

8-K - 2016-04-15

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8-K

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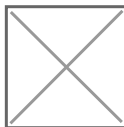
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **April 11, 2016**



Lucas Energy, Inc.
(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation)

001-32508

(Commission File Number)

20-2660243

(I.R.S. Employer Identification No.)

450 Gears Road, Suite 780, Houston, Texas

(Address of principal executive offices)

77067

(Zip Code)

Registrant's telephone number, including area code (713) 528-1881

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ? Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ? Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ? Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ? Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

Assignment, Assumption and Amendment to Line of Credit and Notes Agreement

On April 11, 2016, Lucas Energy, Inc. (the “Company”, “we” or “us”), Target Alliance London Limited (“TALL”), and Silver Star Oil Company (“Silver Star”), entered into an Assignment, Assumption and Amendment to Line of Credit and Notes Agreement (the “Assignment Agreement”). Pursuant to the Assignment Agreement, Silver Star assigned its rights under that certain Non-Revolving Line of Credit Agreement dated August 30, 2015 and effective August 28, 2015 (the “Line of Credit”) and ownership of a \$200,000 Convertible Promissory Note sold by us to Silver Star thereunder dated February 10, 2016, to be effective on February 8, 2016 (the “February Note”), to TALL in consideration for \$200,000. Additionally, Silver Star provided us a release from any liability in connection with the Line of Credit and prior Convertible Promissory Notes sold to Silver Star by us. The Assignment Agreement also amended the Line of Credit and terms of any future Convertible Promissory Notes sold thereunder, to (a) decrease the total amount available for borrowing under the Line of Credit to \$1.8 million (previously we had the right to borrow up to \$2.4 million thereunder), unless the parties mutually agree to provide for loans of up to \$2.4 million (provided that \$1 million has already been borrowed under such Line of Credit to date); (b) increased the monthly advance limit under the Line of Credit from \$200,000 to \$250,000 per month; (c) increased the conversion price of any future notes sold under the Line of Credit to \$3.25 per share (previously the conversion price was \$1.50 per share, provided that the conversion price of the February Note remained at \$1.50 per share); (d) amended the requirements for us to seek stockholder approval of the issuance of shares of common stock upon conversion of the notes to require us to seek stockholder approval at the same time as we seek stockholder approval for the shares issuable pursuant to the terms of our December 2015 Asset Purchase Agreement; (e) ratified the addition of a 9.99% ownership blocker to the February Note and any future notes sold under the Line of Credit; and (f) formally removed certain transaction approval rights under the Line of Credit which previously required us to receive approval of Silver Star in the event we desired to enter into certain transactions outside the usual course of business. The Assignment Agreement also extended the due date of the February Note and all future notes sold under the Line of Credit to April 11, 2017. As additional consideration for TALL agreeing to the terms of the Assignment Agreement, we agreed, subject to NYSE MKT listing approval and where applicable stockholder approval under applicable NYSE MKT rules and regulations, to grant TALL warrants to purchase 51,562 shares of common stock at an exercise price of \$3.25 per share, for each \$250,000 loaned pursuant to the terms of the amended Line of Credit. Finally, the Assignment Agreement provided that the sale of all securities issued or granted pursuant to the Line of Credit and all future notes sold thereunder would be subject to that certain April 6, 2016 (a) Securities Purchase Agreement and (b) Stock Purchase Agreement, entered into between the Company and an accredited investor, as described by the Company in its Current Report on Form 8-K filed with the Securities and Exchange Commission on April 7, 2016, including a restriction on the Company selling not more than \$250,000 per month in private placements of securities, subject to all such securities being restricted for a period of six months from their issuance date.

The foregoing description of the Assignment Agreement and warrants do not purport to be complete and are qualified in their entirety by reference to the Assignment Agreement and form of Common Stock Purchase Warrant, copies of which are attached as Exhibit 10.1 and Exhibit 10.2, respectively, to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

Exhibit

No.	Description
10.1*	Assignment, Assumption and Amendment to Line of Credit and Notes Agreement, dated April 11, 2016, by and between Target Alliance London Limited; Silver Star Oil Company; and Lucas Energy, Inc.
10.2*	Form of Common Stock Purchase Warrant provided by Lucas Energy, Inc. to Target Alliance London Limited

* Filed herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LUCAS ENERGY, INC.

By: /s/ Anthony C. Schnur
Name: Anthony C. Schnur
Title: Chief Executive Officer

Date: April 15, 2016

EXHIBIT INDEX

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* Filed herewith.

[Lucas Energy, Inc. 8-K](#)

Exhibit 10.1

**ASSIGNMENT, ASSUMPTION AND
AMENDMENT TO LINE OF CREDIT AND NOTES AGREEMENT**

This Assignment, Assumption and Amendment to Line of Credit and Notes Agreement (this “**Agreement**”) dated and effective April 11, 2016 (the “**Effective Date**”) is by and between, Target Alliance London Limited, a United Kingdom Private Limited Company with Share Capital, company number 08582290 (“**TALL**”); Silver Star Oil Company, a Texas Corporation (“**Silver Star**”); and Lucas Energy, Inc., a Nevada corporation (“**Lucas**”), each referred to as a “**Party**” and collectively as the “**Parties**” to the Agreement.

