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AMENDMENT #1 TO STOCK PURCHASE AGREEMENT

This Amendment #1 to the Stock Purchase and Assignment Agreement dated May 18, 2007 attached hereto as Exhibit A (the "Original SPA") is entered into on this September 5th, 2007 by and among Ketsal S A an Argentine *sociedad anónima*, domiciled at Ortiz de Ocampo 3160, 3rd Floor Apt B, City of Buenos Aires Argentina ("Ketsal"), INTEGRA INVESTMENT S A, an Argentine *sociedad anónima*, domiciled at Ortiz de Ocampo 3160, 3 Floor Apt B, City of Buenos Aires, Argentina ("Integra") ANDES OIL S A, an Argentine *sociedad anónima*, domiciled at Ortiz de Ocampo 3160 1st Floor, Apt A, City of Buenos Aires, Argentina ('Andes'), Mr Lisandro Ezequiel Nobile, an Argentine individual National Identity Document 23 603 980, domiciled at French 2962, 8 Floor, Apt 18, City of Buenos Aires, Argentina, Mr Nicolás Mallo Huergo, National Identity Document 21,463,232, domiciled at Ortiz de Ocampo 3160, 3rd Floor, Apt B, City of Buenos Aires, Argentina, Ms María Inés Anchelerguez, domiciled at Ortiz de Ocampo 3160, 3rd Floor, Apt B, City of Buenos Aires, Argentina (Ms Anchelerguez and Messrs Nobile and Mallo Huergo, hereinafter the "Shareholders"), (Andes, Integra, Ketsal, and the Shareholders shall be collectively referred to as the "Sellers"), and Ragusa Capital Plc an English public limited company (the "Purchaser" or 'Ragusa') domiciled at 3rd floor, 16 Dover St, London (W1S4LR), England (the Sellers and the Purchaser shall be collectively referred to as the "Parties" and individually and indistinctively, any of them, as the "Party")

Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such term in the Original SPA

WHEREAS, on May 18, 2007 Andes, Integra and Ketsal entered into the Original SPA with the Purchaser to sell, irrevocably assign and transfer to the Purchaser the Ketsal Shares, the HASA Option, the UTE Interest, the Royalty Right and the UTE Option (all as defined below),

WHEREAS, on September 22, 2006 Alvarez has entered into a stock purchase agreement and ancillary documents with Matas to acquire from Matas 20% of the Equity Securities of IADESA and the court authorization required to complete the acquisition of the Matas Shares by Alvarez was granted on June 12th, 2007.

WHEREAS, Ketsal paid Alvarez 50% of the purchase price of the Matas Shares and Alvarez transferred to Ketsal 50% of the Matas Shares on June 27th, 2007,

WHEREAS, the Sellers represent that, as of the date hereof, Ketsal owns 50% of the Equity Securities of IADESA and 25% of the Equity Securities of

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14/11/2007
COMPANIES HOUSE

WE CERTIFY the within to be a true copy of the original.

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Dated 13/11/07

File GT
Ref: R180014
Lacón House
Theobald's Road
London
WC1X 8RW

MENDINVERT and that Ketsal indirectly and beneficially owns 50% of the Equity Securities of SODEMSA;

WHEREAS, the Sellers represent that on October 3, 2006 Ketsal has entered into a stock purchase, debt acquisition and debt option assignment agreement (the "Alvarez Agreement") with Alvarez with respect to IADESA, MENDINVERT, SODEMSA and EDEMSA to acquire from Alvarez 50% of the Equity Securities of IADESA and 2.5% of the Equity Securities of MENDINVERT,

WHEREAS, Integra wishes to transfer to Integra Oil the UTE Interest and the UTE Option on or before Closing,

WHEREAS, Ketsal wishes to transfer to Andes Electricidad the Ketsal Shares on or before Closing,

WHEREAS, the Sellers represent that Andes owns and has the right to collect the Royalty Right,

WHEREAS, the Sellers and the Purchaser wish to amend the Original SPA so that the Sellers sell and transfer to the Purchaser and the Purchaser buys and acquires (i) all of the Purchased Shares, the Option, and the HASA Option, (ii) the Integra Oil Shares (instead of UTE Option and of the UTE Interest, which shall be transferred to Integra Oil by Integra) and the Andes Shares (instead of the Royalty Right), all on the terms set forth in this Agreement,

NOW, THEREFORE, in consideration of the covenants, agreements, representations and warranties set forth in this Amendment, the Parties hereby covenant, agree, represent and warrant as follows

1) Article 1, Section 1.1 of the Original SPA is hereby amended so that the following terms are inserted in Section 1.1 as new defined terms and the following terms defined in such Section 1.1 are amended to read as follows, as it may correspond

"Alvarez Obligations" shall mean all the obligations assumed by Ketsal in the Alvarez Agreement, including but not limited to the obligation to pay the purchase price of the Alvarez Shares, as indicated in Section 3 of the Alvarez Agreement (as amended by the Addenda dated April 20, 2007) to Alvarez or to reimburse Ketsal any part of the purchase price of the Alvarez Shares that has been paid by Ketsal to Alvarez and was therefore deducted from the amounts of such purchase price to be paid to Alvarez under the Alvarez Agreement

"Alvarez Shares" shall mean 314,500 shares of IADESA representing 50% of the issued and outstanding Equity Securities of IADESA and 2,372,884 shares of MENDINVERT, representing 2.5% of the issued and outstanding Equity Securities of MENDINVERT, all of which, as of today, are registered in favor of Alvarez in the stock ledgers of IADESA

and MENDINVERT respectively and shall also mean and include all rights corresponding to such Equity Securities and all rights of and/or transferred to Ketsal under, in relation, in compliance or as a consequence of the Alvarez Agreement

"Andes" has the meaning specified in the introductory paragraph hereto, which company is registered with the Public Register of Commerce of Buenos Aires under the number 14310, date September 8th, 2006

"Andes Electricidad" shall mean an Argentine corporation ("sociedad anónima") registered with the Public Register of Commerce of Buenos Aires under the number 14264, date August 27, 2007, which shall own on the Closing Date all the Ketsal Shares

"Andes Electricidad Shares" shall mean 50,000 (fifty thousand) common, nominative and non-endorsable shares of Andes Electricidad with a nominal value of \$ 1 00 (one peso) each, representing 100% of the issued and outstanding Equity Securities of Andes Electricidad

"Andes Shares" shall mean 12,000 (twelve thousand) common, nominative and non-endorsable shares with a nominal value of \$1 (one peso) each, of Andes representing 100% of the issued and outstanding Equity Securities of Andes

"Business Day" shall mean a day, other than a Saturday or Sunday, on which commercial banks are not required or authorized by Law to close in New York, New York, USA and in Buenos Aires, Argentina

"Companies" shall mean IADESA, MENDINVERT, SODEMSA, Integra Oil, Andes, Andes Electricidad and EDEMSA

"Consortium Agreement" shall mean the consortium agreement entered into by and between Patagonia Oil & Gas and Integra on March 22, 2007 and attached hereto as Exhibit 1 1(ii)

"Contract" shall mean a contract to which SODEMSA, IADESA, MENDINVERT, EDEMSA, Andes, Integra Oil, Andes Electricidad, HDS, HASA or the UTE is a party or of which any of them is a third party beneficiary

"Financial Statements" shall mean, collectively, (a) SODEMSA's financial statements for the fiscal year ended December 31, 2006, (b) EDEMSA's financial statements for the fiscal year ended December 31, 2006, (c) HDS's financial statements for the fiscal year ended December 31, 2006, (d) HASA's financial statements for the fiscal year ended December 31, 2006 and (e) UTE's financial statements (*estado de situación*) for the fiscal year ended December 31, 2006, (f) IADESA's financial statements for the fiscal year ended December 31, 2006, (g) MENDINVERT's financial statements for the fiscal year ended December 31, 2006, (h) Andes' financial statements for the fiscal year ended

December 31, 2006, (i) Integra Oil's unaudited financial statements prepared as of the date hereof for purpose of the Transactions contemplated herein, which Integra Oil's financial statements show no liabilities and (j) Andes Electricidad's unaudited financial statements prepared as of the date hereof for purpose of the Transactions contemplated herein, which Andes Electricidad's financial statements shall show no liabilities

"Indebtedness" shall mean with respect to any Person, (a) any liability, contingent or otherwise, of such Person, of any kind or nature, including, but not limited to (i) any liability for borrowed money, whether or not the recourse of the lender is to the whole of the assets, instrument or letters of credit (including a purchase money obligation or other obligation relating to the deferred purchase price of property), (ii) any amount appearing on the Person's balance sheet as a liability for a capitalized lease obligation, or (iii) any liability for the payment of money, whether or not then due and payable, including, but not limited to, taxes or similar or other charges or assessments, expenses for wages salaries, severance payments, compensation, benefits, or other obligations owed under any kind of employees or retirement plan, amounts payable to officers, directors, and syndics, insurance costs, or any other goods or services provided to such Person, (b) any financial obligation of others of the kind described in the preceding clause (a), which the Person has guaranteed or which is otherwise its legal liability, (c) any obligation secured by a Lien to which the property or assets of such Person are subject, whether or not the financial obligations of the kind described in the preceding clause (a) secured thereby shall have been assumed by or shall otherwise be such Person's legal liability, and (d) any and all deferrals, renewals, extensions and refundings of, or amendments, modifications or supplements to, any liability of the kind described in any of the preceding clauses (a), (b) or (c)

