

LUCAS CAPITAL MANAGEMENT, L.L.C.

**WRAP FEE BROCHURE
SCHEDULE "H"**

INVESTMENT ADVISORY SERVICES DISCLOSURE DOCUMENT

As of March 25, 2010

This brochure provides clients with information about Lucas Capital Management, L.L.C., the Lucas Capital Advisory Program, the Lucas Capital Portfolio Management Program, and Lucas Capital Financial Planning that should be considered before becoming a client of these programs. This information has not been approved or verified by any governmental authority.

NOTE: A copy of the Lucas Capital Management Code of Ethics is available upon request.

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I. Introduction

Thank you for your interest in Lucas Capital Management's wrap fee program. This brochure was created in compliance with Section 204 of the Investment Advisors Act of 1940 ('Advisers Act') as amended, Rules 204-1 and 204-3 under the Advisers Act and amendments to Form ADV. It provides you with important information exclusively related to the "wrap-fee" investment advisory services, the Lucas Capital Portfolio Management ("LCPM"), and the Lucas Capital Advisory Program ("LCAP") offered by Lucas Capital Management. The information contained in this brochure, combined with the client contract and additional forms required by the third party portfolio manager, contains all of the information regarding your relationship with Lucas Capital Management. Please read it carefully. You will be expected to enter into a written agreement documenting the terms and conditions of the wrap free program.

II. General Information about the Lucas Advisory Program

Lucas Capital Management ("LCM"), Lucas Capital Portfolio Management ("LCPM"), the Lucas Capital Advisory Program ("LCAP"), and the Lucas Capital Financial Planning ("LCFP") uses Fidelity Securities Corp. as its Clearing Firm.

Fees for clients under any offered program may vary and be greater or less than the stated schedules depending on several factors, including the particular circumstances of a client, the nature of the account and its investment objectives and parameters. Fees may be negotiated, and fees for clients with long-standing relationships may vary from the schedules due to the historical fee schedules.

Clients should consider that depending upon the level of the fee charged in the advisory service selected, the amount of portfolio activity, value of custodial and other services provided, and other factors, the fee may or may not exceed the aggregate cost of such services if they were provided separately.

Clients should also consider the amount of anticipated trading activity when selecting a program because fee-based programs typically assume a normal amount of trading activity and under particular circumstances, prolonged periods of inactivity may result in higher fees/costs, than if commissions were paid for separately.

Clients should also be aware that the combination of custodial, advisory and brokerage execution services may not be available separately, or may require multiple accounts, documentation and fees/costs. Further, certain advisors may not be available to clients outside the consulting relationship because of minimum account size, geographical availability, fee schedules, and other factors.

A minimum initial account value of \$100,000 is required under certain conditions, however, the minimum account value may be waived, or exceptions granted, on related or multiple accounts, the account values of which may be combined for the purpose of meeting the minimum. Clients should review the specific wrap-fee program/product application and documents for a complete description of conditions for managing accounts, fees and expenses.

All advisory contracts are "at will" contracts. In general, if the client or LCM decides to terminate, either party may do so at any time by written notice to the other. A client's termination before the end of any particular quarter, would result in the charging of a pro-rata portion of fees covering the period during which services were rendered. The client would then receive a refund of any unearned prepaid fee. Please review the contract for any advisory services to be provided for a complete description of services and explanation of fees and refunds upon termination.

As appropriate, advisory client's purchase and sell orders for the same security on the same terms placed by more than one client may be combined ("Batched") to facilitate "best execution" and to obtain more favorable commission rates or charges.

It should also be noted that clients may have other accounts with the Firm in which advisory or wrap-fees are not charged. Fees in such accounts are negotiable on a separate basis from that applied in advisory accounts.

III. Services Offered

1. Lucas Capital Advisory Program (LCAP)

2. Lucas Capital Portfolio Management (LCPM)

3. Lucas Capital Financial Planning (LCFP)

The Lucas Capital Advisory Program (LCAP), the Lucas Capital Portfolio Management (LCPM) Program, and the Lucas Capital Financial Planning (LCFP) Program are the three main products that Lucas Capital Management, L.L.C. offer for a wrap-fee.

