unit situated in the James Frazier Survey, A-171, described in the Declaration of Gas Unit (Sartwelle #3 and #4 Wells), dated May 7, 1998, recorded in Volume 154, Page 328 of the Official Public Records of Lavaca County, Texas, and being a portion or all of the following tracts: a portion of that 52.585 acre tract described to Frankie McElroy recorded in Volume 263, Page 196 of the Deed Records of Lavaca County, Texas; all of that 51.585 acre tract described by deed to Morris McElroy recorded in Volume 263, Page 178 of the Deed Records of Lavaca County, Texas; all of that 52.423 acre tract described by deed to Dorothy McElroy, et vir recorded in Volume 66, Page 593 of the Official Records of Lavaca County, Texas; all of that 50.285 acre tract described by deed to Carl McElroy recorded in Volume 263, Page 185 of the Deed Records of Lavaca County; Texas; a portion of that 1384.12 acre tract described by deed to James Sartwelle, et al recorded in Volume 217, Page 580 of the Deed Records of Lavaca County, Texas; and a portion of that 100 acre tract described in Partition Deed recorded in Volume 82, Page 479 of the Deed Records of Lavaca County, Texas, and being described in Volume R, Page 492 of the Deed Records of Lavaca County, Texas.

Viking Ventures Area

1524.40 acres, more or less, being all of the 160 acre Richard Insall Survey, A-256; All of the 755 acres, more or less, being all of the S.A. & M.G.R.R. Company Survey, A-445; 120 acres, more or less, out of the Jacob Laffere Survey, A-297, and being all of the J. Dowling Survey, less, however, the west 20 acres of said 140 acre Laffere Survey; And 160 acres of land, more or less, being all of the J. R. Foster Survey, A-172, SAVE AND EXCEPT 330.4 acres, more or less, out of the H. & T. B. Royalty Co. Survey, A-248, and being the same tracts described in the following leases, recorded in the Official Records of Lavaca County, Texas:

1. Oil, Gas and Mineral Lease dated October 9, 1996, from

Viking Ventures Corporation, Lessor, to Moose Oil & Gas Company, Lessee, recorded in Volume 108, Page 166;

2. Oil, Gas and Mineral Lease dated November 15, 1996, from Viking Ventures Corporation, Lessor, to Moose Oil & Gas Company, Lessee, recorded in Volume 111, Page 934;

3a. Oil and Gas Lease dated February 17, 1998, from Bank of Oklahoma, N.A., Agent for First National Bank of Santa Fe, Successor Co-Trustee, and Vernon W. Frost, Jr. and Betty Frost McAleer, Co-Trustees of the 1976 Vernon W. and Inza S. Frost Trust, Lessors, to Moose Oil & Gas Company, Lessee, recorded in Volume 147, Page 232;

3b. Oil, Gas and Mineral Lease dated April 6, 1998, from the Estate of A. E. Amerman, Jr., Deceased, Lessor, to Moose Oil & Gas Company, Lessee, recorded in Volume 148, Page 627;

3c. Oil and Gas Lease dated April 13, 1998, from Chase Bank of Texas, N.A., Trustee of the Frost Interests Limited, L.L.P. Revocable Trust, Lessor, to Moose Oil & Gas Company, Lessee. recorded in Volume 148, Page 631;

3d. Oil and Gas Lease dated April 16, 1998, from Frost Family I, Ltd., Lessor, to Moose Oil & Gas Company, Lessee, recorded in Volume 153, Page 681;

3e. Oil and Gas Lease dated April 21, 1998, from Frost Properties, Ltd., Lessor, to Moose Oil & Gas Company, Lessee, recorded in Volume 153, Page 689;

3f. Oil and Gas Lease dated April 21, 1998, from Carolyn Frost Keenan, Individually and as Attorney-In-Fact for Mrs. W. H. Keenan and W. Howard Keenan, Jr., Lessors, to Moose Oil & Gas Company, Lessee;

3g. Oil, Gas and Mineral Lease dated March 24, 1998, from Marmaton Oil Company, Lessor, to Moose Oil & Gas Company, Lessee, recorded in Volume 146, Page 584;

3h. Oil and Gas Lease dated April 24, 1998, from Compass Bank, Trustee for the Cleveland Davis Testamentary Trust, Pauline Buster Davis Trust, Cleveland Davis, Jr. Trust, Cleveland Davis III Trust, and the George Preston Davis Trust, Lessors, to Moose Oil & Gas Company, Lessee, recorded in Volume 154, Page 50;

3i. Oil, Gas and Mineral Lease dated April 8, 1998, from Julia Moore Jones, Lessor, to Moose Oil & Gas Company, Lessee, recorded in Volume 154, Page 932;

3j. Oil, Gas and Mineral Lease dated April 8, 1998, from Marcia W. Moore, Lessor, to Moose Oil & Gas Company, Lessee, recorded in Volume 150, Page 626;

3k. Oil and Gas Lease dated June 15, 1998, from Conoco Inc., Lessor, to Moose Oil & Gas Company, Lessee, recorded in Volume 192, Page 38;

3l. Oil, Gas, and Mineral Lease dated November 20, 1996, from SGH Royalty Partners, Lessor, to American Exploration Company, Lessee, recorded in a Memorandum of Oil, Gas, and Mineral Lease in Volume 113, Page 917;

3m. Oil, Gas, and Mineral Lease dated November 20, 1996, from SGH Royalty Partners, Lessor, to American Exploration Company, Lessee, recorded as a Memorandum of Oil, Gas, and Mineral Lease in Volume 113, Page 914;

3n. Oil, Gas, and Mineral Lease dated March 2, 1999, from Fielding L. Cocke, Lessor, to Moose Oil & Gas Company, Lessee, recorded as a Memorandum of Oil, Gas, and Mineral Lease in Volume 174, Page 499;

3o. Oil, Gas, and Mineral Lease dated March 2, 1999, from Camille Cocke Patton, Lessor, to Moose Oil & Gas Company, Lessee, recorded as a Memorandum of Oil, Gas, and Mineral Lease in Volume 174, Page 496;

3p. Oil, Gas, and Mineral Lease dated March 2, 1999, from Tamara Cocke Jenkins, Lessor, to Moose Oil & Gas Company, Lessee, recorded as a Memorandum of Oil, Gas, and Mineral Lease in Volume 174, Page 502;

3q. Oil and Gas Lease dated October 5, 1998, from Hugh R. Goodrich, et al., Lessors, to Moose Oil & Gas Company, Lessee, recorded as a Memorandum of Lease in Volume 174, Page 180;

3r. Oil and Gas Lease dated June 15, 1998, from Jack H. Mayfield, Jr., et al., Lessors, to Moose Oil & Gas Company, Lessee, recorded in Volume 206, Page 525;

3s. Oil and Gas Lease dated June 15, 1998, from Viking Ventures Corporation, Lessor, to Moose Oil & Gas Company, Lessee, recorded in Volume 216, Page 500.

Carl Klimitchek #2

Oil, Gas and Mineral Lease from Carl Klimitchek, Lessor, in favor of Moose Oil & Gas Company, dated September 19, 2000, covering 79.8 acres, more or less, out of the Henry P. Mills Survey, A-330, Lavaca County, Texas, and recorded in Volume 217, Page 323 of the Official Records, Lavaca County, Texas.

Kalmus #1

160 acres, more or less, consisting of the following three leases:

1a. Oil, Gas and Mineral Lease from Alfonse W. Kalmus, Lessor, and Moose Oil & Gas Company, Lessee, dated May 19, 2000, covering 80 acres of land, more or less, out of the Jesse Robinson Survey, A-380, Lavaca County, Texas, and recorded in Volume 215, Page 233 of the Official Records, Lavaca County, Texas.

1b. Oil, Gas and Mineral Lease from Delores Ann Michalke, Lessor, to Moose Oil & Gas Company, Lessee, dated May 19, 2000, covering 80 acres, more or less, out of the Jesse Robinson Survey, A-380, Lavaca County, Texas, and recorded in Volume 215, Page 241 of the Official Records, Lavaca County, Texas.

2. Oil, Gas and Mineral Lease from Macklin K. Johnson, et ux., Lessor, to Moose Oil & Gas Company, Lessee, dated May 19, 2000, covering 80 acres, more or less, out of the Jesse Robinson Survey, A-380, Lavaca County, Texas, and recorded in Volume 215, Page 225 of the Official Records, Lavaca County, Texas.

II. Restrictions

None.

III. Working Interest

A. Carl Klimitchek #2 Well, Kalmus #1 Well:

Name	Working Interest	NRI
Moose Oil & Gas Company, et al. 801 Travis, Suite 1425 Houston, Texas 77002	75%	56.25%
Houston American Energy Corp. 801 Travis, Suite 1425 Houston, Texas 77002	25%	18.75%

B. Sartwelle Area, Viking Ventures Area:

As set forth in that certain "Agreement to Assign Interest in Oil and Gas Leases", dated April 6, 2001, between Moose Oil & Gas Company and Houston American Energy Corp.

THERE IS NO EXHIBIT "B" TO THIS AGREEMENT

EXHIBIT "C"

Attached to and made a part of that certain Operating Agreement dated April 6, 2001, between Moose Operating Co., Inc., as Operator, and Houston American Energy Corp., as Non-Operator.

ACCOUNTING PROCEDURE

JOINT OPERATIONS

I. GENERAL PROVISIONS

1. Definitions

"Joint Property" shall mean the real and personal property subject to the agreement to which this Accounting Procedure is attached.

"Joint Operations" shall mean all operations necessary or proper for the development, operation, protection and maintenance of the Joint Property.

"Joint Account" shall mean the account showing the charges paid and credits received in the conduct of the Joint Operations and which are to be shared by the Parties.

"Operator" shall mean the party designated to conduct the Joint Operations.

"Non-Operators" shall mean the Parties to this agreement other than the Operator.

"Parties" shall mean Operator and Non-Operators.

"First Level Supervisors" shall mean those employees whose primary function in Joint Operations is the direct supervision of other employees and/or contract labor directly employed on the Joint Property

in a field operating capacity.

"Technical Employees" shall mean those employees having special and specific engineering, geological or other professional skills, and whose primary function in Joint Operations is the handling of specific operating conditions and problems for the benefit of the Joint Property.

"Personal Expenses" shall mean travel and other reasonable reimbursable expenses of Operator's employees.

"Material" shall mean personal property, equipment or supplies acquired or held for use on the Joint Property.

"Controllable Material" shall mean Material which at the time is so classified in the Material Classification Manual as most recently recommended by the Council or Petroleum Accountants Societies.

2. Statement and Billings

Operator shall bill Non-Operators on or before the last day of each month for their proportionate share of the Joint Account for the preceding month. Such bills will be accompanied by statements which identify the authority for expenditure, lease or facility, and all charges and credits summarized by appropriate classifications of investment and expense except that items of Controllable Material and unusual charges and credits shall be separately identified and fully described in detail.

3. Advances and Payments by Non-Operators

A. Unless otherwise provided for in the agreement, the Operator may require the Non-Operators to advance their share of estimated cash outlay for the succeeding month's operation within fifteen

(15) days after receipt of the billing or by the first day of the month for which the advance is required, whichever is later. Operator shall adjust each monthly billing to reflect advances received from the Non-Operators.

B. Each Non-Operator shall pay its proportion of all bills within fifteen (15) days after receipt. If payment is not made within such time, the unpaid balance shall bear interest monthly at the prime rate in effect at Chase Bank of Texas, N.A. on the first day of the month in which delinquency occurs plus 1% or the maximum contract rate permitted by the applicable usury laws in the state in which the Joint Property is located,

whichever is the lesser, plus attorney's fees, court costs, and other costs in connection with the collection of unpaid amounts.

4. Adjustments

Payment of any such bills shall not prejudice the right of any Non-Operator to protest or question the correctness thereof; provided, however, all bills and statements rendered to Non-Operators by Operator during any calendar year shall conclusively be presumed to be true and correct after twenty-four (24) months following the end of any such calendar year, unless within the said twenty-four (24) month period a Non-Operator takes written exception thereto and makes claim on Operator for adjustment. No adjustment favorable to Operator shall be made unless it is made within the same prescribed period. The provisions of this paragraph shall not prevent adjustments resulting from a physical inventory of Controllable Material as provided for in Section V.

5. Audits

A A Non-Operator, upon notice in writing to Operator and all other Non-Operators, shall have the right to audit Operator's accounts and records relating to the Joint Account for any calendar year within the twenty-four (24) month period following the end of such calendar year; provided, however, the making of an audit shall not extend the time for the taking of written exception to and the adjustments of amounts as provided for in Paragraph 4 of this Section 1. Where there are two or more Non-Operators, the Non-Operators shall make every reasonable effort to conduct a joint audit in a manner which will result in a minimum of inconvenience to the Operator. Operator shall bear no portion of the Non-Operators' audit cost incurred under this paragraph unless agreed to by the Operator. The audits shall not be conducted more than once each year without prior approval of Operator, except upon the resignation or removal of the Operator, and shall be made at the expense of those Non-Operators approving such audit.

B. The Operator shall reply in writing to an audit report within 180 days after receipt of such report.

6. Approval By Non-Operators

Where an approval or other agreement of the Parties or Non-Operators is expressly required under other sections of this Accounting Procedure and if the agreement to which this Accounting Procedure is attached contains no contrary provisions in regard thereto, Operator shall notify all Non-Operators of the Operator's proposal, and the agreement or approval of a majority in interest of the Non-Operators shall be controlling on all Non-Operators.

II. DIRECT CHARGES

Operator shall charge the Joint Account with the following items:

1. Ecological and Environmental

Costs incurred for the benefit of the Joint Properly as a result of governmental or regulatory requirements to satisfy environmental considerations applicable to the Joint Operations Such costs may include surveys of an ecological or archaeological nature and pollution control procedures as required by applicable laws and regulations

2. Rentals and Royalties

Lease rentals and royalties paid by Operator for the Joint Operations

3. Labor

A. (1) Salaries and wages of Operator's field employees directly employed on the Joint Property in the conduct of Joint Operations

(2) Salaries of First level Supervisors in the field,

(3) Salaries and wages of Technical Employees directly employed on the Joint Property if such charges are excluded from the overhead rates

(4) Salaries and wages of Technical Employees either temporarily or permanently assigned to and directly employed in the operation or the Joint Property if such charges are excluded from the overhead rates.

B. Operator's cost of holiday, vacation, sickness and disability benefits and other customary allowances paid to employees whose salaries and wages are chargeable to the Joint Account under Paragraph 3A of this Section II. Such costs under this Paragraph 3B may be charged on a "when and as paid basis" or by "percentage assessment" on the amount of salaries and wages chargeable to the Joint Account under Paragraph 3A of this Section II. If percentage assessment is used, the rate shall be based on the Operator's cost experience.