"Integra Oil" shall mean Integra Oil S A , an Argentine *sociedad anonima*, domiciled at Ortiz de Ocampo 3160, 3rd Floor, B, registered with the Public Register of Commerce of Buenos Aires under the number 14024, date August 23rd, 2007

"Integra Oil Shares" shall mean 50,000 (fifty thousand) common, nominative and non-endorsable shares of Integra Oil with a nominal value of \$ 1 00 (one peso) each, representing 100% of the issued and outstanding Equity Securities of Integra Oil

"Ketsal Shares" shall mean 314,500 shares of IADESA, representing 50% of the issued and outstanding Equity Securities of IADESA and 2,372,884 shares of MENDINVERT, representing 2 5% of the issued and outstanding Equity Securities of MENDINVERT, all of which are registered in favor of Ketsal in the stock ledgers of IADESA and MENDINVERT respectively and shall also mean and include all rights corresponding to all such Equity Securities and all rights of Ketsal and/or assigned and/or transferred to Ketsal under, in relation, in compliance or as a consequence of the Participation Agreement

"Lien" shall mean any and all mortgages, charges, pledges, security interests, liens, encumbrances, increases in liability, actions, claims, rights of first refusal, co-sale rights,

rights or powers to sell or transfer, transfer restrictions, transfer contracts or arrangements, usufruct, attachment (*embargo*), easement, option, assignment in trust, and demands of any nature whatsoever or any agreement to create the foregoing or any other type of restriction, limitation or preferential arrangement, or granting any power, authority, mandate or instruction to sell or transfer, having the practical effect of constituting a security interest, upon or with respect to any property or asset, but excluding the Alvarez Obligations

'Matas Shares' shall mean 121,800 nominative non endorsable shares of IADESA representing 20% of the Equity Securities of IADESA, which were registered under the name of Matas in the stock ledger of IADESA at the time of execution of the Original SPA and, of which, at the time of execution of this Agreement, 60,900 are registered under the name of Ketsal and 60,900 are registered under the name of Alvarez in the Stock Ledger of IADESA

"Material Adverse Effect" shall mean a material adverse effect on (a) the business, prospects, rights, assets, operations, property, condition (financial or otherwise) or results of operations of IADESA, SODEMSA, MENDINVERT, EDEMSA, Andes, Integra Oil, HDS, HASA or the UTE, (b) the rights of the Companies, HASA, HDS or the UTE arising from, or their ability to perform and comply with their obligations under or in respect of, the License, the HASA Concession and/or the UTE Permit and/or any Material Contract, (c) the ability of the Sellers to perform and comply with their obligations under or in respect of this Agreement or any of the other Transaction Documents or the benefits intended to be provided to the Purchaser by any Transaction Document, (d) the legality, validity, binding effect or enforceability of this Agreement or any other Transaction Document, or (e) the rights or remedies of the Purchaser under this Agreement or any other Transaction Document or (f) the Purchased Shares, the HASA Option, the UTE Interest, the Royalty Right or the UTE Option

"Material Contract" shall mean a contract to which SODEMSA, IADESA, MENDINVERT, EDEMSA, Andes, Integra Oil, Andes Electricidad, or any UTE is a party or of which it is a third party beneficiary, and which is material to the business or operations of IADESA, SODEMSA, MENDINVERT, EDEMSA, Andes, Integra Oil, Andes Electricidad or any UTE, including but not limited to the License, the Royalty Agreements, the Consortium Agreement, the UTEs and the UTE Permits

"Patagonia Oil & Gas" shall mean an Argentine *sociedad anónima*, domiciled at Ortiz de Ocampo 3160, 3rd Floor, B, registered with the Public Register of Commerce of Buenos Aires under the number 6782, dated May 5 of 2006, originally named "*Cliveden Petróleo Argentina S A* " (Change of name registered with the Public Register of Commerce of Buenos Aires under the number 14261, date August 27th, 2007)

"Purchased Shares" shall mean the Andes Electricidad Shares, the Integra Oil Shares and the Andes Shares and shall also mean and include all the Purchased Shares' Rights

"Royalty Agreements" shall mean the following royalty agreements entered into by and between Integra, Patagonia Oil & Gas and Andes (i) the Royalty Agreement executed on August 17, 2007, which document is attached hereto as Exhibit 1.1 (iv)(a), (ii) the Royalty Agreement executed on August 17th, 2007, which document is attached hereto as Exhibit 1.1(iv)(b), (iii) the Royalty Agreement executed on August 30, 2007, which document is attached hereto as Exhibit 1.1(iv)(c), and any and all royalty agreements entered into in relation to the right granted to Andes under Section 3.5 of the Consortium Agreement (each of them, indistinctively, a "Royalty Agreement")

"Royalty Right" shall mean the right to collect a twenty percent (20%) royalty of the value of the marketed hydrocarbons produced from the Areas, granted by the Consortium (as defined in the Royalty Agreements) to Andes under the Royalty Agreements and any and all rights of Andes under the Royalty Agreements and the right granted to Andes under Section 3.5 of the Consortium Agreement to enter into a royalty agreement with the Consortium (as defined therein), Patagonia Oil & Gas and/or Integra (acting on their own or on behalf of the Consortium), which, as a part of the compensation for the acquisition of rights and duties over the awarded Blocks (as defined in the Consortium Agreement) and the Blocks to be awarded in the future in the Territory (as defined in the Consortium Agreement and including South America) to the Joint Venture (as defined in the Consortium Agreement), grants a twenty percent (20%) royalty of the value of the marketed hydrocarbons produced from the referenced Blocks to Andes, after the deduction of the Government's royalty and the carried participation of the operator and any and all rights of Andes under the Consortium Agreement

"Sellers" shall have the meaning specified in the introductory paragraph of this Agreement

"Transaction" shall mean the consummation of all actions and transactions, and the execution of all documents set forth in Section 6 hereof, and all other documents to be executed and actions to be taken by the Parties under this Agreement and/or with respect to the Purchased Shares, the Option, the HASA Option, the UTE Interest and the UTE Option and/or any other Equity Securities and/or any interest in EDEMSA, IADESA, MENDINVERT and/or SODEMSA, Integra Oil, Andes, HDS, HASA and/or each UTE

"Transaction Document" shall mean each of this Agreement, and the assignment agreements mentioned in Clause 6.2 (c), (d), (e) and (f) hereof

"UTE" shall mean individually and indistinctively any of the UTE Río Negro, the UTE Chubut and/or any Joint Venture (as defined in the Consortium Agreement), Consortium, partnership or any special purpose entity or any Person created or to be created to participate with Cliveden Petróleo Argentina S.A. Patagonia Oil & Gas in any kind of Oil Business (as defined in the Consortium Agreement) and/or for exploration, development and/or exploitation of hydrocarbons in one or more Blocks (as defined in the Consortium Agreement) within the Territory (as defined in the Consortium Agreement and including South America)

"UTE Chubut" shall mean the "union transitoria de empresas" *Patagonia Petróleo – Areas Pampa Salamanca Norte – Confluencia – San Bernardo – Chubut UTE* registered in the Public Register of Commerce of City of Buenos Aires on, under number 62, Book 2 of "Contratos de Colaboración Empresaria" on April 13, 2007, the "union transitoria de empresas" *Patagonia Petróleo – Areas "Sierra Cuadrada", "Rio Sengerr" and "Buen Pasto", – Chubut UTE* registered in the Public Register of Commerce of City of Buenos Aires on, under number 104, Book 2 of "Contratos de Colaboración Empresaria" on June 26, 2007 and each of the members thereof, created under the Consortium Agreement to participate with Patagonia Oil & Gas in the areas of Confluencia, San Bernardo, Pampa Salamanca Norte

"UTE Rio Negro" shall mean the "union transitoria de empresas" *Patagonia Petróleo – Area Laguna del Loro – Rio Negro - UTE* registered in the Public Register of Commerce of City of Buenos Aires on, under number 63 of Book 2 of "Contratos de Colaboración Empresaria" on April 13, 2007 and each of the members thereof created under the Consortium Agreement to participate with Cliveden Petróleo Argentina S A Patagonia Oil & Gas in the areas of "Laguna del Loro"

"UTES" shall mean collectively the UTE Rio Negro and the UTE Chubut and, as applicable, any Joint Venture (as defined in the Consortium Agreement), Consortium, partnership or any special purpose entity or any Person created or to be created to participate with Cliveden Petróleo Argentina S A Patagonia Oil & Gas in any kind of Oil Business (as defined in the Consortium Agreement) and/or for exploration, development and/or exploitation of hydrocarbons in one or more Blocks (as defined in the Consortium Agreement) within the Territory (as defined in the Consortium Agreement and including South America)