WITNESSETH:

WHEREAS, on August 30, 2015 and effective on August 28, 2015, Lucas and Silver Star entered into that certain Non-Revolving Line of Credit Agreement, which was amended by Silver Star and Lucas on February 1, 2016 and which certain rights thereunder were waived by Silver Star via email on February 12, 2016 (as amended and modified to date, the “**Line of Credit**”);

WHEREAS, the Line of Credit provides Lucas the right, from time to time, subject to the terms of the Line of Credit, to sell up to \$2.4 million in convertible promissory notes (the “**Convertible Notes**”) to Silver Star of which \$1 million in Convertible Notes have been sold to date;

WHEREAS, of the \$1 million in Convertible Notes sold to Silver Star to date, (a) \$300,000 of such Convertible Notes was previously sold from Silver Star to Rockwell Capital Partners on February 2, 2016; and (b) \$500,000 of such Convertible Notes was previously sold from Silver Star to Rockwell Capital Partners on April 8, 2016 (collectively, the “**Rockwell Assignment**” and the “**Rockwell Assigned Notes**”), and as such, Silver Star currently holds \$200,000 in principal amount of outstanding Convertible Notes¹ (together with all accrued and unpaid interest thereon, the “**Outstanding Notes**”);

WHEREAS, currently, each of the Outstanding Notes are due and payable on October 1, 2016, accrue interest at the rate of 6% per annum (15% upon the occurrence of an event of default), and allow the holder thereof the right to convert the principal and interest due thereunder into common stock of Lucas at a conversion price of \$1.50 per share, provided that any conversion is subject to Lucas first receiving approval for the issuance of shares of Lucas’s common stock under the Outstanding Notes under applicable NYSE MKT rules and regulations (“**NYSE Approval**”), and to the extent such conversion(s) (together with the Convertible Notes sold by Silver Star to Rockwell, a portion of which has already been converted) would exceed 243,853 shares of common stock, stockholder approval for such issuances (the “**Stockholder Approval**”), and may be prepaid at any time with ten days prior notice to the holder thereof; and

¹ Such \$200,000 in principal amount of Outstanding Notes includes \$200,000 in principal outstanding under that certain Convertible Promissory Note provided by Lucas to Silver Star dated February 10, 2016, to be effective on February 8, 2016.

WHEREAS, pursuant to the terms of this Agreement, (a) Silver Star desires to assign and TALL desires to assume, all of Silver Star's rights and obligations under the Line of Credit and Outstanding Notes, and Lucas desires to consent to such assignment and assumption; (b) the Parties desire to amend and modify certain terms and conditions of the Line of Credit and Outstanding Notes as described below; (c) Lucas desires to provide TALL additional consideration for assuming Silver Star's rights under the Line of Credit; and (d) the Parties desire to make the confirmations and acknowledgements set forth below, and to agree to the other terms and conditions below, each on, and subject to, the terms and conditions of this Agreement as described below.

NOW, THEREFORE, in consideration of the premises and the mutual covenants, agreements, and considerations herein contained, and other good and valuable consideration, which consideration the Parties hereby acknowledge and confirm the receipt and sufficiency thereof, the Parties hereto agree as follows:

1. Assignment and Assumption.

(a) Assignment and Assumption of Outstanding Notes. Effective as of the Effective Date, Silver Star assigns all of its rights, title and interest in the Outstanding Notes to TALL, and TALL hereby accepts such assignment (the "**Note Assignment**"). Silver Star hereby assigns, sells, conveys, transfers and sets over unto TALL, its successors and assigns, all right, title and interest of Silver Star in and to the Outstanding Notes, free and clear of all liens, claims, charges and encumbrances. After the Effective Date, Lucas shall not owe Silver Star any monies or obligations whatsoever under the Outstanding Notes and all monies and obligations thereunder shall instead be owed by Lucas solely to TALL and shall be paid (if not converted pursuant to the terms of the Convertible Notes) by Lucas to TALL. Effective upon the Note Assignment, each reference to "**Holder**" in the Outstanding Notes shall mean TALL.

(b) Assignment and Assumption of Line of Credit Rights. Effective as of the Effective Date, Silver Star assigns all of its rights, title, interest and obligations in and under the Line of Credit (the "**Line of Credit Rights**") to TALL, and TALL hereby accepts such assignment (the "**Line of Credit Assignment**" and collectively with the Note Assignment, the "**Assignment**"). Silver Star hereby assigns, sells, conveys, transfers and sets over unto TALL, its successors and assigns, all right, title, interest and obligations of Silver Star in and under the Line of Credit, free and clear of all liens, claims, charges and encumbrances. After the Effective Date, Lucas shall not owe any obligations to Silver Star under, and Silver Star shall have no rights or obligations under, the Line of Credit. Effective upon the Line of Credit Assignment, each reference to "**Investor**" in the Line of Credit shall mean TALL.

(c) Representations of Silver Star in Connection with the Assignment. Silver Star hereby represents and warrants to TALL and Lucas that (i) Silver Star is the sole legal and beneficial owner of the Outstanding Notes and Line of Credit Rights, (ii) Silver Star owns the Outstanding Notes free and clear of all liens, claims, charges and encumbrances, (iii) other than the Rockwell Assignment, Silver Star has not assigned or transferred any of its rights or obligations under the Outstanding Notes or Line of Credit; and (iv) Silver Star has the full power and authority to assign, sell, convey, transfer and set over to TALL all of Silver Star's right, title and interest in and to the Outstanding Notes and the Line of Credit Rights, and no approval or consent of any person, court or other governmental authority or agency is required in connection with this Agreement or the Assignment.

(d) Release. In consideration for the Assignment, the payment by TALL of the Assignment Fee (defined below) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and effective on the Effective Date, Silver Star hereby releases, acquits and forever discharges Lucas, its current, past and future affiliates, agents, directors, officers, servants, representatives, successors, shareholders, employees, attorneys, and assigns (collectively, the “**Release Parties**”) from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, covenants, controversies, agreements, promises, variances, trespasses, damages, judgments, claims and demands, whether asserted or unasserted, whether known or unknown, suspected or unsuspected, which it ever had or now has, upon or by reason of any manner, cause, causes or thing whatsoever, in law or equity and all rights, obligations, claims, demands, whether in contract, tort, or state and/or federal law arising from or relating to, or associated with the Line of Credit and Convertible Promissory Notes sold by Lucas to Silver Star thereunder (the “**Release**”). Silver Star further represents that it has not assigned, in whole or in part, any claim, demand and/or causes of action against any Released Party prior to its entry into this Agreement.