The main differences between the three are:

- 1.) The Lucas Capital Advisory Program (LCAP) is a covenant entered into between LCM and the client in which Lucas Capital advises the client as to how the funds should be allocated between sub advisors. Lucas Capital Portfolio Management may be one of these sub advisors.
- 2.) The Lucas Capital Portfolio Management (LCPM) is an agreement between LCM and the client in which the client authorizes LCM to manage the assets as LCM finds fit based on client financial information and the "Investment Objectives and Guidelines" section of the Management Contract. This program allows use of mutual funds purchased at NAV or closed end funds at the market for a portion of the account.
- 3.) The Lucas Capital Financial Planning (LCFP) includes analysis of clients overall financial situation. Based review of client's goals and preferences, focus is brought to bear where a specialist should be consulted regarding such items as wills, trust documents, and insurance – in addition to investment management. This service is generally included with the Lucas Capital Advisory Program or the Lucas Capital Portfolio Management. If a fee is negotiated or received at all, it is fully disclosed to the client.

IV. Wrap-Fee Advisory Service

LCM assist clients in identifying a third party investment adviser (portfolio manager) from a universe of available advisers who have executed an agreement with LCM and/or FMSC to assist clients with respect to investment of their funds. The LCAP is designed to provide trade execution, portfolio management/asset allocation, money management, custodial and record keeping services to LCM clients for an all-inclusive fee. Fidelity or another designated clearing firm acts as custodian and clearing agent for each transaction in a LCAP account

Clients, in consultation with LCM and the selected portfolio manager, provide detailed financial and other pertinent data by completing a Confidential Client Profile. The Confidential Client Profile enables clients to determine appropriate investing strategies, asset allocation guidelines, risk tolerance and other factors which assist in ascertaining the suitability of the LCAP account client, LCPM account client, and appropriate portfolio manager(s).

LCM provides to its clients a schedule of LCAP approved portfolio managers. Clients are provided with data concerning the portfolio manager's past performance, management style, location, size of accounts and similar information. The schedule of approved portfolio managers changes periodically, as new portfolio managers are added to meet the investment needs of clients.

After selection of a portfolio manager and deposit of funds (or securities) by the client, and acceptance of the account by the selected portfolio manager, the portfolio manager invests the client's funds on either a discretionary or non-discretionary basis, depending on the advisory account agreement executed by the client.

During any month that there is activity in the LCAP account or LCPM account, the client receives a monthly account statement showing account activity, as well as positions held in the account at month end. Additionally, the client receives a confirmation of each transaction that occurs within the LCAP and LCPM account. The client will also receive a detailed quarterly performance report.

Clients pay a single all-inclusive fee to LCM, which covers adviser selection process, monitoring of the investment manager(s) performance, on-going investment advisory services rendered by the investment manager, and execution services provided by LCM through Fidelity. These fees are exclusive of exchange fees and transfer taxes mandated by law.

The investment manager may effect transactions through Fidelity or other broker dealers. However, it is anticipated that most brokerage transactions will be effected through Fidelity because the all-inclusive fee covers brokerage commissions only when transactions are effected through Fidelity.

Lucas Capital Advisory Program

Transactions executed for investment advisory clients in LCAP are generally made on an agency basis. When exceptions are made for reasons that LCM believes benefits the clients, specific written approval is obtained from the client. Principal trades are always disclosed on the broker confirmations.

To the extent that fees charged are negotiable, they may differ from client to client based upon several factors, including but not limited to, type and size of accounts, historical and or expected size or number of trades, and client-related services to be provided to the account. Moreover, fees may vary as a result of prior or subsequent fee schedules depending upon customers account inception date.

The client should consider that depending upon the level of the all-inclusive charges, the amount of the portfolio activity, the value of services provided and other factors, the fee may or may not exceed the aggregate cost of such services if they are to be provided separately.

Additional Compensation: Referral Arrangements

Pursuant to Rule 206(4)-3 of the Investment Advisors Act of 1940, LCM may enter into solicitation agreements with unaffiliated registered investment advisers, and may compensate persons who solicit investment supervisory services for clients or refer such clients to it.

