

FORM D

PROCESSED

JUN 19 2008

THOMSON REUTERS

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

SEC Mail Processing Section

FORM D

JUN 16 2008

NOTICE OF SALE OF SECURITIES PURSUANT TO REGULATIONS 230.110 AND 230.111, WASHINGTON, DC SECTION 4(6), AND/OR 110 UNIFORM LIMITED OFFERING EXEMPTION

1437100 OMB APPROVAL OMB Number: 3235-0076 Expires: Estimated average burden hours per response: 16.00

Table with 2 columns: Prefix, Serial. Row 1: DATE RECEIVED

Name of Offering () check if this is an amendment and name has changed, and indicate change.)

Champion Exploration, LLC

Filing Under (Check box(es) that apply): () Rule 504 () Rule 505 (X) Rule 506 () Section 4(6) () ULOE

Type of Filing: () New Filing () Amendment

A. BASIC IDENTIFICATION DATA

I. Enter the information requested about the issuer

Name of Issuer () check if this is an amendment and name has changed, and indicate change.)

Champion Exploration, LLC

Address of Executive Offices (Number and Street, City, State, Zip Code)

1537 Bull Lea Road, Lexington, Kentucky 40511

Telephone Number (Including Area Code)

Address of Principal Business Operations (if different from Executive Offices) (Number and Street, City, State, Zip Code)

(if different from Executive Offices)

Telephone Number (Including Area Code)

Brief Description of Business

To buy, sell, lease, develop and invest in real and personal property, whether tangible or intangible; to engage in the exploration, development and sale of oil, gas and other energy products; and to buy, sell, hold and invest in securities and commercial paper.

Type of Business Organization

- () corporation () limited partnership, already formed (X) other (please specify): limited liability company () business trust () limited partnership, to be formed

Actual or Estimated Date of Incorporation or Organization: Month Year (012) (018) (X) Actual () Estimated

Jurisdiction of Incorporation or Organization: (Enter two-letter U.S. Postal Service abbreviation for State:)

CN for Canada; FN for other foreign jurisdiction) DE

GENERAL INSTRUCTIONS

Federal:

Who Must File: All issuers making an offering of securities in reliance on an exemption under Regulation D or Section 4(6), 17 CFR 230.501 et seq. or 15 U.S.C. 77d(6).

When To File: A notice must be filed no later than 15 days after the first sale of securities in the offering. A notice is deemed filed with the U.S. Securities and Exchange Commission (SEC) on the earlier of the date it is received by the SEC at the address given below or, if received at that address after the date on which it is due, on the date it was mailed by United States registered or certified mail to that address.

Where To File: U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

Copies Required: Five (5) copies of this notice must be filed with the SEC, one of which must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

Information Required: A new filing must contain all information requested. Amendments need only report the name of the issuer and offering, any changes thereto, the information requested in Part C, and any material changes from the information previously supplied in Parts A and B. Part E and the Appendix need not be filed with the SEC.

Filing Fee: There is no federal filing fee.

State:

This notice shall be used to indicate reliance on the Uniform Limited Offering Exemption (ULOE) for sales of securities in those states that have adopted ULOE and that have adopted this form. Issuers relying on ULOE must file a separate notice with the Securities Administrator in each state where sales are to be, or have been made. If a state requires the payment of a fee as a precondition to the claim for the exemption, a fee in the proper amount shall accompany this form. This notice shall be filed in the appropriate states in accordance with state law. The Appendix to the notice constitutes a part of this notice and must be completed.

ATTENTION

Failure to file notice in the appropriate states will not result in a loss of the federal exemption. Conversely, failure to file the appropriate federal notice will not result in a loss of an available state exemption unless such exemption is predicated on the filing of a federal notice.

A. BASIC IDENTIFICATION DATA

2. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;
- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer.
- Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
- Each general and managing partner of partnership issuers.