(e) Payment of Assignment Fee. Within three (3) Business Days of the date of the complete execution of this Agreement by all the Parties hereto, TALL shall wire \$200,000 (the “**Assignment Fee**”) to Silver Star pursuant to the written instructions of Silver Star in full and complete satisfaction for the Assignment. “**Business Day**” means a day other than (i) a Saturday, (ii) a Sunday or (iii) a day on which commercial banks in the City of Houston, Texas are authorized or required to be closed for business.

(f) Consent to Assignment. By executing this Agreement below, Lucas consents to the Assignment for all purposes.

(g) Representations of TALL in connection with Assignment. TALL agrees and covenants to comply with all of the terms and conditions of the Line of Credit and Outstanding Notes and to be bound by all of such terms thereof. TALL further represents to Lucas, as of the date hereof, and confirms, all of the representations and warranties of the “**Investor**” set forth in ARTICLE III of the Line of Credit, as if TALL had made such representations thereunder as of the date of this Agreement as an original party thereunder.

2. Amendments to Line of Credit and Outstanding Notes.

(a) Effective as of Effective Date, each reference to “**Secured**” Line of Credit Agreement or “**Secured**” Convertible Promissory Note in the Line of Credit or Outstanding Notes shall be replaced by a reference to “**Line of Credit Agreement**” and “**Convertible Promissory Note**”, respectively. TALL confirms and acknowledges that none of the Outstanding Notes or Future Notes (as defined below) are secured.

(b) Effective as of Effective Date, the definition of “**Commitment Amount**” in Section 1.1(i) of the Line of Credit shall be amended, replaced and superseded in its entirety by the following Section 1.1(i):

“(i) “**Commitment Amount**” shall mean the aggregate amount not to exceed One Million Eight Hundred Thousand Dollars (\$1,800,000) which the Investor has agreed to provide to the Company, subject to the terms of this Agreement, in order to purchase Convertible Notes pursuant to the terms and conditions of this Agreement, provided that with the mutual agreement of Investor and the Company the “**Commitment Amount**” may be increased to up to no more than Two Million Four Hundred Thousand Dollars (\$2,400,000).”

(c) Effective as of Effective Date, Section 2.2(a) of the Line of Credit shall be amended, replaced and superseded in its entirety by the following Section 2.2(a):

“(a) Advance Notice. At any time during the Commitment Period, the Company may deliver an Advance Notice to the Investor, subject to the conditions set forth in this Agreement. The amount of each individual Advance made pursuant to this Agreement shall not be more than \$250,000 in any thirty (30) day period (the “**Advance Limit**”), unless otherwise agreed in writing by the Investor. The aggregate amount of all Advances pursuant to this Agreement shall not exceed the Commitment Amount.”

(d) Effective as of Effective Date, Section 2.5 of the Line of Credit shall be amended, replaced and superseded in its entirety by the following Section 2.5:

“Section 2.5 Convertible Note Terms. Unless otherwise agreed in writing between the Company and the Investor, each Convertible Note shall be in the form of Convertible Note attached hereto as Exhibit A, shall be due on April 11, 2017, unless otherwise agreed between the parties, and shall accrue interest at the rate of 6% per annum until paid in full, except that upon the occurrence of an event of default under the Convertible Notes, shall accrue interest at the rate of 15% per annum.”

(e) Notwithstanding the fact that the \$200,000 Convertible Note provided by Lucas to Silver Star dated February 10, 2016, to be effective on February 8, 2016, which pursuant to this Agreement is being assigned to TALL for \$200,000, shall convert at the contractual conversion price of \$1.50 per share under the same terms and conditions of that Convertible Note, effective as of the Effective Date, the definition of “**Conversion Price**” in Section 4(a) shall apply to the Form of Convertible Promissory Note (which shall govern all Future Notes as defined below) which forms Exhibit A to the Line of Credit, shall be amended to equal a “**Conversion Price**” of \$3.25 per share, and each reference in the Outstanding Notes, Line of Credit, Form of Convertible Promissory Note or Future Notes to Conversion Price shall mean \$3.25 per share.

(f) Effective as of Effective Date, Section 6.1(a) of the Line of Credit shall be amended, replaced and superseded in its entirety by the following Section 6.1(a):

“(a) Requirement to Seek Shareholder Approval. The Company agrees to seek the approval by the shareholders of the Company, as required pursuant to applicable rules and regulations of the NYSE MKT, of (a) the issuance of the Conversion Shares upon the conversion of the Convertible Notes; and (b) the issuance of shares of common stock issuable upon exercise of those certain warrants issuable pursuant to the terms of the April 11, 2015, Assignment, Assumption and Amendment to Line of Credit and Notes Agreement by and between Silver Star Oil Company, Lucas Energy, Inc. and Target Alliance London Limited (collectively, the “Transaction Shares”), at such time as the Company seeks shareholder approval for the issuance of shares of Common Stock pursuant to the December 30, 2015, Asset Purchase Agreement, entered into by the Company with twenty-one separate sellers and Segundo Resources, LLC, as a seller and as a representative of the sellers named therein (the “Segundo Transaction” and the “Segundo Proxy”), provided that in the event the Segundo Proxy is not filed by June 30, 2016, the Company shall file a separate proxy statement to seek shareholder approval for the issuance of the Transaction Shares within thirty (30) days of such date.”