"UTE Interest" shall mean a 20% interest and a 50% voting interest (i.e., the right granted to Integra under Section 2.2 of the Consortium Agreement, including that all decisions of or by the Consortium, any UTE or any other entity created under the Consortium Agreement shall require the favorable vote of Integra in order to be validly approved and/or adopted) in each UTE under the Consortium Agreement and in the Consortium, and all other rights granted to Integra under the Consortium Agreement and any other interest and/or Voting Right (as defined in the Consortium Agreement) in any UTE and the right to participate with Patagonia Oil & Gas in any Oil Business (as defined therein) in the Territory (as defined in the Consortium Agreement and including South America)

"UTE Option" shall mean the call option to acquire an additional 3% working interest in the Consortium and each UTE and in any UTE and the right to participate with Patagonia Oil & Gas in any Oil Business (as defined therein) in the Territory (as defined in the Consortium Agreement and including South America) and any and all rights granted to Integra under Section 3.8 of the Consortium Agreement

"Warrants" shall mean the right to acquire ordinary shares in Ragusa at 54 pence per share on the terms and conditions outlined in the relevant warrant instrument

"Wellhead Gas Price" shall mean the average gas sales price obtainable from a third party in an arm's length transaction over the past 30 days within the UTE Permits in which the gas reserves are certified

2) Article 2 of the Original SPA is hereby amended to read as follows

"ARTICLE II

PURCHASE AND SALE OF PURCHASED SHARES, HASA OPTION, UTE INTEREST AND UTE OPTION

2.1 Purchase of the Purchased Shares, HASA Option, UTE Interest and UTE Option. Granting of the Option: (a) Subject to the terms and conditions hereof, the Sellers hereby sell, irrevocably assign and transfer to the Purchaser the Purchased Shares and the HASA Option free and clear of all Liens and the Purchaser hereby purchases, assumes and acquires the Purchased Shares and the HASA Option, all and each of them free and clear of all Liens

The Purchased Shares are sold and shall be delivered in the form of a single indivisible unit, since the sale is agreed upon "in their entirety" and include the following rights (altogether the "Purchased Shares' Rights") (i) all corporate and financial rights and interest pertaining thereto and arising thereof, including, without implying any restriction whatsoever, the rights to dividends in shares, in kind or in cash voted upon to date, as well as all the rights and action arising from the capitalizations of reserves, revaluations, capital adjustments and contributions of all kinds that remain pending and any credit to which the Sellers are entitled vis-a-vis the Companies, accrued to date for any cause or reason, and (ii) the right to collect any price or amount of money in case of sale of the Ketsal Shares under the Alvarez Agreement. The Purchaser shall not be obliged to complete the purchase of any of the Purchased Shares unless the purchase of all the Purchased Shares is completed simultaneously in accordance with the provisions of this Agreement and such acquisition of the Purchased Shares causes the results explained in Section 3 1(g) hereof

(b) Subject to the terms and conditions hereof, the Sellers hereby irrevocably grant to the Purchaser an option to acquire the Option Shares free and clear of all Liens in the terms and conditions established herein (the "Option")

The Purchaser may exercise the Option on or before October 31, 2007 by means of notifying Ketsal its intention to purchase the Option Shares and provided that the Closing

has been completed. In consideration for the purchase of the Option Shares, the Purchaser shall pay the Alvarez Obligations, which are included as part of the Option Shares' Rights

In case the Purchaser exercises the Option, the Option Shares shall be sold and delivered in the form of a single indivisible unit, since the sale is agreed upon "in their entirety" and include the following rights and obligations (altogether the "Option Shares' Rights") (i) all corporate and financial rights and interest pertaining thereto and arising thereof, including, without implying any restriction whatsoever, the rights to dividends in shares, in kind or in cash voted upon to date, as well as all the rights and action arising from the capitalizations of reserves, revaluations, capital adjustments and contributions of all kinds that remain pending and any credit to which the Sellers are entitled vis-a-vis the Companies, accrued to date for any cause or reason, and (ii) all rights arising from the Alvarez Agreement and the Alvarez Obligations, if any. The Purchaser shall not be obliged to complete the purchase of any of the Option Shares unless the purchase of all the Option Shares is completed simultaneously in accordance with the provisions of this Agreement and such acquisition of the Option Shares causes the results explained in Section 3.1(g) hereof

2.2 Initial Purchase Price: As the initial consideration for the sale, granting and purchase of the Purchased Shares, the Option and the HASA Option as provided in Section 2.1, and any and all rights transferred and/or assigned to the Purchaser under this Agreement, the Purchaser shall pay to the persons indicated below by the Sellers (as listed in the respective exhibits hereto) a purchase price (the "Initial Purchase Price") equal to the sum of

(A) The amount of US\$30,080,000 for the Andes Electricidad Shares (the "Ketsal Shares Purchase Price"),

(B) The amount of US\$40,000,000 for the Integra Oil Shares and the Andes Shares (the "Oil JV Purchase Price") on account and as part of the Deferred Payment, which amount shall be deducted from the Deferred Payment as established under Section 2.5 hereof,

(C) The amount of US\$1 for the Option (the "Option Purchase Price"),

(D) The amount of US\$1 for the HASA Option (the "HASA Option Purchase Price"), and

(E) The amount of 12,000,000 of Warrants to be issued by the Purchaser to the persons indicated by Sellers in the exhibit 2.2 (E)

2.3 Ketsal Shares Purchase Price Adjustment: The Ketsal Shares Purchase Price shall be adjusted by adding (i) an amount equal to the sum of US\$2,400,000 plus (ii) the amount by which the Purchaser's Net Cash Balance is at Closing less than

US\$9 000,000 or £4,500,000 (the "Minimum Cash Balance"), subject to the adjustments described below (the "Ketsal Share Purchase Price Adjustment")

The Ketsal Share Purchase Price Adjustment shall be payable by the Purchaser to the persons indicated in the Exhibit 2 4(III), to be satisfied as follow

- (i) The amount of US\$ 2,400,000 shall be payable at Closing and satisfied in cash
- (ii) The amount of the loans described in Exhibit 2 3(II) if not recovered at Closing, to be satisfied by the issue and allotment of New Equity at 54p per Ragusa share at the Closing
- (iii) The amount of US\$ 400,000 relating to the loan described in Exhibit 2 3(III) not recovered at Closing to be satisfied by the issue and allotment of New Equity at 54p per Ragusa share to the value of US\$ 795,000
- (iv) If the amount of US\$ 400,000 referred to in subparagraph (iii) above is paid at Closing, the balance of US\$ 395,000 not recovered by December 31, 2007 to be satisfied by the issue and allotment of New Equity at 54p per Ragusa share

The Minimum Cash Balance will be reduced by the amount of any allowable expenses listed in Exhibit 7 2 incurred by Ragusa or the Sellers prior to Closing. For the avoidance of doubt, the net Minimum Cash Balance at Closing will therefore be US\$ 8,000,000 or £4,000,000 less (i) the amount of any allowable expenses listed in Exhibit 7 2 incurred by Ragusa or the Sellers prior to Closing and (ii) any normal recurring expenses mutually agreed between the Parties

2.4. Initial Purchase Price Payment The Ketsal Shares Purchase Price and the Oil JV Purchase Price shall be payable by the Purchaser to the persons indicated below by Sellers solely by means of the issuance and allotment of the New Equity to the Sellers at a fixed price of 54 pence per ordinary share using the rate of exchange of US\$ 2 per pound. Ragusa will use all reasonable efforts to procure that the shares are admitted to trading on AIM or such other stock exchange on which the Ragusa Shares are trading

The Option Purchase Price, the HASA Option Purchase Price and the Ketsal Shares Purchase Price Adjustment shall be payable at Closing by the Purchaser to the persons indicated below by Sellers to be satisfied in cash or issuance and allotment of New Equity at a fixed price of 54 pence per ordinary share using the rate of exchange of US\$ 2 per pound, as the case may be

The Sellers hereby irrevocably instruct the Purchaser to pay the Ketsal Shares Purchase Price by issuing the New Equity to the persons listed in Exhibit 2 4(i) hereof in the amount of shares indicated therein

The Sellers hereby irrevocably instruct the Purchaser to pay the Oil JV Purchase Price by issuing the New Equity at Closing to the persons listed in Exhibit 2 4(ii) hereof in the percentages indicated therein

The Sellers hereby irrevocably instruct the Purchaser to pay the Option Purchase Price, the HASA Option Purchase Price and the Ketsal Shares Purchase Price Adjustment, to the persons listed in Exhibit 2 4(iii) hereof in cash or issuance and allotment of New Equity, as the case may be

2.5 Deferred Payment The Purchaser shall pay the persons indicated in Exhibit 2 5 (i) and (ii) hereof, a Deferred Payment consisting of a number of Ragusa Shares or cash as the case may be, up to the Deferred Payment Cap, calculated as follows and using a rate of exchange of US dollars per pound prevailing at the London exchange market at the time of the issuance of the Ragusa Shares as stated in the London Financial Times

(I) For Probable Reserves of oil certified under a Reserves Certificate, the number of oil barrels certified multiplied by 46% of 5% of the WTI (West Texas Intermediate) price per barrel, and divided by the Ragusa Share Subscription Value