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

RAAM Global Energy Company

Business or Residence Address (Number and Street, City, State, Zip Code)

1537 Bull Lea Road, Lexington, Kentucky 40511

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Settle, Howard (manager)

Business or Residence Address (Number and Street, City, State, Zip Code)

1537 Bull Lea Road, Lexington, Kentucky 40511

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

(Use blank sheet, or copy and use additional copies of this sheet, as necessary)

B. INFORMATION ABOUT OFFERING

1. Has the issuer sold, or does the issuer intend to sell, to non-accredited investors in this offering? Yes No
 Answer also in Appendix, Column 2, if filing under ULOE.
2. What is the minimum investment that will be accepted from any individual? \$ 7,500,000.00
3. Does the offering permit joint ownership of a single unit? Yes No
4. Enter the information requested for each person who has been or will be paid or given, directly or indirectly, any commission or similar remuneration for solicitation of purchasers in connection with sales of securities in the offering. If a person to be listed is an associated person or agent of a broker or dealer registered with the SEC and/or with a state or states, list the name of the broker or dealer. If more than five (5) persons to be listed are associated persons of such a broker or dealer, you may set forth the information for that broker or dealer only.

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) All States

AL	AK	AZ	AR	CA	CO	CT	DE	DC	FL	GA	HI	ID
IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA
RI	SC	SD	TN	TX	UT	VT	VA	WA	WV	WI	WY	PR

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) All States

AL	AK	AZ	AR	CA	CO	CT	DE	DC	FL	GA	HI	ID
IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA
RI	SC	SD	TN	TX	UT	VT	VA	WA	WV	WI	WY	PR

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) All States

AL	AK	AZ	AR	CA	CO	CT	DE	DC	FL	GA	HI	ID
IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA
RI	SC	SD	TN	TX	UT	VT	VA	WA	WV	WI	WY	PR

(Use blank sheet, or copy and use additional copies of this sheet, as necessary.)

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

1. Enter the aggregate offering price of securities included in this offering and the total amount already sold. Enter "0" if the answer is "none" or "zero." If the transaction is an exchange offering, check this box and indicate in the columns below the amounts of the securities offered for exchange and already exchanged.

Type of Security	Aggregate Offering Price	Amount Already Sold
Debt	\$ _____	\$ _____
Equity	\$ 180,000,000.00	\$ 60,000,000.00
	<input checked="" type="checkbox"/> Common <input type="checkbox"/> Preferred	
Convertible Securities (including warrants)	\$ _____	\$ _____
Partnership Interests	\$ _____	\$ _____
Other (Specify _____)	\$ _____	\$ _____
Total	\$ 180,000,000.00	\$ 60,000,000.00

Answer also in Appendix, Column 3, if filing under ULOE.

2. Enter the number of accredited and non-accredited investors who have purchased securities in this offering and the aggregate dollar amounts of their purchases. For offerings under Rule 504, indicate the number of persons who have purchased securities and the aggregate dollar amount of their purchases on the total lines. Enter "0" if answer is "none" or "zero."

	Number Investors	Aggregate Dollar Amount of Purchases
Accredited Investors	4	\$ 60,000,000.00
Non-accredited Investors	0	\$ 0.00
Total (for filings under Rule 504 only)		\$ _____

Answer also in Appendix, Column 4, if filing under ULOE.

3. If this filing is for an offering under Rule 504 or 505, enter the information requested for all securities sold by the issuer, to date, in offerings of the types indicated, in the twelve (12) months prior to the first sale of securities in this offering. Classify securities by type listed in Part C — Question 1.

Type of Offering	Type of Security	Dollar Amount Sold
Rule 505	N/A	\$ 0.00
Regulation A	N/A	\$ 0.00
Rule 504	N/A	\$ 0.00
Total		\$ 0.00

4 a. Furnish a statement of all expenses in connection with the issuance and distribution of the securities in this offering. Exclude amounts relating solely to organization expenses of the insurer. The information may be given as subject to future contingencies. If the amount of an expenditure is not known, furnish an estimate and check the box to the left of the estimate.