C. Expenditures Or contributions made pursuant to assessments imposed by governmental authority which are applicable to Operator's costs chargeable to the Joint Account under Paragraphs 3A and 313 of this Section II.

D. Personal Expenses of those employees whose salaries and wages are chargeable to the Joint Account under Paragraphs 3A and 3B of this Section II.

4. Employee Benefits

Operator's current costs or established plans for employees' group life insurance, hospitalization, pension, retirement, stock purchase. thrift, bonus, and other benefit plans of a like nature, applicable to Operator's labor cost chargeable to the Joint Account under Paragraphs 3A and 3B of this Section II shall be Operator's actual cost not to exceed the percent most recently recommended by the Council of Petroleum Accountants Societies.

5. Material

Material purchased or furnished by Operator for use on the Joint Property as provided under Section IV. Only such Material shall be purchased for or transferred to the Joint Property as may be required for immediate use and is reasonably practical and consistent with efficient and economical operations. The accumulation of surplus stocks shall be avoided.

6. Transportation

Transportation of employees and Material necessary for the Joint Operations but subject to the following limitations:

A. If Material is moved to the Joint Property from the Operator's warehouse or other properties, no charge shall be made to the Joint Account for a distance greater than the distance from the nearest reliable supply store where like material is normally available or railway receiving point nearest the Joint Property unless agreed to by the Parties.

B. If surplus Material is moved to Operator's warehouse or other storage point, no charge shall be made to the Joint Account for a distance greater than the distance to the nearest reliable supply store where like material is normally available, or railway receiving point nearest the Joint Property unless agreed to by the Parties. No charge shall be made to the Joint Account for moving Material to other properties belonging to Operator, unless agreed to by the Parties.

C. In the application of subparagraphs A and B above, the option to equalize or charge actual trucking cost is available when

the actual charge is $400 or less excluding accessorial charges. The $400 will be adjusted to the amount most recently recommended by the Council of Petroleum Accountants Societies.

7. Services

The cost of contract services, equipment and utilities provided by outside sources, except services excluded by Paragraph 10 of Section II and Paragraph i, ii, and iii, of Section III. The cost of professional consultant services and contract services of technical personnel directly engaged on the Joint Property if such charges are excluded from the overhead rates. The cost of professional consultant services or contract services of technical personnel not directly engaged on the Joint Property shall not be charged to the Joint Account unless previously agreed to by the Parties.

8. Equipment and Facilities Furnished By Operator

A. Operator shall charge the Joint Account for use of Operator owned equipment and facilities at rates commensurate with costs of ownership and operation. Such rates shall include costs of maintenance, repairs, other operating expense, insurance, taxes, depreciation, and interest on gross investment less accumulated depreciation not to exceed eight percent (8%) per annum. Such rates shall not exceed average commercial rates currently prevailing in the immediate area of the Joint Property.

B. In lieu of charges in Paragraph 8A above, Operator may elect to use average commercial rates prevailing in the immediate area of the Joint Property less 20%. For automotive equipment, Operator may elect to use rates published by the Petroleum Motor Transport Association.

9. Damages and Losses to Joint Property

All costs or expenses necessary for the repair or replacement of Joint Property made necessary because of damages or losses incurred by fire, flood, storm, theft, accident, or other cause, except those resulting from Operator's gross negligence or willful misconduct. Operator shall furnish Non-Operator written notice of damages or losses incurred as soon as practicable after a report thereof has been received by Operator.

10. Legal Expense

Expense of handling, investigating and settling litigation or claims, discharging of liens, payment of judgments and amounts paid for settlement of claims incurred in or resulting from operations under the agreement or necessary to protect or recover the Joint Property, except that no charge for services of Operator's legal staff or fees or

expense of outside attorneys shall be made unless previously agreed to by the Parties. All other legal expense is considered to be covered by the overhead provisions of Section III unless otherwise agreed to by the Parties, except as provided in Section I, Paragraph 3.

11. Taxes

All taxes of every kind and nature assessed or levied upon or in connection with the Joint Property, the operation thereof, or the production therefrom, and which taxes have been paid by the Operator for the benefit of the Parties. If the ad valorem taxes are based in whole or in part upon separate valuations of each party's working interest, then notwithstanding anything to the contrary herein, charges to the Joint Account shall be made and paid by the Parties hereto in accordance with the tax value generated by each party's working interest.

12. Insurance

Net premiums paid for insurance required to be carried for the Joint Operations for the protection of the Parties. In the event Joint Operations are conducted in a state in which Operator may act as self-insurer for Worker's Compensation and/or Employers Liability under the respective state's laws, Operator may, at its election, include the risk under its self-insurance program and in that event, Operator shall include a charge at Operator's cost not to exceed manual rates.

13. Abandonment and Reclamation

Costs incurred for abandonment of the Joint Property, including costs required by governmental or other regulatory authority.

14. Communications

Cost of acquiring, leasing, installing, operating, repairing and maintaining communication systems, including radio and microwave facilities directly serving the Joint Property. In the event communication facilities/systems serving the Joint Property are Operator owned, charges to the Joint Account shall be made as provided in Paragraph 8 of this Section II.

15. Other Expenditures

Any other expenditure not covered or dealt with in the foregoing provisions of this Section II, or in Section III and which is of direct benefit to the Joint Property and is incurred by the Operator in the necessary and proper conduct of the Joint Operations.

III. OVERHEAD

1. Overhead-Drilling and Producing Operations

i. As compensation for administrative, supervision, office services and warehousing costs, Operator shall charge drilling and producing operations on either:

(XXX) Fixed Rate Basis, Paragraph 1A, or
( ) [Intentionally Deleted]

Unless otherwise agreed to by the Parties, such charge shall be in lieu of costs and expenses of all offices and salaries or wages plus applicable burdens and expenses of all personnel, except those directly chargeable under Paragraph 3A, Section II. The cost and expense of services from outside sources in connection with matters of taxation, traffic, accounting or matters before or involving governmental agencies shall be considered as included in the overhead rates provided for in the above selected Paragraph of this Section III unless such cost and expense are agreed to by the Parties as a direct charge to the Joint Account.

ii. The salaries, wages and Personal Expenses of Technical Employees and/or the cost of professional consultant services and contract services of technical personnel directly employed on the Joint Property:

( ) [Intentionally Deleted]
(XXX) shall not be covered by the overhead rates.

iii. The salaries, wages and Personal Expenses of Technical Employees and/or costs of professional consultant services and contract services of technical personnel either temporarily or permanently assigned to and directly employed in the operation of the Joint Property:

( ) [Intentionally Deleted]
(XXX) shall not be covered by the overhead rates.

A. Overhead-Fixed Rate Basis

(1) Operator shall charge the Joint Account at the following rates per well per month:

Drilling Well Rate $4,500.00
(Prorated for less than a full month)

Producing Well Rate $500.00

(2) Application of Overhead-Fixed Rate Basis shall be as follows:

(a) Drilling Well Rate

(1) Charges for drilling wells shall begin on the date the well is spudded and terminate on the date the drilling rig, completion rig, or other units used in completion of the well is released, whichever is later, except that no charge shall be made during suspension of drilling or completion operations for fifteen (15) or more consecutive calendar days.

(2) Charges for wells undergoing any type of workover or recompletion for a period of five (5) consecutive work days or more shall be made at the drilling well rate. Such charges shall be applied for the period from date workover operations, with rig or other units used in workover, commence through date of rig or other unit release, except that no charge shall be made during suspension of operations for fifteen (15) or more consecutive calendar days.

(b) Producing Well Rates

(1) An active well either produced or injected into for any portion of the month shall be considered as a one-well charge for the entire month.

(2) Each active completion in a multi-completed well in which production is not commingled down hole shall be considered as a one-well charge providing each completion is considered a separate well by the governing regulatory authority.

(3) An inactive gas well shut in because of overproduction or failure of purchaser to take the production shall be considered as a one-well charge providing the gas well is directly

connected to a permanent sales outlet.

(4) A one-well charge shall be made for the month in which plugging and abandonment operations are completed on any well. This one-well charge shall be made whether or not the well has produced except when drilling well rate applies.

(5) All other inactive wells (including but not limited to inactive wells covered by unit allowable, lease allowable, transferred allowable, etc.) shall not qualify for an overhead charge.

(3) The well rates shall be adjusted as of the first day of April each year following the effective date of the agreement to which this Accounting Procedure is attached. The adjustment shall be computed by multiplying the rate currently in use by the percentage increase or decrease in the average weekly earnings of Crude Petroleum and Gas

Production Workers for the last calendar year compared to the calendar year preceding as shown by the index of average weekly earnings of Crude Petroleum and Gas Production Workers as published by the United States Department of Labor, Bureau or Labor Statistics, or the equivalent Canadian index as published by Statistics Canada, as applicable. The adjusted rates shall be the rates currently in use, plus or minus the computed adjustment.

B. [Intentionally Deleted]

2. Overhead - Major Construction

To compensate Operator for overhead costs incurred in the construction and installation of fixed assets, the expansion of fixed assets, and any other project clearly discernible as a fixed asset required for the development and operation of the Joint Property, Operator shall either negotiate a rate prior to the beginning of construction, or shall charge the Joint Account for overhead based on the following rates for any Major Construction project in excess of $_____:

A. 3% of first $100,000 or total cost if less, plus

B. 2% of costs in excess of $100,000 but less than $1,000,000, plus

C. 1% of costs in excess of $1,000,000.

Total cost shall mean the gross cost of any one project. For the purpose of this paragraph, the component parts of a single project shall not be treated separately and the cost of drilling and workover wells and artificial lift equipment shall be excluded.

3. Catastrophe Overhead

To compensate Operator for overhead costs incurred in the event of expenditures resulting from a single occurrence due to oil spill, blowout. explosion, fire, storm, hurricane, or other catastrophes as agreed to by the Parties, which are necessary to restore the Joint Property to the equivalent condition that existed prior to the event causing the expenditures, Operator shall either negotiate a rate prior to charging the Joint Account or shall charge the Joint Account for overhead based on the following rates:

A. 3% of total costs through $100,000; plus

B. 2% of total costs in excess of $100,000 but less than $1,000,000, plus

C. 1% of costs in excess of $1,000,000.

Expenditures subject to the overheads above will not be reduced by insurance recoveries, and no other overhead provisions of this Section III shall apply.

4. Amendment of Rates

The overhead rates provided for in this Section III may be amended from time to time only by mutual agreement between the Parties hereto if, in practice, the rates are found to be insufficient or excessive.

IV. PRICING OF JOINT ACCOUNT MATERIAL PURCHASES, TRANSFERS AND DISPOSITIONS

Operator is responsible for Joint Account Material and shall make proper and timely charges and credits for all Material movements affecting the Joint Property. Operator shall provide all Material for use on the Joint Property; however, at Operator's option, such Material may be supplied by the Non-Operator. Operator shall make timely disposition of idle and/or surplus Material, such disposal being made either through sale to Operator or Non-Operator, division in kind, or sale to outsiders. Operator may purchase, but shall be under no obligation to purchase,

interest of Non-Operators in surplus condition A or B Material. The disposal of surplus Controllable Material not purchased by the Operator shall be agreed to by the Parties.

1. Purchases

Material purchased shall be charged at the price paid by Operator after deduction of all discounts received. In case of Material found to be defective or returned to vendor for any other reasons, credit shall be passed to the Joint Account when adjustment has been received by the Operator.

2. Transfers and Dispositions

Material furnished to the Joint Property and Material transferred from the Joint Property or disposed of by the Operator, unless otherwise agreed to by the Parties, shall be priced on the following basis exclusive of cash discounts:

A. New Material (Condition A)

(1) Tubular Goods Other than Line Pipe

(a) Tubular goods, sized 2 3/8 inches OD and larger, except line pipe, shall be priced at Eastern mill published carload base prices effective as of date of movement plus transportation cost using the 80,000 pound carload weight basis to the railway receiving point nearest the Joint Property for which published rail rates for tubular goods exist. If the 80,000 pound rail rate is not offered, the 70,000 pound or 90,000 pound rail rate may be used. Freight charges for tubing will be calculated from Lorain, Ohio and casing from Youngstown, Ohio.

(b) For grades which are special to one mill only, prices shall be computed at the mill base of that mill plus transportation cost from that mill to the railway receiving point nearest the Joint Property as provided above in Paragraph 2.A.(1)(a). For transportation cost from points other than Eastern mills, the 30,000 pound Oil Field Haulers Association interstate truck rate shall be used.

(c) Special end finish tubular goods shall be priced at the lowest published out-of-stock price, f.o.b. Houston, Texas, plus

transportation cost, using Oil Field Haulers Association interstate 30,000 pound truck rate, to the railway receiving point nearest the Joint Property.

(d) Macaroni tubing (size less than 2 3/8 inch OD) shall be priced at the lowest published out-of-stock prices f.o.b. the supplier plus transportation costs, using the Oil Field Haulers Association interstate truck rate per weight of tubing transferred, to the railway receiving point nearest the Joint Property.

(2) Line Pipe

(a) Line pipe movements (except size 24 inch OD and larger with walls 3/4 inch and over) 30,000 pounds or more shall be priced under provisions of tubular goods pricing in Paragraph A.(1)(a) as provided above. Freight charges shall be calculated from Lorain, Ohio.

(b) Line Pipe movements (except size 24 inch OD) and larger with walls 3/4 inch and over) less than 30,000 pounds shall be priced at Eastern mill published carload base prices effective as of date of shipment, plus 20 percent, plus transportation costs based on freight rates as set forth under provisions of tubular goods pricing in Paragraph A.(l)(a) as provided above. Freight charges shall be calculated from Lorain, Ohio.

(c) Line pipe 24 inch OD and over and 3/4 inch wall and larger shall be priced f.o.b. the point of manufacture at current new published prices plus transportation cost to the railway receiving point nearest the Joint Property.

(d) Line pipe, including fabricated line pipe, drive pipe and conduit not listed on published price lists shall be priced at quoted prices plus freight to the railway receiving point nearest the Joint Property or at prices agreed to by the Parties.

(3) Other Material shall be priced at the current new price, in effect at date of movement, as listed by a

reliable supply store nearest the Joint Property, or point of manufacture, plus transportation costs, if applicable, to the railway receiving point nearest the Joint Property.

(4) Unused new Material, except tubular goods, moved from the Joint Property shall be priced at the current new price, in effect on date of movement, as listed by a reliable supply store nearest the Joint Property, or point of manufacture, plus transportation costs, if applicable, to the railway receiving point nearest the Joint Property. Unused new tubulars will be priced as provided above in Paragraph 2.A.(1) and (2).