(g) Effective as of the Effective Date, a new Section 8.17 shall be added to the Line of Credit as follows:

“Section 8.17. Blocker. The Investor shall not have the right to convert any portion of the Notes, pursuant to Section 4(a) thereof or otherwise, to the extent that after giving effect to such conversion, Investor (together with the Investor’s affiliates), as set forth on the applicable Notice of Conversion, would beneficially own in excess of 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to such conversion (the “Blocker”). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Investor and its affiliates shall include the number of shares of Common Stock issuable upon conversion of the Notes with respect to which the determination of such sentence is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (A) conversion of the remaining, nonconverted portion of the Notes beneficially owned by the Investor or any of its affiliates which include a similar Blocker and (B) exercise or conversion of the unexercised or nonconverted portion of any other securities of Lucas (including, without limitation, any other Notes) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Investor or any of its affiliates. Except as set forth in the preceding sentence, for purposes of this Section 8.17, beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act. To the extent that the limitation contained in this section applies, the determination of whether the Notes are convertible (in relation to other securities owned by the Investor) and of which a portion of the Notes is convertible shall be in the sole discretion of such Investor. To ensure compliance with this restriction, the Investor will be deemed to represent to Lucas each time it delivers a Notice of Conversion that such Notice of Conversion has not violated the restrictions set forth in this paragraph and Lucas shall have no obligation to verify or confirm the accuracy of such determination. For purposes of this Section 8.17, in determining the number of outstanding shares of Common Stock, the Investor may rely on the number of outstanding shares of Common Stock as reflected in (x) Lucas’s most recent Form 10-Q or Form 10-K (or such related form), as the case may be, (y) a more recent public announcement by Lucas or (z) any other notice by Lucas or Lucas’s transfer agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of the Investor, Lucas shall within two Business Days confirm orally and in writing to the Investor the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of Lucas, including the Notes, by the Investor or its affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The provisions of this Section 8.17 may be waived by the Investor upon, at the election of the Investor, not less than 61 days’ prior written notice to Lucas, and the provisions of this Section 8.17 shall continue to apply until such 61st day (or such later date, as determined by the Investor, as may be specified in such notice of waiver). The foregoing provision shall be treated as if a provision of the Notes.”

(h) Effective as of the Effective Date, the following sections of the Line of Credit shall be removed from the Line of Credit in their entirety (or confirmed removed if previously removed or waived by a prior amendment to the Line of Credit) and replaced by “**Intentionally Removed**”: Section 1.1(h), Section 6.1(d), Section 6.2(a), Section 7.9, Section 7.10, Section 7.11 and Section 7.12.

(i) Effective as of Effective Date, the definition of “**Maturity Date**” in Section 2 of the Outstanding Notes and the Form of Convertible Promissory Note (which shall govern all Future Notes as defined below) which forms Exhibit A to the Line of Credit, shall be amended to provide for a “**Maturity Date**” of April [], 2017. For the sake of clarity, the Outstanding Notes shall be due on April [], 2017.

(j) Effective as of Effective Date, a new Section 4(m) shall be added to each of the Outstanding Notes and the Form of Convertible Promissory Note (which shall govern all Future Notes as defined below) which forms Exhibit A to the Line of Credit as follows:

“m. Blocker. The Holder shall not have the right to convert any portion of this Note, pursuant to Section 4(a) hereof or otherwise, to the extent that after giving effect to such conversion, Holder (together with the Holder’s affiliates), as set forth on the applicable Notice of Conversion, would beneficially own in excess of 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to such conversion (the “**Blocker**”). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its affiliates shall include the number of shares of Common Stock issuable upon conversion of the Note with respect to which the determination of such sentence is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (A) conversion of the remaining, nonconverted portion of any notes beneficially owned by the Holder or any of its affiliates which include a similar Blocker and (B) exercise or conversion of the unexercised or nonconverted portion of any other securities of Lucas (including, without limitation, any other Notes) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its affiliates. Except as set forth in the preceding sentence, for purposes of this Section 4(m), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act. To the extent that the limitation contained in this section applies, the determination of whether the Note is convertible (in relation to other securities owned by the Holder) and of which a portion of the Note is convertible shall be in the sole discretion of such Holder. To ensure compliance with this restriction, the Holder will be deemed to represent to Lucas each time it delivers a Notice of Conversion that such Notice of Conversion has not violated the restrictions set forth in this paragraph and Lucas shall have no obligation to verify or confirm the accuracy of such determination. For purposes of this Section 4(m), in determining the number of outstanding shares of Common Stock, the Holder may rely on the number of outstanding shares of Common Stock as reflected in (x) Lucas’s most recent Form 10-Q or Form 10-K (or such related form), as the case may be, (y) a more recent public announcement by Lucas or (z) any other notice by Lucas or Lucas’s transfer agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of the Holder, Lucas shall within two Business Days confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of Lucas, including this Note or other notes, by the Holder or its affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The provisions of this Section 4(m) may be waived by the Holder upon, at the election of the Holder, not less than 61 days’ prior written notice to Lucas, and the provisions of this Section 4(m) shall continue to apply until such 61st day (or such later date, as determined by the Holder, as may be specified in such notice of waiver). The foregoing provision shall be treated as if a provision of the Notes.”

3. **Grant of Warrants.** As additional consideration for TALL agreeing to the Assignment and the amendments to the Line of Credit and Outstanding Notes described in Section 2, above, Lucas agrees to grant Silver Star warrants to purchase 51,562 shares of Lucas's common stock for each \$250,000 borrowed by Lucas under the Line of Credit after the date of this Agreement (i.e., warrants to purchase 0.20625 shares of Common Stock for each dollar borrowed)(the "**Warrants**"), which Warrants shall have an exercise price of \$3.25 per share and the terms and conditions set forth in the form of Warrant attached hereto as Exhibit A.