Transfer Agent's Fees	<input type="checkbox"/>	\$ _____
Printing and Engraving Costs	<input type="checkbox"/>	\$ _____
Legal Fees	<input checked="" type="checkbox"/>	\$ 20,000.00
Accounting Fees	<input type="checkbox"/>	\$ _____
Engineering Fees	<input type="checkbox"/>	\$ _____
Sales Commissions (specify finders' fees separately)	<input type="checkbox"/>	\$ _____
Other Expenses (identify) _____	<input type="checkbox"/>	\$ _____
Total	<input type="checkbox"/>	\$ 20,000.00

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

b. Enter the difference between the aggregate offering price given in response to Part C — Question 1 and total expenses furnished in response to Part C — Question 4.a. This difference is the "adjusted gross proceeds to the issuer."

\$ 179,980,000.00

5. Indicate below the amount of the adjusted gross proceed to the issuer used or proposed to be used for each of the purposes shown. If the amount for any purpose is not known, furnish an estimate and check the box to the left of the estimate. The total of the payments listed must equal the adjusted gross proceeds to the issuer set forth in response to Part C — Question 4.b above.

	Payments to Officers, Directors, & Affiliates	Payments to Others
Salaries and fees	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Purchase of real estate	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Purchase, rental or leasing and installation of machinery and equipment	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Construction or leasing of plant buildings and facilities	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Acquisition of other businesses (including the value of securities involved in this offering that may be used in exchange for the assets or securities of another issuer pursuant to a merger)	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Repayment of indebtedness	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Working capital	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Other (specify): <u>See exhibit "A" and exhibit "B" attached hereto.</u>	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
.....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
.....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Column Totals	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Total Payments Listed (column totals added)	<input type="checkbox"/> \$ _____	

D. FEDERAL SIGNATURE

The issuer has duly caused this notice to be signed by the undersigned duly authorized person. If this notice is filed under Rule 505, the following signature constitutes an undertaking by the issuer to furnish to the U.S. Securities and Exchange Commission, upon written request of its staff, the information furnished by the issuer to any non-accredited investor pursuant to paragraph (b)(2) of Rule 502.

Issuer (Print or Type) Champion Exploration, LLC	Signature <i>Howard A. Settle</i>	Date 6/4/08
Name of Signer (Print or Type) Howard A. Settle	Title of Signer (Print or Type) Manager	

ATTENTION

Intentional misstatements or omissions of fact constitute federal criminal violations. (See 18 U.S.C. 1001.)

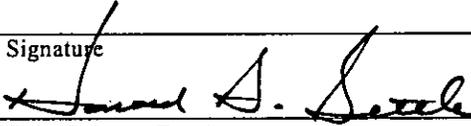
E. STATE SIGNATURE

1. Is any party described in 17 CFR 230.262 presently subject to any of the disqualification provisions of such rule? Yes No

See Appendix, Column 5, for state response.

2. The undersigned issuer hereby undertakes to furnish to any state administrator of any state in which this notice is filed a notice on Form D (17 CFR 239.500) at such times as required by state law.
3. The undersigned issuer hereby undertakes to furnish to the state administrators, upon written request, information furnished by the issuer to offerees.
4. The undersigned issuer represents that the issuer is familiar with the conditions that must be satisfied to be entitled to the Uniform limited Offering Exemption (ULOE) of the state in which this notice is filed and understands that the issuer claiming the availability of this exemption has the burden of establishing that these conditions have been satisfied.

The issuer has read this notification and knows the contents to be true and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person.

Issuer (Print or Type) Champion Exploration, LLC	Signature 	Date 6/4/08
Name (Print or Type) Howard A. Settle	Title (Print or Type) Manager	

Instruction:

Print the name and title of the signing representative under his signature for the state portion of this form. One copy of every notice on Form D must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

APPENDIX

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)			Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)
State	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
AL									
AK									
AZ									
AR		x	equity 22,500,000	1	\$7,500,000.00				x
CA									
CO									
CT									
DE		x	equity 157,500,000	3	\$52,500,000.00				x
DC									
FL									
GA									
HI									
ID									
IL									
IN									
IA									
KS									
KY									
LA									
ME									
MD									
MA									
MI									
MN									
MS									

APPENDIX

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)			Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)
State	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
MO									
MT									
NE									
NV									
NH									
NJ									
NM									
NY									
NC									
ND									
OH									
OK									
OR									
PA									
RI									
SC									
SD									
TN									
TX									
UT									
VT									
VA									
WA									
WV									
WI									