The agreements generally provide for compensation to LCM equal to a specified percentage of fees received from clients. LCM complies with state regulations pertaining to the payment of cash referral fees. Clients are not assessed additional fees to cover these costs. This practice is disclosed to the clients.

FEE SCHEDULE

The fee schedule for the services provided by the investment manager and LCM to the client is set forth in the table below. Fees cover investment advisory services rendered by the selected investment manager and also covers LCM's custodial and execution services, quarterly reports and other account related services provided by LCM, exclusive of any odd lot differentials, exchange fees, transfer taxes, ADR fees and other fees or taxes mandated by Federal or State law. The LCM fee schedule is negotiable and accordingly, may vary among selected managers and clients. The total cost of each of the services provided under LCAP or LCPM, if purchased separately, could be more or less than the below listed costs depending on, among other factors, the ability to retain the desired investment management form, costs to obtain the custodial services, trading and execution costs, including principal mark-ups and mark-downs, obtaining the expertise and selecting and monitoring the investment manager and provision of specialized reporting.

The investment management firms participating in the LCAP receive a fee negotiated between LCM and interested management firm(s), but the fee **will not** be in addition to the fee paid by the client to LCM.

Lucas Capital Advisory Program (LCAP)
And Lucas Capital Portfolio Management (LCPM)
Fee Schedule is as follows:

For Equity and Balanced Accounts:

<u>Portfolio Value</u>	<u>Annualized Fee</u>
On First \$500,000	1 ½%*
On Next \$500,000	1 ¼% *
On Next \$1,000,000	1%*
Assets Over \$2,000,000	Negotiable*
OR	
All Assets	Flat _____%*

* Subject to our best execution responsibilities, LCM attempts to negotiate the best possible commission rates with independent brokers, including Fidelity Brokerage Services, LLC and/or National Financial Services, LLC. LCM does not share commissions with such brokers and does not mark up the rates negotiated. Commission fee schedules are fully disclosed, subject to change, and available upon request.

In addition to Account Fees and transaction charges, clients may also incur certain charges imposed by third parties in connection with investments made through program accounts.

The fees for the Lucas Capital Financial Planning (LCFP) are generally waived for those clients that are already participating in the other advisory programs within LCM. If additional work or outside consultants are used and the clients are to be charged, a statement with the charges will be delivered to the clients and agreed upon by all parties before any charges are incurred.

SELECTION OF PARTICIPATING ADVISORS

Investment firms/portfolio managers participating in LCAP are selected and monitored by LCM. Such investment managers are not affiliated with Lucas Capital Management, L.L.C. Generally, LCAP investment managers must be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940, have a minimum of \$15 million under management and have a demonstrable five-year track record of performance before they can be considered for inclusion in the LCAP program. LCM screens for new investment managers on an ongoing basis. Screening examines, among other things, consistency of returns, volatility, marketing and servicing abilities, perceived portfolio management skills, overall general impression of the management firm, and disciplinary history. LCM may determine to add additional managers or management types based upon client needs and in such cases determines potential candidates worthiness via additional examination which can include, among other things, an in-depth review of historical performance, volatility, consistency, placement in peer group comparisons, portfolio construction, allocation and diversification philosophy and other qualitative factors. Such examinations are performed through the use of both public and private data, on site examination, contact with current and past clients and prospects, as well as discussions with extensive industry network of professionals and with other investment managers and professionals.

Clients contracting with any of LCAP wrap-fee providers will be provided with such providers' Wrap Fee Brochure (Schedule H) containing the required disclosures about the program.

Significant client information provided by LCM to the portfolio manager are: Name, Address, Age, Marital Status, Social Security Number, Net Worth, Liquid Net Worth, Annual Income, immediate financial needs, financial goals, and experience in investing. This information is all filled out by the client on a new account form furnished by LCM and passed on to the portfolio manager. This information all falls under the "Know your Client Rule". Any information omitted or deleted by the client is subject to this rule and may result in breach of the management agreement, resulting in the closing of the account. Refusal to not furnish this information is subject to the manager's approval of the account being open. Any significant changes in this information will be passed on to the portfolio manager by LCM as soon as reasonably possible as LCM learns of the changes.