B. Good Used Material (Condition B)

Material in sound and serviceable condition and suitable for reuse without reconditioning:

(1) Material moved to the Joint Property

At seventy-five percent (75%) of current new price, as determined by Paragraph A.

(2) Material used on and moved from the Joint Property

(a) At seventy-five percent (75%) of current new price, as determined by Paragraph A, if Material was originally charged to the Joint Account as new Material or

(b) At sixty-five percent (65%) of current new price, as determined by Paragraph A, if Material was originally charged to the Joint Account as used Material

(3) Material not used on and moved from the Joint Property

At seventy-five percent (75%) of current new price as determined by Paragraph A.

The cost of reconditioning, if any, shall be absorbed by the transferring property.

C. Other Used Material

(1) Condition C

Material which is not in sound and serviceable condition and not suitable for its original function until after reconditioning shall be priced at fifty

percent (50%) of current new price as determined by Paragraph A. The cost of reconditioning shall be charged to the receiving property, provided Condition C value plus cost of reconditioning does not exceed Condition B value.

(2) Condition D

Material, excluding junk, no longer suitable for its original purpose, but usable for some other purpose shall be priced on a basis commensurate with its use. Operator may dispose of Condition D Material under procedures normally used by Operator without prior approval of Non-Operators.

(a) Casing, tubing, or drill pipe used as line pipe shall be priced as Grade A and B seamless line pipe of comparable size and weight. Used casing, tubing or drill pipe as line pipe shall be priced at used line pipe prices.

(b) Casing, tubing or drill pipe used as higher pressure service lines than standard line pipe, e.g. power oil lines, shall be priced under normal pricing procedures for casing, tubing, or drill pipe. Upset tubular goods shall be priced on a non upset basis.

(3) Condition E

Junk shall be priced at prevailing prices. Operator may dispose of Condition E Material under procedures normally utilized by Operator without prior approval of Non-Operators.

D. Obsolete Material

Material which is serviceable and usable for its original function but condition and/or value of such Material is not equivalent to that which would justify a price as provided above may be specially priced as agreed to by the Parties. Such price should result in the Joint Account being charged with the value of the service rendered by such Material.

E. Pricing Conditions

(1) Loading or unloading costs may be charged to the Joint Account at the rate of twenty-five cents (25(cent)) per hundred weight on all tubular goods movements, in lieu of actual loading or unloading costs sustained at the stocking point. The above rate shall be adjusted as of the first day of April each year

following January 1, 1985 by the same percentage increase or decrease used to adjust overhead rates in Section III, Paragraph 1.A.(3). Each year, the rate calculated shall be rounded to the nearest cent and shall be the rate in effect until the first day of April next year. Such rate shall be published each year by the Council of Petroleum Accountants Societies.

(2) Material involving erection costs shall be charged at applicable percentage of the current knocked-down price of new Material.

3. Premium Prices

Whenever Material is not readily obtainable at published or listed prices because of national emergencies, strikes or other unusual causes over which the Operator has no control, the Operator may charge the Joint Account for the required Material at the Operator's actual cost incurred in providing such Material, in making it suitable for use, and in moving it to the Joint Property; provided notice in writing is furnished to Non-Operators of the proposed charge prior to billing Non-Operators for such Material. Each Non-Operator shall have the right, by so electing and notifying Operator within ten days after receiving notice from Operator, to furnish in kind all or part of his share of such Material suitable for use and acceptable to Operator.

4. Warranty or Material Furnished By Operator

Operator does not warrant the Material furnished. In case of defective Material, credit shall not be passed to the Joint Account until adjustment has been received by Operator from the manufacturers or their agents.

V. INVENTORIES

Operator shall maintain detailed records of Controllable Material.

1. Periodic Inventories, Notice and Representation

At reasonable intervals, inventories shall be taken by Operator of the Joint Account Controllable Material. Written notice of intention to take inventory shall be given by Operator at least thirty (30) days before any inventory is to begin so that Non-Operators may be represented when any inventory is taken. Failure of Non-Operators to be represented at an inventory shall bind Non-Operators to accept the inventory taken by Operator.

2. Reconciliation and Adjustment of Inventories

Adjustments to the Joint Account resulting from the reconciliation of a physical inventory shall be made within six months following the taking of the inventory. Inventory adjustments shall be made by Operator to the Joint Account for overages and shortages, but, Operator shall be held accountable only for shortages due to lack of reasonable diligence.

3. Special Inventories

Special inventories may be taken whenever there is any sale, change of interest, or change of Operator in the Joint Property. It shall be the duty of the party selling to notify all other Parties as quickly as possible after the transfer of interest takes place. In such cases, both the seller and the purchaser shall be governed by such inventory. In cases involving a change of Operator, all Parties shall be governed by such inventory.

4. Expense of Conducting Inventories

A. The expense of conducting periodic inventories shall not be charged to the Joint Account unless agreed to by the Parties.

B. The expense of conducting special inventories shall be charged to the Parties requesting such inventories, except inventories required due to change of Operator shall be charged to the Joint Account.

EXHIBIT "D"

Attached to and made a part of that certain Operating Agreement dated April 6, 2001, between Moose Operating Company, Inc., as Operator and Houston American Energy Corp., as Non-Operator.

The Operator shall carry the following minimum insurance to cover the risk of accidents and/or damages to persons and/or property which may occur in the course of operations conducted under this Agreement, and proportionate part of the premium of such insurance, determined on some equitable basis consistent with Operator's accounting practice, to be charged to the Joint Account:

(1) Workmen's Compensation Insurance and Employer's Liability Insurance in amounts sufficient to comply with the laws of the State where such operations are conducted and where the property subject hereto is located.

(2) Occurrence Limit of Liability of $1,000,000; Personal and Advertising limit of Liability of $1,000,000; Products/Completed Operations

aggregate limits of Liability of $1,000,000; General aggregate limit of Liability of $ 1,000,000.

(3) Automobile Insurance in the amount of $500,000 for injury or death of one person and $500,000 for injury or death of more than one person in any one automobile accident, and Property Damage Insurance to the extent of $250,000 as an aggregate for any automobile accident.

(4) Excess liability coverage with a limit of $1,000,000 for bodily injury and property damage combined.

(5) Operators Extra Insurance or loss of well control insurance with a limit of at least $1,000,000 to cover cost of regaining control of a blowout.

Operator may carry insurance for the benefit of the Joint Account covering loss or damage to the jointly owned property or production therefrom caused by fire, explosion, windstorm, tornado, flood, vandalism, malicious mischief, or other extended perils, a proportionate part of the premium on such insurance, determined on some equitable basis consistent with Operator's accounting shall be charged with all loss and expenditures caused or incurred as the result of any other casualty for which Operator is not required to carry insurance hereunder.

Operator shall not be liable to Non-Operators for loss suffered on account of the insufficiency of insurance carried or of the insurance with whom carried, nor shall Operator be liable to Non-Operators for any loss accruing by reason of Operator's inability to provide or maintain the insurance above mentioned; provided, however, that if at any time during the life of this agreement Operator is unable to obtain or maintain such insurance, Operator shall promptly notify Non-Operators in writing of such fact.

EXHIBIT "E"

Attached to and made a part of that certain Operating Agreement dated April 6, 2001, between Moose Operating Co., Inc., as Operator, and Houston American Energy Corp., as Non-Operator.

GAS BALANCING AGREEMENT

INTENT OF THIS GAS BALANCING AGREEMENT

The parties to this gas balancing agreement ("GBA") intend to provide a method of balancing as production from the lease(s) or unit(s) subject to the Operating Agreement when a party does not take its proportionate share of production.

Pursuant to the Operating Agreement, each party is obligated to take in kind and/or separately dispose of its proportionate share of the gas produced from the above stipulated lease or unit and a good faith effort to dispose of its share of gas as currently produced. In the event any party hereto fail, or is unable to comply with its aforesaid obligation to take in kind and/or market its share of the gas as produced, the terms of this GBA shall automatically become effective, and shall supersede any relevant contrary terms in the Operating Agreement (unless otherwise noted herein).

As long as any gas produced from the lease(s) or unit(s) is subject to the regulations of the Federal Energy Regulatory Commission (FERC), or any successor governmental authority, under any section of the Natural Gas Policy Act of 1978 (NGPA), or other statutory authority which establishes maximum lawful prices for the gas, each party shall receive its allocated share of each pricing category of gas in accordance with its working interest in the lease(s) or unit(s). It is the intent of this GBA that balancing of gas will be based upon the allocated volumes of each category of gas. Any deregulated gas, including gas deregulated in the future, shall be treated as a separate category for purposes of balancing.

The terms "party" and "parties" shall be considered to imply either the singular or plural form of the word as applicable according to the context.

OVER/UNDER PRODUCTION

During any period or periods when any party hereto fails, or is unable to comply with its aforesaid obligation to take in kind and/or market its share of gas as produced, the other party(ies) shall be entitled, but not required, to produce each month the maximum amount of gas production permitted by the appropriate governmental authority having jurisdiction and deliver to their purchaser(s) all gas production not taken by the underproduced party. Each party failing to take or market its full share of gas as produced shall be considered underproduced by a quantity of gas equal to its share of the gas produced, less such party's share of the gas it takes or sells less it's share of gas vented, lost, or used in the lease(s) or unit(s) operations. Those parties which are capable of taking and/or marketing quantities of gas allocable to an underproduced party, in the absence of any other agreement between them, shall each take a share of the gas attributed to the underproduced party in the direct proportion that its interest bears to the total interest of all parties taking underproduced gas and shall be considered to be overproduced. All gas taken and marketed by a party in accordance with the terms of this GBA, regardless of whether such party is underproduced or overproduced, shall be regarded as gas taken for its own account with title thereto being in such party, whether such gas is attributable.

If it is determined by the Operator in good faith that (i) damage may be caused to the reservoir and/or (ii) reserves or leases would be lost as a result of shutting in the well(s) for any reason other than normal operations, the party(ies) shall not be allowed to shutin their entitlement share of production. Subject to lessor/royalty obligations, the parties may curtail production from

the well(s) to an agreed upon rate (that will not cause reservoir damage or reserve or lease loss) if all parties agree to take their entitlement share of this reduced rate. Therefore, no imbalance will accrue as a result of the curtailed production.

ACCOUNTING FOR IMBALANCE

The Operator will maintain appropriate accounting on a monthly and cumulative basis of the quantities and categories of gas each party is entitled to receive and the quantities and categories of gas taken and/or marketed by each of the parties. The monthly statement provided by the Operator will include the total quantity of gas produced, the amount used in lease operations vented or lost, and the total quantity of liquid hydrocarbons recovered in MMBTU's and MCF'S at 14.65 PSIA. For the sole purpose of implementing the terms of this GBA and adjusting gas imbalances which may occur, each party disposing of gas from the lease(s) or unit(s) in any month, to the extent required, shall furnish or cause to be furnished to the Operator by the last day of each calendar month a statement showing the total volume of gas sold by such party or taken in kind for its own account during the preceding calendar month (the "Report Period"). Within sixty (60) days after the end of each Report Period, the Operator shall furnish each party a statement showing the status of the overproduced and underproduced account of all parties. All gas volumes under this paragraph will be identified by the appropriate category under the NGPA or any other law or regulation in effect including deregulated gas, as appropriate. Each party to this GBA agrees that it will not utilize any information obtained hereunder for any purpose other than implementing the terms of this agreement.

At least twice a year, the Operator will furnish a statement which compares the cumulative imbalance to the remaining reserves. If an overproduced party has taken more gas than his share of remaining reserves, he will not be allowed to take or sell gas until the imbalance is made up.

GAS MAKEUP

Any party underproduced as to a given category of gas shall endeavor to bring its taking of gas of that category into balance. Fifteen (15) days after written notice to the Operator, any party may begin taking and/or delivering to its purchaser(s) its full share of each category of gas produced. In addition, to allow for the recovery and makeup of underproduced gas in a category and to balance the gas account for the category between the parties in accordance with their respective interests, the underproduced party shall be entitled to take an additional share of gas ("makeup gas"). Fifteen (15) days after written notice to the Operator, the underproduced party shall be entitled to take up to an additional fifty percent (50%) of the monthly quantity of that category of gas attributable to the overproduced party; however, in no event shall the makeup gas entitlement of a party exceed one hundred percent (100%) of that party's regular working interest entitlement of production. If more than one underproduced party is entitled to take additional gas, they shall divide the

makeup gas in proportion to their respective underproduced accounts. The first gas made up shall be assumed to be the first gas underproduced.

It is specifically agreed that no underproduced party will be allowed to take makeup gas during the months of November, December, January, or February (the "Winter Period"). However, gas makeup will be allowed during the Winter Period if the underproduced party has taken gas to which it was entitled during the six (6) consecutive months immediately prior to the winter period.

ASSIGNMENT OF INTEREST

In the event an overproduced party intends to sell, assign, exchange or otherwise transfer any of its interest in the lease or unit to which this GBA applies, such overproduced party shall notify in writing the other working interest owners who are parties hereto within forty-five (45) days prior to closing the transaction. The notice provided by the overproduced party shall set forth the most recent gas imbalance on the property being assigned. Any underproduced party may demand in writing within twenty (20) days after receipt of the overproduced party's notice: (i) a cash settlement attributed to such overproduction in the lease(s) or unit(s), or (ii) natural gas of like grade, quantity and quality from another mutually agreeable source. Upon receiving such demand, the overproduced party shall have sixty (60) days to effect cash settlement or agree with the underproduced party upon an alternate source of makeup gas. Any underproduced party electing to cash settle with the overproduced party shall thereby indemnify and hold the overproduced party harmless against any causes of action, claims, losses or other actions which may be claimed by any third party.

The Operator shall be notified of any such demand and of any cash settlement or agreement between the parties hereto to makeup gas in kind pursuant to this section and the gas balance accounts of the parties shall be adjusted accordingly. Any cash settlement pursuant to this section shall be on the same basis as otherwise set forth in the sections entitled GAS MAKE-UP and CESSATION OF PRODUCTION hereunder.

In the event the imbalance is not settled prior to the conveyance of the interest, the purchaser, assignee, or transfer partner of an overproduced or underproduced party will accept the responsibility of the previous imbalance related to that overproduced or underproduced party as part of the purchase, assignment, or trade. A statement shall be furnished to the operator acknowledging the acceptance of this responsibility.

The provisions of this section shall not be applicable in the event an overproduced party has disposed of its interest by transfer of its assets, in whole or in part, to a subsidiary or parent company in which such parent or subsidiary owns a majority interest in such overproduced party.

