

**Articles of Amalgamation
For
GEAR ENERGY LTD.**

Share Structure: SEE ATTACHED SCHEDULE OF SHARE CAPITAL
Share Transfers Restrictions: NONE
Number of Directors:
Min Number of Directors: 1
Max Number of Directors: 9
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE ATTACHED SCHEDULE OF OTHER PROVISIONS

**Registration Authorized By: TED B. BROWN
SOLICITOR**

SCHEDULE OF SHARE CAPITAL

The Corporation is authorized to issue unlimited numbers of shares in each of the classes designated as common shares (the "Common Shares") and preferred shares (the "Preferred Shares") with the rights, privileges, restrictions and conditions attached to each class of unlimited shares as hereinafter specified.

1. Common Shares -The rights, privileges, restrictions and conditions that attach to the unlimited number of Common Shares (herein referred to as the "Common Provisions") and that govern the holders thereof are as follows:

a. Voting, Dividend and Dissolution Rights- The holders of Common Shares shall have the right to receive:

i. notice of and to attend all meetings of shareholders of the Corporation and to ONE (1) vote per Common Share at all meetings, except meetings at which only holders of a specified class or series of a class of shares other than Common Shares are entitled to receive notice of and to attend and vote at;

ii. dividends declared in respect of Common Shares from time to time by the directors of the Corporation; and

iii. the assets and the capital of the Corporation remaining in the event of dissolution, liquidation or winding up of the Corporation equally on a share for share basis, subject to prior rights attaching to other shares of the Corporation.

b. Priority - The Common Shares shall rank junior to the Preferred Shares and the Common Provisions are subject to the Preferred Provisions (as hereafter defined) and the rights, privileges, restrictions and conditions attached to any other class of shares created hereafter and expressed to rank in preference to the Common Shares.

2. Preferred Shares - The rights, privileges, restrictions and conditions (herein referred to as "Preferred Provisions") that attach to the unlimited number of authorized Preferred Shares as a class and govern the holders thereof are as follows:

a. Series Provisions - The Preferred Shares may be issued, at any time, and from time to time, in one or more series, each series to be assigned such designations, comprised of such number of Preferred Shares and subject to such additional rights, privileges, restrictions and conditions, not inconsistent with the Preferred Provisions, as the directors of the Corporation may determine and fix prior to the issuance of any such series.

b. Priority - The Preferred Shares shall rank senior to the Common Shares and any other class of shares of the Corporation which by their terms rank junior to the Preferred Shares with respect to priority in the payment of dividends and in the distribution of assets or return of capital of the Corporation among its shareholders in the event of any dissolution, liquidation or winding up of the Corporation. In any distribution of assets or return of capital of the Corporation among its

shareholders, the holders of Preferred Shares will be entitled to receive, in order of priority noted above, a sum equivalent to the value of the Preferred Shares, together with all declared and unpaid dividends thereon.

c. Voting Rights - Except as may be otherwise provided by law or expressly by the additional rights, privileges, restrictions and conditions attaching to any series of Preferred Shares, the holders of Preferred Shares are not entitled to receive notice of or to attend and vote at any meeting of shareholders of the Corporation and when the holders of Preferred Shares are entitled to receive notice of and to attend and vote at shareholders' meetings, each such holder shall have one (1) vote for each Preferred Share registered in the name of such holder.

d. Modifications - Except as may be otherwise provided by law, the Preferred Provisions may be amended with the approval of all of the holders of Preferred Shares given in writing or by the affirmative vote of at least two thirds of the votes cast at a meeting of the holders of such shares duly called for that purpose and a quorum for such meeting shall not be less than two (2) holders of outstanding Preferred Shares being present in person or represented by proxy.

e. Creation of Additional Shares - So long as any Preferred Shares are outstanding, the Corporation shall not, without the approval of the holders of Preferred Shares given in the manner provided under paragraph 2(d) hereof, create any class of shares ranking in priority to or on a parity with the Preferred Shares with respect to the payment of dividends or the distribution of assets or return of capital of the Corporation in the event of a dissolution, liquidation or winding up of the Corporation.

SERIES 1 PREFERRED SHARE TERMS

The Corporation is authorized to issue an unlimited number of Series 1 Preferred Shares. The rights, privileges, restrictions and conditions attaching to the Series 1 Preferred Shares are as follows:

1. Voting

Except as may be otherwise provided by law, including the provisions of the Business Corporations Act (Alberta), the holders of the Series 1 Preferred Shares shall not be entitled to receive notice of, attend nor vote at any meetings of the shareholders of the Corporation.

2. Dividends

Subject to the provisions of any other series of Preferred Shares to be created after the date of creation of the Series 1 Preferred Shares, the holders of the Series 1 Preferred Shares shall be entitled to receive, if, as and when declared by the Board of Directors of the Corporation out of the monies of the Corporation properly applicable to the payment of dividends, such dividends in any financial year as the Board of Directors in its absolute discretion may by resolution determine.

Any dividends that may be declared and ultimately paid on the Common Shares of the Corporation must also at the same time be declared and ultimately paid on the Series 1 Preferred Shares.

Although any dividends payable with respect to the holders of Series 1 Preferred Shares shall be in priority to the holders of the Common Shares, such dividends can only be declared and paid on the Series 1 Preferred Shares if, at the same time the Corporation declares and pays the dividend on the Series 1 Preferred Shares, the Corporation also declares and pays the same dividend on the same terms, on the Common Shares such that the dividends paid to the holders of the Series 1 Preferred Shares are paid rateably to the holders of Common shares and the holders of each other series of Preferred Shares that contain an entitlement to dividends, if any. The holders of Series 1 Preferred Shares shall not be entitled to any dividend other than or in excess of the foregoing dividends.

3. Return of Capital

Subject to the provisions of any other series of Preferred Shares to be created after the date of creation of the Series 1 Preferred Shares, in the event of the liquidation, dissolution, or winding-up of the Corporation or any other distribution of assets of the Corporation among the shareholders for the purpose of winding up its affairs, the Series 1 Preferred Shares shall rank in priority to the Common Shares in a sum equivalent to the value of the Series 1 Preferred Shares provided that the value of the Series 1 Preferred Shares for such purposes shall be equal to the amount determined by dividing the total amount or value of the assets to be distributed to all shareholders of the Corporation by the total number of Series 1 Preferred Shares and

Common Shares outstanding at such time, such that upon such liquidation, dissolution, or winding-up of the Corporation or any other distribution of assets of the Corporation the holders of the Series 1 Preferred Shares will receive an amount per Series 1 Preferred Share equal to the amount per Common Share to be received by the holders of Common Shares.

4. Notices

Any notice, required to be given under the provisions attaching to the Series 1 Preferred Shares to the holders thereof, and any dividend, distribution of assets, delivery of share certificates or any other document, amount or thing to be given, made or paid to the holders of Series 1 Preferred Shares, shall be given, made or paid by posting the same in a postage paid envelope addressed to each holder at the last address of such holder appearing in the records of the Corporation or, in the event of the address of any such holder not so appearing, then to the address of such holder last known to the Corporation; providing that accidental failure or omission to give, make or pay the notice, document, amount or thing as aforesaid to one or more of such holders, or any defect therein, shall not invalidate any action or proceeding founded thereon.

SCHEDULE OF OTHER PROVISIONS

1. The Corporation has a lien on shares registered in the name of a shareholder or the legal representative of a shareholder for any debt of that shareholder to the Corporation.
2. The board of directors of the Corporation may, between annual meetings appoint one or more additional directors of the Corporation to serve until the next annual meeting, but the number of additional directors shall not at any time exceed one-third (1/3) of the number of directors who held office at the expiration of the last annual meeting of the Corporation.
3. Meetings of the shareholders of the Corporation may be held at any place within Canada or the United States of America as the board of directors of the Corporation may determine.