REVIEW OF ACCOUNTS

LCM reviews investment advisory activities on a quarterly basis at a minimum. This review includes general review for accuracy and compliance with stated manager guidelines and policies. LCM account managers also perform a monthly and quarterly review of accounts for consistency and adherence to investment philosophy. Reviews may consist of analysis of trade blotters, monthly statements, and if necessary, a discussion with clients and selected investment managers. Additional information from the selected investment managers may be requested on an as-needed basis. On at least an annual basis, LCM may request a meeting with a client to discuss, in general, the adviser's performance as well as the clients continued suitability for the selected manager program.

V. OTHER BUSINESS ACTIVITIES AND DISCLOSURES

LUCAS ENERGY TOTAL RETURN PARTNERS (LETRP)

Lucas Capital Management makes all the investment decisions for Lucas Energy Total Return Partners, LP (“Partnership”), a limited partnership organized under the Delaware Revised Uniform Limited Partnership Act (“Partnership Act”), is offering limited partnership interests in the Partnership (“Interests”) in a private placement pursuant to Section 4(2) of the Securities Act of 1933, as amended (“Securities Act”), and Regulation D promulgated thereunder. Generally, only persons who are Accredited Investors and Qualified Clients (as such terms are defined under the federal securities laws) may purchase Interests.

Lucas Capital Management has discretionary authority to invest the Partnership’s portfolio of securities. Lucas Energy, LLC, a Delaware limited liability company, is the general partner of the Partnership (the “General Partner”) and is responsible for the day-to-day administration of the Partnership’s affairs. As the principal members, managers and controlling persons of the General Partner and the Investment Manager, George Lucas, Jr. and Russell Lucas control all of the Partnership’s operations and activities, including the management of its portfolio.

The Partnership was formed to pool investment funds of its investors (each a “Limited Partner” and, collectively, “Limited Partners”; and the General Partner together with Limited Partners shall be referred to as “Partners”) for the purpose of investing and trading in a wide variety of securities and financial instruments, domestic and foreign, primarily focusing on investments in royalty trusts and other energy and resource oriented securities. The Interests will be continuously offered in the sole discretion of the General Partner. The minimum investment amount is \$1,000,000, although the General Partner has discretion to accept lesser amounts. Generally, new Limited Partners will be admitted on the first day of each calendar month and withdrawals may be made at the end of each month. In consideration for its services, the Investment Manager receives a 0.25% quarterly management fee based on the Partnership’s net assets and the General Partner receives a 20% annual performance allocation based on the Partnership’s net income subject to a 4% hurdle rate.

The Limited Partners, by pooling their assets in the Partnership, will be able to invest their funds in a portfolio of securities managed by the Investment Manager that is seeking to maximize return while controlling risk. In the absence of a pooling vehicle such as the Partnership, an investor would not ordinarily be able to monitor, evaluate and implement the same investment strategies as the Partnership. Also, without a pooling vehicle such as the Partnership, investors would have to undertake many special tax calculations in order to benefit from the anticipated tax advantages associated with the Partnership’s investment program.

LUCAS ENERGY TOTAL RETURN OFFSHORE, Ltd. (LETROL)

Lucas Capital Management acts as the Investment Advisor/ Investment Manager and makes all the investment decisions for Lucas Energy Total Return Offshore, Ltd, a limited liability company incorporated under the laws of the Cayman Islands, AND the Lucas Energy Total Return Master Fund, LP (Offshore Partnership), a Cayman Islands Limited Partnership. Generally, only persons who are Accredited Investors and Qualified Clients (as such terms are defined under the federal securities laws) may purchase Interests.

Lucas Capital Management, the Investment Manager of the Offshore Partnership, has discretionary authority to invest the Offshore Partnership’s portfolio of securities. As the principal members, managers and controlling persons of the General Partner, Lucas Energy Offshore, Ltd., George

Lucas, Jr. and Russell Lucas control all of the Offshore Partnership's operations and activities, including the management of its portfolio.