APPENDIX

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)			Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)
State	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
WY	<input type="text"/>	<input type="text"/>						<input type="text"/>	<input type="text"/>
PR	<input type="text"/>	<input type="text"/>						<input type="text"/>	<input type="text"/>

EXHIBIT "A"
To Form D

A summary of the expected use of funds is as follows:

Phase I

Proceeds from 6 Units less legal fees	\$ 59,980,000
Less: Capital Expenditures for Phase I (as set forth in detail in Exhibit "B")	\$(75,990,565)
Funds remaining from Phase I	<u>\$(16,010,565)</u>

Phase II

Proceeds from Phase II Warrants	<u>\$ 60,000,000</u>
Funds available for Phase II	\$ 43,989,435
Less: Capital Expenditures for Phase II (as set forth in detail in Exhibit "B")	<u>\$(46,627,500)</u>
Funds remaining from Phase II	\$ (2,638,065)

Phase III

Proceeds from Phase III warrants	<u>\$ 60,000,000</u>
Funds available for Phase III	\$ 57,361,935
Less: Capital Expenditures for Phase III (as set forth in detail in Exhibit "B")	<u>\$(20,675,781)</u>
Funds for future exploration/development	<u>\$ 36,686,154</u>

EXHIBIT "B"
To Form D

Activity/Prospect	Estimated Cost	Champion Cost Sharing	Estimated Cost to Champion	Total	Status of Prospect
Phase I (commenced January 1, 2008):					
Seismic:					
Cameron & Vermilion Depth 1 Seismic	\$ 15,285,000	37.500000%	\$ 5,724,375		
Depth 1 Seismic Reprocessing	855,000	37.500000%	358,125		
Vermilion Seismic Purchase	300,000	37.500000%	112,500		
YGS Deep Resolve / Sophie's Link	3,500,000	37.500000%	1,312,500		
Lease Sale Prospects:					
Flat's Gular	23,236,314	37.500000%	8,713,618		Proved Reserves
Chicozy	2,532,624	37.500000%	948,734		
Coffee	1,157,578	37.500000%	434,092		
Oyster	3,402,099	37.500000%	1,275,787		
Drilling and Completion:					
New Orleans					
East Cameron 281:					
Drilling	11,400,000	21.250000%	2,422,500		Producing
Prospect Fee	100,000	15.937500%	15,938		3500 mcf
Completion	8,362,000	15.937500%	1,013,944		125 bcfd
Lease Costs	77,490	15.937500%	12,350		
Lima:					
Drilling	7,294,000	50.000000%	3,647,000		Completed
Credit for reduced drilling cost	(3,000,000)	50.000000%	(1,500,000)		Expected production
Prospect fee	500,000	37.500000%	187,500		June
Completion	3,750,000	37.500000%	1,406,250		
Hookup	3,433,200	37.500000%	1,287,450		lasted 4800 mcf, 80bcd
Lease Costs	448,670	37.500000%	167,578		
Rio:					
Drilling	9,107,000	50.000000%	4,553,500		Dry Hole P&A
Credit for reduced drilling cost	(4,000,000)	50.000000%	(2,000,000)		
Prospect fee	500,000	37.500000%	187,500		
Lease Costs	699,288	37.500000%	262,233		
Sarico:					
Drilling	6,594,000	50.000000%	3,297,000		Awaiting completion
Credit for reduced drilling cost	(2,854,000)	50.000000%	(1,477,000)		Planning waterflood
Prospect fee	500,000	37.500000%	187,500		
Casing	1,110,000	37.500000%	416,250		
Credit for reduced casing cost	(448,000)	37.500000%	(167,250)		
Lease Cost	54,656	37.500000%	20,496		
Spinet:					
Drilling (1st well)	8,851,000	50.000000%	4,325,500		1st well awaiting completion
Credit for reduced drilling cost	(1,735,471)	50.000000%	(867,738)		
Drilling (2nd well)	8,183,000	37.500000%	3,069,125		2nd well drilling currently
Prospect fee	500,000	37.500000%	187,500		
Caisson installation	1,924,000	37.500000%	721,500		
Completion	6,223,500	37.500000%	2,333,813		
Seismic	40,000	37.500000%	15,000		
Lease Cost	404,000	37.500000%	151,500		
Jupiter:					
Drilling	30,540,000	50.000000%	15,270,000		Drilling currently
Prospect fee	500,000	37.500000%	187,500		
Lease Cost	280,258	37.500000%	97,598		
Mira 1 (non-operated):					
Drilling	7,500,000	25.000000%	1,875,000		Drilling expected to begin June
Prospect fee	500,000	18.750000%	83,750		
Lease Cost	108,987	18.750000%	20,435		
Mira 2 (non-operated):					
Drilling	6,500,000	20.000000%	1,300,000		To be drilled after Mira 1
Prospect fee	500,000	15.000000%	75,000		
Lease Cost	221,892	15.000000%	33,284		
Houston					
Eagle (Evans #1):					
Drilling	1,087,700	18.408251%	175,170		Producing
Prospect fee	50,000	12.304688%	6,152		500 mcf
Lease Cost	171,000	12.304688%	21,041		
Completion	1,279,500	12.304688%	157,438		
Par (Fleiback #1):					
Drilling	735,800	18.408251%	120,717		Dry Hole P&A
Prospect fee	50,000	12.304688%	6,152		
Lease Cost	110,038	12.304688%	13,540		
Completion	875,900	12.304688%	107,777		
Hammerhead:					
Drilling	4,993,100	48.875002%	2,340,518		Completed
Prospect fee	500,000	35.158250%	175,781		Expected production
Lease Cost	138,000	35.158250%	48,518		June
Completion	2,314,700	35.158250%	813,762		
Hookup	444,500	35.158250%	158,270		
Sarraon:					
Drilling	3,318,000	35.158252%	1,165,781		Drilling expected to begin in June
Prospect fee	500,000	28.387188%	131,838		
Lease Cost	600,000	28.387188%	168,203		
Alula:					
Drilling	5,343,000	48.875002%	2,504,531		Drilling currently
Prospect fee	500,000	35.158250%	175,781		
Lease Cost	314,000	35.158250%	110,991		
Trinidad South					
Drilling	3,000,000	23.437501%	703,125		Requires additional leasing
Prospect fee	500,000	17.578125%	87,891		
Lease Cost	100,000	17.578125%	17,578		
Bay St. Louis					
Prospect fee	500,000	35.158250%	175,781		Permitting site
Lease Cost	4,039,400	35.158250%	1,420,102		

North Sea Activities:

Dolphin Block 19/2			
Site survey	500,000	100.000000%	500,000
Prepay drilling contract	450,000	100.000000%	450,000
Prospect fee	500,000	50.000000%	250,000

NW Vulcan 48/25c			
Site Survey	600,000	52.000000%	312,000
Prospect fee	500,000	32.500000%	162,500

Globe 9/22				Drilling expected to begin in late May
Drilling	14,000,000	10.000000%	1,400,000	
Prospect fee	500,000	5.000000%	25,000	

Total Estimated Capital Budget Phase I \$ 75,990,565

Phase II (to commence August 15, 2008):

Drilling and Completion:

New Orleans				
Ship Shoal 150 Deep - Heron				
Drilling	30,000,000	50.000000%	15,000,000	Drilling expected to begin in October
Prospect Fee	500,000	37.500000%	187,500	

North Sea Activities:				
Dolphin Block 19/2				Drilling expected to begin in September
Drilling	20,000,000	100.000000%	20,000,000	

NW Vulcan 48/25c				Drilling expected to begin in September
Drilling	22,000,000	52.000000%	11,440,000	

Total Estimated Capital Budget Phase II 48,627,500

Phase III (to commence October 15, 2008):

Drilling and Completion:

New Orleans				Possible trade with ENI
Flat's Gull				
Drilling	35,000,000	50.000000%	17,500,000	
Prospect Fee	500,000	37.500000%	187,500	

Houston				
Bay St. Louis				
Drilling	8,500,000	35.158250%	2,988,281	

Remaining funds for additional exploratory drilling and development 38,706,154

Total Estimated Capital Budget Phase III \$7,381,935

Total Capital Budget for Champion Exploration LLC \$ 180,000,000

END