(II) For Proven Reserves of oil certified under a Reserves Certificate, the number of oil barrels certified multiplied by 46% of 12% of the WTI (West Texas Intermediate) price per barrel, deducting the amount already paid for the same reserves as Probable Reserves under (I) above, if applicable, and divided by the Ragusa Share Subscription Value

(III) For Probable Reserves of gas certified under a Reserves Certificate, the quantity of MCF's certified multiplied by 46% of 7% of the Wellhead Gasw Price per MCF, and divided by the Ragusa Share Subscription Value

(IV) For Proven Reserves of gas certified under a Reserves Certificate, the quantity of MCF's certified multiplied by 46% of 17% of the Wellhead Gasw Price per MCF, and divided by the Ragusa Share Subscription Value

The Oil JV Purchase Price is paid at Closing on account of the Deferred Payment. The Deferred Payment will be calculated on a cumulative basis and will become payable on the Delivery Date as and when Reserves are certified and the Reserves Certificate is delivered to the Purchaser, only if and when and to the extent in which the sum resulting from (I), (II), (III) and (IV) above exceeds the Oil JV Purchase Price. Ragusa will use all reasonable efforts to procure that the shares, issued as a Deferred Payment, are admitted to trading on AIM or such other stock exchange on which the Ragusa Shares are trading

For purposes of this Section 2.5, the Ragusa Share Subscription Value shall be the Prevailing Market Price of the Ragusa Shares at the time of issuance of a Reserves Certificate, provided that (i) if the Ragusa Shares are issued during the first 24 months as from the Closing Date, and the Prevailing Market Price of the Ragusa Shares exceed 1.5 pounds per Ragusa Share, then the Ragusa Subscription Value shall be 1.5 pounds per share, (ii) if the Ragusa Shares are issued on or after the 25th month as from the Closing Date and until and including the 36th month, and the Prevailing Market Price of the Ragusa Shares exceed 2 pounds per Ragusa Share, then the Ragusa Subscription Value shall be 2 pounds per share, (iii) if the Ragusa Shares are issued on or after the 37th month as from the Closing Date, and the Prevailing Market Price of the Ragusa Shares exceed 2.5 pounds per Ragusa Share, then the Ragusa Subscription Value shall be 2.5 pounds per share

The Deferred Payment shall be allocated as follows: 40% to the persons indicated in Exhibit 2.5 (i), and 60% to the persons indicated in Exhibit 2.5 (ii)

Cash Option Each of the persons listed in Exhibit 2.5 (i) and (ii) hereof shall have the option to request the payment of a portion of the Deferred Payment, apart from the Oil JV Purchase Price, in cash, as follows (the "Cash Option")

- (i) The persons listed in Exhibit 2.5(i) hereof, shall have the right to request the payment in cash of up to a maximum of 20% of 40% of the Deferred Consideration, and
- (ii) The persons listed in Exhibit 2.5(ii) hereof, shall have the right to request the payment in cash of up to a maximum of 40% of 60% of the Deferred Consideration

The Purchaser shall deliver to the persons indicated by Integra and Andes in Exhibit 2.5 (i) and (ii) below the Deferred Payment (i) 30 days after the receipt by Purchaser from the Sellers of a Reserves Certificate (the "Delivery Date"), if the Deferred Payment consist solely of Ragusa Shares or (ii) 90 days after the Delivery Date, if any of Integra or Andes has exercised the Cash Option, provided (in both cases (i) and (ii)) that such Proven Reserves Certificate is received by Purchaser within 72 months from the Closing Date or the date of the grant of the license to which the Reserves Certificate relate, whichever is later. For purposes of calculating the Deferred Payment Cap any payment of cash made under the Cash Option shall be considered as a number of Ragusa Shares equal to dividing such cash payment by the Ragusa Subscription Value at the Delivery Date

Integra and Andes hereby irrevocably instruct the Purchaser to pay the Deferred Payment by issuing shares or in cash (as stated in this clause 2.5) to the persons listed in Exhibit 2.5(i) and (ii) hereof in the percentages indicated therein the "Oil JV Individuals")

In the event Ragusa has insufficient working capital to satisfy a Cash Option or Loan Repayment, Ragusa will (I) formalise a loan carrying interest at LIBOR plus 3.5% to be

repaid within 270 days after the Delivery Date (the "Loan Repayment") or (II) give the Oil JV Individuals the right to elect at their discretion at anytime after 90 days after the Delivery Date, the right to have a Cash Option or Loan Repayment payment satisfied by the issue of Ragusa Shares at the prevailing rate of exchange and Prevailing Market Price of the Ragusa Shares "

3) Article 3, Section 3.1 of the Original SPA is hereby amended so that the introductory paragraph thereof and the paragraphs identified with the letters b, c, d, f, g, h, j, o, t, (aa), (bb), (dd), (ff) points (ii), (iii) and (iv), (gg), (jj), and (kk) are amended to read as follows

"3.1 Representations and Warranties of the Sellers To induce the Purchaser to enter into this Agreement and to perform the Transaction and all transactions described herein to be performed by them, the Sellers represent and warrant, jointly and severally, to each Purchaser as of the Execution Date and at all times after such date up to and including the Closing Date (except only for the representations and warranties referring to Integra Oil and Andes Electricidad, which are given as of the execution of this Addendum and at all times after such date up to and including the Closing Date), that "

"(b) Rights and Authorizations to execute and comply with the Transaction Documents Each of the Sellers has the required capacity and power and all the necessary rights and authorizations (including all licenses, permits, approvals), to execute, deliver and perform its obligations under this Agreement and under the Transaction Documents to which it is a party. None of Sellers or any of their respective assets or properties is in violation of the terms of any such rights, capacity or power, which violation could reasonably be expected to have a Material Adverse Effect, and none of the Sellers has knowledge of any pending or threatened action to revoke or that may cause any of the Sellers to lose any of such rights, capacity or power or affect any of them in a way that could reasonably be expected to have a Material Adverse Effect "

"(c) No Conflicts The execution, delivery and performance by each of the Sellers under the Transaction Documents to which it is a party and the consummation of the transactions contemplated therein do not and will not (i) conflict with, cause the loss or limitation of any right or privilege or result in a violation or breach of, any of the terms, conditions, or provisions of the organizational documents (including, without limitation, the *estatutos sociales* and any UTE organization agreement) of the Sellers, the Companies, HDS, HASA or the UTE, or of the Alvarez Agreement, the HASA Option the Participation Agreement, the Consortium Agreement or the Royalty Agreements, (ii) conflict with or violate any Law, (iii) conflict with or result in the breach of, or constitute a default or require any payment to be made under, any Contractual Obligation, or other obligation of the Sellers, the Companies, or any UTE, (iv) result in or require the creation or imposition of any Lien upon or with respect to any of the property or revenues of the Sellers, the Companies, or any UTE, (v) conflict with or result in the breach of, or

constitute a default or require any payment to be made under any obligation, requirement or prohibition or cause the loss or limitation of any right or privilege under the License, or the UTE Permits or any Material Contract ”

“(d) Authorizations and Consents The execution and delivery by each of the Sellers of the Transaction Documents to which it is a party and the consummation of the transactions contemplated therein have been duly and validly authorized and no authorization, consent, order, approval, license, ruling, permit, exemption, filing or registration by or with, notice to, or action with respect to any Person (including any Governmental Authority) is required to authorize, or is otherwise required in connection with (i) the execution and delivery by each of the Sellers of each Transaction Document to which it is a party and the consummation of the transactions contemplated therein, (ii) the legality, validity, binding effect or enforceability against Sellers of each such Transaction Document, or (iii) the exercise by any party to any Transaction Document of such party's rights under such Transaction Document against Sellers There are no attachments, pending injunctions, writs, preliminary restraining orders, rulings, or decisions of any nature issued by an arbitrator, judge, court or other Governmental Authority, prohibiting or in any way restricting the consummation of the transactions contemplated by this Agreement and the Transaction Documents ”

“(f) Ownership of Equity Securities of the Companies, HDS, HASA and the UTE Ownership of Royalty Right Right to Acquire (i) SODEMSA is the sole record and beneficial owner, free and clear of any Liens, of 237,770,000 Class A Shares of EDEMSA (which constitute all Class A Shares of EDEMSA and represent 51% of the Equity Securities of EDEMSA), (ii) IADESA is the sole record and beneficial owner, free and clear of any Liens, of (A) 142,174,680 shares of SODEMSA (which represent 60 % of the Equity Securities of SODEMSA) and (B) 90,169,583 shares of MENDINVERT (which represent 95% of the Equity Securities of MENDINVERT), and MENDINVERT is the sole record and beneficial owner, free and clear of any Liens, of 94,783,120 shares of SODEMSA (which represent 40% of the Equity Securities of SODEMSA), (iii) IADESA and MENDINVERT own beneficially and of record, free and clear of any Liens, 100% of the Equity Securities of SODEMSA, (iv) the Purchased Shares and the Option Shares represent 100% of the Equity Securities of IADESA and 100% of the Equity Securities of MENDINVERT and 100% of the Equity Securities of SODEMSA, (v) the Alvarez Shares represent 50% of the Equity Securities of IADESA and 2 5% of the Equity Securities of MENDINVERT, the Ketsal Shares represent 50% of the Equity Securities of IADESA and 2 5% of the Equity Securities of MENDINVERT, (vi) the Ketsal Shares together with the Alvarez Shares represent directly 100% of the Equity Securities of IADESA and 5% of the Equity Securities of MENDINVERT and indirectly 100% of the Equity Securities of MENDINVERT and 100% of the Equity Securities of SODEMSA, (vii) the HDS Shares represent 80% of the Equity Securities of HDS and, indirectly, 47 2% of the Equity Securities of HASA, (viii) the Integra Oil Shares represent 100% of the Equity Securities of Integra Oil, (ix) the Andes Shares represent 100% of the Equity Securities of Andes, (x) HDS is the sole record and beneficial of the