4. **Sales of Future Notes and Grant of Warrants Subject to the Terms of the April 6, 2016 Securities Purchase Agreement and Stock Purchase Agreement Entered Into Between Lucas and an Accredited Investor.** The sales of any Future Notes (as defined below) under the Line of Credit and the grant of Warrants hereunder shall be subject in all cases to the restrictions set forth in Section IV.L of that certain April 6, 2016 (a) Securities Purchase Agreement and (b) Stock Purchase Agreement entered into between Lucas and an accredited investor, as described by Lucas in its Current Report on Form 8-K filed with the Securities and Exchange Commission on April 7, 2016, including a restriction on Lucas selling not more than \$250,000 per month in private placements of securities, subject to all such securities being restricted for a period of six months from their issuance date (collectively, the "**Restrictions**"). In the event of any conflict between the terms of this Agreement, the Line of Credit, Warrants, Outstanding Notes or Future Notes (as defined below)(collectively the "**Securities Agreements**") and the Restrictions, the Restrictions shall control and the Securities Agreements shall be modified automatically to comply with such Restrictions.

5. **Representations of TALL.** TALL hereby represents and warrants to Lucas in connection with the grant of the Warrants and the Assignment of the Line of Credit and the Outstanding Notes, which representations set forth in this Section 5 shall be deemed re-confirmed and re-represented each time that (i) Warrants are granted to TALL pursuant to Section 3 hereof; (ii) Outstanding Notes are converted into common stock of Lucas pursuant to the terms thereof by TALL; or (iii) Convertible Promissory Notes are sold to TALL pursuant to the terms of the Line of Credit after the date hereof ("**Future Notes**") (provided that TALL shall also be deemed to make the representations set forth in the Line of Credit upon each future sale of Convertible Promissory Notes thereunder and shall further be deemed to make the representations in the Outstanding Notes upon each conversion of such notes in accordance with the terms and conditions thereof), that:

(a) TALL is an "**accredited investor**," as such term is defined in Regulation D of the Securities Act of 1933, as amended (the "**1933 Act**"), and is acquiring the Outstanding Notes, will acquire any Future Notes, will acquire the shares of Lucas common stock issuable upon conversion of the Outstanding Notes and any Future Notes and will acquire the Warrants and the shares of Lucas common stock issuable upon exercise of such Warrants (collectively, the "**Securities**") for its own account and not with a view to a sale or distribution thereof as that term is used in Section 2(a)(11) of the 1933 Act, in a manner which would require registration under the 1933 Act or any state securities laws. TALL has such knowledge and experience in financial and business matters that TALL is capable of evaluating the merits and risks of the Securities. TALL can bear the economic risk of the Securities, has knowledge and experience in financial business matters and is capable of bearing and managing the risk of investment in the Securities. TALL recognizes that the Securities have not been registered under the 1933 Act, nor under the securities laws of any state and, therefore, cannot be resold unless the resale of the Securities is registered under the 1933 Act or unless an exemption from registration is available. TALL has carefully considered and has, to the extent TALL believes such discussion necessary, discussed with its professional, legal, tax and financial advisors, the suitability of an investment in the Securities for its particular tax and financial situation and its advisers, if such advisors were deemed necessary, and has determined that the Securities are a suitable investment for it. TALL has not been offered the Securities by any form of general solicitation or advertising, including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine, or other similar media or television or radio broadcast or any seminar or meeting where, to TALL's knowledge, those individuals that have attended have been invited by any such or similar means of general solicitation or advertising. TALL has had an opportunity to ask questions of and receive satisfactory answers from Lucas, or any person or persons acting on behalf of Lucas, concerning the terms and conditions of the Securities and Lucas, and all such questions have been answered to the full satisfaction of TALL. Lucas has not supplied TALL any information regarding the Securities or an investment in the Securities other than as contained in this Agreement, and TALL is relying on its own investigation and evaluation of Lucas and the Securities and not on any other information.

(b) TALL is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has all requisite corporate power and authority to carry on its business as now conducted. TALL is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a material adverse effect on its business or properties.

(c) All corporate action has been taken on the part of TALL, its officers, directors and stockholders necessary for the authorization, execution and delivery of this Agreement. TALL has taken all corporate action required to make all of the obligations of TALL reflected in the provisions of this Agreement, valid and enforceable obligations.

(d) TALL is aware that the conversion of the Outstanding Notes and Future Notes, and if the NYSE MKT requires aggregation of all such securities, the exercise of the Warrants, will be, and are, limited by the requirement to obtain NYSE Approval and Stockholder Approval, and until such time as Lucas receives Stockholder Approval for the issuance of shares of common stock upon conversion and exercise thereof, as applicable, none of such securities will be convertible or exercisable.

(e) Each certificate or instrument representing Securities will be endorsed with the following legend (or a substantially similar legend), unless or until registered under the 1933 Act:

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT COVERING SUCH SECURITIES, THE TRANSFER IS MADE IN COMPLIANCE WITH RULE 144 PROMULGATED UNDER SUCH ACT OR LUCAS RECEIVES AN OPINION OF COUNSEL FOR THE HOLDER OF THESE SECURITIES WHICH IS REASONABLY SATISFACTORY TO LUCAS, STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT.

6. **Consideration.** Each of the Parties agrees and confirms by signing below that they have received valid consideration in connection with this Agreement and the transactions contemplated herein.