The Offshore Partnership was formed to pool investment funds of its non-U.S. and U.S. Tax Exempt Entity investors (each a "Limited Partner" and, collectively, "Limited Partners"; and the General Partner together with Limited Partners shall be referred to as "Partners") for the purpose of investing and trading in a wide variety of securities and financial instruments, domestic and foreign, primarily focusing on investments in resources, royalty trusts, energy oriented securities. The Interests will be continuously offered in the sole discretion of the Investment Advisor. The minimum investment amount is \$1,000,000, although the Investment Advisor has discretion to accept lesser amounts. Generally, new Limited Partners will be admitted on the first day of each calendar month and withdrawals may be made at the end of each month. In consideration for its services, the Investment Advisor receives a 0.25% quarterly management fee based on the Partnership's net assets and the General Partner receives a 20% annual performance allocation based on the Partnership's net income subject to a 4% hurdle rate.

The Limited Partners, by pooling their assets in the Offshore Partnership, will be able to invest their funds in a portfolio of securities managed by the Investment Manager that is seeking to maximize return while controlling risk. In the absence of a pooling vehicle such as the Offshore Partnership, an investor would not ordinarily be able to monitor, evaluate and implement the same investment strategies as the Offshore Partnership.

LUCAS ENERGY TOTAL RETURN PARTNERSHIP II (LETRP2)

Lucas Capital Management makes all the investment decisions for Lucas Energy Total Return Partners II, LP (LETRP2), a limited partnership organized under the Delaware Revised Uniform Limited Partnership Act, is offering limited partnership interests in the Partnership ("Interests") in a private placement pursuant to Section 4(2) of the Securities Act of 1933, as amended ("Securities Act"), and Regulation D promulgated thereunder. Generally, only persons who are Accredited Investors and Qualified Clients (as such terms are defined under the federal securities laws) may purchase Interests.

Lucas Capital Management has discretionary authority to invest the Partnership's portfolio of securities. Lucas Energy II, LLC, a Delaware limited liability company, is the general partner of the Partnership (the "General Partner") and is responsible for the day-to-day administration of the Partnership's affairs. As the principal members, managers and controlling persons of the General Partner and the Investment Manager, George Lucas, Jr. and Russell Lucas control all of the Partnership's operations and activities, including the management of its portfolio.

The Partnership was formed to pool investment funds of its investors (each a "Limited Partner" and, collectively, "Limited Partners"; and the General Partner together with Limited Partners shall be referred to as "Partners") for the purpose of investing and trading in a wide variety of securities and financial instruments, domestic and foreign, primarily focusing on investments in royalty trusts and other energy and resource oriented securities. The Interests will be continuously offered in the sole discretion of the General Partner. The minimum investment amount is \$1,000,000, although the General Partner has discretion to accept lesser amounts. Generally, new Limited Partners will be admitted on the first day of each calendar month and withdrawals may be made at the end of each month. In consideration for its services, the Investment Manager receives a 0.25% quarterly management fee based on the Partnership's net assets and the General Partner receives a 20% annual performance allocation based on the Partnership's net income subject to a 4% hurdle rate.

The Limited Partners, by pooling their assets in the Partnership, will be able to invest their funds in a portfolio of securities managed by the Investment Manager that is seeking to maximize return while

controlling risk. In the absence of a pooling vehicle such as the Partnership, an investor would not ordinarily be able to monitor, evaluate and implement the same investment strategies as the Partnership. Also, without a pooling vehicle such as the Partnership, investors would have to undertake many special tax calculations in order to benefit from the anticipated tax advantages associated with the Partnership's investment program.

LUCAS ENERGY FUND (SHARIAH)

A Sub Trust of the Al-Safi Trust

The Lucas Energy Fund will invest primarily in Shariah compliant energy equities and secondarily in other natural resource related equities. The Lucas Energy Fund will seek to hold a portfolio of securities chosen to maximise the quantity of resources indirectly owned, and the cash flow benefits of owning scarce resources such as oil and natural gas. Specifically, the Lucas Energy Fund will seek to operate as an asset-orientated value buyer, seeking to identify the companies that offer the lowest cost, most durable reserves and cash flow.

In carrying out the Lucas Energy Fund's objective, Lucas Capital Management, LLC, the Investment Manager, invests in a portfolio that will include yield-oriented securities known broadly as "income trusts." These vehicles, as distinct from typical "corporations," typically allow for the untaxed "pass through" of income received from (i) oil and gas production and/or royalties, (ii) the ownership of real estate and (iii) other narrowly defined activities, many of which relate to natural resource production or transportation.

The principals of the Investment Manager have focused on investment opportunities in the energy equity and income trust area for over 30 years. The Investment Manager presently believes that the universe of income trusts has emerged over the last several years as a separate investment class offering investors a meaningful alternative to traditional investments in either stocks or bonds. Unlike many stocks, which are dependent on capital gains to provide an investment return, income trusts are "total return" investments structured to provide the majority of their expected return through a high level of tax advantaged income. Unlike most bonds, income trusts have the potential for distribution growth resulting from strengthening commodity prices and/or real estate market conditions. This creates the potential for price appreciation in addition to high current income.

The Lucas Energy Fund will hold a portfolio of securities with a large portion chosen to maximize (i) the quantity of resources indirectly owned, and (ii) the cash flow benefits of owning scarce resources in an environment of strong commodity prices. The Lucas Energy Fund operates as an asset oriented value buyer—seeking to identify the companies that offer the lowest cost, most durable reserves and cash flow. Moreover, the Lucas Energy Fund will be particularly attuned to opportunities in the royalty trust sector, which allows investors to share directly in the cash flows from mature resource properties.

Key metrics in the Lucas Energy Fund's energy investing are the projected durability of company's reserves ("reserve life" or the "R to P Ratio"), the cost to investors of a company's underlying reserves (dollar enterprise value per "Barrel of Oil Equivalent" reserves), and the estimated present value of anticipated trust distributions (as calculated by a proprietary model). The Lucas Energy Fund will have a bias toward securities that the Investment Manager believes will provide a high level of cash flow distribution, such as Royalty Trusts, MLPs, Energy Service Trusts, and direct ownership of private royalty properties.

The Lucas Energy Fund intends to manage risk through extensive diversification (typically upwards of 125 positions), a constant "rotation to value" in which appreciated securities are sold to buy less fully appreciated ones, limited use of leverage, a move to increased cash levels during periods of short term euphoria, and selective shorting (in a Shariah compliant manner). The Investment Manager believes the

greatest margin of safety is achieved by holding deep value with minimal leverage so that the portfolio can weather short-term drops in commodity and/or stock prices. The Investment Manager believes that it is a comfortably “long biased” investor, and generally expects to keep arbitrage short sale positions to below 25% of exposure.

LUCAS ENERGY VENTURES I, LP (LEV I)

Lucas Energy Ventures Fund I, LP is a private equity investment fund formed by Lucas Energy Partners, LLC (the "General Partner"), and Lucas Capital Management, LLC serves as the Investment Manager. The Fund expects to invest in North American oil and gas assets, which include ownership interests in producing oil and gas wells and ownership interests in non-producing properties and exploratory prospects. The Fund invests in exploratory and developmental drilling. However the Fund does not seek to operate any wells or facilities, but to invest in non-operating interests as co-venturers with operating companies. Approximately 70% of the Fund's assets is directed to producing properties and developmental drilling, and approximately 30% of the Fund's assets is directed to exploratory opportunities.

LUCAS ENERGY VENTURES II, LP (LEV II)

Lucas Energy Ventures II, LP is a private investment fund formed by Lucas Energy Partners II, LLC, the "General Partner". Lucas Capital Management, LLC is the investment manager of the Partnership and have discretionary investment authority over the Partnership's assets. The Partnership expects to invest in North American oil and gas assets, which include ownership interests in producing oil and gas wells and ownership interests in nonproducing properties and exploratory prospects, and entities controlling oil and gas assets. The Partnership intends to invest in exploratory and developmental drilling through direct and indirect investments. The Partnership does not seek to operate any wells or facilities, but rather intends to invest in non-operating interests as co-venturers with operating companies and in companies operating such wells or facilities. The Investment Manager currently estimates that approximately 50%-70% of the Partnership's assets will be directed to producing properties and developmental drilling, and approximately 30%-50% of the Partnership's assets will be directed to exploratory opportunities.

LUCAS ENERGY VENTURES III, LP (LEV III)

Lucas Energy Ventures III, LP, is a private investment fund formed by Lucas Energy Partners III, LLC, the "General Partner". Lucas Capital Management, LLC is the investment manager of LEV III and have discretionary investment authority over LEV III assets. The Partnership is being formed to invest in North American oil and gas assets, which include ownership interests in producing oil and gas wells and ownership interests in nonproducing properties and exploratory prospects, and entities controlling oil and gas assets. The Partnership intends to invest in exploratory and developmental drilling through direct and indirect investments alongside proven operators with whom the Partnership has long established relationships. LEV III does not seek to operate any wells or facilities, but rather intends to invest in non-operating interests as co-venturers with operating companies and in companies operating such wells or facilities. Lucas intends to build a balanced portfolio of investments in producing properties, developmental drilling, and exploratory opportunities.

OUTSIDE OFFICER POSITIONS

The Principals of LCM serve as officers of certain corporations. They are:

SWISS OIL and GAS CORPORATION

Russell Lucas-President, George Lucas- Vice President/Treasurer, Randy Allen-Secretary

CRESTA ENERGY CORPORATION

Russell Lucas-President, George Lucas- Vice President/Treasurer, Randy Allen-Secretary

CRESTA ENERGY II CORPORATION

Russell Lucas-President, George Lucas- Vice President/Treasurer, Randy Allen-Secretary

LUCAS ENERGY VENTURES CANADA ULC

Russell Lucas-President, George Lucas- Vice President/Treasurer, Randy Allen-Secretary

LUCAS ENERGY VENTURES CANADA II ULC

Russell Lucas-President, George Lucas- Vice President/Treasurer, Randy Allen-Secretary

LUCAS ENERGY ROYALTY HOLDINGS, LP

Russell Lucas-Director, George Lucas- Director

LUCAS ENERGY VENTURES CALIFORNIA

Russell Lucas-President, George Lucas- Vice President/Treasurer, Randy Allen-Secretary

VI. Investment Professionals

GEORGE B. LUCAS, JR., born July 15, 1934; Lehigh University, BS; formerly Senior Vice President of Smith Barney 1967-1996; Principal and Senior Portfolio Manager, Lucas Capital Management, L.L.C. 1996 to present.

RUSSELL J. LUCAS, born November 5, 1960; Lehigh University, BA; formerly Senior Portfolio Manager at Smith Barney 1983-1996; Principal and Senior Portfolio Manager, Lucas Capital Management, L.L.C. 1996 to present.

ASHTON R. LEE, born September 11, 1952; Northwestern University, BA; Kellogg Graduate School of Management, MBA; formerly Senior Vice President at Leo Burnette Advertising 1975-2001; Principal and Senior Portfolio Manager, Lucas Capital Management, L.L.C. 2003 to present.

BRETT T. FLYNN, born February 27, 1973; St. Lawrence University, BA; formerly head equity trader at McConnell, Budd & Downes, Inc. 1997-2000; Principal, Chief Compliance Officer, and Senior Portfolio Manager, Lucas Capital Management, L.L.C. to present.

RALF SELLIG, born June 28, 1965; formerly foreign exchange spot trader Deutsche Bank 1991-2000; former Managing Director of foreign exchange, currency spot, interest rate and option trading for Deutsche Bank 2000-2006; Principal and Senior Portfolio Manager, Lucas Capital Management, L.L.C. 2006 to present.

M. BRUCE SEVERANCE, born August 1, 1950; Rutgers University, B.A.; formerly portfolio manager at H.G. Wellington Capital Management 1997-2005 and Vice President at Smith Barney 1981-1996; Senior Portfolio Manager, Lucas Capital Management, L.L.C. 2005 to present.

LCM requires that all IARs have at least three years brokerage, advisory or related financial experience. Each IAR is required to have: The FINRA Series 7, 24, 63 or 65, examination(s) or equivalent professional designation (CFA, ChFC, CFP), a college degree or a combination of the above listed qualifications.

VII. Participation or Interest in Client Transactions

Lucas Capital Management and/or employees of LCM may own the same securities that clients of LCM own. This potential conflict of interest is closely monitored and well documented to maintain compliance that Lucas Capital Management and its employees will, above all, act in the best interest of its clients. To that degree, if a mistake is made, the client will always receive the better execution and/ or price improvement. Due to our monitoring procedures, this is a rare occurrence and has only happened once in the last six years.