HASA Shares, which represent 59% of the Equity Securities of HASA, (xi) Integra is the sole owner, free and clear of any Liens, of the UTE Interest and the UTE Option, and has an unconditional right and is entitled to enforce, exercise and assign the UTE Interest and the UTE Option, (xii) Ketsal is the sole owner, free and clear of any Liens, of the HASA Option, and has an unconditional right and is entitled to enforce, exercise and assign the HASA Option, (xiii) Andes is the sole owner, free and clear of any Liens, of the Royalty Right, and has an unconditional right and is entitled to enforce, exercise and assign the Royalty Right. On the Closing Date, Andes Electricidad will be the sole record and beneficial owner free and clear of any Liens of the Ketsal Shares "

"(g) Result of the Transaction (A) Immediately after giving effect to the actions contemplated by Section 2.1 and 6 hereof, the Purchaser will be (i) the exclusive record and beneficial owner, free and clear of all Liens, of the Purchased Shares and shall have all rights granted under Integra Oil's, Andes Electricidad's and Andes' organizational documents (including their *estatutos sociales*) and under Argentine Law with respect to the Purchased Shares and the Purchased Shares shall represent (I) directly, 100% of the Equity Securities of Andes, 100% of the Equity Securities of Andes Electricidad, and 100% of the Equity Securities of Integra Oil and (II) indirectly 50% of the Equity Securities of IADESA and 50% of the Equity Securities of MENDINVERT and 50% of the Equity Securities of SODEMSA, and (ii) the exclusive beneficial owner, free and clear of all Liens, indirectly of 100% of the Ketsal Shares, 50% of the SODEMSA Shares and 50% of the EDEMSA Shares, and shall have all rights granted under the IADESA's, MENDINVERT's, SODEMSA's and EDEMSA's organizational documents (including their *estatutos sociales*) and under Argentine Law with respect to such shares, and Ketsal Shares shall represent 50% of the Equity Securities of IADESA and 50% of the Equity Securities of MENDINVERT, the SODEMSA Shares shall represent 100% of the Equity Securities of SODEMSA and the EDEMSA Shares shall represent 51% of the Equity Securities of EDEMSA "

"(B) Immediately after giving effect to the actions contemplated by Section 2.1 and 6 hereof and exercising the Option, the Purchaser will be (i) the exclusive record and beneficial owner, free and clear of all Liens, of the Purchased Shares and the Option Shares and shall have all rights granted under Integra Oil's, Andes Electricidad's and Andes' organizational documents (including its *estatutos sociales*) and under Argentine Law with respect to the Purchased Shares and the Option Shares and the Option Shares and the Purchased Shares shall represent (I) directly 100% of the Equity Securities of Integra Oil, Andes Electricidad and Andes and (II) indirectly, 100% of the Equity Securities of IADESA, 100% of the Equity Securities of MENDINVERT and 100% of the Equity Securities of SODEMSA (ii) the exclusive beneficial owner, free and clear of all Liens, indirectly of 100% of the Ketsal Shares, 100% of the SODEMSA Shares and 100% of the EDEMSA Shares, and shall have all rights granted under the IADESA's, MENDINVERT's, SODEMSA's and EDEMSA's organizational documents (including its *estatutos sociales*) and under Argentine Law with respect to such shares, and the Ketsal Shares shall represent 50% of the Equity Securities of IADESA and 50% of the

Equity Securities of MENDINVERT, the SODEMSA Shares shall represent 100% of the Equity Securities of SODEMSA and the EDEMSA Shares shall represent 51% of the Equity Securities of EDEMSA ”

“(C) Immediately after giving effect to the actions contemplated by Section 2 1 and 6 hereof, (i) the Purchaser will have an unconditional right and will be entitled to exercise such HASA Option, and, when exercised and paid the corresponding price, the Purchaser will be the exclusive record and beneficial owner, free and clean of any Liens, of the HDS Shares and the indirect and beneficial owner, free and clean of any Liens, of the HASA Shares and the HDS Shares shall represent 80% of the Equity Securities of HDS and the HASA Shares shall represent 59% of the Equity Securities of HASA, (ii) Integra Oil will be the sole owner, free and clear of any Liens, of the UTE Interest, subject to applicable approvals of the Governmental Authority and will be entitled to exercise and enforce such UTE Interest, (iii) Andes will be the sole owner, free and clear of any Liens, of the Royalty Right, and will have an unconditional right and will be entitled to exercise and enforce the Royalty Right, (iv) Integra Oil will have an unconditional right and will be entitled to exercise the UTE Option and, when exercised and paid by Integra Oil, Integra Oil will be the owner, free and clean of any Liens, and will be entitled to a an aggregate 23% interest in each of the UTEs and the Consortium, in addition to the 50% voting interest in each UTE and the Consortium and the Royalty Right ”

“(h) No Liens Neither the Purchased Shares, the Option Shares, SODEMSA Shares, the EDEMSA Shares, the HDS Shares, the Option, the HASA Shares, or the UTE Interest, the Royalty Right, the UTE Option or the interest in the UTE to which the UTE Option is applicable (the “UTE Additional Interest”), are and/or, in the case of the Option Shares, the UTE Option, the UTE Additional Interest, HASA Shares and the HDS Shares will be at the time of exercise of the UTE Option, HASA Option and/or the Option, subject to any encumbrances, charges, Liens or other restrictions, or impediments of any kind, including any restrictions or limitations of any kind to transfer but excluding the rights and/or limitations contained in the Alvarez Agreement ”

“(j) Financial Statements (i) The financial statements annexed hereto as Exhibit 3 1(j) are true and correct copies of the Financial Statements The Financial Statements have been prepared in accordance with Argentine generally accepted accounting principles and present fairly in all material respects the economic and financial condition and results of each of the Companies, HDS, HASA and the UTE as of the date thereof Since December 31, 2006 there has been no material change to the economic and financial situation of the Companies, and/or any UTE as such situation has been reflected in the Financial Statements, and none of the Companies, and/or any UTE has made any material change to any accounting practice or procedure that is not reflected in the notes to the Financial Statements, (ii) The Financial Statements do not contain any untrue statement of fact and do not omit to state any fact required to be stated to make the

Financial Statements not misleading, (iii) There are no liabilities for any taxes under any the laws of the applicable jurisdictions or for other taxes for any period prior to the date of the Financial Statements, (iv) All accounts receivable recorded on the accounts of the Companies, HDS, HASA and/or the UTE are or result from purchase orders or customer contracts obtained or executed in good faith and are collectable by the Companies, HDS, HASA and/or the UTE without set-off or right-of-set-off or counterclaim, (v) The Companies, HDS, HASA and any UTE have no outstanding non current liabilities except as disclosed in the Financial Statements and have no current liabilities other than as disclosed in the Financial Statements or incurred in the ordinary course of business after the date thereof, (vi) Integra Oil has no liabilities of any kind (vii) Andes Electricidad has no liabilities of any kind'

"(o) Absence of Undisclosed Liabilities Except for liabilities shown in the Financial Statements and for the amount indicated therein or those incurred after December 31, 2006 in the ordinary course of business, there are no accrued but unpaid Indebtedness of, or other liabilities for the payment of money by, the Companies, and/or any UTE, whether or not due Integra Oil has no liabilities or obligations, of any nature, whether accrued, contingent or otherwise Andes Electricidad has no liabilities or obligations, of any nature, whether accrued, contingent or otherwise The Companies (other than Integra Oil and Andes Electricidad), and/or any UTE have no liabilities or obligations, of any nature, whether accrued, contingent or otherwise, except for (i) liabilities or obligations reflected in the Financial Statements in accordance with generally accepted accounting principles in Argentina and which liabilities are duly and sufficiently covered by the provisions made in their respective Financial Statements or (ii) liabilities or obligations arising after December 31, 2006, assumed in the ordinary course of business and of substantially the same nature as, and in amounts not materially different from, such liabilities or obligations that are so reflected in the financial statements and covered "

"(t) Books and Records, Internal Controls The books of account and other financial records of the Companies, and the UTEs have been maintained in all material respects in accordance with Argentine Law and commercially reasonable business practices for companies of this nature operating in Argentina The copies of the minutes books and other similar records of the Companies, HDS and HASA contain a true and complete record in all material respects of all material actions taken at all meetings of the shareholders, board of directors, any committees of the board of directors or board of syndics (or their equivalents), of the Companies, and no meeting of the shareholders, board of directors, any committee of the board of directors, board of syndics (or their equivalents) of any of the Companies, has been held for which minutes have not been prepared and are not contained in such copies The dates and numbers of the last minutes passed to the minutes books of the Companies, are as stated in Exhibit 3 1(t) "

"(B) (aa) True and Correct Copies or Transcripts Copies or transcripts of (i) the existing By-laws (*estatutos sociales*) of each of IADESA, MENDINVERT, SODEMSA, Integra Oil, Andes, Andes Electricidad, HDS, HASA and EDEMSA and (ii) the UTE

organization agreement, and their amendments, annexed hereto as Exhibit 3 1 (aa), (iii) the Royalty Agreements, the HASA Option Agreement, the Consortium Agreement, the Participation Agreement and the Alvarez Agreement, are true, current and correct copies of such documents and no other modification (including the termination thereof) has been made to such documents ”

‘(bb) Disclosure Sellers will promptly comply in all material respects with Argentine or English Law requiring disclosure of information applicable as a result of this Transaction”

(dd) IADESA, MENDINVERT, SODEMSA, EDEMSA, Andes Electricidad, Integra Oil and Andes shares (i) The shares of IADESA, MENDINVERT, SODEMSA, EDEMSA, Andes Electricidad, Integra Oil and Andes detailed in Exhibit 3 1 (dd) are all the Equity Securities outstanding of IADESA, MENDINVERT, SODEMSA, EDEMSA, Andes Electricidad, Integra Oil and Andes and have been duly authorized and validly issued, are non-assessable and fully paid, and have not been issued in violation of any preemptive rights

(ii) There are no outstanding options, warrants, irrevocable capital contributions or any rights of any kind to acquire any Equity Securities in any of IADESA, MENDINVERT, SODEMSA, EDEMSA, Andes Electricidad, Integra Oil or Andes nor is any of the Companies committed to issue any Equity Securities ”

“(ff) (ii) Immediately after giving effect to the actions contemplated by Section 2 1 and 6 hereof, and subject to applicable Governmental Authorities’ approvals Integra Oil will become a member of each of the UTEs with a right, free and clear of all Liens, to collect and participate in 20% of the profits of each of the UTEs, will have all rights granted under each UTE’s organizational agreement and under Argentine Law as a member of the such UTE and will have the right under the Consortium Agreement that no decision in or related to any UTE is adopted or approved without the express consent of Integra Oil

(iii) The UTE Interest and the UTE Option are outstanding, irrevocable, have been validly issued and are assignable to Integra Oil and are not subject to any encumbrances, charges, Liens or other restrictions on, or impediments to, transfer

(iv) Immediately after giving effect to the actions contemplated by Section 2 1 and 6 hereof and of exercising the UTE Option and paying any applicable price, Integra Oil will be a member of each of the UTEs with a right, free and clear of all Liens, to collect and participate in 23% of the profits of each of the UTEs, will have all rights granted under each UTE’s organizational agreement and under Argentine Law as a member of the such UTE and will have the right under the Consortium Agreement that no decision

in or related to any UTE is adopted or approved without the express consent of Integra Oil ”

‘ (gg) Alvarez Agreement, the Participation Agreement, the Consortium Agreement and the HASA Option Agreement and the Royalty Agreements Each of the Alvarez Agreement, the Participation Agreement, the Consortium Agreement, the HASA Option Agreement and each Royalty Agreement is in full force and effect, has not expired or been modified in any manner and constitutes a legal, valid, binding agreement, enforceable by and against the Sellers in accordance with its terms, as applicable, and the rights under such agreements are irrevocable, valid and enforceable and are assignable by the Sellers to the Purchaser. The Sellers are not in violation or breach of, or in default under, nor has there occurred any event or condition that with the passage of time or giving of notice (or both) would constitute a default, violation or breach under, any such Alvarez Agreement, Participation Agreement the Consortium Agreement, the HASA Option Agreement and/or any Royalty Agreement, that would justify the claim for damages, the loss or restriction of any right, the application of a penalty or the termination thereof by any other party thereto. No third party has sought or intends to seek or, to the knowledge of the Sellers, there is any reason that may reasonable cause such third party to seek, termination, non renewal or any modification to such agreements. The exercise by the Purchaser of the UTE Option and/or the HASA Option shall cause that Purchaser to own (i) beneficially and of record, free and clear of all Lines, 80% of the Equity Securities of HDS, (ii) indirectly, free and clear of all Lines, 47.2% of the Equity Securities of HASA and (iii) a 23% interest in the profits of the UTE. The Consortium Agreement is applicable to and with respect to the UTEs, the UTE Permits and any participation in any kind of Oil Business (as defined in the Consortium Agreement) and the Consortium Agreement is valid, binding and applicable to and with respect to all joint ventures (uniones transitorias de empresas), legal entities and/or Persons of any nature (i) exploring, exploiting, using or performing in any manner any right arising from such permits, authorizations and/or concessions in and/or (ii) formed, organized and /or in which Integra and Patagonia Oil & Gas have any participation, and the Consortium Agreement establishes a valid and binding obligation of Patagonia Oil & Gas and Integra to participate together in any Oil Business (as defined therein) in the Territory (as defined in the Consortium Agreement and including South America) by means of a Joint Venture (as defined in the Consortium Agreement), Consortium, partnership or any special purpose entity to be created for exploration, development and exploitation of one or more Blocks (as defined in the Consortium Agreement) ”

“(jj) Patagonia Oil & Gas’s rights Patagonia Oil & Gas is the sole owner, free and clear of any Liens, of at least a 3% interest in each UTE, and has validly granted Integra the Option to acquire the UTE Additional Interest. The UTE Option is outstanding and assignable to Integra Oil and Integra Oil shall have an unconditional right and will be entitled to exercise the UTE Option for all the time established in the Consortium Agreement ”

"(kk) Andes' rights The Royalty Right has been validly granted to Andes, is outstanding and will remain outstanding for all the time established in the Royalty Agreements and the Consortium Agreement, Andes shall have an unconditional right and will be entitled to enforce the Royalty Right for all the time stipulated in the Royalty Agreement and the Consortium Agreement The Royalty Right is applicable to and with respect to the UTE and the UTE Permits and the Royalty Right is valid, binding and applicable to and with respect to all joint ventures (uniones transitorias de empresas), legal entities and/or Persons of any nature (i) exploring, exploiting, using or performing in any manner any right arising from such permits, authorizations and/or concessions and/or (ii) formed, organized and /or in which Integra and Patagonia Oil & Gas have any participation "

4) Article 4, Section 4 1 of the Original SPA is hereby amended so that the paragraphs identified with letters d , i , j , k are amended to read as follows

"4 1 d All notifications or filings to any Governmental Authorities required by Law shall have been made There shall be no orders, rulings or decisions of any nature issued by any Governmental Authority which are final, prohibiting or in any way restricting the consummation of the transactions contemplated by this Agreement and the Transaction Documents,"

"4 1 i no Material Contract (including the License, the Royalty Agreements, the Consortium Agreement, HASA Concession and the UTE Permits) to which the Sellers, the Companies, or any of the UTEs is party shall have been subject to termination or adverse variation of any kind, and"

"4 1 j No action shall have been taken by the Sellers, the Companies, or any UTE in violation of the provisions of Article 5 hereof "

"4 1 k The Ketsal Shares shall have been transferred to Andes Electricidad and Andes Electricidad shall be the sole record and beneficial owner of the Ketsal Shares, free and clear of all Liens "

5) Article 4, Section 4 2 of the Original SPA is hereby amended so that the paragraph identified with letter (c) is amended to read as follows

" (c) All notifications or filings to any Governmental Authorities required by Law shall have been made There shall be no orders, rulings or decisions of any nature issued by any Governmental Authority which are final, prohibiting or in any way restricting the consummation of the transactions contemplated by this Agreement and the Transaction Documents, "

6) Article 5, Section 5 1 of the Original SPA is hereby amended so that the paragraphs identified with letters (b), (d), (j) are amended to read as follows

‘ (b) Maintenance of Existence and rights The Sellers shall, and shall take all Necessary Action to cause the Companies, and the UTEs to, (i) maintain in effect its corporate existence and/or due organization, good standing and all registrations necessary therefor, and (ii) take all Necessary Actions to maintain in full force and effect and in good standing all rights, privileges, titles to property, franchises, licenses and the like necessary in the normal conduct of their respective businesses, activities and/or operations, including, but not limited to, all rights, titles, privileges arising from the License, the UTE Permits, the Alvarez Agreement, the Consortium Agreement, the Royalty Agreements and the HASA Option Agreement, and (iii) timely comply with and perform all reporting and filing obligations required by Governmental Authorities and (iv) timely comply with and perform all obligations arising from the License, the UTE Permits, the Alvarez Agreement, the Participation Agreement, the HASA Option Agreement, the Royalty Agreements and the Consortium Agreement and keep in full force and effect the HASA Option, the UTE Interest, the UTE Option, the Royalty Right and not permit any modification, termination, cancellation or lapse thereof,”

“(d) Limitation on Liens The Sellers shall take all Necessary Action to cause each of the Companies, and the UTE not to create, incur, assume or suffer to exist any Lien on its property except in the ordinary course of business The Sellers shall not and shall take all Necessary Action to cause each of the Companies and the UTEs not to, create, incur, assume or suffer to exist any Lien over their interests and/or over any Equity Securities in IADESA, MENDINVERT, SODEMSA, EDEMSA, Andes Electricidad, Andes, Integra Oil, and their interest in the UTEs and any right arising from the UTE Option, except for the security pledge over the class “A” shares of EDEMSA given by the Sellers to the Provincial Government in relation to the concession granted under the License The Sellers will do nothing to prejudice, and will maintain, unencumbered, free and clear of any Liens, their full legal title to and interest in the Purchased Shares and the Option Shares, and shall cause the Companies to maintain free and clear of any Liens any interest in their corresponding interests in any of the Companies and/or the UTEs ”

“(j) Compliance with Laws and Material Contracts The Sellers shall and shall take all Necessary Action to cause the Companies, and the UTEs to comply with all requirements of Law, Contractual Obligations and other provisions in Contracts entered into by any of them, including but not limited to the License, and the UTE Permits, the Alvarez Agreement, the Consortium Agreement, the Royalty Agreements and the HASA Option Agreement ”

7) Article 5, Section 5 2 of the Original SPA is hereby amended to read as follows

‘ The Purchaser have caused and shall cause the business of Ragusa to be carried on in the normal and ordinary course and consistent with past practices between December 31, 2006 and the Closing Date (the “Interim Period”) During the Interim Period the Purchaser assumes the obligations described in the Exhibit 5 2 (i) ”

8) Article 6, Section 6 2 of the Original SPA is hereby amended so that a new paragraphs (l) and (m) are added and the paragraphs identified with letters (b), (d), (e), (f), (g), (h) and (i) are amended to read as follows (and paragraphs identified with letters (j) and (k) of the Original SPA are hereby renamed as (i) and (j) respectively)

“(b) Transfer of Purchased Shares Sellers shall execute and deliver or cause to be delivered to Purchaser (i) the certificates representing the Andes Electricidad Shares, the Integra Oil Shares and the Andes Shares, (ii) notes informing Andes Electricidad, Andes and Integra Oil the transfer in favor of the Purchaser and to whom it indicates of the Andes Electricidad Shares, the Andes Shares and the Integra Oil Shares, (iii) cause Andes Electricidad s, Andes’ and Integra Oil’s Board of Directors to register the Andes Electricidad Shares, the Andes Shares and the Integra Oils Shares in the stock ledgers of Andes Electricidad, Andes and Integra Oil in the name of the Purchaser,”

“(d) Assignment of the UTE Option Integra shall execute and deliver to the Purchaser an original counterpart of the assignment agreement assigning and transferring to Integra Oil the UTE Option,”

“(e) Assignment of the UTE Interest Integra shall execute and deliver to the Purchaser an original counterpart of the assignment agreement assigning and transferring to Integra Oil the UTE Interest ’

SECTION 6 2 (f) OF ARTICLE VI OF THE ORIGINAL SPA IS HEREBY DELETED

“(f) The written consents, (i) of the Grantors of the HASA Option to transfer the HASA Option to the Purchaser and (ii) of Patagonia Oil & Gas (A) to transfer the UTE Interest, and the UTE Option to Integra Oil and the Integra Oil Shares to the Purchaser, if applicable, and (B) a waiver of Patagonia Oil & Gas of any preemptive right under the Consortium Agreement, shall have been obtained and shall be delivered to Purchaser ”

“(g) Issuance and Registration of New Equity Purchaser shall issue the New Equity to the persons listed in Exhibit 2 4(i), (ii) and (iii) hereof, if applicable, in an amount equal to the Initial Purchase Price Such New Equity shall immediately upon issuance be registered in the stock ledger of the Purchaser in the name of such persons ”

“(h) Purchaser and Sellers shall replace any guarantees granted by the Sellers and/or José Luis Manzano, Daniel Vila and Alfredo Luis Vila Santander related to the Ute Permits ”

“(l) The legal representative of the Purchaser shall resign and the Sellers shall appoint the new legal representative of Ragusa in Argentina ”

"(m) Bank accounts The Purchaser will use reasonable endeavors to change the bank mandate of the Company in accordance with the financial procedures memorandum approved at the Board meeting of the Purchaser dated September 4, 2007 (the "Financial Procedures Memorandum") of the Company In the event that the Purchaser is unable to comply with this Section 6 2(m) on the Closing Date, the only signatories of the mandate authorized to sign checks will be Keith Wills and Nigel Duxbury, who will only authorize checks in accordance with the provisions of the Financial Procedures Memorandum "

9) Article 6, Section 6 3 of the Original SPA is hereby amended to read as follows

6 3 The Purchaser shall hold directly up to 10% of the Purchased Shares of each Company and shall organize an Argentine company (the "Argentine Company"), which shall receive directly the rest of the Purchased Shares (the "Contributed Shares") and the rights described in Section 6 2 (c) corresponding to such Contributed Shares, and the Purchaser shall be the sole owner of the shares of the Argentine Company except that the Purchaser may transfer to a nominee certain number of shares of the Argentine Company to comply with the requirements of two shareholders established under Argentine law The Purchaser shall start the procedure to be registered as a foreign company in Argentina under Section 123 of Argentine Companies' Law "

10) Section 7 2 of Article VII of the Original SPA is hereby amended to read as follows

"7 2 Certain Expenses Subject to Closing, the Purchaser shall be responsible for the fees and costs incurred in connection with this Agreement, the Transaction and any other Transaction Document or agreement and documents contemplated therein, by the Sellers and the Purchaser, described in the Exhibit 7 2(i) Subject to Closing, the Purchaser shall be responsible for the success fees of the managers described in Exhibit 7 2 (ii), which shall be payable in a bank account to be instructed by them at the Closing Date, free of any retention, tax, withholdings and/or any other deduction, if applicable "

11) Article 8, Section 8 11 is hereby amended to read as follows

"8 11 Initialization of Exhibits and Schedules The Parties authorize Messrs Nicolás Mallo Huergo, Inés Anchelerguez and/or José Galimberti to initialize the Exhibits and Schedules hereto on their behalf in order to identify them as the Exhibits and Schedules to this Agreement "

12) List of Annex Schedules and Exhibits is here by amended to read as follows

"Exhibit 1 1 (i) Alvarez Agreement
Exhibit 1 1(ii) Consortium Agreement


Exhibit 1 1 (iii) Participation Agreement
 Exhibit 1 1 (iv) (a), (b) and (c) Royalty Agreements
 Exhibit 2 2 (E) Individuals receiving warrants
 Exhibit 2 3(i) Non cash assets
 Exhibit 2 3(ii) Loan
 Exhibit 2 4(i) Individuals receiving Ketsal Shares Purchase Price
 Exhibit 2 4(ii) Individuals receiving Oil JV Price Adjustment
 Exhibit 2 4(iii) Individuals receiving Initial Purchase Price Adjustment
 Exhibit 2 5(i) Individuals receiving 40% of the Deferred Payment
 Exhibit 2 5(ii) Individuals receiving 60% of the Deferred Payment
 Exhibit 3 1 (i) Litigation
 Exhibit 3 1(j) Financial Statements of the Companies
 Exhibit 3 1(m)(i) List of all employees and directors of the Companies
 Exhibit 3 1(q) Description of all bank accounts and term deposits of the Companies
 Exhibit 3 1(i) List of the last minutes passed to the minutes books of the Companies
 Exhibit 3 1(x) Environmental matters
 Exhibit 3 1 (aa) Copies or transcripts of (i) the existing By-laws (*estatutos sociales*) of each of IADESA, MENDINVERT, SODEMSA, Integra oil, Andes, HDS, HASA, EDEMSA, and Andes Electricidad and (ii) the UTE organization agreement, and their amendments
 Schedule 3 1 (dd) Shares of IADESA, MENDINVERT, SODEMSA, Andes Electricidad, Integra Oil, Andes and EDEMSA
 Exhibit 3 2(g)(A) Financial Statements of Ragusa
 Exhibit 3 2(g)(B) List of all employees and directors of the Purchaser (assigned and current salaries and/or directors' fees)
 Exhibit 3 2(h) Purchaser Liabilities
 Exhibit 3 2 (l) Ragusa Shares
 Exhibit 5 2 (i). Restrictions to Purchaser
 Exhibit 7 2 (i) Expenses
 Exhibit 7 2 (ii) Success fees of the Purchaser's and Seller's managers"

13) All other articles, sections, terms and conditions of the Original SPA not amended herein shall remain in full force and effect. By executing this Amendment and initializing the Original SPA attached hereto, the Shareholder hereby executes, adheres to and accepts the Original SPA as a party and assumes and accepts all rights and obligations thereunder as a Seller and the term "Sellers" under the Original SPA shall include the Shareholder


14) This Amendment shall be construed, interpreted and the rights of the parties determined in accordance with the laws of Argentina without reference to its choice of law provisions

IN WITNESS WHEREOF, the undersigned have executed this Amendment this 5th day of September of 2007


Integra Investment S A
By
Title



Andes Oil S A
By Nicolas Mallo Huergo
Title President




Ketsal S A
By Nicolas Mallo Huergo
Title President



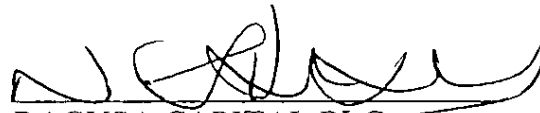
Nicolás Mallo Huergo

Lisandro Ezequiel Nobile



RAGUSA CAPITAL PLC
By VERA ROBERTSON
Title DIRECTOR

Ines Ancheleguez



RAGUSA CAPITAL PLC
By Ines Ancheleguez
Title SECRETARY

14) This Amendment shall be construed, interpreted and the rights of the parties determined in accordance with the laws of Argentina without reference to its choice of law provisions

IN WITNESS WHEREOF, the undersigned have executed this Amendment this 5th day of September of 2007


Integra Investment S A.

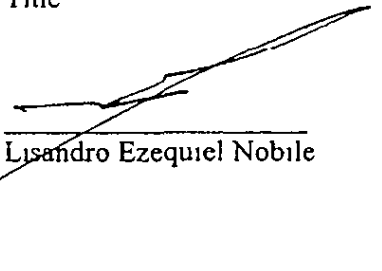
By. JOSE LUIS MAZZARO
Title PRESIDENTE

Ketsal S A

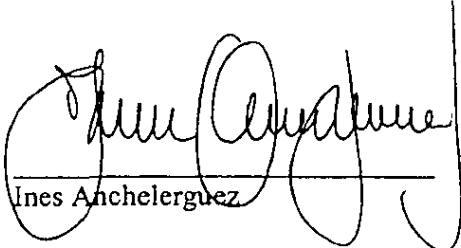
By
Title

Andes Oil S A

By
Title


Lisandro Ezequiel Nobile

Nicolás Mallo Huergo


Ines Ancheleguez

RAGUSA CAPITAL PLC

By
Title

RAGUSA CAPITAL PLC

By
Title

Exhibit 2.2 (E)**Warrants 12,000,000**

NAME	NUMBER
1. Ketsal S.A. an Argentinean company registered with the Public Register of Commerce of Mendoza, Argentina, under the number 9365 date July 18, 2005	3,090,411
2 Jose Luis Manzano Argentinean Passport N° 12,156,123	3,511,781
3 Commтел Holdings Corp.	789,041
4 Fildran S.A. a uruguayan company registered with the Public Register of Corporations of Montevideo, under the number 10139, date December 27, 2004	4,021,918
5 Jorge Aïdar Argentinean Passport N° 17398179	586,849

Exhibit 2.3(ii)

Non Cash assets

US\$

a	KRRK loan	100,000
b	PAM loan	80,000
c	Other debtors	25,000

Total	205,000
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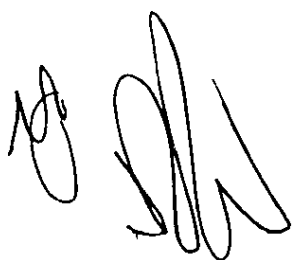


Exhibit 2.3(iii)

Loan

Rattlesnake loan

US\$795,000



Exhibit 2.4(i)**Individuals receiving Ketsal Shares**
Purchase Price

NAME	NUMBER OF SHARES
1. Ketsal S.A. an Argentinean company registered with the Public Register of Commerce of Mendoza, Argentina, under the number 9365 date July 18, 2005	16,711,111
2. Jose Luis Manzano Argentinean Passport N° 12,156,123	5,570,370
3. Commtel Holdings Corp.	2,785,185
4. Fildran S.A. a uruguayan company registered with the Public Register of Corporations of Montevideo, under the number 10139, date December 27, 2004	2,785,185



Exhibit 2.4(ii) Individuals receiving Oil JV
Purchase Price

	NAME	NUMBER OF SHARES
a	Jose Luis Manzano Argentinean Passport N° 12,156,123	13,419,260
b	Fildran S.A. a uruguayan company registered with the Public Register of Corporations of Montevideo, under the number 10139, date December 27, 2004	18,962,963
c	Commtel Holdings Corp.	1,481,482
d	Jorge Aidar Argentinean Passport N° 17398179	3,173,333

Exhibit 2.4(iii) Individuals receiving Option
Purchase Price, the HASA Option Purchase Price
and the Ketsal Shares Purchase Price Adjustment

1 Ketsal S.A.:

100% of the cash and 100% of the New
Equity








Exhibit 2.5(i) **Individuals receiving**
40% Deferred Payment

- 1 **Jose Luis Manzano** 20%
 Argentinean Passport N° 12,156,123
2. **Fildran S.A.** 80%
 a uruguayan company registered with the
 Public Register of Corporations of Montevideo,
 under the number 10139, date December 27, 2004

Exhibit 2.5(ii) Individuals receiving 60%
Deferred Payment

1. **Jose Luis Manzano** 53 72%
Argentinean Passport N° 12,156,123
2. **Fildran S.A.** 32%
a uruguayan company registered with the
Public Register of Corporations of Montevideo,
under the number 10139, date December 27, 2004
3. **Jorge Aidar** 14 28%
Argentinean Passport N° 17398179

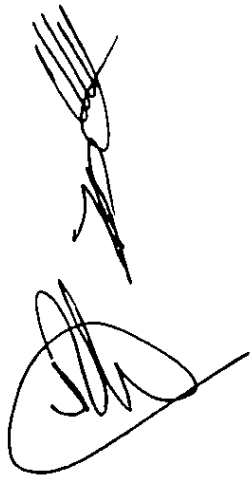
A handwritten signature in black ink, consisting of a stylized, cursive script. The signature is located on the left side of the page, below the list of individuals.

Exhibit 3.1(dd)

Andes Electricidad

Nicolás Mallo Huergo	95%	47,500
Inés Ancheleguez	5%	2,500

Integra Oil

Nicolás Mallo Huergo	95%	47,500
Inés Ancheleguez	5%	2,500

Andes Oil

Nicolás Mallo Huergo	95%	11,400
Inés Ancheleguez	5%	600



EXHIBIT 5.2 (i)

Restrictions on the Purchaser

- 1 The Purchaser shall
- 1 1 continue its business in the ordinary and usual course and so as to maintain the same as a going concern,
 - 1 2 not enter into any contract relating to the licensing of intellectual property to or by the Purchaser,
 - 1 3 not increase or agree to increase the director's basic salaries,
 - 1 4 not to dispose of the investment interest in Alba Mineral Resources Plc without the consent of the Sellers. If consent is not granted the Minimum Cash Balance will be reduced by an amount equivalent to the book costs of the investment,
 - 1 5 not create or agree to create any security over or encumber or agree to encumber any of its assets or redeem or agree to redeem any security or give or agree to give any guarantees or indemnities,
 - 1 6 not alter or agree to alter the terms of any existing borrowing facilities or arrange additional borrowing facilities,
 - 1 7 not to make or agree any amendment, variation, deletion, addition, renewal or extension to or of, or terminate or give any notice or intimation of termination of, or breach or fail to comply with the terms of any contract or arrangement, enter into any unusual or abnormal contract or commitment or enter into any contract other than on arms length terms and for full and proper consideration without mutual agreement of Parties,
 - 1 8 not declare, pay or make any dividend or other distribution of capital within the meaning of the Taxes Act 1988,
 - 1 9 not create, allot or issue any share or loan capital or acquire any shares in any other company, except to fulfill existing obligations,
 - 1 10 continue its insurance policies and do nothing to render such policies void or voidable,
 - 1 11 not to make any payments between the date of re-listing of Ragusa's shares to the Closing Date, without the consent of the Sellers,

- 1 12 invite the Sellers to attend any Ragusa board meeting convened between the date of re-listing of Ragusa's shares to the Closing Date




Exhibit 7.2(i)
PURCHASER

Expenses incurred by the Parties

	£	US\$
Nabarro	150000	300000
Brons & Salas		100000
Lawrence Graham	58750	117500
Arbuthnot	881250	1762500
Nexia (UK)	58750	117500
Nexia (Argentina)		132000
Edison	29375	58750
LSE	5329	10657
Registrars	5000	10000
Printers	5000	10000
Other		100000
Total		<u>2718907</u>

SELLERS

	£	US\$
Fladgate (UK)	40000	80000
Financial Advisory (UK)	45000	90000
Other UK Advisors	106500	213000
Oil & Gas	85000	170000
Auditors IFRS	36700	73400
Advisers	25000	50000
BDO Valuation	30000	60000
Other expenses	70000	140000
General expenses	75000	150000
Total		<u>1026400</u>



Exhibit 7.2(ii)

Success fee of the Purchaser's and Seller's
managers

NIGEL DUXBURY	£100,000
KEITH WILLS	£100,000
LUIS ALVAREZ POLI	US\$ 90,000*
NEIL BLEASDALE	US\$ 40,000*
NICOLAS MALLO HUERGO	US\$ 30,000*
MARCELO COMBA	US\$ 30,000*

*Net of deductions, withholding taxes, retentions, taxes, etc