7. **Mutual Representations, Covenants and Warranties.** Each of the Parties, for themselves and for the benefit of each of the other Parties hereto, represents, covenants and warranties that:

(a) Such Party has all requisite power and authority, corporate or otherwise, to execute and deliver this Agreement and to consummate the transactions contemplated hereby and thereby. This Agreement constitutes the legal, valid and binding obligation of such Party enforceable against such Party in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general equitable principles;

(b) The execution and delivery by such Party and the consummation of the transactions contemplated hereby and thereby do not and shall not, by the lapse of time, the giving of notice or otherwise: (i) constitute a violation of any law; or (ii) constitute a breach of any provision contained in, or a default under, any governmental approval, any writ, injunction, order, judgment or decree of any governmental authority or any contract to which such Party is bound or affected;

(c) Any individual executing this Agreement on behalf of an entity has authority to act on behalf of such entity and has been duly and properly authorized to sign this Agreement on behalf of such entity; and

(d) No changes, amendments or modifications to the terms and conditions of the Rockwell Assigned Notes shall be effected by the terms and conditions of this Agreement.

8. **Further Assurances.** The Parties agree that, from time to time, each of them will take such other action and to execute, acknowledge and deliver such contracts, deeds, or other documents as may be reasonably requested and necessary or appropriate to carry out the purposes and intent of this Agreement, the Assignment and the transactions contemplated herein.

9. **Effect of Agreement.** Upon the effectiveness of this Agreement, each reference in the Line of Credit and Outstanding Notes to “**Agreement,**” “**Note,**” “**hereunder,**” “**hereof,**” “**herein**” or words of like import shall mean and be a reference to such Line of Credit and Outstanding Notes as modified or amended hereby.

10. **Line of Credit and Outstanding Notes to Continue in Full Force and Effect.** Except as specifically modified or amended herein, the Line of Credit and Outstanding Notes and the terms and conditions thereof shall remain in full force and effect.

11. **Benefit and Burden.** This Agreement shall inure to the benefit of, and shall be binding upon, the Parties hereto and their successors and permitted assigns.

12. **Entire Agreement.** This Agreement sets forth all of the promises, agreements, conditions, understandings, warranties and representations among the Parties with respect to the transactions contemplated hereby and thereby, and supersedes all prior agreements, arrangements and understandings between the Parties, whether written, oral or otherwise, except for the Line of Credit and Outstanding Notes which are amended as provided herein.

13. **Review and Construction of Documents.** Each Party represents to the others, that (a) before executing this Agreement, said Party has fully informed itself of the terms, contents, conditions and effects of this Agreement; (b) said Party has relied solely and completely upon its own judgment in executing this Agreement; (c) said Party has had the opportunity to seek and has obtained the advice of its own legal, tax and business advisors before executing this Agreement; (d) said Party has acted voluntarily and of its own free will in executing this Agreement; and (e) this Agreement is the result of arm’s length negotiations conducted by and among the Parties and their respective counsel.

14. **Severability.** Every provision of this Agreement is intended to be severable. If, in any jurisdiction, any term or provision hereof is determined to be invalid or unenforceable, (a) the remaining terms and provisions hereof shall be unimpaired, (b) any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such term or provision in any other jurisdiction, and (c) the invalid or unenforceable term or provision shall, for purposes of such jurisdiction, be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision. In the event a court of competent jurisdiction determines that any provision of this Agreement is invalid or against public policy and cannot be so reduced or modified so as to be made enforceable, the remaining provisions of this Agreement shall not be affected thereby, and shall remain in full force and effect.

15. **Construction.** When used in this Agreement, unless a contrary intention appears: (i) a term has the meaning assigned to it; (ii) “**or**” is not exclusive; (iii) “**including**” means including without limitation; (iv) words in the singular include the plural and words in the plural include the singular, and words importing the masculine gender include the feminine and neuter genders; (v) any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as from time to time amended, modified or supplemented and includes (in the case of agreements or instruments) references to all attachments thereto and instruments incorporated therein; (vi) the words “**hereof**”, “**herein**” and “**hereunder**” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision hereof; (vii) references contained herein to Article, Section, Schedule, Appendix and Exhibit, as applicable, are references to Articles, Sections, Schedules, Appendixes and Exhibits in this Agreement unless otherwise specified and any such Schedules, Appendixes and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein; (viii) references to “**writing**” include printing, typing, lithography and other means of reproducing words in a visible form, including, but not limited to email; (ix) references to “**dollars**”, “**Dollars**” or “**\$**” in this Agreement shall mean United States dollars; (x) reference to a particular statute, regulation or law means such statute, regulation or law as amended or otherwise modified from time to time; (xi) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein); (xii) unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word “**from**” means “**from and including**” and the words “**to**” and “**until**” each mean “**to but excluding**”; (xiii) references to “**days**” shall mean calendar days; and (xiv) the paragraph headings contained in this Agreement are for convenience only, and shall in no manner be construed as part of this Agreement.

16. **Choice of Law.** This Agreement shall be governed by and construed according to the laws of the State of Texas, without giving effect to its choice of law principles. Any actions and proceedings arising out of or relating directly or indirectly to this Agreement or any ancillary agreement or any other related obligations shall be litigated solely and exclusively in the state or federal courts located in Harris County, Texas, and those such courts are convenient forums. Each Party hereby submits to the personal jurisdiction of such courts for purposes of any such actions or proceedings.

17. **Binding Effect.** This Agreement shall not be binding on any Party unless and until it is executed by all Parties, and upon such execution shall be binding on and inure to the benefit of each of the Parties and their respective heirs, successors, assigns, directors, officers, agents, employees and personal representatives.

18. **Counterparts and Signatures.** This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, may be executed in one or more counterparts, all of which shall constitute one and the same instrument. Any such counterpart, to the extent delivered by means of a facsimile machine or by .pdf, .tif, .gif, .peg or similar attachment to electronic mail (any such delivery, an “**Electronic Delivery**”) shall be treated in all manner and respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. No Party shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such Party forever waives any such defense, except to the extent such defense relates to lack of authenticity.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed and delivered as of the date set forth on the first page hereof to be effective as of the Effective Date.