CESSATION OF PRODUCTION

If, at the permanent cessation of production of a given category of gas, an imbalance exists between the parties, a monetary settlement of the imbalance between the parties shall be made within one hundred eighty (180) days after production permanently ceases. The amount of the monetary settlement will be equal to the amount actually received by the overproducer party for the sales during the month(s) of overproduction less production taxes, severance taxes, and other reasonable costs associated with the transportation previously paid on the overproduction by the overproduced party, and also net of any outstanding amounts related to the lease(s) or unit(s) which are owed by the underproduced party to the overproduced party. Such remittance shall be based on the number of MMBTU's of the overproduction and shall be accompanied by a statement showing volumes and prices of each month of accrued overproduction. If the overproduced party did not sell its gas, but otherwise utilized such gas in its own operations, such gas will be valued in the same manner used for royalty and severance tax purposes when produced. That portion of the monies collected by the overproduced party which is subject to refund by orders of the FERC may be withheld by the overproduced party until such prices are fully approved by the FERC, unless the underproduced party furnishes a corporate undertaking agreeing to hold the overproduced party harmless from financial loss due to refund orders by the FERC. It shall be the responsibility of the overproduced party(ies) and underproduced party(ies) to finalize the subject monetary settlement(s).

Notwithstanding the above, by mutual consent the parties may elect to balance gas of like quality and vintage from a source other than lease(s) or unit(s) subject to the Operating Agreement to which this GBA is attached. The gas used to balance shall be from a designated area mutually agreed to by the parties of this GBA. In the event that the parties cannot mutually agree to balance in kind under this provision within ninety (90) days of notice electing to balance in kind, the gas imbalance shall be settled under the first paragraph of this section.

ROYALTY SETTLEMENT

Except where provision is made to the contrary in the Operating Agreement, or otherwise required by any State or Federal law or regulation, at all times while gas is produced from the lease or unit, each party shall pay, or cause to be paid, all royalty due and payable on its share of gas production actually taken. Each party agrees to hold each other party harmless from any and all claims for royalty payments asserted by its royalty owners. The term "royalty owner" shall include owners of royalty, overriding royalties, production payments, and similar interests.

DELIVERABILITY TESTS

Nothing herein shall be construed to deny any party the right, from time to time, upon reasonable advance notice in writing to the operator, to produce and take or deliver to its purchaser the full well stream for a reasonable period to meet the deliverability test required by its purchaser.

TAXES

Each party shall pay, or cause to be paid, all production and severance taxes due and payable on all gas production actually taken or sold by such party.

LIQUID HYDROCARBONS

All parties hereto shall share in and own the liquid hydrocarbons recovered from all gas by primary separation equipment prior to processing in a gas plant in accordance with their respective interests, as specified in the Operating Agreement, whether or not such parties are actually producing and marketing gas at such time.

LEASE OPERATING COSTS

Nothing herein shall change or affect each party's obligation to pay its proportionate share of all costs and liabilities incurred in operations, as its share thereof is set forth in the Operating Agreement.

TERM

This agreement shall remain in force and effect as long as the Operating Agreement is in effect and thereafter until the gas balance accounts between the parties are settled in full and shall accrue to the benefit and be binding upon the parties hereto, their successors, representatives, and assigns.

AUDITS

Any underproduced party shall have the right for a period of two (2) years after receipt of payment pursuant to a final accounting and after giving written notice to all parties, to audit an overproduced party's accounts and records relating to such payment. Any overproduced party shall have the right for a period of two (2) years after tender of payment for unrecouped volumes and upon giving written notice to all parties, to audit an underproduced party's records as to volumes. The party conducting such audit shall bear its costs of the audit. Additionally, Operator shall have the right for a period of two (2) years after receipt of an annual statement from a Non-Operator after giving written notice to the affected Non-Operator, to audit such Non-Operator's accounts and records relating to such payment. Costs of such audit shall be borne by the joint account.

THERE IS NO EXHIBIT "F" TO THIS AGREEMENT

THERE IS NO EXHIBIT "G" TO THIS AGREEMENT

G-1

Exhibit 10.2

AGREEMENT TO ASSIGN INTERESTS IN OIL AND GAS LEASES

This Agreement to Assign Interests in Oil and Gas Leases (this "Agreement") is made on the 6th day of April, 2001 (the "Effective Date"), by and between MOOSE OIL & GAS COMPANY, a Texas corporation ("Moose"), the address for which for purposes hereof is 801 Travis, Suite 1425, Houston, Texas 77002, and HOUSTON AMERICAN ENERGY CORP, a Delaware corporation ("HAEC"), the address for which for purposes hereof is 801 Travis, Suite 1425, Houston, Texas 77002.

W I T N E S S E T H:

WHEREAS, Moose is the owner of an undivided interest in the oil and gas leases or oil, gas and mineral leases listed on Schedule 1 attached hereto and incorporated herein by this reference under the respective headings of Group 1 Leases, Group 2 Leases and Group 3 Leases (collectively, the "Subject Leases");

WHEREAS, the drilling of a well on the acreage covered by those of the Subject Leases listed under the heading Group 1 Leases on Schedule 1 attached hereto (the "Group 1 Leases") and the drilling of a well on the acreage covered by those of the Subject Leases listed under the heading Group 2 Leases on Schedule 1 attached hereto (the "Group 2 Leases") has been or is expected to be proposed; and

WHEREAS, Moose desires to sell and HAEC desires to acquire from Moose, on the terms set forth hereinafter, interests in the Subject Leases;

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements stated herein, the parties hereto hereby agree as follows:

1. Moose agrees to assign to HAEC, pursuant to a document substantially in the form of the Assignment of Interests in Oil and Gas Leases and Bill of Sale attached hereto as Exhibit A (the "Assignment"), the following:

(a) 80% of the undivided interest of Moose in the Group 1 Leases (but in no event less than an undivided 7.5% interest, after giving effect to the allocation of the interests of other owners of the Group 2 Leases electing not to participate in the drilling of the well mentioned below in this clause), together with a proportionate share of the right of Moose to acquire all or a portion of the interest of other owners of the Group 1 Leases electing not to participate in the drilling of the well presently proposed or to be proposed to be drilled on the acreage covered by the Group 1 Leases (the "Group 1 Leases Well");

(b) 80% of the undivided interest of Moose in the Group 2 Leases,

together with a proportionate share of the right of Moose to acquire all or a portion of the interest of other owners of the Group 2 Leases electing not to participate in the drilling of the well presently proposed or to be proposed on the acreage covered by the Group 2 Leases (the "Group 2 Leases Well"); and

(c) 80% of the undivided interest of Moose in those of the Subject Leases listed under the heading Group 3 Leases on Schedule 1 attached hereto (but in no event less than an undivided 12.5% interest).

Subject to receipt by Moose from HAEC of the Promissory Note referred to in Section 3 below, such assignment shall occur no later than ninety (90) days after the Effective Date.

2. HAEC acknowledges that, prior to delivery to HAEC of the Assignment, Moose shall be entitled to exercise all rights associated with the ownership interest of Moose in the Subject Leases as of the Effective Date, including, without limitation, the negotiation of (a) the allocation among the owners of the Group 1 Leases and the owners of the Group 2 Leases, respectively, of the interests of the relevant owners electing not to participate in the drilling of the Group 1 Leases Well or the Group 2 Leases Well, as the case may be, and (b) the configuration of a unit as to the Group 2 Leases Well pooling all or portions of the Group 2 Leases for purposes of drilling and producing the Group 2 Leases Well; provided, however, such unit shall not be configured in such a way as to result in the working interest of HAEC in such unit being less than 12.5%.

3. As consideration for the Assignment, HAEC agrees to execute and deliver to Moose, a Promissory Note in the original principal amount of $216,981.06 bearing interest at the rate of 10% per annum and payable on demand at any time (the "Promissory Note"), such original principal amount representing the purchase price for the interests which are the subject of the Assignment. The execution and delivery of the Promissory Note is a condition precedent to delivery by Moose to HAEC of the Assignment.

4. HAEC hereby agrees to pay the share of the costs associated with the drilling of the Group 1 Leases Well and the Group 2 Leases Well and the testing of such wells prior to an election to attempt to complete such wells attributable to the interest in the Group 1 Leases or the Group 2 Leases, as the case may be, to be acquired by HAEC from Moose pursuant to paragraph 1 of this Agreement, which obligation of HAEC is in addition to the obligation of HAEC evidenced by the Promissory Note. The decision as to whether to attempt to complete either the Group 1 Leases Well or the Group 2 Leases Well, as well as all other operations on any of the Subject Leases, shall be governed by the terms of that certain Operating Agreement dated April 6, 2001 between Moose Operating Co., Inc., as Operator, and HAEC as Non-Operator.

5. This Agreement may not be altered or amended without the express written consent of both parties hereto.

6. This Agreement is intended by the parties to be governed and construed in accordance with the laws of the State of Texas.

7. This Agreement may be executed in one or more counterparts, all of which shall be taken together to constitute one and the same instrument.

8. This Agreement shall not be severable or divisible in any way, but it is specifically agreed that, if any provision should be invalid, that the invalidity shall not affect the validity of the remainder of this Agreement.

EXECUTED to be effective the date first written above.

MOOSE OIL & GAS COMPANY

By /s/ John F. Terwilliger

John F. Terwilliger, President

HOUSTON AMERICAN ENERGY CORP.

By /s/ John F. Terwilliger

John F. Terwilliger, President

SCHEDULE 1

Group 1 Leases

Those certain oil and gas leases or oil, gas and mineral leases described in and covered by that certain Declaration of Gas Unit (Sartwelle Nos. 3 and 4 Wells) dated May 7, 1998 by and among Louis Dreyfus Natural Gas Corp., Moose Oil & Gas Company, and certain other parties, recorded in Volume 154, Page 328 of the Official Public Records of Lavaca County, Texas, INSOFAR AND ONLY INSOFAR as such oil and gas leases or oil, gas and mineral leases cover depths below 6,000 feet and are included within the Sartwelle Gas Unit established by way of the above-mentioned Declaration of Gas Unit, but SAVE AND EXCEPT the wellbores of the Louis Dreyfus Natural Gas Corporation Sartwelle No. 3 and Sartwelle No. 4 Wells, equipment associated with such wells and production of hydrocarbons from such wellbores.

Group 2 Leases
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1. Oil, Gas and Mineral Lease dated October 3, 2000 by Viking Ventures Corporation, as Lessor, in favor of Moose Oil & Gas Company, as Lessee, recorded in Volume 216, Page 499 of the Official Public Records of Lavaca County, Texas.

2. Oil and Gas Lease (Paid-Up) dated February 17, 1998 by Bank of Oklahoma, N.A., as Agent for First National Bank of Santa Fe, Successor Co-Trustee, and Vernon W. Frost, Jr. and Betty Frost McAleer, Co-Trustees of the 1976 Vernon W. and Inza S. Frost Trust, as Lessors, in favor of Moose Oil & Gas Company, as Lessee, recorded in Volume 147, Page 232 of the Official Public Records of Lavaca County, Texas, as extended by Extension of Oil and Gas Lease dated October 5, 2000, by Bank of Oklahoma, N.A., as Agent for First National Bank of Santa Fe, Successor Co-Trustee, and Vernon W. Frost, Jr. and Betty Frost McAleer, Co-Trustees of the 1976 Vernon W. and Inza S. Frost Trust, as Lessors, in favor of Moose Oil & Gas Company, as Lessee, recorded in Volume 216, Page 864 of the Official Public Records of Lavaca County, Texas.

3. Any other oil and gas leases or other oil, gas and mineral leases covering any of the land covered by the Oil, Gas and Mineral Lease or the Oil and Gas Lease listed above as 1 and 2, respectively, in which Moose owns an interest as of the date the assignment contemplated in paragraph 1 of the Agreement to which this Schedule 1 is appended is delivered to HAEC.

INSOFAR AND ONLY INSOFAR as any of the leases listed in 1, 2 or 3 above covers depths below 6,000 feet.

Group 3 Leases
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1. Those certain oil and gas leases or oil, gas and mineral leases described in and covered by that certain Designation of the Viking Ventures No. 2 160-Acre Gas Unit dated October 6, 1999 (but effective June 11, 1999) by and among Moose Oil & Gas Company and certain other parties, recorded in Volume 190, Page 875 of the Official Public Records of Lavaca County, Texas.

2. Those certain oil and gas leases or oil, gas and mineral leases described in and covered by that certain Designation of the Viking Ventures No. 4 160-Acre Gas Unit dated November 15, 1999 (but effective June 11, 1999) by and among Moose Oil & Gas Company and certain other parties, recorded in Volume 194, Page 295 of the Official Public Records of Lavaca County, Texas.

INSOFAR AND ONLY INSOFAR as to acreage covered by the relevant oil and gas leases or oil, gas and mineral leases listed under the heading Group 3 Leases and depths underlying such acreage in which Assignor owned an interest as of the Effective Date.

EXHIBIT A

ASSIGNMENT OF INTERESTS IN OIL
AND GAS LEASES AND BILL OF SALE

THE STATE OF TEXAS (S)
(S) ALL MEN BY THESE PRESENTS:
COUNTY OF LAVACA (S)

That MOOSE OIL & GAS COMPANY, a Texas corporation ("Assignor"), the address for which, for purposes hereof, being 801 Travis Street, Suite 1425, Houston, Texas 77002, in consideration of TEN AND NO/100 DOLLARS ($10.00) and other good and valuable consideration, including, without limitation, the promise to pay evidenced by the Promissory Note (as such term is defined hereinafter), in hand paid by HOUSTON AMERICAN ENERGY CORP., a Delaware corporation ("Assignee"), the address for which, for purposes hereof, being 801 Travis Street, Suite 1425, Houston, Texas 77002, the receipt and sufficiency of such consideration being hereby acknowledged, has BARGAINED, SOLD, CONVEYED, TRANSFERRED, ASSIGNED, SET OVER, and DELIVERED, and does hereby BARGAIN, SELL, CONVEY, TRANSFER, ASSIGN, SET OVER, and DELIVER, to Assignee the following:

(a) an undivided ___% interest in and to the following (capitalized terms appearing below in this paragraph being defined hereinafter):

(i) the leasehold estate under each of the Group 1 Leases;

(ii) production of hydrocarbons, on or after the Effective Time, pursuant to the terms of or allocable to any of the Group 1 Leases, subject to a proportionate share of the Existing Lease Burdens as to the Group 1 Leases and to the provisions of the Operating Agreement;

(iii) all Equipment as to the Group 1 Leases;

(iv) all permits, licenses, franchises, easements, and rights-of-way relating to the Group 1 Leases or Operations thereon; and

(v) all contracts and agreements of any kind whatsoever, insofar as in force and effect as of the date of execution hereof, covering or in any way affecting the production or marketing of hydrocarbons produced pursuant to the terms of or allocable to any of the Group 1 Leases; and

(b) an undivided ___% interest in and to the following:

(i) the leasehold estate under each of the Group 2 Leases;

(ii) production of hydrocarbons, on or after the Effective Time, pursuant to the terms of or allocable to any of the Group 2 Leases, subject to a proportionate share of the Existing Lease Burdens as to the Group 2 Leases and to the provisions of the Operating Agreement;

(iii) all Equipment as to the Group 2 Leases;

(iv) all permits, licenses, franchises, easements, and rights-of-way relating to the Group 2 Leases or Operations thereon; and

(v) all contracts and agreements of any kind whatsoever, insofar as in force and effect as of the date of execution hereof, covering or in any way affecting the production or marketing of hydrocarbons produced pursuant to the terms of or allocable to any of the Group 2 Leases; and

(c) an undivided ___% interest in and to the following:

(i) the leasehold estate under each of the Group 3 Leases;

(ii) production of hydrocarbons, on or after the Effective Time, pursuant to the terms of or allocable to any of the Group 3 Leases, subject to a proportionate share of the Existing Lease Burdens as to the Group 3 Leases and to the provisions of the Operating Agreement;

(iii) all Equipment as to the Group 3 Leases;

(iv) all permits, licenses, franchises, easements, and rights-of-way relating to the Group 3 Leases or Operations thereon; and

TO HAVE AND TO HOLD the interests herein conveyed all and singular unto Assignee, its successors and assigns forever; provided, however, that this conveyance is made without representation or warranty, either express or implied, but is made with full right of substitution and subrogation in and to all warranties inuring to the benefit of Assignor, and is made subject to all encumbrances and other matters reflected in the official public records of Lavaca County, Texas, but only to the extent any such encumbrance or other matter remains in force and effect. Further to the foregoing, the interest in the Equipment herein conveyed is conveyed on an "AS IS", "WHERE IS" and "WITH ALL FAULTS" basis and ASSIGNOR EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES AS TO ANY OF THE EQUIPMENT AND HAS MADE NO REPRESENTATION OR WARRANTY WITH RESPECT TO (A) THE MERCHANTABILITY OF ANY OF THE EQUIPMENT OR (B) THE FITNESS OF ANY OF THE EQUIPMENT FOR USE FOR A PARTICULAR PURPOSE.

To secure payment of the Promissory Note, Assignor hereby expressly reserves a vendor's lien and superior title to the interests herein conveyed, until the Promissory Note is paid in full.

This conveyance is made subject to, and Assignor and Assignee shall be entitled to all of their respective benefits and burdened by all of their respective obligations under the Operating Agreement and that certain Agreement to Assign Interests in Oil and Gas Leases dated as of April 6, 2001 between Assignor and Assignee.

For the same consideration stated above, Assignor covenants and agrees with Assignee that Assignor shall at any time, and from time to time, on or after the date of execution of this conveyance, execute and deliver, or cause to be executed and delivered, all such deeds, assignments, consents, documents or other instruments, or take or cause to be taken all such other actions, as may be reasonably necessary or desirable to put Assignee in actual possession and control of the interests conveyed hereby, or to vest more fully and effectively in Assignee, or to confirm Assignee's title to and possession of, such interests, or to assist Assignee in exercising rights with respect thereto, or to otherwise carry out the intents and purposes of this conveyance.

This conveyance may be executed in two or more counterparts, all of which shall be taken together to constitute one and the same instrument.

As used in this conveyance, each of the following terms shall have the meaning assigned thereto below in this paragraph:

"Effective Time" shall mean 7:00 a.m., Central Daylight Savings Time, on April 6, 2001.

"Equipment" shall mean fixtures, personal property, and equipment situated on the lands covered by any of the Subject Leases as of the Effective Time or at any time thereafter and used or useable in the operation of the relevant Subject Lease, including all producing and nonproducing Wellbores, surface and subsurface equipment and facilities, water and oil and gas pipelines, gathering lines, and flowlines, structures, and other property, whether movable or immovable, provided in the field, but expressly excluding any property leased from third parties and any automobiles, trucks or other rolling stock owned by Assignor and temporarily on the lands covered by any of the Subject Leases.

"Existing Lease Burdens" shall mean, as to each of the Subject Leases, the lessor's royalty provided in each of the relevant Subject Lease and all overriding royalty interests and other interests payable out of or measured by production, on or after the Effective Time, of hydrocarbons from or allocable to the relevant Subject Lease, to the extent in force and effect as of the date of execution hereof.

"Group 1 Leases" shall mean those certain oil and gas leases or oil, gas and mineral leases listed under the heading Group 1 Leases on Schedule 1 attached hereto.

"Group 2 Leases" shall mean those certain oil and gas leases or oil, gas and mineral leases listed under the heading Group 2 Leases on Schedule 1 attached hereto.

"Group 3 Leases" shall mean those certain oil and gas leases or oil,

gas and mineral leases listed under the heading Group 3 Leases on Schedule 1 attached hereto.

"Operating Agreement" shall mean that certain Operating Agreement dated April 6, 2001 between Moose Operating Co., Inc., as Operator, and Assignee, as Non-Operator.

"Operation" shall mean, as to any Wellbore or any of the Subject Leases, as the case may be, any drilling, testing, completing, recompleting, reworking, plugging-back, deepening, sidetracking or plugging and abandoning, including any related acquisition and installation of Equipment.

"Promissory Note" shall mean that certain Promissory Note dated of even date herewith in the original principal amount of $_____ made by Assignee and payable to the order of Assignor on demand.

"Person" shall mean an individual, corporation, partnership, limited liability company, trust, unincorporated organization, government, any agency or political subdivision of any government, or any other form of entity.

"Subject Leases" shall mean those certain oil and gas leases listed on Schedule 1 attached hereto and made a part hereof.

"Wellbore" shall mean the wellbore of any oil, gas or disposal well situated on the lands covered by the Subject Leases as of the Effective Time or at any time thereafter.

IN WITNESS WHEREOF, this Assignment of Interests in Oil and Gas Leases and Bill of Sale is executed this _____ day of _____, 2001, but effective as of the Effective Time.

ASSIGNOR:

MOOSE OIL & GAS COMPANY

By_____
John F. Terwilliger, President

ASSIGNEE:

HOUSTON AMERICAN ENERGY CORP.

By_____
John F. Terwilliger, President

THE STATE OF TEXAS (S)

(S)
COUNTY OF HARRIS (S)

The foregoing instrument was acknowledged before me this ____ day of _____, 2001, by John F. Terwilliger, President of MOOSE OIL & GAS COMPANY, a Texas corporation, on behalf of such corporation.

_____
NOTARY PUBLIC in and for the State of Texas

My Commission Expires:

_____
(Printed Name of Notary Public)

_____

THE STATE OF TEXAS (S)
(S)
COUNTY OF HARRIS (S)

The foregoing instrument was acknowledged before me this ____ day of _____, 2001, by John F. Terwilliger, President of HOUSTON AMERICAN ENERGY CORP, a Delaware corporation, on behalf of such corporation.

_____
NOTARY PUBLIC in and for the State of Texas

My Commission Expires:

_____
(Printed Name of Notary Public)

_____

SCHEDULE 1

Group 1 Leases

Those certain oil and gas leases or oil, gas and mineral leases described in and covered by that certain Declaration of Gas Unit (Sartwelle Nos. 3 and 4 Wells) dated May 7, 1998 by and among Louis Dreyfus Natural Gas Corp., Moose Oil & Gas Company, and certain other parties, recorded in Volume 154, Page 328 of the Official Public Records of Lavaca County, Texas, INSOFAR AND ONLY INSOFAR as such oil and gas leases or oil, gas and mineral leases cover depths below 6,000 feet and are included within the Sartwelle Gas Unit established by way of the above-mentioned Declaration of Gas Unit, but SAVE AND EXCEPT the wellbores of

the Louis Dreyfus Natural Gas Corporation Sartwelle No. 3 and Sartwelle No. 4 Wells, equipment associated with such wells and production of hydrocarbons from such wellbores.

Group 2 Leases
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1. Oil, Gas and Mineral Lease dated October 3, 2000 by Viking Ventures Corporation, as Lessor, in favor of Moose Oil & Gas Company, as Lessee, recorded in Volume 216, Page 499 of the Official Public Records of Lavaca County, Texas.

2. Oil and Gas Lease (Paid-Up) dated February 17, 1998 by Bank of Oklahoma, N.A., as Agent for First National Bank of Santa Fe, Successor Co-Trustee, and Vernon W. Frost, Jr. and Betty Frost McAleer, Co-Trustees of the 1976 Vernon W. and Inza S. Frost Trust, as Lessors, in favor of Moose Oil & Gas Company, as Lessee, recorded in Volume 147, Page 232 of the Official Public Records of Lavaca County, Texas, as extended by Extension of Oil and Gas Lease dated October 5, 2000, by Bank of Oklahoma, N.A., as Agent for First National Bank of Santa Fe, Successor Co-Trustee, and Vernon W. Frost, Jr. and Betty Frost McAleer, Co-Trustees of the 1976 Vernon W. and Inza S. Frost Trust, as Lessors, in favor of Moose Oil & Gas Company, as Lessee, recorded in Volume 216, Page 864 of the Official Public Records of Lavaca County, Texas.

[List additional leases as appropriate]

INSOFAR AND ONLY INSOFAR as any of the leases listed above under the heading Group 2 Leases covers depths below 6,000 feet.

Group 3 Leases
---

1. Those certain oil and gas leases or oil, gas and mineral leases described in and covered by that certain Designation of the Viking Ventures No. 2 160-Acre Gas Unit dated October 6, 1999 (but effective June 11, 1999) by and among Moose Oil & Gas Company and certain other parties, recorded in Volume 190, Page 875 of the Official Public Records of Lavaca County, Texas.

2. Those certain oil and gas leases or oil, gas and mineral leases described in and covered by that certain Designation of the Viking Ventures No. 4 160-Acre Gas Unit dated November 15, 1999 (but effective June 11, 1999) by and among Moose Oil & Gas Company and certain other parties, recorded in Volume 194, Page 295 of the Official Public Records of Lavaca County, Texas.

INSOFAR AND ONLY INSOFAR as to acreage covered by the relevant oil and gas leases or oil, gas and mineral leases listed under the heading Group 3 Leases and depths underlying such acreage in which Assignor owned an interest as of the Effective Date.

Exhibit 10.3

ASSIGNMENT OF INTERESTS IN OIL AND GAS LEASES AND BILL OF SALE

THE STATE OF TEXAS (S)
(S) KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF LAVACA (S)

That MOOSE OIL & GAS COMPANY, a Texas corporation ("Assignor"), the address for which, for purposes hereof, being 801 Travis Street, Suite 1425, Houston, Texas 77002, in consideration of TEN AND NO/100 DOLLARS ($10.00) and other good and valuable consideration, including, without limitation, the promise to pay evidenced by the Promissory Note (as such term is defined hereinafter), in hand paid by HOUSTON AMERICAN ENERGY CORP., a Delaware corporation ("Assignee"), the address for which, for purposes hereof, being 801 Travis Street, Suite 1425, Houston, Texas 77002, the receipt and sufficiency of such consideration being hereby acknowledged, has BARGAINED, SOLD, CONVEYED, TRANSFERRED, ASSIGNED, SET OVER, and DELIVERED, and does hereby BARGAIN, SELL, CONVEY, TRANSFER, ASSIGN, SET OVER, and DELIVER, to Assignee the following:

(a) an undivided 25% working interest (yielding not less than 18.75% net revenue interest) in and to the following (capitalized terms appearing below in this paragraph being defined hereinafter):

(i) the leasehold estate under each of the Group 1 Leases;

(ii) production of hydrocarbons, on or after the Effective Time, pursuant to the terms of or allocable to any of the Group 1 Leases, subject to a proportionate share of the Existing Lease Burdens (but in no event resulting in a net revenue interest to Assignee under each of the Group 1 Leases of less than 18.75%) and to the provisions of the Operating Agreement;

(iii) all Equipment as to the Group 1 Leases;

(iv) all permits, licenses, franchises, easements, and rights-of-way relating to the Group 1 Leases or Operations thereon; and

(v) all contracts and agreements of any kind whatsoever, insofar as in force and effect as of the date of execution hereof, covering or in any way affecting the production or marketing of hydrocarbons produced pursuant to the terms of or allocable to any of the Group 1 Leases; and

(b) an undivided 20% working interest (yielding not less than 15% net revenue interest) in and to the following:

(i) the leasehold estate under each of the Group 2 Leases;

(ii) production of hydrocarbons, on or after the Effective Time, pursuant to the terms of or allocable to any of the Group 2 Leases, subject to a proportionate share of the Existing Lease Burdens (but in no event resulting in a net revenue interest to Assignee under each of the Group 2 Leases of less than 15%) and to the provisions of the Operating Agreement;

(iii) all Equipment as to the Group 2 Leases;

(iv) all permits, licenses, franchises, easements, and rights-of-way relating to the Group 2 Leases or Operations thereon; and

(v) all contracts and agreements of any kind whatsoever, insofar as in force and effect as of the date of execution hereof, covering or in any way affecting the production or marketing of hydrocarbons produced pursuant to the terms of or allocable to any of the Group 2 Leases.

TO HAVE AND TO HOLD the interests herein conveyed all and singular unto Assignee, its successors and assigns forever; provided, however, that this conveyance is made without representation or warranty, either

express or implied, but is made with full right of substitution and subrogation in and to all warranties inuring to the benefit of Assignor, and is made subject to all encumbrances and other matters reflected in the official public records of Lavaca County, Texas, but only to the extent any such encumbrance or other matter remains in force and effect. Further to the foregoing, the interest in the Equipment herein conveyed is conveyed on an "AS IS", "WHERE IS" and "WITH ALL FAULTS" basis and ASSIGNOR EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES AS TO ANY OF THE EQUIPMENT AND HAS MADE NO REPRESENTATION OR WARRANTY WITH RESPECT TO (A) THE MERCHANTABILITY OF ANY OF THE EQUIPMENT OR (B) THE FITNESS OF ANY OF THE EQUIPMENT FOR USE FOR A PARTICULAR PURPOSE.

To secure payment of the Promissory Note, Assignor hereby expressly reserves a vendor's lien and superior title to the interests herein conveyed, until payment in full of the Promissory Note.

This conveyance is made subject to, and Assignor and Assignee shall be entitled to all of their respective benefits and burdened by all of their respective obligations under the Operating Agreement, which shall govern all Operations on any of the Subject Leases.

For the same consideration stated above, Assignor covenants and agrees with Assignee that Assignor shall at any time, and from time to time, on or after the date of execution of this conveyance, execute and deliver, or cause to be executed and delivered, all such deeds, assignments, consents, documents or other instruments, or take or cause to be taken all such other actions, as may be reasonably necessary or desirable to put Assignee in actual possession and control of the interests conveyed hereby, or to vest more fully and effectively in Assignee, or to confirm Assignee's title to and possession of, such

interests, or to assist Assignee in exercising rights with respect thereto, or to otherwise carry out the intents and purposes of this conveyance.

This conveyance may be executed in two or more counterparts, all of which shall be taken together to constitute one and the same instrument.

As used in this conveyance, each of the following terms shall have the meaning assigned thereto below in this paragraph:

"Effective Time" shall mean 7:00 a.m., Central Daylight Savings Time, on April 6, 2001.

"Equipment" shall mean fixtures, personal property, and equipment situated on the lands covered by the Subject Leases as of the Effective Time or at any time thereafter and used or useable in the operation of the Subject Leases, including all producing and nonproducing Wellbores, surface and subsurface equipment and facilities, water and oil and gas pipelines, gathering lines, and flowlines, structures, and other property, whether movable or immovable, provided in the field, but expressly excluding any property leased from third parties and any automobiles, trucks or other rolling stock owned by Assignor and temporarily on the lands covered by the Subject Leases.

"Existing Lease Burdens" shall mean the lessor's royalty provided in each of the Subject Leases and all overriding royalty interests and other interests payable out of or measured by production, on or after the Effective Time, of hydrocarbons from or allocable to the Subject Leases or any of them, to the extent in force and effect as of the date of execution hereof.

"Group 1 Leases" shall mean those certain oil and gas leases or oil, gas and mineral leases listed under the heading Group 1 Leases on Schedule 1 attached hereto.

"Group 2 Leases" shall mean those certain oil and gas leases or oil, gas and mineral leases listed under the heading Group 2 Leases on Schedule 1 attached hereto.

"Operating Agreement" shall mean that certain Operating Agreement dated April 6, 2001 between Moose Operating Co., Inc., as Operator, and Assignee, as Non-Operator.

"Operation" shall mean, as to any Wellbore or any of the Subject Leases, as the case may be, any drilling, testing, completing, recompleting, reworking, plugging-back, deepening, sidetracking or plugging and abandoning, including any related acquisition and installation of Equipment.

"Promissory Note" shall mean that certain Promissory Note dated of even date herewith in the original principal amount of $216,981.06 made by Assignee and payable to the order of Assignor on demand, such original principal amount

representing the purchase price for the interests herein conveyed and funds advanced by Assignor through April 15, 2001 to pay the share of the cost of the drilling to their respective objective depths and running an initial log associated with the Klimitchek No. 2 Well (to be situated on the acreage covered by the Oil, Gas and Mineral Lease listed as 1 of the Group 1 Leases on Schedule 1) and the Kalmus No. 1 Well (to be situated on the acreage covered by the Oil, Gas and Mineral Leases listed as 1 and 2 of the Group 2 Leases on Schedule 1 hereto) attributable to the interests in the relevant Oil, Gas and Mineral Leases herein conveyed (but not for Assignee's share of the cost of drilling or testing to be paid after April 15, 2001 or of the cost of completing either such well or of any subsequent Operations on any of the Subject Leases, for which additional costs Assignee shall remain obligated, subject to applicable provisions of the Operating Agreement.

"Person" shall mean an individual, corporation, partnership, limited liability company, trust, unincorporated organization, government, any agency or political subdivision of any government, or any other form of entity.

"Subject Leases" shall mean those certain oil and gas leases listed on Schedule 1 attached hereto and made a part hereof.

"Wellbore" shall mean the wellbore of any oil, gas or disposal well situated on the lands covered by the Subject Leases as of the Effective Time or at any time thereafter.

IN WITNESS WHEREOF, this Assignments of Interest in Oil and Gas Leases and Bill of Sale is executed this 24/th/ day of April, 2001, but effective as of the Effective Time.

ASSIGNOR:

MOOSE OIL & GAS COMPANY

By /s/ John F. Terwilliger

John F. Terwilliger, President

ASSIGNEE:

HOUSTON AMERICAN ENERGY CORP.

By /s/ John F. Terwilliger

John F. Terwilliger, President

THE STATE OF TEXAS (S)

(S)
COUNTY OF HARRIS (S)

The foregoing instrument was acknowledged before me this 24/th/ day of April, 2001, by John F. Terwilliger, President of MOOSE OIL & GAS COMPANY, a Texas corporation, on behalf of such corporation.

[SEAL]

/s/ Nora Warteman

NOTARY PUBLIC in and for the State of Texas

My Commission Expires: Nora Warteman

(Printed Name of Notary Public)

10-13-02

THE STATE OF TEXAS (S)
(S)
COUNTY OF HARRIS (S)

The foregoing instrument was acknowledged before me this 24/th/ day of April, 2001, by John F. Terwilliger, President of HOUSTON AMERICAN ENERGY CORP, a Delaware corporation, on behalf of such corporation.

[SEAL]

/s/ Nora Warteman

NOTARY PUBLIC in and for the State of Texas

My Commission Expires: Nora Warteman

(Printed Name of Notary Public)

10-13-02

SCHEDULE 1

Listing of Subject Leases

Group 1 Leases:
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1. Oil, Gas and Mineral Lease dated September 18, 2000 by Carl Travis Klimitchek and Patricia Lois Klimitchek, as Lessors, in favor of Moose Oil & Gas Company, as Lessee, recorded in Volume 217, Page 323 of the Official Public Records of Lavaca County, Texas.

Group 2 Leases:
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1. Oil, Gas and Mineral Lease dated May 19, 2000 by Delores Ann Michalke, as Lessor, in favor of Moose Oil & Gas Company, as Lessee, recorded in Volume 215, Page 241 of the Official Public Records of Lavaca County, Texas.

2. Oil, Gas and Mineral Lease dated May 19, 2000 by Alphonse W. Kalmus, as Lessor, in favor of Moose Oil & Gas Company, as Lessee, recorded in Volume 215, Page 233 of the Official Public Records of Lavaca County, Texas.

3. Oil, Gas and Mineral Lease dated May 19, 2000 by Macklin K. Johnson and Alice F. Johnson, as Lessors, in favor of Moose Oil & Gas Company, as Lessee, recorded in Volume 215, Page 225 of the Official Public Records of Lavaca County, Texas.

Exhibit 10.4

PROMISSORY NOTE

$216,981.06 April 15, 2001

After date, without grace, for value received, HOUSTON AMERICAN ENERGY CORP., a Delaware corporation having its principal office and place of business in Harris County, Texas (the "Maker") hereby promises to pay to the order of MOOSE OIL & GAS COMPANY, a Texas corporation having its principal office and place of business in Harris County, Texas (the "Payee"), the original principal amount of TWO HUNDRED SIXTEEN THOUSAND NINE HUNDRED EIGHTY-ONE and 06/100 DOLLARS ($216,981.06), together with interest, as hereinafter described. This Note is payable in lawful money of the United States of America at 801 Travis, Suite 1425, Houston, Harris County, Texas 77002, or such other place as the Payee may designate in writing to the Maker.

The payment of this Note is subject to the terms of that certain Assignment of Interests in Oil and Gas Leases and Bill of Sale of even date herewith, between the Maker and the Payee (the "Assignment"), which is incorporated herein by reference for all purposes.

This Note shall be due and payable on demand as to both principal and interest. Interest at a rate of ten percent (10%) per annum shall accrue on the unpaid principal balance of this Note. If this Note is not paid at maturity, however maturity may be brought about, all principal due on the date of such maturity shall bear interest from the date of such maturity at the maximum contract rate of interest which the Payee may charge the Maker under applicable law. Interest on this Note shall be computed for the actual number of days elapsed and on the basis of a year consisting of 360 days.

If, for any reason whatever, the interest paid on this Note shall exceed the maximum non-usurious amount permitted by law, the Payee shall refund to the Maker such portion of said interest as may be necessary to cause the interest paid on this Note to equal the maximum non-usurious amount permitted by law, and no more. All sums paid or agreed to be paid to the Payee for the use, forbearance or detention of the indebtedness evidenced hereby shall to the extent permitted by applicable law be amortized, prorated, allocated and spread throughout the full term of this Note until payment in full.

The Maker shall be entitled to prepay this Note in whole or in part at any time without the payment of a prepayment premium.

In the event of default in the payment of this Note or under any instrument executed in connection with this Note, the Maker agrees to pay on demand all costs incurred by the Payee (i) in the collection of any sums, including, but not limited to, principal, interest, expenses, and reimbursements

due and payable on this Note, and (ii) in the enforcement of the other terms and provisions of this Note or the Assignment, whether such collection or enforcement be accomplished by suit or otherwise, including the Payee's reasonable attorney's fees.

Except as otherwise provided for herein, each maker, surety, guarantor and endorser of this Note expressly waives all notices, including, but not limited to, all demands for payment, presentations for payment, notice of opportunity to cure default, notice of intention to accelerate the maturity, notice of protest and notice of acceleration of the maturity, notice of protest and notice of acceleration of the maturity of this Note, and consents that this Note may be renewed and the time of payment extended without notice and without releasing any of the parties.

Any check, draft, money order or other instrument given in payment of all or any portion of this Note may be accepted by the Payee or any other holder hereof and handled in collection in the customary manner, but the same shall not constitute payment hereunder or diminish any rights of the Payee or any other holder hereof, except to the extent that actual cash proceeds of such instrument are unconditionally received by the Payee or any other holder hereof and applied to the indebtedness as herein provided.

This Note shall be governed by and construed in accordance with the laws of the State of Texas and applicable federal law.

HOUSTON AMERICAN ENERGY CORP.

By /s/ John F. Terwilliger

John F. Terwilliger, President

Exhibit 10.5

PLAN AND AGREEMENT OF MERGER
BETWEEN
OPPORTUNITY ACQUISITION CORPORATION
AND
HOUSTON AMERICAN ENERGY CORP.

Opportunity Acquisition Corporation, a Texas corporation ("OAC"), and Houston American Energy Corp., a Delaware corporation ("HAEC"), hereby agree as follows:

1. Plan Adopted. A plan of merger merging OAC with and into HAEC (this "Plan of Merger"), pursuant to the provisions of Section 252 of the Delaware General Corporation Law (the "DGCL"), Article 5.01 of the Texas Business Corporation Act (the "TBCA") and Section 368(a)(1)(A) of the Internal Revenue Code, is adopted as follows:

(a) OAC shall be merged with and into HAEC, to exist and be governed by the laws of the State of Delaware.

(b) The name of the Surviving Corporation shall be Houston American Energy Corp. (the "Surviving Corporation").

(c) When this Plan of Merger shall become effective, the separate existence of OAC shall cease and the Surviving Corporation shall succeed, without other transfer, to all the rights and properties of OAC and shall be subject to all the debts and liabilities of such corporation in the same manner as if the Surviving Corporation had itself incurred them. All rights of creditors and all liens upon the property of each constituent entity shall be preserved unimpaired, limited in lien to the property affected by such liens immediately prior to the merger (the "Merger").

(d) The Surviving Corporation will be responsible for the payment of all fees and franchise taxes of the constituent entities payable to the State of Delaware and the State of Texas, if any.

(e) The Surviving Corporation will carry on business with the assets of OAC, as well as with the assets of HAEC.

(f) The Surviving Corporation will be responsible for the payment of the fair value of shares, if any, required under Article 5.12 of the TBCA or Section 262 of the DGCL.

(g) The shareholders of OAC will surrender all of their shares in the manner hereinafter set forth.

(g) In exchange for the shares of OAC surrendered by its shareholders, the Surviving Corporation will issue and transfer to such shareholders on the basis hereinafter set forth, shares of its common stock.

(h) The stockholders of HAEC will retain their shares of the Surviving Corporation.

2. Effective Date. The effective date of the Merger (the "Effective Date") shall be April ___, 2001.

3. Submission to Shareholders and Stockholders. This Plan of Merger shall be submitted for approval separately to the shareholders of OAC and to the stockholders of HAEC in the manner provided by the laws of the State of Texas and the State of Delaware.

4. Manner of Exchange. On the Effective Date of the Merger, the shareholders of OAC shall surrender their stock certificates to HAEC in exchange for shares of the Surviving Corporation to which they are entitled.

5. Basis of Exchange. The holders of shares of the common stock, no par value per share, of OAC shall be entitled to receive one (1) share of the common stock of the Surviving Corporation, par value $0.001 per share, for each such share of OAC common stock so surrendered.

6. Shares of the Surviving Corporation. The presently outstanding 1,000,000 shares of the common stock of HAEC shall remain outstanding as common stock of the Surviving Corporation.

7. Directors and Officers.

(a) The present Board of Directors of HAEC shall continue to serve as the Board of Directors of the Surviving Corporation until the next annual meeting or until such time as their successors have been elected and qualified.

(b) If a vacancy shall exist on the Board of Directors of the Surviving Corporation on the Effective Date of the Merger, such vacancy may be filled by the Board of Directors as provided in the Bylaws of the Surviving Corporation.

(c) All persons who, on the Effective Date of the Merger, are executive or administrative officers of HAEC shall remain as officers of the

Surviving Corporation until the Board of Directors of the Surviving Corporation shall otherwise determine. The Board of Directors of the Surviving Corporation may elect or appoint such additional officers as it may determine.

8. Certificate of Incorporation. The Certificate of Incorporation of HAEC, attached hereto as Exhibit A and incorporated herein for all purposes, existing on the Effective Date of the Merger shall continue in full force as the Certificate of Incorporation of the Surviving Corporation until altered, amended, or repealed as provided therein or as provided by law.

9. Bylaws. The Bylaws of HAEC, attached hereto as Exhibit B and incorporated herein for all purposes, existing on the Effective Date of the Merger shall continue in full force as the Bylaws of the Surviving Corporation until altered, amended, or repealed as provided therein or as provided by law.

10. Copies of the Plan of Merger. A copy of this Plan of Merger is on file at 801 Travis Street, Suite 1425, Houston, Texas 77002, which is the principal office of both of the constituent entities. A copy of this Plan of Merger will be furnished to any member or shareholder of a constituent entity, on written request and without cost.

11. Legal Construction. In case any one or more of the provisions contained in this Plan of Merger shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, and this Plan of Merger shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

12. Benefit. All the terms and provisions of this Plan of Merger shall be binding upon and inure to the benefit of and be enforceable by the parties hereto, and their successors and permitted assigns.

13. Law Governing. This Plan of Merger shall be construed and governed by the laws of the State of Delaware, and all obligations hereunder shall be deemed performable in Harris County, Texas.

14. Perfection of Title. The parties hereto shall do all other acts and things that may be reasonably necessary or proper, fully or more fully, to evidence, complete or perfect this Plan of Merger, and to carry out the intent of this Plan of Merger.

15. Cumulative Rights. The rights and remedies of any party under this Plan of Merger and the instruments executed or to be executed in connection

herewith, or any of them, shall be cumulative and the exercise or partial exercise of any such right or remedy shall not preclude the exercise of any other right or remedy.

16. Waiver. No course of dealing on the part of any party hereto or its agents, nor any failure or delay by any such party with respect to exercising any right, power or privilege of such party under this Plan of Merger or any instrument referred to herein shall operate as a waiver thereof, and any single or partial exercise of any such right, power or privilege shall not preclude any later exercise thereof or any exercise of any other right, power or privilege hereunder or thereunder.

17. Construction. Whenever used herein, the singular number shall include the plural, the plural number shall include the singular, and the masculine gender shall include the feminine.

18. Multiple Counterparts. This Plan of Merger may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Plan of Merger on April 11, 2001.

OPPORTUNITY ACQUISITION CORPORATION

By /s/ John F. Terwilliger

John F. Terwilliger, President

HOUSTON AMERICAN ENERGY CORP.

By /s/ John F. Terwilliger

John F. Terwilliger, President

Attachments:

Exhibit A - Certificate of Incorporation of Houston American Energy Corp.
Exhibit B - Bylaws of Houston American Energy Corp.

EXHIBIT A
CERTIFICATE OF INCORPORATION OF
HOUSTON AMERICAN ENERGY CORP.
(included as Exhibit A to Exhibit 2.1)

EXHIBIT B
BYLAWS OF HOUSTON AMERICAN ENERGY CORP.
(included as Exhibit B to Exhibit 2.1)

EXHIBIT 10.6

AGREEMENT

THIS AGREEMENT is made this 23rd day of March, 2001, by and between UNICORP, INC., a Nevada corporation having its principal office and place of business in Harris County, Texas ("Unicorp"), EQUITABLE ASSETS, INCORPORATED, a Belize corporation having its principal office and place of business in Belize City, Belize ("Equitable"), TEXAS NEVADA OIL & GAS CO., a Texas corporation having its principal office and place of business in Harris County, Texas ("TNOG"), and OPPORTUNITY ACQUISITION COMPANY, a Texas corporation having its principal office and place of business in Harris County, Texas ("Opportunity").

WHEREAS, Unicorp desires to spin-off TNOG (the "Spin-Off") to its shareholders (the "Unicorp Shareholders");

WHEREAS, following the Spin-Off, and subject to all of the terms of this Agreement, TNOG will merge with Opportunity; and

WHEREAS, Equitable, as the controlling shareholder of Unicorp, desires to ensure that Unicorp and TNOG perform all of their obligations hereunder;

NOW, THEREFORE, in consideration of the foregoing and the following mutual covenants and agreements, the parties hereto do hereby agree as follows:

1. Spin-Off and Registration. Unicorp will Spin-Off TNOG to the Unicorp Shareholders. The Spin-Off will be accomplished by Unicorp's distribution to the Unicorp Shareholders all of the issued and outstanding shares of the common stock, no par value per share, of TNOG (the "TNOG Stock") owned by Unicorp. Further, the Spin-Off shall be exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"). In conjunction with the Spin-Off, TNOG and Unicorp will promptly cause the TNOG Stock to be registered pursuant to a Registration Statement on Form 10-SB (the "Exchange Act Registration") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). After the Spin-Off and the effectiveness of the Exchange Act Registration, TNOG will be a fully reporting company under the Exchange Act and will have no liabilities. In addition, TNOG will have at least (a) 400 "round lot" shareholders, and (b) one market maker for the TNOG Stock.

2. Merger. Following the Spin-Off and the effectiveness of the Exchange Act Registration, Opportunity will enter into an agreement of merger (the "Merger Agreement") with TNOG, whereby TNOG will merge with Opportunity (the "Merger") pursuant to Section 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended. Opportunity will be the surviving entity. The Merger Agreement will provide that the shares of the common stock of Opportunity (the "Opportunity Stock") following the Merger will be held five percent by the Unicorp Shareholders and 95 percent by the shareholders of Opportunity before the Merger.

3. Information Statement. Prior to the Merger, TNOG and Unicorp will promptly prepare and send to the Unicorp Shareholders an Information Statement as required by the Exchange Act (the "Information Statement") in connection with obtaining approval for the Merger by the Unicorp Shareholders.

4. Registration of Opportunity's Stock. In conjunction with the Information Statement, and as part of the Merger, an S-4 Registration Statement (the "Securities Act Registration") in accordance with the Securities Act will be prepared and filed by Opportunity to register the Opportunity Stock to be received by the Unicorp Shareholders.

5. Representations of Unicorp and Equitable. Unicorp and Equitable represent that:

(a) Equitable owns 95.5 percent of the issued and outstanding shares of the voting capital stock of Unicorp, and as such, it has the power and authority to cause Unicorp and TNOG to perform all of their obligations hereunder.

(b) Unicorp owns all of the issued and outstanding shares of the capital stock of TNOG, and is fully authorized to perform all of its obligations hereunder.

6. Covenants of Equitable. Equitable hereby covenants that as the controlling shareholder of Unicorp and by extension, TNOG, it will cause both Unicorp and TNOG to perform all of their obligations hereunder, including, but not limited to, the obligation of Unicorp and TNOG to pay any amounts which may become due to Opportunity in the event that Unicorp or TNOG fail to satisfy any of the conditions precedent to Opportunity's obligations hereunder as specified in Paragraph 7 hereof.

7. Conditions Precedent to Opportunity's Obligations. Notwithstanding anything herein contained to the contrary, Opportunity shall have no obligation hereunder with respect to the Merger or any other matter referred to herein, if any representation by Unicorp or Equitable is untrue, or Unicorp and TNOG shall fail to consummate the Spin-Off and the Exchange Act Registration within 120 days from the date of this Agreement. Following the Spin-Off and the Exchange Act Registration, TNOG and Unicorp will enter into the Merger Agreement with Opportunity. The Merger Agreement will contain the usual and customary representations and warranties, including, but not limited to a representation and warranty with respect to the fact that TNOG has no liabilities, and such other matters as to which the parties can reasonably agree. In addition, the Merger Agreement will provide for an opinion of counsel by the attorney representing Unicorp, Equitable, and TNOG that the Spin-Off, the Exchange Act Registration, and the Merger have been authorized and concluded in conformity with all applicable laws, including, but not limited to the Securities Act and the Exchange Act, and any applicable state corporate and securities laws. If

Unicorp, Equitable, or TNOG fail to comply with the terms of this Agreement, then Opportunity, at its sole option, may terminate this Agreement, whereupon no party shall have any further obligation hereunder, other than the obligation of Unicorp, Equitable, and TNOG to repay any of the costs paid by Opportunity as specified in Paragraph 8 hereof.

8. Payment of Unicorp's, Equitable, and TNOG's Expenses. Opportunity will pay the costs of Unicorp, Equitable, and TNOG in connection with the Spin-Off, the Exchange Act Registration, the Merger, and the Information Statement to the Unicorp Shareholders with respect to the Merger, in an amount not to exceed $75,000. It is understood by Opportunity that Unicorp, Equitable, and TNOG will have to pay certain "clean-up costs" pertaining to Unicorp before the transactions described herein can be completed. However, before payment of any expenses will be made by Opportunity, any invoices must be submitted by Unicorp to Opportunity for approval. Thereafter, Opportunity will pay any approved invoice within 10 days after its receipt and approval by Opportunity. Unicorp, Equitable, and TNOG will pay all of their costs in excess of $75,000. In the event that Unicorp, Equitable, or TNOG fail to comply with the terms of this Agreement, any costs paid by Opportunity on behalf of Unicorp, Equitable, or TNOG hereunder will be repaid to Opportunity on demand by Opportunity. In connection with the agreement by Opportunity to pay certain expenses of Unicorp, Equitable, and TNOG hereunder, Unicorp, Equitable, and TNOG will execute a promissory note in the form attached hereto as Exhibit A and incorporated herein by reference for all purposes (the "Note"). If Unicorp, Equitable, and TNOG fully perform all of their obligations hereunder, the Note will be cancelled.

9. Payment of Opportunity's Expenses. Opportunity will pay all of its own costs associated with the Merger and the Securities Act Registration, provided Unicorp, Equitable, and TNOG have performed all of their obligations hereunder. If Unicorp, Equitable, or TNOG fail to fully perform their obligations hereunder, then the costs paid by Opportunity associated with the Merger and the Securities Act Registration, as well as this Agreement, will be added to the principal of the Note and paid by Unicorp, Equitable, and TNOG.

10. Other Agreements and Documents. In carrying out the intent of this Agreement, there are several agreements and documents which will need to be prepared, including, but not limited to the Exchange Act Registration, the Information Statement, the Securities Act Registration, and the Merger Agreement. The parties agree to act in good faith and to attempt to reasonably agree on the terms of such agreements and documents.

11. Attorney's Fees. In the event that it should become necessary for any party entitled hereunder to bring suit against any other party to this Agreement for enforcement of the covenants herein contained, the parties hereby covenant and agree that the party who is found to be in violation of said covenants shall also be liable for all reasonable attorney's fees and costs of court incurred by the other parties hereto.

12. Mediation and Arbitration. All disputes arising or related to this Agreement must exclusively be resolved first by mediation with a mediator selected by the parties, with such mediation to be held in Houston, Texas. If such mediation fails, then any such dispute shall be resolved by binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association in effect at the time the arbitration proceeding commences, except that (a) Texas law and the Federal Arbitration Act must govern construction and effect, (b) the locale of any arbitration must be in Houston, Texas, and (c) the arbitrator must with the award provide written findings of fact and conclusions of law. Any party may seek from a court of competent jurisdiction any provisional remedy that may be necessary to protect its rights or assets pending the selection of the arbitrator or the arbitrator's determination of the merits of the controversy. The exercise of such arbitration rights by any party will not preclude the exercise of any self-help remedies (including without limitation, setoff rights) or the exercise of any non-judicial foreclosure rights. An arbitration award may be entered in any court having jurisdiction.

13. Benefit. All the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto, and their respective heirs, executors, administrators, personal representatives, successors and permitted assigns.

14. Notices. All notices, requests, demands, and other communications hereunder shall be in writing and delivered personally or sent by registered or certified United States mail, return receipt requested with postage prepaid, if to Unicorp, Equitable, or TNOG, addressed to Mr. Louis Mehr at 1907 Tarpley, Katy, Texas 77493, with a copy to M. Stephen Roberts, Esquire, at P.O. Box 981021, Houston, Texas 770098, telecopier (713) 961-1148, and e-mail sroberts@bigfoot.com; and if to Opportunity, addressed to Mr. John F. Terwilliger at 801 Travis Street, Suite 1425, Houston, Texas 77002, telecopier (713) 221-8845, and e-mail mooseoil@swbell.net, with a copy to Norman T. Reynolds, Esquire, Jackson Walker L.L.P. at 1100 Louisiana Street, Suite 4200, Houston, Texas 77002, telecopier (713) 752-4221, and e-mail nreynolds@jw.com. Any party hereto may change its address upon 10 days' written notice to any other party hereto.

15. Construction. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise. In addition, the pronouns used in this Agreement shall be understood and construed to apply whether the party referred to is an individual, partnership, joint venture, corporation or an individual or individuals doing business under a firm or trade name, and the masculine, feminine and neuter pronouns shall each include the other and may be used interchangeably with the same meaning.

16. Waiver. No course of dealing on the part of any party hereto or its agents, or any failure or delay by any such party with respect to exercising any right, power or privilege of such party under this Agreement or any instrument referred to herein shall operate as a waiver thereof, and any single or partial

exercise of any such right, power or privilege shall not preclude any later exercise thereof or any exercise of any other right, power or privilege hereunder or thereunder.

17. Cumulative Rights. The rights and remedies of any party under this Agreement and the instruments executed or to be executed in connection herewith, or any of them, shall be cumulative and the exercise or partial exercise of any such right or remedy shall not preclude the exercise of any other right or remedy.

18. Invalidity. In the event any one or more of the provisions contained in this Agreement or in any instrument referred to herein or executed in connection herewith shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect the other provisions of this Agreement or any such other instrument.

19. Time of the Essence. Time is of the essence of this Agreement.

20. Headings. The headings used in this Agreement are for convenience and reference only and in no way define, limit, simplify or describe the scope or intent of this Agreement, and do not effect or constitute a part of this Agreement.

21. No Assignment. This Agreement may not be assigned by any party hereto without the prior written consent of the other parties hereto.

22. Excusable Delay. None of the parties hereto shall be obligated to perform and none shall be deemed to be in default hereunder, if the performance of a non-monetary obligation is prevented by the occurrence of any of the following, other than as the result of the financial inability of the party obligated to perform: acts of God, strikes, lock-outs, other industrial disturbances, acts of a public enemy, wars or war-like action (whether actual, impending or expected and whether de jure or de facto), arrest or other restraint of governmental (civil or military) blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, sink holes, civil disturbances, explosions, breakage or accident to equipment or machinery, confiscation or seizure by any government of public authority, nuclear reaction or radiation, radioactive contamination or other causes, whether of the kind herein enumerated, or otherwise, that are not reasonably within the control of the party claiming the right to delay performance on account of such occurrence.

23. No Third-Party Beneficiary. Any agreement to pay an amount and any assumption of liability herein contained, express or implied, shall be only for the benefit of the undersigned parties and their respective successors and permitted assigns (as herein expressly permitted), and such agreements and assumptions shall not inure to the benefit of the obligees or any other party,

whomsoever, it being the intention of the parties hereto that no one shall be or be deemed to be a third-party beneficiary of this Agreement.

24. Multiple Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

25. Governing law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to any conflicts of laws provisions thereof. Each party hereby irrevocably submits to the personal jurisdiction of the United States District Court for Harris County, Texas, as well as of the District Courts of the State of Texas in Harris County, Texas over any suit, action or proceeding arising out of or relating to this Agreement. Each party hereby irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such mediation, arbitration, suit, action or proceeding brought in any such county and any claim that any such mediation, arbitration, suit, action or proceeding brought in such county has been brought in an inconvenient forum.

26. Perfection of Title. The parties hereto shall do all other acts and things that may be reasonably necessary or proper, fully or more fully, to evidence, complete or perfect this Agreement, and to carry out the intent of this Agreement.

27. Entire Agreement. This instrument contains the entire understanding of the parties with respect to the subject matter hereof, and may not be changed orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, modification, extension, or discharge is sought.

IN WITNESS WHEREOF, this Agreement has been executed in multiple counterparts on the date first written above.

UNICORP, INC.

By /s/ Louis Mehr

Louis Mehr, President

EQUITABLE ASSETS, INCORPORATED

By /s/ Louis Mehr

Louis Mehr, President

TEXAS NEVADA OIL & GAS CO.

By /s/ Louis Mehr

Louis Mehr, President

OPPORTUNITY ACQUISITION COMPANY

By /s/ John F. Terwilliger

John F. Terwilliger, President

Attachment:

Exhibit A - The Note

EXHIBIT A

PROMISSORY NOTE

$75,000.00 March ___, 2001

After date, without grace, for value received, UNICORP, INC., a Nevada corporation having its principal office and place of business in Harris County, Texas ("Unicorp"), EQUITABLE ASSETS, INCORPORATED, a Belize corporation having its principal office and place of business in Belize City, Belize ("Equitable"), and TEXAS NEVADA OIL & GAS CO., a Texas corporation having its principal office and place of business in Harris County, Texas ("TNOG") (Unicorp, Equitable and TNOG are collectively referred to herein as the "Makers") hereby jointly and severally promise to pay to the order of OPPORTUNITY ACQUISITION COMPANY, a Texas corporation having its principal office and place of business in Harris County, Texas (the "Payee"), the original principal amount of SEVENTY FIVE THOUSAND AND NO/100 DOLLARS ($75,000.00), or so much thereof as may actually be advanced hereunder, together with interest, as hereinafter described. This Note is payable in lawful money of the United States of America at 801 Travis, Suite 1425, Houston, Harris County, Texas 77002, or such other place as the Payee may

designate in writing to the Makers.

The payment of this Note is subject to the terms of that certain Agreement of even date herewith, between the Makers and the Payee (the "Agreement"), which is incorporated herein by reference for all purposes.

This Note shall be due and payable on demand. Interest at a rate of ten percent (10%) per annum shall accrue on the unpaid principal balance of this Note beginning on the date any such funds are advanced to the Makers by the Payee. If this Note is not paid at maturity, however maturity may be brought about, all principal due on the date of such maturity shall bear interest from the date of such maturity at the maximum contract rate of interest which the Payee may charge the Makers under applicable law. Interest on the Note shall be computed for the actual number of days elapsed and on the basis of a year consisting of 360 days.

If, for any reason whatever, the interest paid on this Note shall exceed the maximum non-usurious amount permitted by law, the Payee shall refund to the Makers such portion of said interest as may be necessary to cause the interest paid on this Note to equal the maximum non-usurious amount permitted by law, and no more. All sums paid or agreed to be paid to the Payee for the use, forbearance or detention of the indebtedness evidenced hereby shall to the extent permitted by applicable law be amortized, prorated, allocated and spread throughout the full term of this Note until payment in full.

The Makers shall be entitled to prepay this Note in whole or in part at any time without the payment of a prepayment premium.

In the event of default in the payment of this Note or under any instrument executed in connection with this Note, the Makers agree to pay on demand all costs incurred by the Payee (i) in the collection of any sums, including, but not limited to, principal, interest, expenses, and reimbursements due and payable on this Note, and (ii) in the enforcement of the other terms and provisions of this Note or the Agreement, whether such collection or enforcement be accomplished by suit or otherwise, including the Payee's reasonable attorney's fees.

It is agreed that time is of the essence of this Note, and upon the failure of the Makers to cure an event of default in the payment of any payment when due hereunder within 10 days after receipt of notice from the Payee or other holder of such failure, or upon the failure of the Maker to cure any event of default within 10 days after receipt of notice from the Payee or other holder of such failure in the performance of any covenant, agreement or obligation to be performed under any documents executed in connection with this Note, including, but not limited to, the Agreement, the Payee may declare the whole sum of the principal of this Note remaining at the time unpaid, and, to the extent permitted under applicable law, costs and reasonable attorney's fees incurred by the Payee in collecting or enforcing the payment thereof, immediately due and payable without further notice, and failure to exercise said option shall not constitute a waiver on the part of the Payee of the right to exercise the same at any other time.

Except as otherwise provided for herein, each maker, surety, guarantor and endorser of this Note expressly waives all notices, including, but not limited to, all demands for payment, presentations for payment, notice of opportunity to cure default, notice of intention to accelerate the maturity, notice of protest and notice of acceleration of the maturity, notice of protest and notice of acceleration of the maturity of this Note, and consents that this Note may be renewed and the time of payment extended without notice and without releasing any of the parties.

Any check, draft, money order or other instrument given in payment of all or any portion of this Note may be accepted by the Payee or any other holder hereof and handled in collection in the customary manner, but the same shall not constitute payment hereunder or diminish any rights of the Payee or any other holder hereof, except to the extent that actual cash proceeds of such instrument are unconditionally received by the Payee or any other holder hereof and applied to the indebtedness as herein provided.

Notwithstanding anything herein contained to the contrary, if any of the Makers fail to fully perform its obligations under the Agreement or this Note, then the costs paid by the Payee associated with the Agreement, will be added to the principal of this Note and paid by the Makers.

This Note shall be governed by and construed in accordance with the laws of the State of Texas and applicable federal law.

UNICORP, INC.

By

Louis Mehr, President

EQUITABLE ASSETS, INCORPORATED

By

Louis Mehr, President

TEXAS NEVADA OIL & GAS CO.

By

Louis Mehr, President

EXHIBIT 10.7

FIRST AMENDMENT OF AGREEMENT

THIS FIRST AMENDMENT OF AGREEMENT is made this 31st day of July, 2001, by and between UNICORP, INC., a Nevada corporation having its principal office and place of business in Harris County, Texas ("Unicorp"), EQUITABLE ASSETS, INCORPORATED, a Belize corporation having its principal office and place of business in Belize City, Belize ("Equitable"), TEXAS NEVADA OIL & GAS CO., a Texas corporation having its principal office and place of business in Harris County, Texas ("TNOG"), and HOUSTON AMERICAN ENERGY CROP., a Delaware corporation having its principal office and place of business in Harris County, Texas ("HAEC") and the successor to Opportunity Acquisition Company, a Texas corporation ("Opportunity").

WHEREAS, the parties previously entered into that certain Agreement dated March 23, 2001 (the "Original Agreement"); and

WHEREAS, the parties now desire to amend the Original Agreement as set forth herein;

NOW, THEREFORE, in consideration of the foregoing and the following mutual covenants and agreements, the parties do hereby agree as follows:

1. Amendment of Original Agreement. Paragraphs 2 and 4 of the Original Agreement are hereby amended in their entirety to read as follows:

> "2. Merger. As of July 31, 2001 HAEC, as successor to Opportunity, will enter into an agreement of merger (the "Merger Agreement") with TNOG, whereby TNOG will, following the effectiveness of the Exchange Act Registration, merge with HAEC (the "Merger") pursuant to Section 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended. HAEC will be the surviving entity. The Merger Agreement will provide that the shares of the common stock of HAEC (the "HAEC Stock") following the Merger will be held approximately five percent by the Unicorp Shareholders and 95 percent by the shareholders of HAEC before the Merger."
>
> "4. Registration of Opportunity's Stock. In conjunction with the Information Statement, and as part of the Merger, an S-4 Registration Statement (the "Securities Act Registration") in accordance with the Securities Act will be prepared and filed by HAEC to register the HAEC Stock to be received by the Unicorp Shareholders."

Additionally, all references in the Original Agreement to "Opportunity" shall hereafter refer to "HAEC."

2. Attorney's Fees. In the event that it should become necessary for any party entitled hereunder to bring suit against any other party to this First

Amendment for enforcement of the covenants herein contained, the parties hereby covenant and agree that the party who is found to be in violation of said covenants shall also be liable for all reasonable attorney's fees and costs of court incurred by the other parties hereto.

3. Mediation and Arbitration. All disputes arising or related to this First Amendment must exclusively be resolved first by mediation with a mediator selected by the parties, with such mediation to be held in Houston, Texas. If such mediation fails, then any such dispute shall be resolved by binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association in effect at the time the arbitration proceeding commences, except that (a) Texas law and the Federal Arbitration Act must govern construction and effect, (b) the locale of any arbitration must be in Houston, Texas, and (c) the arbitrator must with the award provide written findings of fact and conclusions of law. Any party may seek from a court of competent jurisdiction any provisional remedy that may be necessary to protect its rights or assets pending the selection of the arbitrator or the arbitrator's determination of the merits of the controversy. The exercise of such arbitration rights by any party will not preclude the exercise of any self-help remedies (including without limitation, setoff rights) or the exercise of any non-judicial foreclosure rights. An arbitration award may be entered in any court having jurisdiction.

4. Benefit. All the terms and provisions of this First Amendment shall be binding upon and inure to the benefit of and be enforceable by the parties hereto, and their respective heirs, executors, administrators, personal representatives, successors and permitted assigns.

5. Notices. All notices, requests, demands, and other communications hereunder shall be in writing and delivered personally or sent by registered or certified United States mail, return receipt requested with postage prepaid, if to Unicorp, Equitable, or TNOG, addressed to Mr. Louis Mehr at 1907 Tarpley, Katy, Texas 77493, with a copy to M. Stephen Roberts, Esquire, at P.O. Box 981021, Houston, Texas 770098, telecopier (713) 961-1148, and e-mail sroberts@bigfoot.com; and if to HAEC, addressed to Mr. John F. Terwilliger at 801 Travis Street, Suite 1425, Houston, Texas 77002, telecopier (713) 221-8845, and e-mail mooseoil@swbell.net, with a copy to Norman T. Reynolds, Esquire, Jackson Walker L.L.P. at 1100 Louisiana Street, Suite 4200, Houston, Texas 77002, telecopier (713) 752-4221, and e-mail nreynolds@jw.com. Any party hereto may change its address upon 10 days' written notice to any other party hereto.

6. Construction. Words of any gender used in this First Amendment shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise. In addition, the pronouns used in this First Amendment shall be understood and construed to apply whether the party referred to is an individual, partnership, joint venture, corporation or an individual or individuals doing business under a firm or trade name, and the masculine, feminine and neuter pronouns shall each include the other and may be used interchangeably with the same meaning.

7. Waiver. No course of dealing on the part of any party hereto or its agents, or any failure or delay by any such party with respect to exercising any right, power or privilege of such party under this First Amendment or any instrument referred to herein shall operate as a waiver thereof, and any single or partial exercise of any such right, power or privilege shall not preclude any later exercise thereof or any exercise of any other right, power or privilege hereunder or thereunder.

8. Cumulative Rights. The rights and remedies of any party under this First Amendment and the instruments executed or to be executed in connection herewith, or any of them, shall be cumulative and the exercise or partial exercise of any such right or remedy shall not preclude the exercise of any other right or remedy.

9. Invalidity. In the event any one or more of the provisions contained in this First Amendment or in any instrument referred to herein or executed in connection herewith shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect the other provisions of this First Amendment or any such other instrument.

10. Time of the Essence. Time is of the essence of this First Amendment.

11. Headings. The headings used in this First Amendment are for convenience and reference only and in no way define, limit, simplify or describe the scope or intent of this First Amendment, and do not effect or constitute a part of this First Amendment.

12. Excusable Delay. None of the parties hereto shall be obligated to perform and none shall be deemed to be in default hereunder, if the performance of a non-monetary obligation is prevented by the occurrence of any of the following, other than as the result of the financial inability of the party obligated to perform: acts of God, strikes, lock-outs, other industrial disturbances, acts of a public enemy, wars or war-like action (whether actual, impending or expected and whether de jure or de facto), arrest or other restraint of governmental (civil or military) blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, sink holes, civil disturbances, explosions, breakage or accident to equipment or machinery, confiscation or seizure by any government of public authority, nuclear reaction or radiation, radioactive contamination or other causes, whether of the kind herein enumerated, or otherwise, that are not reasonably within the control of the party claiming the right to delay performance on account of such occurrence.

13. No Third-Party Beneficiary. Any agreement to pay an amount and any assumption of liability herein contained, express or implied, shall be only for the benefit of the undersigned parties and their respective

successors and permitted assigns (as herein expressly permitted), and such agreements and assumptions shall not inure to the benefit of the obligees or any other party, whomsoever, it being the intention of the parties hereto that no one shall be or be deemed to be a third-party beneficiary of this First Amendment.

14. Multiple Counterparts. This First Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

15. Governing law; Jurisdiction. This First Amendment shall be governed by and construed in accordance with the laws of the State of Texas, without regard to any conflicts of laws provisions thereof. Each party hereby irrevocably submits to the personal jurisdiction of the United States District Court for Harris County, Texas, as well as of the District Courts of the State of Texas in Harris County, Texas over any suit, action or proceeding arising out of or relating to this First Amendment. Each party hereby irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such mediation, arbitration, suit, action or proceeding brought in any such county and any claim that any such mediation, arbitration, suit, action or proceeding brought in such county has been brought in an inconvenient forum.

16. Perfection of Title. The parties hereto shall do all other acts and things that may be reasonably necessary or proper, fully or more fully, to evidence, complete or perfect this First Amendment, and to carry out the intent of this First Amendment.

17. Entire Agreement. This instrument contains the entire understanding of the parties with respect to the subject matter hereof, and may not be changed orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, modification, extension, or discharge is sought.

IN WITNESS WHEREOF, this First Amendment has been executed in multiple counterparts on the date first written above.

UNICORP, INC.

By /s/ Louis G. Mehr

Louis G. Mehr, President

EQUITABLE ASSETS, INCORPORATED

By /s/ Louis G. Mehr

Louis G. Mehr, President

TEXAS NEVADA OIL & GAS CO.

By /s/ Louis G. Mehr

Louis G. Mehr, President

HOUSTON AMERICAN ENERGY CORP.

By /s/ John F. Terwilliger

John F. Terwilliger, President

Exhibit 23.2

CONSENT OF THOMAS LEGER & CO. L.L.P.

We hereby consent to the use in the Prospectus constituting part of the Registration Statement on Form S-4 of Houston American Energy Corp. ("HAEC") of our report dated April 27, 2001 relating to the financial statements of HAEC. We also consent to all references to us in such Prospectus including references to us as an expert.

THOMAS LEGER & CO. L.L.P.

/s/ Thomas Leger & Co. L.L.P.

Houston, Texas
July 31, 2001

Exhibit 23.3

CONSENT OF HAM, LANGSTON & BREZINA, L.L.P.

We hereby consent to the use in the Prospectus constituting part of the Registration Statement on Form S-4 of Houston American Energy Corp. ("HAEC") of our report dated July 17, 2001 relating to the financial statements of Texas Nevada Oil & Gas Co. We also consent to all references to us in such Prospectus including references to us as an expert.

HAM, LANGSTON & BREZINA, L.L.P.

/s/ Ham, Langston & Brezina, L.L.P.

Houston, Texas
July 31, 2001