TARGET ALLIANCE LONDON LIMITED

By: /s/ I. Aronson

Its: Director

Printed Name: I. Aronson

SILVER STAR OIL COMPANY

By: /s/ John Chambers 04-12-16
John Chambers
Principal

LUCAS ENERGY, INC.

By: /s/ Anthony C. Schnur
Anthony C. Schnur
Chief Executive Officer

EX-10.2

EX-10.2 3 ex10-2.htm FORM OF COMMON STOCK PURCHASE WARRANT PROVIDED BY LUCAS ENERGY, INC. TO TARGET ALLIANCE LONDON LIMITED

[Lucas Energy, Inc. 8-K](#)

EXHIBIT 10.2

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON STOCK PURCHASE WARRANT**LUCAS ENERGY, INC.**

Warrant Shares: 51,562 Warrant: T-[]

THIS COMMON STOCK PURCHASE WARRANT (the “**Warrant**”) certifies that, for value received, Target Alliance London Limited, a United Kingdom Private Limited Company with Share Capital, company number 08582290 or its assigns (the “**Holder**”) is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time after _____, 2016 (the “**Initial Exercise Date**”) and on or prior to the close of business on the [_____] year anniversary of the Closing Date (the “**Termination Date**”) but not thereafter, to subscribe for and purchase from Lucas Energy, Inc., a Nevada corporation (the “**Company**”), up to 51,562 shares (as subject to adjustment hereunder, the “**Warrant Shares**”) of the Company’s common stock (“**Common Stock**”), provided that any exercise of this Warrant shall be subject to the Beneficial Ownership Limitation and Exchange Cap described below. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms have the meanings indicated in this Section 1:

“**Affiliate**” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

“**Agreement**” means this Common Stock Purchase Warrant.

“**Board of Directors**” means the board of directors of the Company.

“Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in Houston, Texas are authorized or required by law or other governmental action to close.

“Closing Sales Price” means the last sales price of the Common Stock on the Principal Market as reported by NASDAQ.com (or a comparable reporting service of national reputation) (collectively, **“NASDAQ.com”**), or if the foregoing does not apply, the last reported sales price of such security on a national exchange or in the over-the-counter market on the electronic bulletin board for such security as reported by NASDAQ.com, or, if no such price is reported for such security by NASDAQ.com, the average of the bid prices of all market makers for such security as reported in the **“pink sheets”** market maintained by OTC Market Group, in each case for such date or, if such date was not a Trading Day for such security, on the next preceding date that was a Trading Day. If the Closing Sales Price cannot be calculated for such security as of either of such dates on any of the foregoing bases, the Closing Sales Price of such security on such date shall be the fair market value as reasonably determined by an investment banking firm selected by the Company and reasonably acceptable to the Holder, with the costs of such appraisal to be borne by the Company.

“Commission” means the United States Securities and Exchange Commission.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Liens” means a lien, charge pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Principal Market” means initially the NYSE MKT, and shall also include the NASDAQ Capital Market, New York Stock Exchange, the NASDAQ National Market, the OTCQB Market, the OTCQX Market, or the OTC Pink Market, or any successor or subsequent market or exchange, which is at the time the principal trading exchange or market for the Common Stock, based upon share volume.

“Proceeding” means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

“Rule 144” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

“**Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“**Trading Day**” means any day on which the Common Stock is traded on the Principal Market, or, if the Principal Market is not the principal trading market for the Common Stock, then on the principal securities exchange or securities market on which the Common Stock is then traded; provided that “**Trading Day**” shall not include any day on which the Common Stock is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Common Stock is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York Time).

“**Transfer Agent**” means the transfer agent of the Company and any successor transfer agent of the Company.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly executed facsimile copy (or .pdf copy via e-mail) of the Notice of Exercise in the form annexed hereto and within five (5) Trading Days of the date said Notice of Exercise is delivered to the Company, the Company shall have received payment of the aggregate Exercise Price of the shares thereby purchased by wire transfer or cashier’s check (or if acceptable to the Company, a personal check) drawn on a United States bank or, if available, pursuant to the cashless exercise procedure specified in Section 2(c) below. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise form be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within five (5) Trading Days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within three (3) Business Days of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant**

Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.

b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be \$3.25, subject to adjustment hereunder (the “**Exercise Price**”).

c) Cashless Exercise. If at any time the Holder proposes to exercise this Warrant or any portion hereof after the Initial Exercise Date of the date hereof, there is no effective Registration Statement registering, or no current prospectus available for, the resale of the Warrant Shares issuable to Holder upon exercise of the applicable portion of the Warrant proposed to be exercised by the Holder, or any portion thereof (each a “**Non-Registered Time**”), then the applicable portion of this Warrant not covered by such Registration Statement may also be exercised solely during such Non-Registered Time, in whole or in part, by means of a “**cashless exercise**” in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = the average of the Closing Sales Prices on the five (5) Trading Days immediately preceding the date on which Holder elects to exercise this Warrant by means of a “**cashless exercise**,” as set forth in the applicable Notice of Exercise;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of the applicable portion of this Warrant which is not covered by an effective Registration Statement registering, or which there is no current prospectus available for, in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

Notwithstanding the above, no “**cashless exercise**” shall be allowed unless (A) is greater than the Exercise Price of this Warrant, as adjusted hereunder.

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. Warrant Shares purchased hereunder shall be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder’s prime broker with The Depository Trust Company through its Deposit or Withdrawal at Custodian system (“**DWAC**”) if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) the shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144 (and this Warrant is being exercised via cashless exercise), and otherwise by physical delivery to the address specified by the Holder in

the Notice of Exercise by the date that is five (5) Trading Days after the delivery to the Company of the Notice of Exercise, provided that the applicable Exercise Price and all applicable taxes required to be paid by the Holder, if any, pursuant to Section 2(d)(vi) have been paid prior to such date (such date, the “**Warrant Share Delivery Date**”). The Warrant Shares shall be deemed to have been issued, and Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the Warrant has been exercised, with payment to the Company of the Exercise Price (or by cashless exercise, if permitted) and all taxes required to be paid by the Holder, if any, pursuant to Section 2(d)(vi) prior to the issuance of such shares, having been paid.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

v. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees

required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vi. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Exercise Limitation. Notwithstanding anything to the contrary herein, the applicable portion of this Warrant shall not be exercisable during any time that, and only to the extent that, the number of shares of Common Stock to be issued to Holder upon such exercise, when added to the number of shares of Common Stock, if any, that the Holder otherwise beneficially owns (outside of this Warrant, and not including any other warrants or securities of Holder's having a provision substantially similar to this paragraph) at the time of such exercise, would exceed 9.99% (the "**Maximum Percentage**") of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant held by the Holder, as determined in accordance with Section 13(d) of the Exchange Act (the "**Beneficial Ownership Limitation**"). The Beneficial Ownership Limitation shall be conclusively satisfied if the applicable Notice of Exercise includes a signed representation by the Holder that the issuance of the shares in such Notice of Exercise will not violate the Beneficial Ownership Limitation, and the Company shall not be entitled to require additional documentation of such satisfaction. The Beneficial Ownership Limitation provisions may be waived by such Holder, at the election of such Holder, upon not less than sixty-one (61) days' prior written notice to the Company, to change the Beneficial Ownership Limitation to any other percentage of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of the Warrant. The provisions of this paragraph shall be construed or implemented in a manner in strict conformity with the terms of this Section 2(e) which may include, but not be limited to correcting this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation.

f) Issuance Restrictions. The Company shall not issue any shares of Common Stock upon exercise of this Warrant if the issuance of such shares of Common Stock (taken together with the issuance of all other shares of Common Stock upon conversion of the Convertible Promissory Notes held by or issuable to the Holder by the Company, to the extent aggregated by the Principal Market (the "**Notes**") and other shares of Common Stock issuable upon exercise of other warrants held by the Holder, to the extent aggregated by the Principal Market (the "**Other Warrants**")) would exceed the aggregate number of shares of Common Stock which the Company may issue upon exercise or conversion (as the case may be) of the Warrants, the Notes, Other Warrants or other securities or otherwise pursuant to the respective terms thereof without breaching the Company's obligations under the rules or regulations of the Principal Market (the

number of shares which may be issued without violating such rules and regulations, the “Exchange Cap”), except that such limitation shall not apply in the event that the Company (A) obtains the approval of its stockholders as required by the applicable rules of the Principal Market for issuances of shares of Common Stock in excess of such amount or (B) obtains a written opinion from outside counsel to the Company that such approval is not required, which opinion shall be reasonably satisfactory to the Holder.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another

Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination), except for the Segundo Transaction as defined in that certain Assignment, Assumption and Amendment to Line of Credit and Notes Agreement dated April 11, 2016 by and between the Company and Holder and other transactions contemplated by the Company as of the date of this Agreement (each a “**Fundamental Transaction**”), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to the Beneficial Ownership Limitation), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the “**Alternate Consideration**”) receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to the Beneficial Ownership Limitation). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the “**Successor Entity**”) to assume in writing all of the obligations of the Company under this Warrant in accordance with the provisions of this Section 3(c) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the

Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant referring to the “**Company**” shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant with the same effect as if such Successor Entity had been named as the Company herein.

c) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

d) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly mail to the Holder a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be mailed to the Holder at its last address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is

expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K at the request of the Holder. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. Subject to compliance with any applicable securities laws and the conditions set forth in Section 4(d) hereof, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued. Notwithstanding the above, the Holder and the assignee or assignees shall deliver documentation to the Company as the Company may reasonably request to enable the Company to confirm that an exemption from registration exists for such transfer and assignment, if applicable.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the

Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the Initial Exercise Date and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the “**Warrant Register**”), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

d) Transfer Restrictions. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of this Warrant, as the case may be, comply with applicable requirements to confirm an exemption from registration for such transfer or assignment.

e) Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act.

Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2, except as expressly set forth in Section 3.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Principal Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of Texas, without regard to the principles of conflict of laws thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of this Warrant shall be commenced in the state and federal courts sitting in the City of Houston, County of Harris (the “**Texas Courts**”). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the Texas Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such Texas Courts, or such Texas Courts are improper or inconvenient venue for such proceeding. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Warrant. If any party shall commence an action or proceeding to enforce any provisions of this Warrant, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys’ fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder’s rights, powers or remedies, notwithstanding the fact that all rights hereunder terminate on the Termination Date. If the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys’ fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally, by facsimile, or sent by a nationally recognized overnight courier service, addressed to the Company, at the address set forth above **Attention: Anthony Schnur**, fax number: _____, email address tschnur@lucasenergy.com, or such other facsimile number, email address or address as the Company may specify for such purposes by notice to the Holder. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be

in writing and delivered personally, by facsimile, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number or address of such Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth in this Section prior to 5:30 p.m. (Houston, Texas time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (Houston, Texas time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

LUCAS ENERGY, INC.

By:_____

Name: Anthony C. Schnur

Title: Chief Executive Officer

NOTICE OF EXERCISE

TO: LUCAS ENERGY, INC.

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (Warrant Number T-[]) (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ if permitted, the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) The issuance of the shares will not violate the Beneficial Ownership Limitation set forth in the Warrant.

(4) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

The Warrant Shares shall be delivered to the following DWAC Account Number:

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

EXHIBIT B

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name:

(Please Print)

Address:

(Please Print)

Dated: _____, _____

Holder's Signature:

Holder's Address:
