

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): **January 22, 2013**

Ring Energy, Inc.

(Exact Name of Registrant as Specified in Charter)

Nevada
(State or Other Jurisdiction of
Incorporation)

000-53920
Commission File Number

90-0406406
(IRS Employer Identification No.)

6555 South Lewis Street, Tulsa, OK
(Address of principal executive offices)

74136
(Zip Code)

Registrant's telephone number, including area code: **(918) 499-3880**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations 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 communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

In May 2011, Stanford Energy, Inc., a Texas corporation and subsidiary of the Company entered into a credit agreement with a bank that provides for a revolving line of credit of up to \$10 million for borrowings and letters of credit (the “**Note**”). The agreement includes a non-usage commitment fee of 0.20% per annum and covenants limiting other indebtedness, liens, transfer or sale of assets, distributions or dividends and merger or consolidation activity. The facility has an interest rate of the bank’s prime rate plus 0.75% with the total interest rate to be charged being no less than 4.00%. The Note matured on May 10, 2012 and was extended to May 10, 2013. Two of the Company’s stockholders, Stanley McCabe and L. Tim Rochford, are jointly and severally obligated for outstanding borrowings under the credit facility.

On January 23, 2013, the Board of Directors of the Company approved the Second Amendment of the Note (the “**Second Amendment**”), a copy of which is included as an exhibit hereto. The Second Amendment adds the Company as a party to the Note.

Item 3.02 Unregistered Sales of Equity Securities.

The information in response to Item 5.02 below is incorporated into this item.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

New Directors

On January 23, 2013, the Board of Directors accepted the written resignations of Denny W. Nestripke as an officer and director of the Company and the resignations of Michael Harland and Robert Morley as directors. None of the resigning directors had any disagreements with the Company. The Board of Directors authorized the expansion of the authorized number of directors from five to six. The Board of Directors appointed David A. Fowler, Kelly Hoffman, Anthony B. Petrelli, and Clayton E. Woodrum as directors to fill the vacancies created by the resignations and the expansion of the Board of Directors. There are no arrangements or understandings between Messrs. Fowler, Hoffman, Petrelli, and Woodrum and any other person pursuant to which Messrs. Fowler, Hoffman, Petrelli, and Woodrum were selected as directors. There are also no family relationships between Messrs. Fowler, Hoffman, Petrelli, and Woodrum and any director or executive officer of the Company and they have no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K. Each of Messrs. Fowler, Hoffman, Petrelli, and Woodrum has given written acceptance of their appointment as director.

New Officers

On January 23, 2013, the Board of Directors appointed the following as officers of the Company:

- Lloyd T. (Tim) Rochford as Chairman of the Board;
- Kelly Hoffman as Chief Executive Officer;
- David A. Fowler as President;
- William R. (Randy) Broaddrick as Chief Financial Officer;
- Daniel D. Wilson as Vice-president of Operations;
- William R. (Randy) Broaddrick as Secretary; and
- William R. (Randy) Broaddrick as Treasurer.

Kelly. Hoffman, age 54, was appointed as our Chief Executive Officer and Principal Executive Officer on January 23, 2013. He served as President of Victory Park Resources, a privately held exploration and production company focused on the acquisition of oil and gas producing properties in Oklahoma, Texas and New Mexico from April 2009 until December 2011, during which, he was responsible for the management of acquisitions, personnel, and implementation of drilling and development activities. From January 2008 to March 2012, Mr. Hoffman was the owner, manager, and director of Natural Resources Production Co. where he was directly involved in the management of oil and gas properties. From 2002 until 2008, Mr. Hoffman served as a consultant for various oil and gas companies in the areas of royalty purchase, drilling plans, and proposed acquisitions. Mr. Hoffman currently serves as a director of Joes Jeans Inc. (NASDAQ: JOEZ), a reporting company. From 1976 to 1977, he studied architectural engineering at Texas Tech University. Mr. Hoffman holds options to purchase 250,000 shares of our common stock at \$2.00 per share. These options were granted by Stanford Energy on December 1, 2011, and were assumed by us in connection with the closing of the acquisition of Stanford Energy in June 2012. These options vest 20% per year over a five year period. On January 23, 2013, the Board of Directors ratified the grant to Mr. Hoffman of 500,000 options originally granted on January 1, 2013 to Mr. Hoffman, a consultant to the Company at the time, to purchase shares of our common stock at \$4.50 per share under the Ring Energy, Inc. 2011 Long-Term Incentive Plan (the “**Plan**”). These options vest 20% per year over a five year period. The Board has agreed to pay Mr. Hoffman an annual salary of \$175,000.

There is no arrangement or understanding between Mr. Hoffman and any other persons pursuant to which he was selected as an officer of the Company. Mr. Hoffman does not now have, nor has he ever had, any family relationship with any director or officer of the Company, or persons nominated to become a director or officer. Mr. Hoffman was appointed as Chief Executive and Principal Executive Officer of the Company due to his extensive experience in the field of oil and gas development and production.

David A. Fowler, age 54, was appointed as our President on January 23, 2013. He served as President of Simplex Energy Solutions, LLC, a company specializing in marketing oil and gas producing properties to industry operators and investors from April 2001 until December 2012, during which, he was responsible for the execution of marketing agreements with companies or individuals with ownership interests in oil and gas properties. He would then oversee the preparation and circulation of information for interested buyers. Simplex Energy Solutions has assisted the Company in past identification and negotiation of candidate oil and gas properties. In 1980, Mr. Fowler received a B.S. in Occupational Education from Southern Illinois University at Carbondale. On January 23, 2013, the Board of Directors ratified the grant to Mr. Fowler of 500,000 options originally granted on January 1, 2013 to Mr. Fowler, a consultant to the Company at the time, to purchase shares of our common stock at \$4.50 per share under the Plan. These options vest 20% per year over a five year period. The Board has agreed to pay Mr. Fowler an annual salary of \$150,000.

There is no arrangement or understanding between Mr. Fowler and any other persons pursuant to which he was selected as an officer of the Company. Mr. Fowler does not now have, nor has he ever had, any family relationship with any director or officer of the Company, or persons nominated to become a director or officer. Mr. Fowler was appointed as President of the Company due to his extensive experience in the field of oil and gas acquisitions.

William R. (Randy) Broaddrick, age 35, was appointed as Chief Financial Officer and Secretary on January 23, 2013. Mr. Broaddrick was appointed as the Interim Chief Executive Officer and Interim Chief Financial Officer on August 31, 2012 and has served as such until his resignation as Interim Chief Executive Officer on January 23, 2013, in connection with the change of management. He has also served as our treasurer and controller since June 27, 2012. Mr. Broaddrick, served as a director and chief financial officer of Stanford Energy, Inc., our wholly owned subsidiary from January 2011 until June 2012. From September 2001 until July 2010 he served as chief financial officer of Arena Resources, Inc., an oil and gas company. In 1999, Mr. Broaddrick received his bachelors degree in Accounting from Langston. Mr. Broaddrick holds options to purchase 100,000 shares of our common stock at \$2.00 per share. These options were granted by Stanford Energy on December 1, 2011, and were assumed by us in connection with the closing of the acquisition of Stanford Energy in June 2012. These options vest 20% per year over a five year period. On September 1, 2012, the Board of Directors also granted Mr. Broaddrick 50,000 options to purchase shares of our common stock at \$4.50 per share under the Plan. These options vest 20% per year over a five year period. The Board has agreed to pay Mr. Broaddrick an annual salary of \$125,000.

There is no arrangement or understanding between Mr. Broaddrick and any other persons pursuant to which he was selected as an officer of the Company. Mr. Broaddrick does not now have, nor has he ever had, any family relationship with any director or officer of the Company, or persons nominated to become a director or officer. Mr. Broaddrick was appointed as Interim Chief Financial Officer of the Company due to his extensive experience in the field of oil and gas and accounting.

Daniel D. Wilson, age 51, was appointed as our Vice-president of Operations on January 23, 2013. From January 1983 to December 2012, Mr. Wilson served as Vice President and Manager of Operations for Breck Operating Corporation, an independent oil and natural gas producer, during which he was responsible for the building, operation, and divestiture of two companies. In addition, Mr. Wilson was responsible for over 750 wells in seven states and an operating staff of 27, including engineers, foremen, pumpers, and clerks. He also personally performed or oversaw all of the economic evaluations for both acquisitions and banking purposes. Mr. Wilson received his B.S. in Petroleum Engineering in August 1983 from Texas A&M University-College Station. On January 23, 2013, the Board of Directors ratified the grant to Mr. Wilson of 300,000 options originally granted on January 1, 2013 to Mr. Wilson, a consultant to the Company at the time, to purchase shares of our common stock at \$4.50 per share under the Plan. These options vest 20% per year over a five year period. The Board has agreed to pay Mr. Wilson an annual salary of \$150,000.

There is no arrangement or understanding between Mr. Wilson and any other persons pursuant to which he was selected as an officer of the Company. Mr. Wilson does not now have, nor has he ever had, any family relationship with any director or officer of the Company, or persons nominated to become a director or officer. Mr. Wilson was appointed as Vice-president of Operations of the Company due to his extensive experience in operating, evaluating, and exploiting oil and gas properties and for his experience in production, drilling, and reservoir engineering.

The Company has issued a press release addressing the changes to management, a copy of which is attached as an exhibit hereto.

On January 23, 2013, the Board of Directors adopted a compensation arrangement for directors. Each director will receive a director's fee of \$2,000 per month and \$500 for personal attendance at a meeting of the Board. Each director will also be reimbursed for out-of-pocket expenses related to services as a director.

On January 23, 2013, the Board of Directors approved a Subscription Agreement dated January 23, 2013 from Mr. Wilson for the purchase of 100,000 shares of common stock of the Company for \$4.50 per share. These shares were issued without registration under the Securities Act by reason of the exemption from registration afforded by the provisions of Section 4(a)(5) and/or Section 4(a)(2) thereof, and Rule 506 promulgated thereunder, as a transaction by an issuer not involving any public offering. The investor in this offering was an accredited investor as defined in Regulation D. The investor delivered appropriate investment representations with respect to these sales and consented to the imposition of restrictive legends upon the stock certificates representing the shares. The investor was afforded the opportunity to ask questions of our management and to receive answers concerning the terms and conditions of the transaction. No underwriting discounts or commissions were paid in connection with this offering. The shares sold in this offering were not and will not be registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

The options above were issued without registration under the Securities Act by reason of the exemption from registration afforded by the provisions of Section 4(a)(5) and/or Section 4(a)(2) thereof, and Rule 506 promulgated thereunder, as a transaction by an issuer not involving any public offering. The investors in this offering were accredited investors as defined in Regulation D. The investors delivered appropriate investment representations with respect to these sales and consented to the imposition of restrictive legends upon the stock certificates representing the shares. The investors were afforded the opportunity to ask questions of our management and to receive answers concerning the terms and conditions of the transaction. No underwriting discounts or commissions were paid in connection with this offering. The options sold in this offering were not and will not be registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On January 23, 2013, the Board of Directors approved the following amendments to the Bylaws of the Company, a copy of the Bylaws, as amended, is attached as an exhibit hereto:

- Section 6 of Article III of the Bylaws titled “Chairman of the Board” be deleted in its entirety from the Bylaws;
- Section 1 of Article VI of the Bylaws titled “Titles” be amended to read as follows:

Section 1. Titles. The officers of the Corporation shall be elected by the Board of Directors and shall consist of a Chief Executive Officer, a President, a Chief Financial Officer, a Secretary, and a Treasurer. The Board of Directors may also elect a *Chairman of the Board*, a Controller and one or more Vice Presidents and Assistant Secretaries, Assistant Treasurers and such other officers as it shall deem necessary. Except as otherwise provided in these bylaws, the additional officers shall have the authority and perform the duties as from time to time may be prescribed by the Board of Directors. Any two or more offices may be held by the same individual, but no officer may act in more than one capacity where action of two or more officers is required.

- A new section designated as Section 7 of Article VI of the Bylaws as set forth below be added to the Bylaws to grant executive powers to the Chairman of the Board and that all existing sections of Article VI be renumbered as applicable:

Section 7. Chairman of the Board. The Chairman of the Board shall have general executive powers, as well as the specific powers conferred by these bylaws. Except as otherwise provided in these bylaws, he shall preside at all meetings of the Board of Directors and Shareholders. The Chairman of the Board may but need not be an employee of the Corporation.

Item 5.07 Submission of Matters to a Vote of Security Holders.

On January 22, 2013, our stockholders acted by way of majority written consent action (pursuant to a solicitation of consents commenced on January 16, 2013, and in lieu of a special meeting of stockholders) to approve the Ring Energy, Inc. Long-Term Incentive Plan (the “**Plan**”) and to amend the Plan to increase the number of authorized shares from 2,500,000 to 5,000,000. A copy of the Plan, as amended, is attached hereto as an exhibit.

A majority of stockholders, through majority written consent action, also approved the following amendments to the Company’s Articles of Incorporation:

- An increase of the authorized shares of Common Stock from 75,000,000 to 150,000,000, par value \$.001 per share, and the authorization of 50,000,000 shares of Preferred Stock.
- The Article numbered “TENTH” of the Articles of Incorporation is amended in its entirety to be read as follows: “The authority to adopt, amend or repeal bylaws is reserved exclusively to the Board of Directors.”

The Article numbered "TWELFTH" of the Articles of Incorporation is amended in its entirety to read as follows: "Except as otherwise provided by statute a director or officer is not individually liable to the corporation or its stockholders or creditors for any damages as a result of any act or failure to act in his or her capacity as a director or officer unless it is proven that: a) The director's or officer's act or failure to act constituted a breach of his or her fiduciary duties as a director or officer; and b) The breach of those duties involved intentional misconduct, fraud or a knowing violation of law."

The number of shares giving written consent (i.e., voting) in favor of such matter was 7,599,656 (53.65%); no shares were overtly "voted against" the proposals.

The amendment to the Plan will be effective on February 6, 2013 and the amendment to the Articles of Incorporation will be effective on February 6, 2013 with the filing of the Certificate of Amendment with the Nevada Secretary of State's office.

The Company is no longer soliciting votes pertaining to the items above.

Item 8.01 Other Events.

Committees

On January 23, 2013, the Board of Directors approved the formation of the Executive Committee and adopted an Executive Committee charter. Lloyd T. (Tim) Rochford and Stanley McCabe were appointed to serve as the initial members of the Executive Committee.

On January 23, 2013, the Board of Directors approved the appointment of Messrs. Petrelli and Woodrum to serve on the Audit Committee and Mr. Woodrum was appointed as the Chair of the Audit Committee. In addition, Mr. Woodrum was designated as an Audit Committee Financial Expert as defined in Item 407 of Regulation S-K promulgated by the Securities and Exchange Commission. The Board of Directors also adopted an Audit Committee charter.

On January 23, 2013, the Board of Directors approved the formation of the Compensation Committee and adopted a Compensation Committee charter. Messrs. Rochford and McCabe were appointed to serve as the initial members of the Compensation Committee.

On January 23, 2013, the Board of Directors approved the formation of the Nominating and Corporate Governance Committee and adopted a Nominating and Corporate Governance Committee charter.

Code of Ethics/Conduct

On January 23, 2013, the Board of Directors approved and adopted a Code of Ethics for senior management, a copy of which is included as an exhibit hereto.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
3.1	Certificate of Amendment of Articles of Incorporation effective February 6, 2013
3.2	Bylaws, as amended
14.1	Code of Ethics, adopted January 23, 2013
99.1	Second Amendment to Note, effective January 15, 2013
99.2	Press Release dated January 23, 2013
99.3	Ring Energy, Inc. Long Term Incentive Plan, as amended, effective February 6, 2013

SIGNATURES

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.

Ring Energy, Inc.

Date: January 24, 2013

By: /s/ William R. Broaddrick
William R. Broaddrick, Chief Financial Officer

**CERTIFICATE OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
RING ENERGY, INC.**

The Articles of Incorporation, as amended, of Ring Energy, Inc., a Nevada corporation, are hereby amended as follows:

1. The Article numbered "FOURTH" of the Articles of Incorporation is amended in its entirety to read as follows:

The corporation is authorized to issue two classes of shares to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares the corporation is authorized to issue is Two Hundred million (200,000,000). The number of shares of Common Stock authorized is one hundred fifty million (150,000,000) shares, par value \$0.001 per share. The number of shares of Preferred Stock authorized is fifty million (50,000,000) shares, par value \$0.001.

a) Common Stock. All rights accruing to the outstanding shares of the corporation not expressly provided for to the contrary herein or in the By-Laws of the corporation, or in any amendment hereto or thereto, shall be vested in the Common Stock.

b) Preferred Stock. Except as otherwise provided herein or required by law, the Board of Directors is hereby vested with the authority to provide, out of the unissued shares of Preferred Stock, for one or more classes or series of Preferred Stock and, with respect to each such class or series, to prescribe the classes, series and the number of each class or series of Preferred Stock and the voting powers, designations, preferences, limitations, restrictions and relative rights of each class or series of Preferred Stock.

2. The Article numbered "TENTH" of the Articles of Incorporation is amended in its entirety to read as follows:

The authority to adopt, amend or repeal bylaws is reserved exclusively to the Board of Directors.

3. The Article numbered "TWELFTH" of the Articles of Incorporation is amended in its entirety to read as follows:

Except as otherwise provided by statute a director or officer is not individually liable to the corporation or its stockholders or creditors for any damages as a result of any act or failure to act in his or her capacity as a director or officer unless it is proven that:

- a) The director's or officer's act or failure to act constituted a breach of his or her fiduciary duties as a director or officer; and
- b) The breach of those duties involved intentional misconduct, fraud or a knowing violation of law.

**BYLAWS
OF
RING ENERGY, INC.**

**ARTICLE I
Corporate Offices**

Section 1. Principal and Registered Offices. The principal executive office of Ring Energy, Inc. (the "Corporation") shall be located at such place, either within or without the State of Nevada, as the Board of Directors may specify from time to time. The Corporation shall have and continuously maintain a registered office and registered agent in the State of Nevada in accordance with the provisions of Section 78.090, or any successor statute, of the Nevada Revised Statutes (the "NRS").

Section 2. Other Offices. The Corporation may have offices at such other places, either within or without the State of Nevada, as the Board of Directors may from time to time determine.

**ARTICLE II
Meetings of Shareholders**

Section 1. Place of Meeting. Meetings of shareholders shall be held at the principal executive office of the Corporation or at such other place or places, either within or without the State of Nevada, as the Board of Directors shall designate. In the absence of any such designation, meetings of shareholders shall be held at the principal executive office of the Corporation.

Section 2. Annual Meeting. The annual meeting of shareholders shall be held each year on a date and at a time designated by the Board of Directors. The Board of Directors may elect not to hold an annual meeting. At the annual meeting, directors shall be elected and any other proper business may be transacted.

Section 3. Special Meeting. A special meeting of the shareholders for any purpose or purposes may be called at any time by the Chairman of the Board or the Chief Executive Officer, and shall be called by the Secretary at the written request of, or by resolution adopted by: (a) a majority of the Board of Directors; or (b) the holders of 10% of the outstanding shares of capital stock of the Corporation entitled to vote at such meeting, in which case, such request shall state the purpose of the proposed meeting.

Section 4. Notice of Meetings. Except as otherwise provided by applicable provisions of the general corporation laws of the State of Nevada, written, facsimile, electronic, or posted notice, stating the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes of the meeting, shall be given not less than ten (10) days nor more than sixty (60) days before the date of the meeting to each shareholder of record entitled to vote at the meeting, except that no notice of a meeting need be given to any shareholder for which notice is not required to be given under applicable provisions of the general corporation laws of the State of Nevada. Such notice shall be given either personally, by first-class mail, by telegraphic or other written communication, by facsimile machine when directed to a number at which the stockholder has consented to receive notice, by a posting on an electronic network together with separate notice to the stockholder of the specific posting, or by a form of electronic transmission then consented to by the shareholder to whom the notice is given. If notice is mailed at least 30 days before the date of the meeting, the notice may be mailed by a class of United States mail other than first class. Notices not personally delivered shall be sent charges prepaid and shall be addressed to the shareholder at the address of such shareholder appearing on the books of the Corporation or given by the shareholder to the Corporation for the purpose of notice. Notice shall be deemed to have been given at the time when delivered personally, deposited in the mail, sent by telegram, facsimile or other means of written communication, upon the later of the posting of the notice and the giving of the separate notice in the case of notice by posting, or electronically transmitted to the shareholder in a manner authorized by the shareholder.

Section 5. Proxies. Each shareholder entitled to vote at a meeting of shareholders may authorize another person or persons to act for the shareholder by proxy, but no such proxy shall be voted or acted upon after six (6) months from its date, unless the proxy provides for a longer period, but not to exceed seven (7) years. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of NRS Section 78.355.

Section 6. Quorum. Except as otherwise provided by the general corporation laws of the State of Nevada, the holders of at least one-third ($\frac{1}{3}$) of the issued and outstanding shares of capital stock of the Corporation entitled to vote at a meeting of shareholders, present in person or represented by proxy, shall constitute a quorum for the transaction of business at such meeting. In the absence of a quorum, the Chairman of the Board shall have the power to adjourn the meeting in accordance with Article II, Section 7, of these bylaws. If a quorum is initially present, the shareholders may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum, if any action taken is approved by a majority of the shareholders initially constituting a quorum for that meeting.

Section 7. Conduct of Business. The Chairman of the Board shall be the chairman of the meeting of stockholders unless another individual is appointed chairman of the meeting of stockholders, and such individual shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him in order, except as otherwise provide by the general corporation laws of the State of Nevada.

Section 8. Adjourned Meeting. When a meeting is adjourned to another time and place, unless these bylaws otherwise require, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business that may have been transacted at the original meeting. If a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record as of such new record date entitled to vote at the meeting.

Section 9. Voting of Shares. Each outstanding share of voting capital stock of the Corporation shall be entitled to one vote on each matter submitted to a vote at a meeting of the shareholders, except as otherwise provided in the Articles of Incorporation of the Corporation. Except as otherwise provided by the general corporation laws of the State of Nevada, the Articles of Incorporation of the Corporation or these bylaws, if a quorum is present: (a) directors shall be elected by a plurality of the votes of the shares of capital stock of the Corporation present in person or represented by proxy at the meeting and entitled to vote on the election of directors; and (b) action on any matter other than the election of directors shall be approved if the votes cast by the holders of shares represented at the meeting and entitled to vote on the subject matter favoring the action exceed the votes cast opposing the action.

Section 10. Shareholder Nominations and Proposals. Nominations for election as a director and proposals for shareholder action may be made only by shareholders of the Corporation of record at the time of the giving of notice provided for herein and shall be made in writing and shall be delivered or mailed to the Secretary of the Corporation: (a) in the case of an annual meeting of shareholders that is called for a date that is within thirty (30) days before or after the anniversary date of the immediately preceding annual meeting of shareholders, not less than one hundred twenty (120) days prior to such anniversary date; and (b) in the case of an annual meeting of shareholders that is called for a date that is not within thirty (30) days before or after the anniversary date of the immediately preceding annual meeting of shareholders, or in the case of a special meeting of shareholders, not later than the close of business on the tenth (10th) day following the day on which the notice of meeting was mailed or public disclosure of the date of the meeting was made, whichever occurs first. Such notification shall contain a written statement of the shareholder's proposal and of the reasons therefore, the shareholder's name and address and number of shares owned, and, in the case of the nomination of a director, nominations shall contain the following information to the extent known by the notifying shareholder: (i) the name, age and address of each proposed nominee; (ii) the principal occupation of each proposed nominee; (iii) the nominee's qualifications to serve as a director; (iv) such other information relating to such nominee as required to be disclosed in solicitation of proxies for the election of directors pursuant to the rules and regulations of the Securities and Exchange Commission, and shall be accompanied by the nominee's written consent to being named a nominee and serving as a director if elected. A shareholder making any proposal shall also comply with all applicable requirements of the Securities Exchange Act of 1934, as amended. Nominations or proposals not made in accordance herewith may be disregarded by the chairman of the meeting in his discretion, and upon his instructions all votes cast for each such nominee or for such proposal may be disregarded.

Section 11. Record Date for Shareholder Notice. The Board of Directors may fix a date as the record date for the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders. Such record date shall not precede the date on which the Board of Directors adopted the resolution fixing the record date and shall not be more than sixty (60) days or less than ten (10) days prior to the date of such meeting. If the Board of Directors does not fix a record date, the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. The determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting.

Section 12. List of Shareholders. It shall be the duty of the Secretary or other officer of the Corporation who shall have charge of the stock records, either directly or through a transfer agent appointed by the Board of Directors, to prepare and make, at least ten (10) days before every meeting of shareholders, a complete list of shareholders entitled to vote at such meeting arranged in alphabetical order, and showing the address of each shareholder and the number of shares registered in the name of each shareholder. Such list shall be open to the examination of any shareholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at the Corporation's principal executive office or at a place specified in the notice of the meeting. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any shareholder who is present.

Section 13. Inspectors of Elections.

- (a) *Appointment of Inspectors of Election.* In advance of any meeting of shareholders, the Board of Directors may appoint one or more persons, other than nominees for directorships, as inspectors of election to act at such meeting or any adjournment thereof. If inspectors of election are not so appointed, the chairman of any such meeting may, and on the request of any shareholder or his proxy shall, appoint inspectors of election at the meeting. In case any person appointed as inspector fails to appear or fails or refuses to act, the vacancy may be filled by appointment by the Board of Directors in advance of the meeting, or at the meeting by the chairman of the meeting.
- (b) *Duties of Inspectors.* The inspectors of election shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the authenticity, validity and effect of proxies and ballots, receive votes, ballots or consents, count and tabulate all votes and ballots, determine the results, retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, certify their determination of the number of shares represented at the meeting and their count of all votes and ballots, and do such acts as may be proper to conduct the election or vote with fairness to all shareholders. The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical.
- (c) *Vote of Inspectors.* If there are more than one inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all.
- (d) *Report of Inspectors.* On request of the chairman of the meeting or of any shareholder or his proxy, the inspectors shall make a report in writing of any challenge or question or matter determined by them and shall execute a certificate of any fact found by them. Any report or certificate made by them is *prima facie* evidence of the facts stated herein.

Section 14. Action Without Meeting. Any action that the shareholders could take at a meeting may be taken without a meeting if one or more written consents, setting forth the action taken, shall be signed and dated, before or after such action, by the holders of outstanding stock of each voting group entitled to vote thereon having not less than the minimum number of votes with respect to each voting group that would be necessary to authorize or take such action at a meeting at which all voting groups and shares entitled to vote thereon were present and voted. The consent shall be delivered to the Corporation for inclusion in the minutes or filing with the corporate records. The Corporation shall give notice of any action so taken within ten (10) days of the date of such action to those shareholders entitled to vote thereon who did not give their written consent and to those shareholders not entitled to vote thereon.

Section 15. Remote Communication. If authorized by the Board of Directors, and subject to such guidelines and procedures as the Board of Directors may adopt, shareholders and proxy holders not physically present at an annual or special meeting of shareholders may, by means of telephone conference or similar method of communication by which all persons participating in the meeting can hear each other:

- (a) Participate in such meeting of shareholders.
- (b) Be deemed present in person and vote at such meeting, whether the meeting is to be held at a designated place or solely by means of remote communication, provided that:
 - (i) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a shareholder or proxy holder;
 - (ii) the Corporation shall implement reasonable measures to provide such shareholders or proxy holders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the shareholders, including, without limitation, an opportunity to communicate and to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and

- (iii) if any shareholder or proxy holder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

ARTICLE III
Board of Directors

Section 1. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors except as otherwise provided by the general corporation laws of the State of Nevada, the Articles of Incorporation of the Corporation or these bylaws.

Section 2. Number, Term and Qualification. The number of directors of the Corporation shall be determined from time to time by resolution adopted by the Board of Directors; provided, that no decrease in the number of directors shall have the effect of shortening the term of any incumbent director. Directors shall be elected annually at the annual meeting of shareholders of the Corporation. Each director shall hold office until the next annual meeting of shareholders at which his term expires and until his successor is elected and qualified, or until his earlier death, resignation or removal pursuant to these bylaws. Directors shall be natural persons 18 years of age or older, but need not be residents of the State of Nevada or shareholders of the Corporation.

Section 3. Resignation. Any director of the Corporation may resign at any time by giving written notice to the Chairman of the Board, the Chief Executive Officer or the Secretary of the Corporation. Such resignation shall be effective upon the giving of such notice or at such later time as shall be specified therein. The acceptance of such resignation shall not be necessary to make it effective.

Section 4. Vacancies. Any vacancies occurring on the Board of Directors for any reason (including death, resignation, disqualification, removal or other causes) and any newly created directorships resulting from an increase in the authorized number of directors may be filled only by vote of a majority of the remaining members of the Board of Directors, even if less than a quorum, at any meeting of the Board of Directors or pursuant to a consent resolution signed by a majority of the Board of Directors. Notwithstanding the immediately preceding sentence, the Board of Directors may by resolution determine that any such vacancies or newly created directorships shall be filled by the shareholders of the Corporation representing at least one-third (1/3) of the issued and outstanding shares of capital stock of the Corporation that would be entitled to vote at a meeting of shareholders. A director elected to fill a vacancy or a position resulting from an increase in the number of directors shall hold office until the next annual meeting of shareholders and until his successor is elected and qualified, or until his earlier death, resignation or removal.

Section 5. Compensation. Directors and members of committees may receive such compensation, if any, for their services as such and may be reimbursed for expenses of attendance at meetings of the Board or a committee as may be fixed or determined by resolution of the Board of Directors. Any director may serve the Corporation in any other capacity and receive compensation therefor.

ARTICLE IV
Meetings of Directors

Section 1. Annual Meetings. The annual meeting of the Board of Directors for the purpose of electing officers and transacting such other business as may be brought before the meeting shall be held immediately following the annual meeting of the shareholders at the place where such meeting is held. Notice of annual meetings shall not be required.

Section 2. Regular Meetings. The Board of Directors may by resolution provide for the holding of regular meetings of the Board on specified dates and at specified times. If any date for which a regular meeting is scheduled shall be a legal holiday, the meeting shall be held on the next business day that is not a legal holiday. Regular meetings of the Board of Directors shall be held at the principal executive office of the Corporation or at such other place as may be determined by resolution of the Board of Directors. Notice of regular meetings shall not be required.

Section 3. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the Chief Executive Officer, or the Secretary. Such meetings may be held at the time and place designated in the notice of the meeting.

Section 4. Notice of Special Meetings. Notice of the time and place of special meetings shall be given to each director: (a) in a writing mailed not less than five days before such meeting addressed to the residence or usual place of business of a director; (b) by facsimile, teletype or telegram sent not less than two days before such meeting to the residence or usual place of business of a director; or (c) in person or by telephone delivered not less than one day before such meeting, or (d) by electronic mail or other electronic means, during normal business hours, not less than one day before such meeting. Attendance by a director at a meeting for which notice is required shall constitute a waiver of notice, except where a director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called. Except as otherwise herein provided, neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Directors need be specified in the notice of such meeting.

Section 5. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at a meeting of the Board of Directors. If a quorum is initially present, the Board of Directors may continue to transact business, notwithstanding the withdrawal of enough directors to leave less than a quorum, if any action taken is approved by a majority of the directors initially constituting a quorum for that meeting.

Section 6. Adjourned Meeting. A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting of the Board of Directors to another time and place. Notice of the time and place of holding an adjourned meeting of the Board of Directors need not be given unless the meeting is adjourned for more than forty-eight (48) hours. If the meeting is adjourned for more than forty-eight (48) hours, then notice of the time and place of the adjourned meeting shall be given before the adjourned meeting takes place, in the manner specified in Article IV, Section 4 of these bylaws, to the directors who were not present at the time of the adjournment.

Section 7. Manner of Acting. Except as otherwise provided by the general corporation laws of the State of Nevada, these bylaws or the Articles of Incorporation of the Corporation, the act of the majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the Board of Directors. In the event of a tie vote among the directors (including any vote by the Chairman) present at a duly held meeting at which a quorum is present, the vote of the Chairman shall carry the item voted upon and shall be the act of the Board of Directors.

Section 8. Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors, whether done before or after the action is taken; provided, however, that such written consent shall not be required to be signed by a common or interested director who abstains in writing from providing consent to the action. Such unanimous written consent shall have the same force and effect as a unanimous vote at a meeting, and may be stated as such in any articles, certificates or documents filed with the Secretary of State of Nevada or any other State wherein the Corporation may do business.

Section 9. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless such director objects at the beginning of the meeting (or promptly upon his or her arrival) to the holding the meeting or the transacting of specified business at the meeting or such director votes against such action or abstains from voting in respect of such matter.

Section 10. Meeting by Use of Conference Telephone. Any one or more directors may participate in a meeting of the Board of Directors by means of a conference telephone or similar communications device which allows all persons participating in the meeting to hear each other, and such participation in a meeting shall be deemed presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE V
Committees

Section 1. Designation of Committees. The Board of Directors may, by resolution passed by a majority of the Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in these bylaws or in the resolution of the Board of Directors establishing the same, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation; provided, however, that no such committee shall have the power or authority to: (a) approve or recommend to shareholders actions or proposals required by the general corporation laws of the State of Nevada to be approved by shareholders; (b) fill vacancies on the Board of Directors or any committee thereof; (c) authorize or approve the reacquisition of shares unless pursuant to a general formula or method specified by the Board of Directors; (d) authorize or approve the issuance or sale or contract for the sale of shares, or determine the designation and relative rights, preferences and limitations of a voting group, except that the Board of Directors may authorize a committee to do so within specifically prescribed limits; or (e) adopt, amend or repeal these bylaws. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors.

Section 2. Minutes. Each committee shall designate a secretary who shall keep minutes of the committee's proceedings and shall report thereon to the Board of Directors when required.

Section 3. Meetings and Action of Committees. Meetings and actions of committees shall be governed by, and held in accordance with, the following provisions of Article IV of these bylaws: Section 2 (regular meetings), Section 3 (special meetings), Section 4 (notice of special meetings), Section 5 (quorum), Section 6 (adjourned meeting), Section 7 (manner of acting), Section 8 (action without meeting) and Section 10 (meeting by use of conference telephone), with such changes in the context of such bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members; provided, however, that the time of regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee, that special meetings of committees may also be called by resolution of the Board of Directors, and that notice of special meetings of committees shall also be given to all alternative members, who shall have the right to attend all meetings of the committee. The Board of Directors may adopt rules for the governance of any committee not inconsistent with the provisions of these bylaws.

ARTICLE VI
Officers

Section 1. Titles. The officers of the Corporation shall be elected by the Board of Directors and shall consist of a Chief Executive Officer, a President, a Chief Financial Officer, a Secretary, and a Treasurer. The Board of Directors may also elect a Chairman of the Board, a Controller and one or more Vice Presidents and Assistant Secretaries, Assistant Treasurers and such other officers as it shall deem necessary. Except as otherwise provided in these bylaws, the additional officers shall have the authority and perform the duties as from time to time may be prescribed by the Board of Directors. Any two or more offices may be held by the same individual, but no officer may act in more than one capacity where action of two or more officers is required.

Section 2. Election and Term. The officers of the Corporation shall be elected by the Board of Directors at the annual meeting of the Board held each year immediately following the annual meeting of the shareholders, and each officer shall hold office until the next annual meeting at which officers are to be elected and until his successor is elected and qualified, or until his earlier resignation or removal pursuant to these bylaws. Notwithstanding the foregoing, the Board of Directors may enter into an employment contract or other employment arrangement the term of which may (including the compensation to be paid) exceed one year.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed, with or without cause, by the Board of Directors, but removal shall be without prejudice to any contract rights of the individual removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4. Resignation. Any officer of the Corporation may resign at any time by giving written notice to the Corporation. Such resignation shall be effective upon the giving of such notice or at such later time as shall be specified therein. The acceptance of such resignation shall not be necessary to make it effective. If a resignation is being given and the person giving such resignation is being retained pursuant to an employment contract or other employment agreement, the terms of resignation as defined by such contract or arrangement shall govern the terms of resignation.

Section 5. Vacancies. Any vacancies among the officers for any reason (including death, resignation, disqualification, removal or other causes) may be filled by the Board of Directors in the manner prescribed in these bylaws for regular elections to that office.

Section 6. Compensation. The compensation of the officers shall be fixed by or under the direction of the Board of Directors. No officer shall be prevented from receiving such compensation by reason of the fact that such officer is also a director of the Corporation.

Section 7. Chairman of the Board. The Chairman of the Board shall have general executive powers, as well as the specific powers conferred by these bylaws. Except as otherwise provided in these bylaws, he shall preside at all meetings of the Board of Directors and Shareholders. The Chairman of the Board may but need not be an employee of the Corporation.

Section 8. Chief Executive Officer. The Chief Executive Officer shall have general charge of the business and affairs of the Corporation. The Chief Executive Officer may perform such acts, not inconsistent with the applicable law or the provisions of these bylaws, usually performed by the principal executive officer of a corporation and may sign and execute all authorized notes, bonds, contracts and other obligations in the name of the Corporation. The Chief Executive Officer shall have such other powers and perform such other duties as the Board of Directors shall designate or as may be provided by applicable law or elsewhere in these bylaws.

Section 9. President. The President shall have responsibility for the day-to-day operations of the business of the Corporation and shall report to the Chief Executive Officer. If no Chief Executive Officer is appointed or elected by the Board, the President shall also be the Chief Executive Officer. The President may perform such acts, not inconsistent with the applicable law or the provisions of these bylaws, usually performed by the chief operating officer of a corporation and may sign and execute all authorized notes, bonds, contracts and other obligations in the name of the Corporation. The President shall have such other powers and perform such other duties as the Board of Directors shall designate or as may be provided by applicable law or elsewhere in these bylaws, and in the event of the disability or death of the Chief Executive Officer, he shall perform the duties of the Chief Executive Officer unless and until a new Chief Executive Officer is elected by the directors.

Section 10. Chief Financial Officer. The Chief Financial Officer of the Corporation shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and shares. The Chief Financial Officer shall be responsible to design internal control over financial reporting by the Corporation, or cause such internal control over financial reporting to be designed under his supervision or under the supervision of the audit committee of the Board of Directors, if such committee has been established. The Chief Financial Officer shall provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The books of account shall at all reasonable times be open to inspection by any director for a purpose reasonably related to his position as a director. The Chief Financial Officer shall render to the Chief Executive Officer and Board of Directors, whenever they may request it, an account of the transactions of the Corporation and of the financial condition of the Corporation. The Chief Financial Officer shall have such other powers and perform such other duties as the Board of Directors shall designate or as may be provided by applicable law or elsewhere in these bylaws.

Section 11. Vice Presidents. Each Vice President shall have such powers and perform such duties as shall be assigned to him by the Board of Directors.

Section 12. Secretary. The Secretary shall keep, or cause to be kept, accurate records of the acts and proceedings of all meetings of shareholders and of the Board of Directors and shall give all notices required by the general corporation laws of the State of Nevada and by these bylaws. The Secretary shall have general charge of the corporate books and records. The Secretary shall have general charge of the stock transfer books of the Corporation and shall keep, or cause to be kept, at the principal office of the Corporation or at the offices of a stock registrar and transfer agent appointed by the Board of Directors, a record of shareholders, showing the name and address of each shareholder and the number and class of the shares held by each shareholder. The Secretary shall sign such instruments as may require the signature of the Secretary, and in general may perform such acts, not inconsistent with the applicable law or the provisions of these bylaws, usually performed by the secretary of a corporation. The Secretary shall have such other powers and perform such other duties as the Board of Directors shall designate from time to time.

Section 13. Assistant Secretaries. Each Assistant Secretary shall have such powers and perform such duties as may be assigned by the Board of Directors, and the Assistant Secretaries shall exercise the powers of the Secretary during that officer's absence or inability to act.

Section 14. Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep and maintain, or cause to be kept and maintained, full and accurate accounts of receipts and disbursements. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors or the Chief Executive Officer. The Treasurer shall disburse funds of the Corporation or cause such to be disbursed as may be ordered by the Board of Directors, the Chief Executive Officer or the President, taking proper vouchers for such disbursements. The Treasurer shall also have such powers and perform such duties incident to the office as may be assigned from time to time by the Board of Directors.

Section 15. Assistant Treasurers. Each Assistant Treasurer shall have such powers and perform such duties as may be assigned by the Board of Directors, and the Assistant Treasurers shall exercise the powers of the Treasurer during that officer's absence or inability to act.

Section 16. Controller and Assistant Controllers. The Controller shall have charge of the accounting affairs of the Corporation and shall have such other powers and perform such other duties as the Board of Directors shall designate. The Controller shall report to the Chief Financial Officer. Each Assistant Controller shall have such powers and perform such duties as may be assigned by the Board of Directors, and the Assistant Controllers shall exercise the powers of the Controller during that officer's absence or inability to act.

Section 17. Voting Upon Stocks. Unless otherwise ordered by the Board of Directors, the Chairman of the Board and the Chief Executive Officer shall have full power and authority on behalf of the Corporation to attend, act and vote at meetings of the shareholders of any corporation in which this Corporation may hold stock, and at such meetings shall possess and may exercise any and all rights and powers incident to the ownership of such stock and which, as the owner, the Corporation might have possessed and exercised. The Board of Directors may by resolution from time to time confer such power and authority upon any other person or persons.

ARTICLE VII **Capital Stock**

Section 1. Certificated and Uncertificated Shares

- (a) The interest of each shareholder may but need not be evidenced by a certificate or certificates representing shares of the Corporation which shall be in such form as the Board of Directors may from time to time adopt and shall be numbered and entered into the books of the Corporation as they are issued. Each certificate representing shares shall set forth upon the face thereof the following:
 - (i) the name of the Corporation;
 - (ii) that the Corporation is organized under the laws of the State of Nevada;
 - (iii) the name or names of the person or persons to whom the certificate is issued;
 - (iv) the number and class of shares, and the designation of the series, if any, which the certificate represents;
 - (v) if different classes of shares or different series within a class are authorized, then the designations, relative rights, preferences, and limitations determined for each series (and the authority of the Board of Directors to determine variations for future series) must be summarized on the front or back of each certificate, or, alternatively, each certificate may state conspicuously on its front or back that the Corporation will furnish the shareholder a full statement of this information on request and without charge; and
 - (vi) if any shares represented by the certificates are subject to any restrictions on the transfer or the registration of transfer of shares, then such restrictions shall be noted conspicuously on the front or back of such certificates.
- (b) Each certificate shall be signed, either manually or in facsimile, by the Chairman of the Board, the Chief Executive Officer, the President or a Vice President, the Secretary or an Assistant Secretary and may be sealed with the seal of the Corporation or a facsimile thereof. If a certificate is countersigned by a transfer agent or registered by a registrar, other than the Corporation itself or an employee of the Corporation, the signature of any such officer of the Corporation may be a facsimile. In case any officer or officers who shall have signed, or whose facsimile signature or signatures shall have been used on, any such certificate or certificates shall cease to be such officer or officers of the Corporation, whether because of death, resignation, or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates may nevertheless be delivered as though the person or persons who signed such certificate or certificates or whose facsimile signatures shall have been used thereon had not ceased to be such officer or officers.
- (c) Unless the Corporation's Articles of Incorporation provide otherwise, the Board of Directors may authorize the issue of some or all of the shares of the Corporation of any or all of its classes or series without certificates. Such authorization shall not affect shares already represented by certificates until they are surrendered to the Corporation.
- (d) Within a reasonable time after the issue or transfer of shares without certificates, the Corporation shall send the shareholder then owning such shares a written statement of the information required to be placed on certificates by Section 1(a) of Article VII of these bylaws and applicable law.

(e) The Corporation shall not issue any certificates in bearer form.

Section 2. Transfer of Shares. Transfer of record of shares of stock of the Corporation shall be made on the stock transfer books of the Corporation only upon surrender of the certificate for the shares sought to be transferred by the record holder or by a duly authorized agent, transferee or legal representative. All certificates surrendered for transfer shall be cancelled before new certificates for the transferred shares shall be issued.

Section 3. Restrictions on Transfer of Shares. The Corporation shall have the power to enter into and perform any agreement with any shareholders of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes owned by such shareholders in any manner not prohibited by the general corporation laws of the State of Nevada.

Section 4. Transfer Agent and Registrar. The Board of Directors may appoint one or more transfer agents and one or more registrars of transfers and may require all stock certificates to be signed or countersigned by the transfer agent and registered by the registrar of transfers.

Section 5. Regulations. The Board of Directors shall have power and authority to make rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates for shares of capital stock of the Corporation.

Section 6. Assessment of Shares. The stock of the Corporation, after the amount of the subscription price has been paid, in money, property or services, as the Directors shall determine, shall not be subject to any assessment to pay the debts of the Corporation, nor for any other purpose, and no stock issued as fully paid shall ever be assessable or assessed, and these bylaws shall not be amended in this particular.

Section 7. Lost Certificates. The Board of Directors may authorize the issuance of a new certificate in place of a certificate claimed to have been lost or destroyed, upon receipt of an affidavit from the person explaining the loss or destruction. When authorizing issuance of a new certificate, the Board of Directors may require the claimant to give the Corporation a bond in a sum as it may direct to indemnify the Corporation against loss from any claim with respect to the certificate claimed to have been lost or destroyed; or the Board of Directors may, by resolution reciting that the circumstances justify such action, authorize the issuance of the new certificate without requiring a bond.

ARTICLE VIII **Indemnification**

Section 1. Generally. The Corporation shall indemnify its officers, directors, and agents to the fullest extent permitted under Nevada law or the Articles of Incorporation of the Corporation.

Section 2. Expenses. To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 of this Article, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in Section 3 of this Article upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this Article.

Section 3. Determination by Board of Directors. Any indemnification under Section 1 of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in the general corporation laws of the State of Nevada.

Section 4. Not Exclusive of Other Rights. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of shareholders or interested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 5. Insurance. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

The Corporation's indemnity of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be reduced by any amounts such person may collect as indemnification (i) under any policy of insurance purchased and maintained on his behalf by the Corporation or (ii) from such other corporation, partnership, joint venture, trust or other enterprise.

Section 6. Violation of Law. Nothing contained in this Article, or elsewhere in these bylaws, shall operate to indemnify any director or officer if such indemnification is for any reason contrary to law, either as a matter of public policy, or under the provisions of the Federal Securities Act of 1933, the Securities Exchange Act of 1934, or any other applicable state or federal law.

Section 7. Coverage. For the purposes of this Article, references to "the Corporation" include all constituent corporations absorbed in a consolidation or merger as well as the resulting or surviving corporation so that any person who is or was a director, officer, employee or agent of such a constituent corporation or is or was serving at the request of such a constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation as he would if he had served the resulting or surviving corporation in the same capacity.

ARTICLE IX **General Provisions**

Section 1. Dividends. The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by the general corporation laws of the State of Nevada.

Section 2. Record Date for Purposes Other Than Shareholder Notice. The Board of Directors may fix a date as the record date for the purpose of determining shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the shareholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action. Such record date shall not precede the date upon which the resolution fixing the record date is adopted and shall not be more than sixty (60) days prior to such action. If no record date is fixed by the Board of Directors, the record date for determining shareholders for any such purpose shall be at the close of business on the date on which the Board of Directors adopts the resolution relating thereto.

Section 3. Seal. The seal of the Corporation may have inscribed thereon the name of the Corporation and "Nevada" around the perimeter, and the words "Corporate Seal" in the center. The use of a seal by the Corporation in the conduct of the Corporation's business is not required by these bylaws.

Section 4. Notice. Except as otherwise provided in these bylaws, notice to directors and shareholders shall be deemed given: (a) if mailed, when deposited in the United States mail, postage prepaid, directed to the shareholder or director at such shareholder's or director's address as it appears on the records of the corporation; (b) if by facsimile telecommunication, when directed to a number at which the shareholder or director has consented to receive notice; (c) if by electronic mail, when directed to an electronic mail address at which the shareholder or director has consented to receive notice; (d) if by a posting on an electronic network together with separate notice to the shareholder or director of such specific posting, upon the later of (1) such posting and (2) the giving of such separate notice; and (e) if by any other form of electronic transmission, when directed to the shareholder or director in a manner consented to by such shareholder or director.

Section 5. Waiver of Notice. Whenever notice is required to be given to a shareholder, director or other person under the provisions of these bylaws, the Articles of Incorporation of the Corporation or by applicable law, a waiver in writing signed by the person or persons entitled to the notice, whether before or after the time stated in the notice, shall be equivalent to giving the notice.

Section 6. Depositories and Checks. All funds of the Corporation shall be deposited in the name of the Corporation in such bank, banks or other financial institutions as the Treasurer or Chief Executive Officer may from time to time designate and shall be drawn out on checks, drafts or other orders signed on behalf of the Corporation by such person or persons as the Treasurer or Chief Executive Officer may from time to time designate.

Section 7. Bond. The Board of Directors may by resolution require any or all officers, agents and employees of the Corporation to give bond to the Corporation, with sufficient sureties, conditioned on the faithful performance of the duties of their respective offices or positions, and to comply with such other conditions as may from time to time be required by the Board of Directors.

Section 8. Fiscal Year. The fiscal year of the Corporation shall be the period ending on December 31 of each year or such other period as the Board of Directors shall from time to time determine.

Section 9. Loans. Except if not permitted by law, the Corporation may, upon approval of the Board of Directors, extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any director or executive officer (or equivalent thereof) of the Corporation or any subsidiary or parent.

Section 10. Amendments. Except as otherwise provided herein, these bylaws may be amended or repealed and new bylaws may be adopted (i) by the affirmative vote of the holders of a majority of the capital stock issued and outstanding and entitled to vote at any meeting of shareholders, unless the Articles of Incorporation of the Corporation grants the authority to adopt, amend or repeal bylaws exclusively to the directors, or (ii) by resolution adopted by the affirmative vote of not less than a majority of the number of directors of the Corporation, unless otherwise prohibited by any bylaw adopted by the shareholders.

Section 11. Force and Effect. These bylaws are subject to the provisions of the general corporation laws of the State of Nevada and the Articles of Incorporation, as the same may be amended from time to time. If any provision in these bylaws is inconsistent with an express provision of either the general corporation laws of the State of Nevada or the Articles of Incorporation, the provisions of the general corporation laws of the State of Nevada or the Articles of Incorporation, as the case may be, shall govern, prevail, and control the extent of such inconsistency.

Section 12. Acquisition of Controlling Interest. The provisions of NRS Sections 78.378 to 78.3793, inclusive, or any successor statutes, shall not apply to this Corporation.

[END OF BYLAWS]

RING ENERGY, INC.

CODE OF ETHICS
(As Adopted January 23, 2013)

Ring Energy, Inc., a Nevada corporation, (the “**Company**”) is formally establishing, although it believes it has complied with the tenants of such a document during its existence, a Code of Ethics (the “**Code**”) pursuant to Section 406 of the Sarbanes-Oxley Act, and Item 406 of Regulation S-K, which is designed to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission, and in other public communications made by the Company;
- Compliance with applicable government laws, rules, and regulations;
- The prompt internal reporting of violations of the Code to the appropriate person or persons identified in the Code; and
- Accountability for adherence to the Code.

The Code of Ethics expects the highest standard of ethical conduct and fair dealing. This Code applies to the Company’s Chief Executive Officer (“**CEO**”), President, Chief Financial Officer, and Corporate Controller, as well as the principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, of any consolidated subsidiary of the Company (collectively the “**Officers**”). While this policy is intended to only cover the actions of the Officers, the Company expects its other officers, directors and employees will also review this Code and abide by its provisions. The Company’s reputation is a valuable asset and as such must continually be guarded by all associated with the Company so as to earn the trust, confidence and respect of our suppliers, customers and shareholders.

The Company’s Officers are committed to conducting business in accordance with the highest ethical standards. The Officers must comply with all applicable laws, rules and regulations. Furthermore, Officers must not commit an illegal or unethical act or instruct or authorize others to do so.

Conflicts of Interest

The Officers must act in the best interests of the Company, and should avoid any situation that presents an actual, potential, or apparent conflict between their personal interests and the interests of the Company.

The Officers have a conflict when their personal interests, relationships, or activities, or those of a member of their immediate family, interfere or conflict, or even appear to interfere or conflict, with the interests of the Company. A conflict of interest prevents one from acting objectively with the best interests of the Company in mind, or prevents one from exercising sound, ethical business judgment.

Public Communications

The Company is committed to providing Company information to the public in a manner that complies with all applicable legal and regulatory requirements and that promotes investor confidence by facilitating fair, orderly and efficient behavior. The reports and documents filed by the Company with the Securities and Exchange Commission, as well as any other public communications, must be complete, fair, accurate and timely. The Officers must do everything in their power to comply with these standards.

Gifts

The Officers may not give or receive kickbacks, rebates, gifts, services, or any other benefits, other than gifts of nominal value from a supplier, competitor, government official, customer or any other person with which the Company does, or expects to do, business. Amounts would be considered in excess of nominal value if they create the appearance of impropriety or actually influence the Company to give preferential, versus arms-length, treatment to the provider.

Loans

Officers may not accept loans, or loan guarantees, from the Company, or from any persons or entities, either doing business with, or seeking business with the Company. The Company will not make any loans to Officers, other officers, directors, employees, or any outside parties doing business with, or seeking business with, the Company.

Confidential Information

Officers, as well as other officers, directors and employees, are to respect the confidentiality of Company, employee, supplier, customer, competitor and any other person or entity's information that is not a matter of public record. Confidential information must not be used for personal gain.

Compliance with the Code

Officers are expected to fully comply with this Code. This Code will be strictly enforced and any violations will be dealt with immediately. Depending on the severity of noncompliance, such violations could lead to disciplinary action, including termination. Furthermore, violations involving material unlawful behavior will be reported to appropriate outside authorities. If anyone is unclear as to the possibility of a violation of this Code, he should seek the opinion of the CEO of the Company, the Nominating and Governance Committee, and/or outside legal counsel.

If Officers, or other officers, directors and employees, have knowledge or are suspicious of any non-compliance with this Code, or are concerned that circumstances could lead to a violation of this Code, they should discuss this with their immediate supervisor, the CEO of the Company, the Nominating and Governance Committee, and/or outside legal counsel.

The Company will not allow any retaliation against an employee, officer, or director who acts in good faith in reporting any actual or suspected violation. Open communication of issues and concerns without fear of retribution or retaliation is vital to the success of this Code.

Adherence to the Code

The CEO will have primary authority and responsibility for the enforcement of this Code, subject to the supervision of the Nominating and Governance Committee of the Board of Directors, and shall promptly notify the Nominating and Governance Committee of any violation of this Code.

Compliance with Laws and Regulations

The Officers shall comply in all their business activities in their respective roles with all applicable governmental laws, rules and regulations of Nevada and other applicable jurisdictions, as well as the rules of stock exchanges on which the Company shares are listed, including the NYSE MKT LLC. These obligations include cooperating, appropriately, with governmental investigations of the Company's business and operations.

Clearances

The Company regards adherence to this Code as well as accountability for such adherence as important.

The Chairman of the Nominating and Governance Committee may, upon request, advise the Officers whether a particular situation or behavior is in compliance with this Code or not, and give a clearance for a situation or behavior that is obviously and evidently compliant. The determination whether a conflict of interest exists or not, shall be made by the Chair of the Nominating and Governance Committee or, upon the request of the Officers or Chairman of the Nominating and Governance Committee, by the Chairman of the Board.

Reporting of Illegal or Unethical Behavior

Any suspected failures to adhere to, and suspected violations of this Code by any of the Officers, shall be reported to the Chairman of the Nominating and Governance Committee. If the report is not obviously and evidently without any merit, the matter shall be considered by the Nominating and Governance Committee. The matter shall be prepared for such consideration by the Chairman of the Nominating and Governance Committee or another individual as instructed by the Nominating and Governance Committee.

Recording

The Chairman of the Nominating and Governance Committee shall keep records of all clearances given by him/her or the Chairman of the Board, as well as of all reports made under this Code on suspected failures by the Officers to adhere to the Code or suspected violations thereof. In addition, records shall be kept on all decisions taken by the Nominating and Governance Committee in respect of matters considered under this Code.

Assignments

The Nominating and Governance Committee may authorize its Chairman to resolve a specific matter, or a specific category of matters, under this Code.

Waivers

Any waiver of this Code may be made only by the Board of Directors and must be disclosed as set forth below.

Disclosure

This Code will be published on the Company website. Amendments to, and waivers of, this Code will be disclosed in a similar way.

Approval and Amendments

This Code is approved, and may be amended, by the Board of Directors of Ring Energy, Inc.

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**SECOND AMENDMENT TO
REVOLVER LOAN AGREEMENT**

THIS SECOND AMENDMENT TO REVOLVER LOAN AGREEMENT, dated effective as of January 15, 2013 (the "Second Amendment"), is made and entered into by and among **STANFORD ENERGY, INC.**, a Texas corporation ("Stanford"), **RING ENERGY INC.**, a Nevada corporation ("Ring"), **STANLEY M. MCCABE**, individually ("McCabe"), and as sole trustee of **THE MCCABE FAMILY TRUST**, as amended (the "Trust"), and **LLOYD T. ROCHFORD**, individually ("Rochford", and together with Stanford, Ring, McCabe, and the Trust, collectively, the "Borrowers" and each individually, a "Borrower"), and **THE F&M BANK & TRUST COMPANY**, a state banking corporation (the "Bank").

WITNESSETH:

WHEREAS, Stanford, McCabe, the Trust, and Rochford, as borrowers (collectively, the "Existing Borrowers"), and the Bank, as lender, entered into that certain Revolver Loan Agreement dated as of May 12, 2011, as amended by the First Amendment thereto dated as of May 12, 2012 (as amended, the "Existing Loan Agreement"), pursuant to which the Bank established a revolving line of credit in favor of the Existing Borrowers in the maximum principal amount of \$10,000,000.00 until May 10, 2013 (the "Revolver Commitment"), as evidenced by a Promissory Note (Revolver Note) in the maximum principal amount of \$10,000,000.00 and dated as of May 10, 2013 (the "Revolver Note"); and

WHEREAS, Ring has acquired all of the outstanding stock of Stanford and the Existing Borrowers have requested the Bank to add Ring as a Borrower; and

WHEREAS, subject to the terms, provisions and conditions hereinafter set forth, the Bank is willing to add Ring as a Borrower, subject to the terms, provisions, conditions and limitations hereof.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, receipt of which is acknowledged by the parties hereto, the parties agree as follows:

1. Definitions. Any capitalized term used herein (including in the recitals hereto) but not otherwise defined shall have the meaning given to such term in the Existing loan Agreement.
2. Borrowers. Ring is hereby added as a co-borrower and all references to "Borrowers" in the Existing Loan Agreement, as amended by this Second Amendment (as amended, the "Loan Agreement") and the other Loan Documents shall hereafter refer to the Existing Borrowers together with Ring.
3. Replacement Revolver Note. Section 2.2 of the Existing Loan Agreement is hereby amended to provide that the Borrowers' obligation to repay the Revolver Loan advances made under the Revolver Commitment, together with interest accruing thereon, shall be evidenced by the Borrowers' replacement promissory note dated as of even date herewith, made payable to the order of the Bank in the face principal amount of \$10,000,000.00, in form, scope

and substance acceptable to the Bank (the "Replacement Revolver Note"). All references in the Existing Loan Agreement to the "Revolver Note" shall hereafter mean the Replacement Revolver Note.

4. Ratification. The remaining terms, provisions and conditions set forth in the Existing Loan Agreement shall remain in full force and effect for all purposes and are incorporated herein by reference. The Borrowers restate, confirm and ratify the warranties, covenants and representations set forth therein and further represent to the Bank that, as of the date hereof, no Default or Event of Default exists under the Loan Agreement.

5. Conditions. The Borrowers shall execute and deliver, or cause to be executed and delivered to the Bank, each of the following as express conditions precedent to the effectiveness of the amendments and modifications contemplated by this Second Amendment:

- (a) this Second Amendment;
- (b) the Replacement Note;
- (c) a closing certificate and authorizing resolution of Ring, in form, scope and content acceptable to the Bank concerning the transactions contemplated by this Second Amendment; and
- (d) such other matters as deemed necessary or appropriate by the Bank.

6. SUBMISSION TO JURISDICTION. THE BORROWERS HEREBY CONSENT TO THE JURISDICTION OF ANY OF THE LOCAL, STATE, AND FEDERAL COURTS LOCATED WITHIN TULSA COUNTY, OKLAHOMA, AND WAIVE ANY OBJECTION WHICH BORROWERS MAY HAVE BASED ON IMPROPER VENUE OR FORUM NON CONVENIENS TO THE CONDUCT OF ANY PROCEEDING IN ANY SUCH COURT AND WAIVE PERSONAL SERVICE OR ANY AND ALL PROCESS UPON THEM, AND CONSENT THAT ALL SUCH SERVICE OF PROCESS BE MADE BY MAIL OR MESSENGER DIRECTED TO THEM AT THE ADDRESS SET FORTH IN SECTION 7.1 OF THE EXISTING LOAN AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED UPON THE EARLIER OF ACTUAL RECEIPT OR THREE (3) BUSINESS DAYS AFTER MAILED OR DELIVERED BY MESSENGER.

7. Expenses. The Borrowers agree to pay to the Bank on demand all costs, fees and expenses (including without limitation reasonable attorneys fees and legal expenses incurred or accrued by the Bank in connection with the preparation, negotiation, execution, closing, delivery, and administration of the Loan Agreement (including this Second Amendment) and the other Loan Documents (including Security Instruments), or any amendment, waiver, consent or modification thereto or thereof, or any enforcement thereof. In any action to enforce or construe the provisions of the Loan Agreement or any of the Loan Documents, the prevailing party shall be entitled to recover its reasonable attorneys' fees and all costs and expenses related thereto.

8. WAIVER OF JURY TRIAL. THE BORROWERS FULLY, VOLUNTARILY AND EXPRESSLY WAIVE ANY RIGHT TO A TRIAL BY JURY IN

ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THE LOAN AGREEMENT, THE NOTE, THE OTHER LOAN DOCUMENTS OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED (OR WHICH MAY IN THE FUTURE BE DELIVERED) IN CONNECTION HERewith OR ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THE LOAN AGREEMENT. BORROWERS AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

9. Release. In consideration of the amendments contained herein, Borrowers hereby waive and release the Bank from any and all claims and defenses, known or unknown, as of the effective date of this Second Amendment, with respect to the Loan Agreement and the Loan Documents and the transactions contemplated thereby.

10. Compliance with Certain Laws. None of the Borrowers or principals of the Borrowers has been convicted of (or pleaded nolo contendere to) a crime involving bank fraud, embezzlement, sex offenses against a minor, mail fraud, or money laundering. For purposes of this representation, "principal" is defined as follows: (i) for a sole proprietorship: the proprietor; (ii) for a partnership: each managing partner and each partner who is a natural person and holds 20% or more ownership interest in the partnership; (iii) for a corporation, limited liability company, association or development company: each director, each of the five most highly compensated executives or officers of the entity, and each natural person who is a direct or indirect holder of 20% or more of the ownership stock or stock equivalent of the entity.

[Signature Pages Follow]

This Note is executed and delivered to the order of the Bank by the undersigned duly authorized individuals, in Tulsa, Oklahoma, pursuant to all necessary consents, actions and approvals.

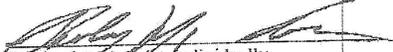
BORROWERS:

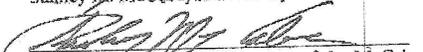
STANFORD ENERGY, INC.,
a Texas corporation

By: 
Stanley M. McCabe, President

RING ENERGY INC.,
a Nevada corporation

By: 
William R. Broaddrick, Chief Financial Officer


Stanley M. McCabe, individually


Stanley M. McCabe, sole trustee of the McCabe Family Trust, as amended

Lloyd T. Rochford, individually

Due: Revolver Final Maturity Date

This Note is executed and delivered to the order of the Bank by the undersigned duly authorized individuals, in Tulsa, Oklahoma, pursuant to all necessary consents, actions and approvals.

BORROWERS:

STANFORD ENERGY, INC.,
a Texas corporation

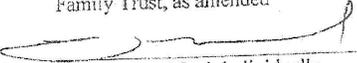
By: _____
Stanley M. McCabe, President

RING ENERGY INC.,
a Nevada corporation

By: _____
William R. Broaddrick, Chief Financial
Officer

Stanley M. McCabe, individually

Stanley M. McCabe, sole trustee of the McCabe
Family Trust, as amended

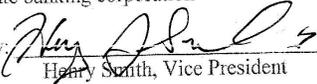


Lloyd T. Rochford, individually

Due: Revolver Final Maturity Date

BANK:

THE F&M BANK & TRUST COMPANY, a
state banking corporation

By: 
Harry Smith, Vice President

FOR IMMEDIATE RELEASE

January 23, 2013

OTCQX – RNGE**RING ENERGY, INC. ANNOUNCES REORGANIZATION*****Board Headed by Arena Resources, Inc. Co-founders***

Tulsa, OK. January 23, 2013 - Ring Energy, Inc. (OTCQX: RNGE) (“Company”)(“Ring”) announced today a complete reorganization, including board of directors and executive officers. The Company, currently located in Tulsa, Oklahoma, will also move its headquarters to Midland, Texas, effective immediately.

Ring currently owns properties in Andrews County, Texas, and Gray, Finney and Haskell Counties, Kansas. Management is currently working with an independent engineering firm to properly assess the properties and their potential but believes, based on its internal evaluation of the properties and its experience in these geographic areas, that there are substantial future development, exploitation and work-over opportunities available.

STANFORD ENERGY ACQUISITION

On June 28, 2012, Ring Energy completed the acquisition of Stanford Energy (“Stanford”), a privately held Texas corporation. Stanford was created for the sole purpose of acquiring and developing oil and gas properties primarily located in the mid-continent - Texas, Kansas, Oklahoma and New Mexico. Throughout 2011, Stanford Energy acquired eight producing leasehold interests containing developed and undeveloped oil and gas reserves. All of the properties gained from the Stanford acquisition are located in the Permian Basin in Andrews County, Texas. The sole owners, officers, and directors of Stanford were Mr. Tim Rochford and Mr. Stan McCabe who have several decades of experience working together within the industry. The team has a proven track record as most recently they built Arena Resources, Inc. from the ground up as it became one of the fastest growing and successful companies in the energy sector. As a result of the Stanford acquisition, Mr. Rochford and Mr. McCabe were appointed to the board of directors and have personally assembled an experienced executive management team with the talent, knowledge and enthusiasm needed to grow a young company.

INCOMING EXECUTIVE MANAGEMENT AND DIRECTORS**Kelly Hoffman – Chief Executive Officer and Director**

Mr. Hoffman, 54, has organized the funding, acquisition and development of many oil and gas properties. He began his career in the Permian Basin in 1975 with Amoco Production Company. His responsibilities included oilfield construction, crew management, and drilling and completion operations. In the early 1990s Mr. Hoffman co-founded AOCO and began acquiring properties in West Texas. In 1996 he arranged financing and purchased 10,000 acres in the Fuhrman Mascho field in Andrews, Texas. In the first six months he organized a 60 well drilling and completion program resulting in a 600% increase in revenue and approximately 18 months later sold the properties to Lomak (Range Resources). In 1999 he again arranged financing and acquired 12,000 acres in Lubbock and Crosby counties. After drilling and completing 19 successful wells, unitizing the acreage, and instituting a secondary recovery project he sold his interest in the property to Arrow Operating Company. From April 2009 until December 2011 Mr. Hoffman served as President of Victory Park Resources, a privately held exploration and production company focused on the acquisition of oil and gas producing properties in Oklahoma, Texas and New Mexico.

David A. Fowler – President and Director

Mr. Fowler, 54, has served in several management positions for various companies in the insurance and financial services industries. In 1994, he joined Petroleum Listing Service as Vice President of Operations, overseeing oil and gas property listings, information packages, and marketing oil and gas properties to industry players. In late 1998, Mr. Fowler became the Corporate Development Coordinator for the Independent Producer Finance (“IPF”) group of Range Resources Corporation. Leaving Range IPF in April of 2001, he co-founded and became President of Simplex Energy Solutions, LLC (“Simplex”). Representing Permian Basin oil and gas independent operators, Simplex became known as the Permian Basin’s premier oil and gas divestiture firm, closing over 150 projects valued at approximately \$675 million.

Daniel D. Wilson – Vice President of Operations

Mr. Wilson, 51, has 29 years of experience in operating, evaluating and exploiting oil and gas properties. He has experience in production, drilling and reservoir engineering. For the last 22 years he has served as the Vice President and Manager of Operations for Breck Operating Corporation (“Breck”). He has overseen the building, operating and divestiture of two companies during this time. At Breck's peak Mr. Wilson was responsible for over 750 wells in seven states and had an operating staff of 27 including engineers, foremen, pumpers and clerks. Mr. Wilson personally performed or oversaw all of the economic evaluations for both acquisition and banking purposes.

William R. (“Randy”) Broaddrick – Vice President and Chief Financial Officer

Mr. Broaddrick, 35, was employed from 1997 to 2000 with Amoco Production Company, performing lease revenue accounting and state production tax regulatory reporting functions. During 2000, Mr. Broaddrick was employed by Duke Energy Field Services, LLC performing state production tax functions. From 2001 until 2010, Mr. Broaddrick was employed by Arena Resources, Inc. as Vice President and Chief Financial Officer. During 2011, Mr. Broaddrick joined Stanford Energy, Inc. as Chief Financial Officer. Subsequent to and as a result of the merger transaction between Stanford and Ring Energy, Inc. Mr. Broaddrick became Chief Financial Officer of Ring Energy as of July 2012.

Mr. Broaddrick received a Bachelor's Degree in Accounting from Langston University, through Oklahoma State University – Tulsa, in 1999. Mr. Broaddrick is a Certified Public Accountant.

Lloyd T. (“Tim”) Rochford – Chairman of the Board of Directors

Mr. Rochford, 66, has been active as an individual consultant and entrepreneur in the oil and gas industry since 1973. During that time, he has been an operator of wells in the mid-continent of the United States, evaluated leasehold drilling and production projects and arranged and raised in excess of \$500 million in private and public financing for oil and gas projects and development.

Mr. Rochford has successfully formed, developed and sold/merged four natural resource companies, two of which were listed on the New York Stock Exchange. The most recent, Arena Resources, Inc. (“Arena”) (“Company”), was founded by Mr. Rochford and his long-time friend and associate Mr. Stan McCabe in August 2000. From inception until May of 2008, Mr. Rochford served as President, Chief Executive Officer (“CEO”) and a director of Arena. During that time, the Company received numerous accolades from publications such as Business Week (2007 Hot Growth Companies), Entrepreneur (2007 Hot 500), Fortune (2007, 2008, 2009 Fastest Growing Companies), Fortune Small Business (2007, 2008 Fastest Growing Companies) and Forbes (Best Small Companies of 2009). In May 2008, Mr. Rochford resigned the position of CEO and accepted the position of Chairman of the Board. In his role as Chairman, he continued to pursue opportunities that would enhance the current, as well as long-term value of the Company. Through his efforts, Arena entered into an agreement and was acquired by another New York Stock Exchange company for \$1.6 billion in July, 2010.

Stanley M. McCabe – Director

Mr. McCabe, 80, has been active in the oil and gas industry for over 30 years, primarily seeking individual oil and gas acquisition and development opportunities. In 1979 he founded and served as Chairman and CEO of Stanton Energy, Inc., a Tulsa, Oklahoma natural resource company specializing in contract drilling and operation of oil and gas wells. In 1990, Mr. McCabe co-founded with Mr. Rochford, Magnum Petroleum, Inc., serving as an officer and director. In 2000, Mr. McCabe co-founded with Mr. Rochford, Arena Resources, Inc., serving as Chairman of the Board till 2008 and then a director till 2010.

Anthony B. Petrelli – Director

Mr. Petrelli, 60, is President, Member of the Board of Directors and Director of Investment Banking of Neidiger, Tucker, Bruner, Inc., a Denver, Colorado based financial services firm founded in 1977. Beginning his career in 1972, Mr. Petrelli has had extensive experience in the areas of operations, sales, trading, management of sales, underwriting and corporate finance. He has served on numerous regulatory and industry committees including service on the FINRA Corporate Finance Committee, the NASD Small Firm Advisory Board and as Chairman of the FINRA District Business Conduct Committee, District 3. Mr. Petrelli received his BS in Business (Finance) and his Masters of Business Administration (MBA) from the University of Colorado and a Masters of Arts in Counseling from Denver Seminary.

Clayton E. Woodrum – Director

Mr. Woodrum, CPA, 72, is a founding partner of Woodrum, Tate & Associates, PLLC. His financial background encompasses over 40 years of experience from serving as a partner in charge of the tax department of a big eight accounting firm to chief financial officer of BancOklahoma Corp., and Bank of Oklahoma. His areas of expertise include business valuation, litigation support including financial analysis, damage reports, depositions and testimony, estate planning, financing techniques for businesses, asset protection vehicles, sale and liquidation of businesses, debt restructuring, debt discharge and CFO functions for private and public companies.

RESIGNING EXECUTIVE MANAGEMENT AND DIRECTORS

William R. (“Randy”) Broaddrick – Interim Chief Executive Officer
Denny W. Nestripke – Vice President and Director
Michael Harland – Director
Robert Morley – Director

Mr. Tim Rochford, Chairman of the Board, commented, “When my partner, Mr. Stan McCabe, and I created Stanford it was with the sole purpose of seeking out investments for our personal accounts, something we had been doing together for the past 30 years. Through relationships established over many years it became apparent that an opportunity to share our knowledge and expertise and be actively involved was taking shape. The team of seasoned individuals we have assembled and the assets we have in place in areas in which we have knowledge and experienced past success has positioned Ring Energy for growth and ultimately increased shareholder value. We look forward to providing our expertise when and where needed and being an integral part of what we believe is one of the most exciting companies we have ever been associated with.”

About Ring Energy, Inc.

Ring Energy, Inc. is an oil and gas exploration, development and production company with current operations in Texas and Kansas.

This release contains forward-looking statements within the meaning of the “safe-harbor” provisions of the Private Securities Litigation Reform Act of 1995 that involve a wide variety of risks and uncertainties, including, without limitations, statements with respect to the Company’s strategy and prospects. Readers and investors are cautioned that the Company’s actual results may differ materially from those described in the forward-looking statements due to a number of factors, including, but not limited to, the Company’s ability to acquire productive oil and/or gas properties or to successfully drill and complete oil and/or gas wells on such properties, general economic conditions both domestically and abroad, and the conduct of business by the Company, and other factors that may be more fully described in additional documents set forth by the Company.

For further information contact:

Bill Parsons, K M Financial, Inc.
(702) 489-4447 office
(602) 315-5926 mobile

RING ENERGY, INC.
LONG-TERM INCENTIVE PLAN

(as adopted pursuant to the Stock-for-Stock Exchange Agreement dated May 3, 2012, by unanimous written consent of the Board of Directors dated June 27, 2012, and by a majority of shareholder votes effective February 6, 2013)

Scope and Purpose of the Plan

Ring Energy, Inc., a Nevada corporation (the "*Corporation*"), has adopted this Long-Term Incentive Plan (the "*Plan*") to provide for the granting of:

- (a) Incentive Options to certain Employees (Section 5);
- (b) Nonstatutory Options to certain Employees, Non-employee Directors and other persons (Section 5); and
- (c) Restricted Stock Awards to certain Employees, Non-employee Directors and other persons (Section 6).

The purpose of the Plan is to provide an incentive for Employees, directors and certain consultants and advisors of the Corporation or its Subsidiaries to remain in the service of the Corporation or its Subsidiaries, to extend to them the opportunity to acquire a proprietary interest in the Corporation so that they will apply their best efforts for the benefit of the Corporation, and to aid the Corporation in attracting able persons to enter the service of the Corporation and its Subsidiaries.

SECTION 1. DEFINITIONS

As used in this Plan, the following terms have the meanings set forth below:

1.1 "Award" means the grant of any form of Option or Restricted Stock Award under the Plan, whether granted singly, in combination, or in tandem, to a Holder pursuant to the terms, conditions, and limitations that the Committee may establish in order to fulfill the objectives of the Plan.

1.2 "Award Agreement" means the written document or agreement delivered to Holder evidencing the terms, conditions and limitations of an Award that the Corporation granted to that Holder.

1.3 "Board of Directors" means the board of directors of the Corporation.

1.4 "Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in the State of Nevada are authorized or obligated by law or executive order to close.

1.5 "Cause," with respect to any Holder shall mean: (a) Holder's conviction of, or plea of guilty or nolo contendere to, a crime involving dishonesty, fraud, or unethical business conduct, or any felony of any nature whatsoever, (b) Holder's willful misconduct, (c) Holder's breach of fiduciary duty which involves personal profit, (d) Holder's willful disobedience of Corporate policy, (e) Holder's willful disobedience of a material directive from a supervising officer and/or the Board of Directors, or (f) Holder's abuse of illegal drugs or other controlled substances, or habitual intoxication. No act or failure to act, by the Holder shall be considered "willful" unless committed in bad faith and without a reasonable belief that the act or omission was in the best interests of the Corporation or its clients. Notwithstanding the foregoing, in the case of any Holder who, subsequent to the effective date of this Plan, enters into an employment agreement with the Corporation or any Subsidiary that contains the definition of "cause" (or any similar definition), then during the term of such employment agreement the definition contained in such Employment Agreement shall be the applicable definition of "cause" under the Plan as to such Holder if such Employment Agreement expressly so provides.

1.6 "Change in Control" means the occurrence of any of the following events [other than any of the following events which involve Ring Energy, Inc., a Nevada corporation, or any affiliate or associate thereof (as those terms are defined in Rule 12b-2 under the Exchange Act for purposes of this definition only), such events specifically not constituting a Change of Control]:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "**Person**") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either (x) the then outstanding shares of Common Stock of the Corporation (the "**Outstanding Corporation Common Stock**") or (y) the combined voting power of the then outstanding voting securities of the Corporation entitled to vote generally in the election of directors (the "**Outstanding Corporation Voting Securities**"); *provided, however*, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change of Control: (A) any acquisition directly from the Corporation, (B) any acquisition by the Corporation, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any corporation controlled by the Corporation or (D) any acquisition by any corporation pursuant to a transaction which complies with clauses (A), (B) and (C) of paragraph (iii) below; or

(ii) Individuals who constitute the Incumbent Board cease for any reason to constitute at least a majority of the Board of Directors; or

(iii) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Corporation or an acquisition of assets of another corporation (a "**Business Combination**"), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Corporation, or all or substantially all of the Corporation's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities, as the case may be, and (B) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) Approval by the stockholders of the Corporation of a complete liquidation or dissolution of the Corporation.

1.7 "Code" means the Internal Revenue Code of 1986, as amended.

1.8 "Committee" means the Board of Directors of the Corporation or a committee appointed pursuant to Section 3 by the Board of Directors to administer this Plan.

1.9 "Common Stock" means the Corporation's authorized common stock, par value \$0.001 per share, as described in the Corporation's Articles of Incorporation.

1.10 "Corporation" means Ring Energy, Inc., a Nevada corporation.

1.11 "Date of Grant" has the meaning given it in Section 4.3.

1.12 "Disability" has the meaning given it in Section 8.5.

1.13 "Effective Date" means the date upon which this Plan shall be approved by the Board of Directors of the Corporation.

1.14 "Eligible Individuals" means (a) Employees, (b) Non employee Directors and (c) any other Person that the Committee designates as eligible for an Award (other than for Incentive Options) because the Person performs bona fide consulting or advisory services for the Corporation or any of its Subsidiaries (other than services in connection with the offer or sale of securities in a capital raising transaction).

1.15 "Employee" means any employee of the Corporation or of any of its Subsidiaries, including officers and directors of the Corporation who are also employees of the Corporation or of any of its Subsidiaries.

1.16 "Exchange Act" means the Securities Exchange Act of 1934, as amended.

1.17 “Exercise Notice” has the meaning given it in Section 5.5.

1.18 “Exercise Price” has the meaning given it in Section 5.4.

1.19 “Fair Market Value” means, for a particular day, the value determined in good faith by the Committee, which determination shall be conclusive for all purposes of this Plan.

For purposes of valuing Incentive Options, the Fair Market Value of Stock: (i) shall be determined without regard to any restriction other than one that, by its terms, will never lapse; and (ii) will be determined as of the time the option with respect to such Stock is granted.

1.20 “Holder” means an Eligible Individual to whom an Award has been granted.

1.21 “Incentive Option” means an incentive stock option as defined under Section 422 of the Code and regulations thereunder.

1.22 “Incumbent Board” means the individuals who, as of the Effective Date, constitute the Board of Directors and any other individual who becomes a director of the Corporation after that date and whose election was approved by stockholders holding a majority of the Voting Securities or (in the case of a vacancy in the board) by appointment by the Board of Directors, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Incumbent Board.

1.23 [reserved]

1.24 “Non-employee Director” means a director of the Corporation who while a director is not an Employee.

1.25 “Nonstatutory Option” means a stock option that does not satisfy the requirements of Section 422 of the Code or that is designated at the Date of Grant or in the applicable Option Agreement to be an option other than an Incentive Option.

1.26 “Non-Surviving Event” means an event of Restructure as described in either subparagraph (b) or (c) of Section 1.32.

1.27 “Option Agreement” means an Award Agreement for an Incentive Option or a Nonstatutory Option.

1.28 “Option” means either an Incentive Option or a Nonstatutory Option, or both.

1.29 “Person” means any person or entity of any nature whatsoever, specifically including (but not limited to) an individual, a firm, a company, a corporation, a limited liability company, a partnership, a trust or other entity. A Person, together with that Person’s affiliates and associates (as those terms are defined in Rule 12b-2 under the Exchange Act for purposes of this definition only), and any Persons acting as a partnership, limited partnership, joint venture, association, syndicate or other group (whether or not formally organized), or otherwise acting jointly or in concert or in a coordinated or consciously parallel manner (whether or not pursuant to any express agreement), for the purpose of acquiring, holding, voting or disposing of securities of the Corporation with that Person, shall be deemed a single “Person.”

1.30 “Plan” means the Ring Energy, Inc. Long-Term Incentive Plan, as it may be amended from time to time.

1.31 “Restricted Stock Award” means the grant or purchase, on the terms and conditions that the Committee determines or on the terms and conditions of Section 6, of Stock that is nontransferable or subject to substantial risk of forfeiture until specific conditions are met.

1.32 “Restructure” means the occurrence of any one or more of the following:

(a) The merger or consolidation of the Corporation with any Person, whether effected as a single transaction or a series of related transactions, with the Corporation remaining the continuing or surviving entity of that merger or consolidation and the Stock remaining outstanding and not changed into or exchanged for stock or other securities of any other Person or of the Corporation, cash or other property;

(b) The merger or consolidation of the Corporation with any Person, whether effected as a single transaction or a series of related transactions, with (i) the Corporation not being the continuing or surviving entity of that merger or consolidation or (ii) the Corporation remaining the continuing or surviving entity of that merger or consolidation but all or a part of the outstanding shares of Stock are changed into or exchanged for stock or other securities of any other Person or the Corporation, cash, or other property; or

(c) The transfer, directly or indirectly, of all or substantially all of the assets of the Corporation (whether by sale, merger, consolidation, liquidation or otherwise) to any Person whether effected as a single transaction or a series of related transactions.

1.33 "Retirement" means the separation of the Holder from employment with the Corporation and its Subsidiaries on account of retirement.

1.34 "Rule 16b-3" means Rule 16b-3 under Section 16(b) of the Exchange Act, or any successor rule, as it may be amended from time to time.

1.35 "Section 409A" means Section 409A of the Code and the rules and regulations adopted from time to time thereunder, or any successor law or rule as it may be amended from time to time.

1.36 "Securities Act" means the Securities Act of 1933, as amended.

1.37 "Stock" means Common Stock, or any other securities that are substituted for Stock as provided in Section 7.

1.38 "Subsidiary" means, with respect to any Person, any corporation, limited partnership, limited liability company or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by that Person.

1.39 [reserved]

1.40 "Voting Securities" means any securities that are entitled to vote generally in the election of directors or in the selection of any other similar governing body.

SECTION 2. SHARES OF STOCK SUBJECT TO THE PLAN

2.1 Maximum Number of Shares. Subject to the provisions of Section 7 of this Plan, the maximum aggregate number of shares of Stock in respect of which Awards may be granted for all purposes under the Plan shall be 5,000,000; and provided, further, that if any shares of Stock subject to an Award are forfeited or if any Award based on shares of Stock is otherwise terminated without issuance of such shares of Stock or other consideration in lieu of such shares of Stock, the shares of Stock subject to such Award shall to the extent of such forfeiture or termination, again be available for Awards under the Plan if no participant shall have received any benefits of ownership in respect thereof.

2.2 Description of Shares. The shares to be delivered under the Plan shall be made available from (a) authorized but unissued shares of Stock, (b) Stock held in the treasury of the Corporation, or (c) previously issued shares of Stock reacquired by the Corporation, including shares purchased on the open market, in each situation as the Board of Directors or the Committee may determine from time to time at its sole option.

SECTION 3. ADMINISTRATION OF THE PLAN

3.1 Committee. The Committee shall administer the Plan with respect to all Eligible Individuals or may delegate all or part of its duties under this Plan to a subcommittee or any executive officer of the Corporation, subject in each case to such conditions and limitations as the Board of Directors may establish.

3.2 **Committee's Powers.** Subject to the express provisions of the Plan and any applicable law with which the Corporation intends the Plan to comply, the Committee shall have the authority, in its sole and absolute discretion, (a) to adopt, amend and rescind administrative and interpretive rules and regulations relating to the Plan, including without limitation to adopt and observe such procedures concerning the counting of Awards against the Plan and individual maximums as it may deem appropriate from time to time; (b) to determine the Eligible Individuals to whom, and the time or times at which, Awards shall be granted; (c) to determine the amount of cash and the number of Options, shares of Stock or Restricted Stock Awards, or any combination thereof, that shall be the subject of each Award; (d) to determine the terms and provisions of each Award Agreement (which need not be identical), including provisions defining or otherwise relating to (i) the term and the period or periods and extent of exercisability of the Options, (ii) the extent to which the transferability of shares of Stock issued or transferred pursuant to any Award is restricted, (iii) the effect of termination of employment on the Award, and (iv) the effect of approved leaves of absence (consistent with any applicable regulations of the Internal Revenue Service); (e) to accelerate, pursuant to Section 7, the time of exercisability of any Option that has been granted or the time of vesting or settlement of any Restricted Stock Award; (f) to construe the respective Award Agreements and the Plan; (g) to make determinations of the Fair Market Value of the Stock pursuant to the Plan; (h) to delegate its duties under the Plan to such agents as it may appoint from time to time, subject to Section 3.1; and (i) to make all other determinations, perform all other acts, and exercise all other powers and authority necessary or advisable for administering the Plan, including the delegation of those ministerial acts and responsibilities as the Committee deems appropriate subject in all respects to the last two sentences of Section 5.10. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan, in any Award, or in any Award Agreement in the manner and to the extent it deems necessary or desirable to carry the Plan into effect, and the Committee shall be the sole and final judge of that necessity or desirability. The determinations of the Committee on the matters referred to in this Section 3.2 shall be final and conclusive. The Committee shall not have the power to terminate or materially modify or materially amend the Plan. Those powers are vested in the Board of Directors.

3.3 **Transferability of Awards.** Notwithstanding any limitation on a Holder's right to transfer an Award, the Committee may (in its sole discretion) permit a Holder to transfer an Award, or may cause the Corporation to grant an Award that otherwise would be granted to an Eligible Individual, in any of the following circumstances: (a) pursuant to a qualified domestic relations order, (b) to a trust established for the benefit of the Eligible Individual or one or more of the children, grandchildren or spouse of the Eligible Individual; (c) to a limited partnership or limited liability company in which all the interests are held by the Eligible Individual and that Person's children, grandchildren or spouse; or (d) to another Person in circumstances that the Committee believes will result in the Award continuing to provide an incentive for the Eligible Individual to remain in the service of the Corporation or its Subsidiaries and apply his or her best efforts for the benefit of the Corporation or its Subsidiaries. If the Committee determines to allow such transfers or issuances of Awards, any Holder or Eligible Individual desiring such transfers or issuances shall make application therefor in the manner and time that the Committee specifies and shall comply with such other requirements as the Committee may require to assure compliance with all applicable laws, including securities laws, and to assure fulfillment of the purposes of this Plan. The Committee shall not authorize any such transfer or issuance if it may not be made in compliance with all applicable federal and state securities laws. The granting of permission for such an issuance or transfer shall not obligate the Corporation to register the shares of Stock to be issued under the applicable Award.

SECTION 4. ELIGIBILITY AND PARTICIPATION

4.1 **Eligible Individuals.** Awards may be granted pursuant to the Plan only to persons who are Eligible Individuals at the time of the grant thereof or in connection with the severance or retirement of Eligible Individuals.

4.2 **Grant of Awards.** Subject to the express provisions of the Plan, the Committee shall determine which Eligible Individuals shall be granted Awards from time to time. In making grants, the Committee shall take into consideration the contribution the potential Holder has made or may make to the success of the Corporation or its Subsidiaries and such other considerations as the Board of Directors may from time to time specify. The Committee shall also determine the number of shares or cash amounts subject to each of the Awards and shall authorize and cause the Corporation to grant Awards in accordance with those determinations.

4.3 **Date of Grant.** The date on which an Award is granted (the "**Date of Grant**") shall be the date specified by the Committee as the effective date or date of grant of an Award or, if the Committee does not so specify, shall be the date as of which the Committee adopts the resolution approving the offer of an Award to an individual, including the specification of the number (or method of determining the number) of shares of Stock and the amount (or method of determining the amount) of cash to be subject to the Award, even though certain terms of the Award Agreement may not be determined at that time and even though the Award Agreement may not be executed or delivered until a later time. In no event shall a Holder gain any rights in addition to those specified by the Committee in its grant, regardless of the time that may pass between the grant of the Award and the actual execution or delivery of the Award Agreement by the Corporation or the Holder. An Award shall be valid and binding upon execution by the Corporation and the Holder, the Committee may invalidate an Award at any time prior to execution by both the Corporation and the Holder, and such Award shall be treated as never having been granted.

4.4 Award Agreements. Each Award granted under the Plan shall be evidenced by an Award Agreement that incorporates those terms that the Committee shall deem necessary or desirable. More than one Award may be granted under the Plan to the same Eligible Individual and be outstanding concurrently. If an Eligible Individual is granted both one or more Incentive Options and one or more Nonstatutory Options, those grants shall be evidenced by separate Award Agreements, one for each of the Incentive Option grants and one for each of the Nonstatutory Option grants.

4.5 Limitation for Incentive Options. Notwithstanding any provision contained herein to the contrary, (a) a person shall not be eligible to receive an Incentive Option unless he or she is an Employee of the Corporation or a corporate Subsidiary (but not a partnership or other non-corporate Subsidiary), and (b) a person shall not be eligible to receive an Incentive Option if, immediately before the time the Incentive Option is granted, that person owns (within the meaning of Sections 422 and 424 of the Code) stock possessing more than ten percent of the total combined voting power or value of all classes of stock of the Corporation or a Subsidiary. Nevertheless, this Section 4.5(b) shall not apply if, at the time the Incentive Option is granted, the Exercise Price of the Incentive Option is at least one hundred and ten percent of the Fair Market Value of the Stock underlying the Incentive Option and the Incentive Option is not, by its terms, exercisable after the expiration of five years from the Date of Grant.

4.6 No Right to Award. The adoption of the Plan shall not be deemed to give any person a right to be granted an Award.

SECTION 5. TERMS AND CONDITIONS OF OPTIONS

All Options granted under the Plan shall comply with, and the related Option Agreements shall be deemed to include and be subject to, the terms and conditions set forth in this Section 5 (to the extent each term and condition applies to the form of Option) and also to the terms and conditions set forth in Section 7.1 and Section 8; *provided, however*, that the Committee may authorize an Option Agreement that expressly contains terms and provisions that differ from the terms and provisions of Section 8. The Committee may also authorize an Option Agreement that contains any or all of the terms and provisions of Sections 7.2 and 7.3 or that contains terms and provisions dealing with similar subject matter differently than do those Sections; nevertheless, the terms and provisions of Section 7.2 or 7.3 (or any such differing term or provision) shall apply to an Option Agreement unless the Option Agreement expressly states that such term or provision shall not apply.

5.1 Number of Shares. Each Option Agreement shall state the total number of shares of Stock to which it relates.

5.2 Vesting. Each Option Agreement shall state the time, periods or other conditions on which the right to exercise the Option or a portion thereof shall vest and the number (or method of determining the number) of shares of Stock for which the right to exercise the Option shall vest at each such time, period or satisfaction of condition.

5.3 Expiration of Options. Nonstatutory Options and Incentive Options may be exercised during the term determined by the Committee and set forth in the Option Agreement; *provided* that no Incentive Option shall be exercised after the expiration of a period of ten (10) years commencing on the Date of Grant of the Incentive Option.

5.4 Exercise Price. Each Option Agreement shall state the exercise price per share of Stock (the "*Exercise Price*"). The exercise price per share of Stock subject to an Incentive Option shall not be less than the greater of (a) the par value per share of the Stock or (b) 100% of the Fair Market Value per share of the Stock on the Date of Grant of the Option. The exercise price per share of Stock subject to a Nonstatutory Option shall not be less than the greater of (a) the par value per share of the Stock or (b) 100% of the Fair Market Value per share of the Stock on the Date of Grant of the Option.

5.5 Method of Exercise. Each Option shall be exercisable only by written, recorded electronic or other notice of exercise in the manner specified by the Committee from time to time (the "*Exercise Notice*") delivered to the Corporation or to the Person designated by the Committee during the term of the Option, which notice shall (a) state the number of shares of Stock with respect to which the Option is being exercised, (b) be signed or otherwise given by the Holder of the Option or by the person authorized to exercise the Option in the event of the Holder's death or disability, (c) be accompanied by payment of the Exercise Price for all shares of Stock for which the Option is exercised, unless provision for the payment of the Exercise Price has been made pursuant to Section 5.7 or 5.8 or in another manner permitted by law and approved in advance by the Committee, and (d) include such other information, instruments, and documents as may be required to satisfy any other condition to exercise contained in the Option Agreement. The Option shall not be deemed to have been exercised unless all of the requirements of the preceding provisions of this Section 5.5 have been satisfied.

5.6 Incentive Option Exercises. During the Holder's lifetime, only the Holder may exercise an Incentive Option. The Holder of an Incentive Option shall immediately notify the Corporation in writing of any disposition of the Stock acquired pursuant to the Incentive Option that would disqualify the Incentive Option from the incentive option tax treatment afforded by Section 422 of the Code. The notice shall state the number of shares disposed of, the dates of acquisition and disposition of the shares, and the consideration received upon that disposition.

5.7 Medium and Time of Payment. The Exercise Price of an Option shall be payable in full upon the exercise of the Option (a) in cash or by an equivalent means (such as that specified in Section 5.8) acceptable to the Committee, (b) on the Committee's prior consent, with shares of Stock owned by the Holder (including shares received upon exercise of the Option or restricted shares already held by the Holder) and having a Fair Market Value at least equal to the aggregate Exercise Price payable in connection with such exercise, or (c) by any combination of clauses (a) and (b). If the Committee chooses to accept shares of Stock in payment of all or any portion of the Exercise Price, then (for purposes of payment of the Exercise Price) those shares of Stock shall be deemed to have a cash value equal to their aggregate Fair Market Value determined as of the date of the delivery of the Exercise Notice. If the Committee elects to accept shares of restricted Stock in payment of all or any portion of the Exercise Price, then an equal number of shares issued pursuant to the exercise shall be restricted on the same terms and for the restriction period remaining on the shares used for payment.

5.8 Limitation on Aggregate Value of Shares That May Become First Exercisable During any Calendar Year Under an Incentive Option. With respect to any Incentive Option granted under this Plan, the aggregate Fair Market Value of shares of Stock subject to an Incentive Option and the aggregate Fair Market Value of shares of Stock or stock of any Subsidiary (or a predecessor of the Corporation or a Subsidiary) subject to any other incentive stock option (within the meaning of Section 422 of the Code) of the Corporation or its Subsidiaries (or a predecessor corporation of any such corporation) that first become purchasable by a Holder in any calendar year may not (with respect to that Holder) exceed \$100,000, or such other amount as may be prescribed under Section 422 of the Code or applicable regulations or rulings from time to time. As used in the previous sentence, Fair Market Value shall be determined as of the date the Incentive Option is granted. For purposes of this Section 5.8 "predecessor corporation" means (a) a corporation that was a party to a transaction described in Section 424(a) of the Code (or which would be so described if a substitution or assumption under that Section had been effected) with the Corporation, (b) a corporation which, at the time the new incentive stock option (within the meaning of Section 422 of the Code) is granted, is a Subsidiary of the Corporation or a predecessor corporation of any such corporations, or (c) a predecessor corporation of any such corporations. Failure to comply with this provision shall not impair the enforceability or exercisability of any Option, but shall cause the excess amount of shares to be reclassified in accordance with the Code.

5.9 No Fractional Shares. The Corporation shall not in any case be required to sell, issue, or deliver a fractional share with respect to any Option. In lieu of the issuance of any fractional share of Stock, the Corporation shall pay to the Holder an amount in cash equal to the same fraction (as the fractional Stock) of the Fair Market Value of a share of Stock determined as of the date of the applicable Exercise Notice.

5.10 Modification, Extension and Renewal of Options. Subject to the terms and conditions of and within the limitations of the Plan and any applicable law, and any consent required by the last two sentences of this Section 5.10, the Committee may (a) modify, extend or renew outstanding Options granted under the Plan, (b) accept the surrender of Options outstanding hereunder (to the extent not previously exercised) and authorize the granting of new Options in substitution for outstanding Options (to the extent not previously exercised), and (c) amend the terms of an Incentive Option at any time to include provisions that have the effect of changing the Incentive Option to a Nonstatutory Option. Notwithstanding anything herein, the Committee may not "reprice" any Option. "Reprice" means any of the following or any other action that has the same effect: (i) amending an Option to reduce its exercise price, (ii) canceling an Option at a time when its exercise price exceeds the Fair Market Value of a share of Stock in exchange for an Option, Restricted Stock Award or other equity award unless the cancellation and exchange occurs in connection with a merger, acquisition, spin-off or other similar corporate transaction, or (iii) taking any other action that is treated as a repricing under generally accepted accounting principles, provided that nothing in this Section 5.10 shall prevent the Committee from making adjustments pursuant to Section 7. Without the consent of the Holder, the Committee may not modify any outstanding Options so as to specify a higher Exercise Price or accept the surrender of outstanding Incentive Options and authorize the granting of new Options in substitution therefor specifying a higher Exercise Price. In addition, no modification of an Option granted hereunder shall, without the consent of the Holder, materially alter or impair any rights of the Holder or materially increase the obligations of a Holder under any Option theretofore granted to that Holder under the Plan except, with respect to Incentive Options, as may be necessary to satisfy the requirements of Section 422 of the Code or as permitted in clause (c) of this Section 5.10.

5.11 Other Agreement Provisions. The Option Agreements authorized under the Plan shall contain such provisions in addition to those required by the Plan (including, without limitation, restrictions or the removal of restrictions upon the exercise of the Option and the retention or transfer of shares thereby acquired) as the Committee may deem advisable. Each Option Agreement shall identify the Option evidenced thereby as an Incentive Option or Nonstatutory Option, as the case may be, and no Option Agreement shall cover both an Incentive Option and a Nonstatutory Option. Each Agreement relating to an Incentive Option granted hereunder shall contain such limitations and restrictions upon the exercise of the Incentive Option to which it relates as shall be necessary for the Incentive Option to which such Agreement relates to constitute an incentive stock option, as defined in Section 422 of the Code.

SECTION 6. RESTRICTED STOCK AWARDS

All Restricted Stock Awards granted under the Plan shall comply with, and the related Award Agreements shall be deemed to include, and be subject to the terms and conditions set forth in this Section 6 and also to the terms and conditions set forth in Section 7.1 and Section 8; *provided, however*, that the Committee may authorize an Award Agreement relating to a Restricted Stock Award that expressly contains terms and provisions that differ from the terms and provisions of Section 8. The Committee may also authorize an Award Agreement relating to a Restricted Stock Award that contains any or all of the terms and provisions of Sections 7.2 and 7.3 or that contains terms and provisions dealing with similar subject matter differently than do those Sections; nevertheless, the terms and provisions of Section 7.2 or 7.3 (or any such differing term or provision) shall apply to an Award Agreement relating to a Restricted Stock Award unless the Award Agreement expressly states that such term or provision shall not apply.

6.1 Restrictions. All shares of Restricted Stock Awards granted or sold pursuant to the Plan shall be subject to the following conditions:

(a) Transferability. The shares may not be sold, transferred or otherwise alienated or hypothecated until the restrictions are removed or expire.

(b) Conditions to Removal of Restrictions. Conditions to removal or expiration of the restrictions may include, but are not required to be limited to, continuing employment or service as a director, officer, employee, consultant or advisor or achievement of performance objectives described in the Award Agreement.

(c) Legend. Each certificate representing Restricted Stock Awards granted pursuant to the Plan shall bear a legend making appropriate reference to the restrictions imposed.

(d) Possession. At its sole discretion, the Committee may (i) authorize issuance of a certificate for shares in the Holder's name only upon lapse of the applicable restrictions, (ii) require the Corporation, transfer agent or other custodian to retain physical custody of the certificates representing Restricted Stock Awards during the restriction period and may require the Holder of the Award to execute stock powers, endorsed or in blank, for those certificates and deliver those stock powers to the Corporation, transfer agent or custodian, or (iii) may require the Holder to enter into an escrow agreement providing that the certificates representing Restricted Stock Awards granted or sold pursuant to the Plan shall remain in the physical custody of an escrow holder until all restrictions are removed or expire. The Corporation may issue shares subject to stop-transfer restrictions or may issue such shares subject only to the restrictive legend described in subparagraph 6.1(c).

(e) Other Conditions. The Committee may impose other conditions on any shares granted or sold as Restricted Stock Awards pursuant to the Plan as it may deem advisable, including, without limitation, (i) restrictions under the Securities Act or Exchange Act, (ii) the requirements of any securities exchange upon which the shares or shares of the same class are then listed, and (iii) any state securities law applicable to the shares.

6.2 Expiration of Restrictions. The restrictions imposed in Section 6.1 on Restricted Stock Awards shall lapse as determined by the Committee and set forth in the applicable Award Agreement, and the Corporation shall promptly cause to be delivered to the Holder of the Restricted Stock Award a certificate representing the number of shares for which restrictions have lapsed, free of any restrictive legend relating to the lapsed restrictions; provided that (i) a minimum of a one year restriction period shall exist on all Restricted Stock Awards, and (ii) a minimum of a three year restriction period shall exist with respect to any Restricted Stock Award granted solely by reason of tenure of the Holder (provided that a Restricted Stock Award granted solely by reason of tenure may vest in equal thirds, annually, so long as the minimum restriction period for the first vesting period is at least one year). Subject to the limitations set forth above, each Restricted Stock Award may have a different restriction period, in the discretion of the Committee.

The Committee may, in its discretion, prospectively reduce the restriction period applicable to a particular Restricted Stock Award in the event of the death, disability or retirement of the Holder. The foregoing notwithstanding, no restriction not required by law shall remain in effect for more than ten years after the date of the Award.

6.3 [reserved]

6.4 Rights as Stockholder. Subject to the provisions of Sections 6.1, the Committee may, in its discretion, determine what rights, if any, the Holder shall have with respect to the Restricted Stock Awards granted or sold, including the right to vote the shares and receive all dividends and other distributions paid or made with respect thereto.

6.5 Other Agreement Provisions. The Award Agreements relating to Restricted Stock Awards shall contain such provisions in addition to those required by the Plan as the Committee may deem advisable.

SECTION 7. ADJUSTMENT PROVISIONS

The Committee may authorize an Award that contains any or all of the terms and provisions of this Section 7 or, with respect to Sections 7.2 and 7.3, that contains terms and provisions dealing with similar subject matter differently than do those Sections; nevertheless, the terms and provisions of Section 7.2 or 7.3 (or any such differing term or provision) shall apply to an Award Agreement unless the Award Agreement expressly states that such term or provision shall not apply.

7.1 Adjustment of Awards and Authorized Stock. The terms of an Award and the number of shares of Stock authorized pursuant to Section 2.1 for issuance under the Plan shall be subject to adjustment, from time to time, in accordance with the following provisions:

(a) If at any time or from time to time, the Corporation shall subdivide as a whole (by reclassification, by a Stock split, by the issuance of a distribution on Stock payable in Stock or otherwise) the number of shares of Stock then outstanding into a greater number of shares of Stock, then (i) the maximum number of shares of Stock available for the Plan as provided in Section 2.1 shall be increased proportionately, and the kind of shares or other securities available for the Plan shall be appropriately adjusted, (ii) the number of shares of Stock (or other kind of shares or securities) that may be acquired under any Award shall be increased proportionately, and (iii) the price (including Exercise Price) for each share of Stock (or other kind of shares or unit of other securities) subject to then outstanding Awards shall be reduced proportionately, without changing the aggregate purchase price or value as to which outstanding Awards remain exercisable or subject to restrictions.

(b) If at any time or from time to time the Corporation shall consolidate as a whole (by reclassification, reverse Stock split, or otherwise) the number of shares of Stock then outstanding into a lesser number of shares of Stock, (i) the maximum number of shares of Stock available for the Plan as provided in Section 2.1 shall be decreased proportionately, and the kind of shares or other securities available for the Plan shall be appropriately adjusted, (ii) the number of shares of Stock (or other kind of shares or securities) that may be acquired under any Award shall be decreased proportionately, and (iii) the price (including Exercise Price) for each share of Stock (or other kind of shares or unit of other securities) subject to then outstanding Awards shall be increased proportionately, without changing the aggregate purchase price or value as to which outstanding Awards remain exercisable or subject to restrictions.

(c) Whenever the number of shares of Stock subject to outstanding Awards and the price for each share of Stock subject to outstanding Awards are required to be adjusted as provided in this Section 7.1, the Committee shall promptly prepare a notice setting forth, in reasonable detail, the event requiring adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the change in price and the number of shares of Stock, other securities, cash or property purchasable subject to each Award after giving effect to the adjustments. The Committee shall promptly give each Holder such a notice.

(d) Adjustments under Section 7.1(a) and 7.1(b) shall be made by the Committee, and its determination as to what adjustments shall be made and the extent thereof shall be final, binding and conclusive. No fractional interest shall be issued under the Plan on account of any such adjustments.

7.2 Changes in Control. Upon the occurrence of a Change in Control for Awards held by Participants who are employees or directors of the Corporation (and their permitted transferees pursuant to Section 3.3 above): (a) all outstanding Options shall immediately become fully vested and exercisable in full, including that portion of any Option that pursuant to the terms and provisions of the applicable Award Agreement had not yet become exercisable (the total number of shares of Stock as to which an Option is exercisable upon the occurrence of a Change in Control is referred to herein as the “*Total Shares*”); and (b) the restriction period of any Restricted Stock Award shall immediately be accelerated and the restrictions expire. If a Change in Control involves a Restructure or occurs in connection with a series of related transactions involving a Restructure and if such Restructure is in the form of a Non-Surviving Event and as a part of such Restructure shares of stock, other securities, cash or property shall be issuable or deliverable in exchange for Stock, then the Holder of an Award shall be entitled to purchase or receive (in lieu of the Total Shares that the Holder would otherwise be entitled to purchase or receive), as appropriate for the form of Award, the number of shares of stock, other securities, cash or property, to which such Holder would have been entitled, upon the same terms, conditions and restrictions of the Award as existed immediately before the consummation of the Restructure. Nothing in this Section 7.2 shall impose on a Holder the obligation to exercise any Award immediately before or upon the Change of Control, and, unless otherwise provided in the Award Agreement relating to the Award, no Holder shall forfeit the right to exercise the Award during the remainder of the original term of the Award because of a Change in Control or because the Holder’s employment is terminated for any reason following a Change in Control.

7.3 Restructure and No Change of Control. In the event a Restructure should occur at any time while there is any outstanding Award hereunder and that Restructure does not occur in connection with a Change in Control or in connection with a series of related transactions involving a Change in Control, then:

(a) no outstanding Options shall immediately become fully vested and exercisable in full merely because of the occurrence of the Restructure; and

(b) the restriction period of any Restricted Stock Award shall not immediately be accelerated nor shall the restrictions expire merely because of the occurrence of the Restructure.

The Corporation shall promptly notify each Holder of any election or action taken by the Corporation under this Section 7.3. In the event of any election or action taken by the Corporation pursuant to this Section 7.3 that requires the amendment or cancellation of any Award Agreement as may be specified in any notice to the Holder thereof, that Holder shall promptly deliver that Award Agreement to the Corporation in order for that amendment or cancellation to be implemented by the Corporation and the Committee. The failure of the Holder to deliver any such Award Agreement to the Corporation as provided in the preceding sentence shall not in any manner affect the validity or enforceability of any action taken by the Corporation and the Committee under this Section 7.3, including, without limitation, any redemption of an Award as of the consummation of a Restructure. Any cash payment to be made by the Corporation pursuant to this Section 7.3 in connection with the redemption of any outstanding Awards shall be paid to the Holder thereof currently with the delivery to the Corporation of the Award Agreement evidencing that Award; provided, however, that any such redemption shall be effective upon the consummation of the Restructure notwithstanding that the payment of the redemption price may occur subsequent to the consummation. If all or any portion of an outstanding Award is to be exercised upon or after the consummation of a Restructure that is in the form of a Non-Surviving Event and as a part of that Restructure shares of stock, other securities, cash or property shall be issuable or deliverable in exchange for Stock, then the Holder of the Award shall thereafter be entitled to purchase or receive (in lieu of the number of shares of Stock that the Holder would otherwise be entitled to purchase or receive) the number of shares of stock, other securities, cash or property to which such number of shares of Stock would have been entitled, upon the same terms, conditions and restrictions of the Award as existed immediately before the consummation of the Restructure.

7.4 Notice of Change in Control or Restructure. The Corporation shall attempt to keep all Holders informed with respect to any Change in Control or Restructure or of any potential Change in Control or Restructure to the same extent that the Corporation’s stockholders are informed by the Corporation of any such event or potential event.

SECTION 8. ADDITIONAL PROVISIONS

8.1 Termination of Employment. Subject to the last sentence of Section 7.2, if a Holder is an Eligible Individual because the Holder is an Employee and if that employment relationship is terminated for any reason other than Retirement or that Holder’s death or Disability, then the following provisions shall apply to all Awards held by that Holder that were granted because that Holder was an Employee:

(a) If the termination is by the Holder's employer, then the following provisions shall apply: (i) if the termination is for Cause, then that portion, if any, of any and all Awards held by that Holder that are not yet exercisable (or for which restrictions have not lapsed) as of the date of termination shall become null and void; provided, however, that the portion, if any, of any and all Awards held by that Holder which are exercisable (or for which restrictions have lapsed) as of the date of such termination shall survive such termination and shall be exercisable by such Holder for a period of the lesser of (A) the remainder of the term of the Award or (B) five (5) business days following the date of such termination; or (ii) if the termination is not for Cause, then that portion, if any, of any and all Awards held by that Holder that are not yet exercisable (or for which restrictions have not lapsed) as of the date of the termination shall become null and void as of the date of the termination; *provided, however*, that the portion, if any, of any and all Awards held by that Holder which are exercisable (or for which restrictions have lapsed) as of the date of such termination shall survive such termination and shall be exercisable by such Holder for a period of the lesser of (A) the remainder of the term of the Award or (B) 365 days following the date of such termination.

(b) If such termination is by the Holder, then, unless otherwise agreed to by the Corporation, any and all Awards held by that Holder, whether or not then exercisable and whether or not restrictions thereon have lapsed (except in full), shall become null and void as of the date of the termination.

8.2 Other Loss of Eligibility. If a Holder is an Eligible Individual because the Holder is serving in a capacity other than as an Employee and if that capacity is terminated for any reason other than the Holder's death, then that portion, if any, of any and all Awards held by the Holder that were granted because of that capacity which are not yet exercisable (or for which restrictions have not lapsed) as of the date of the termination shall become null and void as of the date of the termination; *provided, however*, that the portion, if any, of any and all of the Awards held by the Holder that are exercisable (or for which restrictions have lapsed) as of the date of the termination shall survive the termination and shall be exercisable by such Holder for a period of the lesser of (a) the remainder of the term of the Award or (b) 180 days following the date of such termination.

8.3 Death. Upon the death of a Holder, then any and all Awards held by the Holder, including those portions of the Awards that pursuant to the terms and provisions of the applicable Award Agreement had not yet become exercisable, shall immediately become fully vested and exercisable in full by the Holder, his guardians or his legal representatives, legatees or distributees for a period of the lesser of (a) the remainder of the term of the Award or (b) one year following the date of the Holder's death. Any portion of an Award not exercised upon the expiration of the periods specified in (a) or (b) shall be null and void. Except as expressly provided in this Section 8.3, all Awards held by a Holder shall not be exercisable after the death of that Holder.

8.4 Retirement. If a Holder is an Eligible Individual because the Holder is an Employee and if that employment relationship is terminated by reason of the Holder's Retirement, then the portion, if any, of any and all Awards held by the Holder that are not yet exercisable (or for which restrictions have not lapsed) as of the date of that retirement shall become null and void as of the date of retirement; *provided, however*, that the portion, if any, of any and all Awards held by the Holder that are exercisable as of the date of that Retirement shall survive the Retirement and shall be exercisable by such Holder for a period of the lesser of (a) the remainder of the terms of the Award or (b) 180 days following the date of retirement.

8.5 Disability. If a Holder is an Eligible Individual because the Holder is an Employee and if that employment relationship is terminated by reason of the Holder's Disability, then any and all Awards held by the Holder, including those portions of the Awards that pursuant to the terms and provisions of the applicable Award Agreement had not yet become exercisable (or for which restrictions had not lapsed), shall immediately become fully vested and exercisable in full by the Holder, his guardians or his legal representatives for a period of the lesser of (a) the remainder of the term of the Award or (b) one year following the date on which the Holder's employment is terminated due to such Holder's Disability. "Disability" shall have the meaning given it in the employment agreement of the Holder; *provided, however*, that if that Holder has no employment agreement, "Disability" shall mean a physical or mental impairment of sufficient severity that, in the opinion of the Corporation, either the Holder is unable to continue performing the duties he performed before such impairment or the Holder's condition entitles him to disability benefits under any insurance or employee benefit plan of the Corporation or its Subsidiaries and that impairment or condition is cited by the Corporation as the reason for termination of the Holder's employment.

8.6 Leave of Absence. With respect to an Award, the Committee may, in its sole discretion, determine that any Holder who is on leave of absence for any reason will be considered to still be in the employ of the Corporation, provided that rights to that Award during a leave of absence will be limited to the extent to which those rights were earned or vested when the leave of absence began.

8.7 Transferability of Awards. In addition to such other terms and conditions as may be included in a particular Award Agreement, an Award requiring exercise shall be exercisable during a Holder's lifetime only by that Holder or by that Holder's guardian or legal representative. An Award requiring exercise shall not be transferrable other than by will or the laws of descent and distribution, except as permitted in accordance with Section 3.3.

8.8 Forfeiture and Restrictions on Transfer. Each Award Agreement may contain or otherwise provide for conditions giving rise to the forfeiture of the Stock acquired pursuant to an Award or otherwise and may also provide for those restrictions on the transferability of shares of the Stock acquired pursuant to an Award or otherwise that the Committee in its sole and absolute discretion may deem proper or advisable. The conditions giving rise to forfeiture may include, but need not be limited to, the requirement that the Holder render substantial services to the Corporation or its Subsidiaries for a specified period of time, and/or agreements regarding non-competition with the Corporation and its Subsidiaries. The restrictions on transferability may include, but need not be limited to, options and rights of first refusal in favor of the Corporation and stockholders of the Corporation other than the Holder of such shares of Stock who is a party to the particular Award Agreement or a subsequent holder of the shares of Stock who is bound by that Award Agreement.

8.9 Delivery of Certificates of Stock. Subject to Section 8.10, the Corporation shall promptly issue and deliver a certificate representing the number of shares of Stock as to which (a) an Option has been exercised after the Corporation receives an Exercise Notice and upon receipt by the Corporation of the Exercise Price and any tax withholding as may be requested; and (b) restrictions have lapsed with respect to a Restricted Stock Award and upon receipt by the Corporation of any tax withholding as may be requested. The value of the shares of Stock, cash or notes transferable because of an Award under the Plan shall not bear any interest owing to the passage of time, except as may be otherwise provided in an Award Agreement. If a Holder is entitled to receive certificates representing Stock received for more than one form of Award under the Plan, separate Stock certificates shall be issued with respect to each such Award and for Incentive Options and Nonstatutory Stock Options separately.

8.10 Conditions to Delivery of Stock. Nothing herein or in any Award granted hereunder or any Award Agreement shall require the Corporation to issue any shares with respect to any Award if that issuance would, in the opinion of counsel for the Corporation, constitute a violation of the Securities Act or any similar or superseding statute or statutes, any other applicable statute or regulation, or the rules of any applicable securities exchange or securities association, as then in effect. At the time of any exercise of an Option, or at the time of any grant of a Restricted Stock Award, the Corporation may, as a condition precedent to the exercise of such Option or vesting of any Restricted Stock Award, require from the Holder of the Award (or in the event of his or her death, his or her legal representatives, heirs, legatees, or distributees) such written representations, if any, concerning the Holder's intentions with regard to the retention or disposition of the shares of Stock being acquired pursuant to the Award and such written covenants and agreements, if any, as to the manner of disposal of such shares as, in the opinion of counsel to the Corporation, may be necessary to ensure that any disposition by that Holder (or in the event of the Holder's death, his legal representatives, heirs, legatees, or distributees) will not involve a violation of the Securities Act or any similar or superseding statute or statutes, any other applicable state or federal statute or regulation, or any rule of any applicable securities exchange or securities association, as then in effect.

8.11 Securities Act Legend. Certificates for shares of Stock, when issued, may have the following legend, or statements of other applicable restrictions endorsed thereon and may not be immediately transferable:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR ANY STATE SECURITIES LAWS. THE SHARES MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, TRANSFERRED, OR OTHERWISE DISPOSED OF UNTIL THE HOLDER HEREOF PROVIDES EVIDENCE SATISFACTORY TO THE ISSUER (WHICH, IN THE DISCRETION OF THE ISSUER, MAY INCLUDE AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER) THAT SUCH OFFER, SALE, PLEDGE, TRANSFER, OR OTHER DISPOSITION WILL NOT VIOLATE APPLICABLE FEDERAL OR STATE LAWS.

This legend shall not be required for shares of Stock issued pursuant to an effective registration statement under the Securities Act, if any.

8.12 Legend for Restrictions on Transfer. Each certificate representing shares issued to a Holder pursuant to an Award granted under the Plan shall, if such shares are subject to any transfer restriction, including a right of first refusal, provided for under this Plan or an Award Agreement, bear a legend that complies with applicable law with respect to the restrictions on transferability contained in this Section 8.12, such as:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY IMPOSED BY THAT CERTAIN INSTRUMENT ENTITLED "RING ENERGY, INC. LONG-TERM INCENTIVE PLAN" AS ADOPTED BY RING ENERGY, INC. (THE "**CORPORATION**") ON _____, 20____, AND AN AGREEMENT THEREUNDER BETWEEN THE CORPORATION AND [HOLDER] DATED _____, _____, AND MAY NOT BE TRANSFERRED, SOLD, OR OTHERWISE DISPOSED OF EXCEPT AS THEREIN PROVIDED. THE CORPORATION WILL FURNISH A COPY OF SUCH INSTRUMENT AND AGREEMENT TO THE RECORD HOLDER OF THIS CERTIFICATE WITHOUT CHARGE ON REQUEST TO THE CORPORATION AT ITS PRINCIPAL PLACE OF BUSINESS OR REGISTERED OFFICE.

8.13 Rights as a Stockholder. A Holder shall have no right as a stockholder with respect to any shares covered by his or her Award until a certificate representing those shares is issued in his or her name. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash or other property) or distributions or other rights for which the record date is before the date that certificate is issued, except as contemplated by Section 7. Nevertheless, dividends and dividend equivalent rights may be extended to and made part of any Award denominated in Stock or units of Stock, subject to such terms, conditions, and restrictions as the Committee may establish. The Committee may also establish rules and procedures for the crediting of interest on deferred cash payments and dividend equivalents for deferred payment denominated in Stock or units of Stock.

8.14 Information. Each Holder shall furnish to the Corporation all information requested by the Corporation to enable it to comply with any reporting or other requirement imposed upon the Corporation by or under any applicable statute or regulation.

8.15 Obligation to Exercise. The granting of an Award hereunder shall impose no obligation upon the Holder to exercise the same or any part thereof.

8.16 Adjustments to Awards. Subject to applicable law and the general limitations set forth in Sections 5, and 7, the Committee may make any adjustment to or the terms of a Nonstatutory Option by canceling an outstanding Nonstatutory Option and regranting a Nonstatutory Option. Such adjustment shall be made by amending, substituting or regranting an outstanding Nonstatutory Option. Such amendment, substitution or regrant may result in terms and conditions that differ from the terms and conditions of the original Nonstatutory Option. Notwithstanding anything herein, the Committee may not "reprice" any Option. "Reprice" means any of the following or any other action that has the same effect: (i) amending an Option to reduce its exercise price, (ii) canceling an Option at a time when its exercise price exceeds the Fair Market Value of a share of Stock in exchange for an Option, Restricted Stock Award or other equity award unless the cancellation and exchange occurs in connection with a merger, acquisition, spin-off or other similar corporate transaction, or (iii) taking any other action that is treated as a repricing under generally accepted accounting principles. In addition, the Committee may not impair the rights of any Holder to previously granted Nonstatutory Options without that Holder's consent. If such action is effected by amendment, the effective date of such amendment shall be the date of the original grant. Notwithstanding the above, with respect to Performance Awards that are subject to Section 409A of the Code, the Committee shall not have the authority to accelerate or postpone the timing or settlement of a Performance Award in a manner that would cause such award to become subject to the interest and penalty provisions under Section 409A of the Code.

8.17 Remedies. The Corporation and a Holder shall be entitled to recover from the other party reasonable attorneys' fees incurred in connection with the enforcement of the terms and provisions of the Plan and any Award Agreement whether by an action to enforce specific performance or for damages for its breach or otherwise.

8.18 Information Confidential. As partial consideration for the granting of each Award hereunder, the Holder shall agree with the Corporation that the Holder will keep confidential all information and knowledge that the Holder has relating to the manner and amount of his or her participation in the Plan; *provided, however*, that such information may be disclosed as required by law and may be given in confidence to the Holder's spouse, tax, legal and financial advisors, or to a financial institution to the extent that such information is necessary to secure a loan. In the event any breach of this promise comes to the attention of the Committee, it shall take into consideration that breach in determining whether to recommend the grant of any future Award to that Holder, as a factor militating against the advisability of granting any such future Award to that individual. The provisions of this Section 8.18 shall be included in each Award Agreement.

8.19 Consideration. No Option shall be exercisable and no restriction on any Restricted Stock Award shall lapse unless and until the Holder shall have paid cash or property to, or performed services for and/or provided value to, the Corporation or any of its Subsidiaries that the Committee believes is equal to or greater in value than the par value of the Stock subject to such Award.

8.20 Payment of Taxes. The Committee may, in its discretion, require a Holder to pay to the Corporation (or the Corporation's Subsidiary if the Holder is an employee of a Subsidiary of the Corporation), at the time of the exercise of an Award, the amount that the Committee deems necessary to satisfy the Corporation's or its Subsidiary's current or future obligation to withhold federal, state or local income or other taxes that the Holder incurs by exercising an Award.

8.21 Claw-back. If any Holder is substantially responsible for negligence that materially and negatively impacts the Corporation, an Award benefit realized by such Holder during the period commencing in the two (2) years preceding such negligence will be immediately due and payable by such Holder to the Corporation. The Holder will be considered substantially responsible if there was a failure to conduct his or her responsibilities with the degree of skill and care an ordinary prudent person in a like position would exercise under similar circumstances.

SECTION 9. DURATION AND AMENDMENT OF PLAN

9.1 Duration. No Awards may be granted hereunder after the date that is ten (10) years from the date of this Plan.

9.2 Amendment. The Board of Directors may (insofar as permitted by law and applicable regulations), with respect to any shares which, at the time, are not subject to Awards, suspend or discontinue the Plan or revise or amend it in any respect whatsoever, and may amend any provision of the Plan or any Award Agreement to make the Plan or the Award Agreement, or both, comply with Section 16(b) of the Exchange Act and the exemptions therefrom, the Code, the Employee Retirement Income Security Act of 1974, as amended ("*ERISA*"), the regulations promulgated under the Code or ERISA, or any other law, rule or regulation that may affect the Plan. The Board of Directors may also amend, modify, suspend or terminate the Plan for the purpose of meeting or addressing any changes in other legal requirements applicable to the Corporation or the Plan or for any other purpose permitted by law. The Plan may not be amended without the consent of the holders of a majority of the shares of Stock then outstanding to increase materially the aggregate number of shares of Stock that may be issued under the Plan (except for adjustments pursuant to Section 7 of the Plan).

SECTION 10. GENERAL

10.1 Application of Funds. The proceeds received by the Corporation from the sale of shares pursuant to Awards shall be used for general corporate purposes.

10.2 Right of the Corporation and Subsidiaries to Terminate Employment. Nothing contained in the Plan or in any Award Agreement shall confer upon any Holder the right to continue in the employ of the Corporation or any Subsidiary, or interfere in any way with the rights of the Corporation or any Subsidiary to terminate his or her employment at any time.

10.3 No Liability for Good Faith Determinations. Neither the members of the Board of Directors, any member of the Committee nor any individual that the Committee has delegated duties to pursuant to Section 3.1. above shall be liable for any act, omission or determination taken or made in good faith with respect to the Plan or any Award granted under it, and members of the Board of Directors and the Committee shall be entitled to indemnification and reimbursement by the Corporation in respect of any claim, loss, damage or expense (including attorneys' fees, the costs of settling any suit, provided such settlement is approved by independent legal counsel selected by the Corporation, and amounts paid in satisfaction of a judgment, except a judgment based on a finding of bad faith) arising therefrom to the full extent permitted by law and under any directors and officers liability or similar insurance coverage that may from time to time be in effect. This right to indemnification shall be in addition to, and not a limitation on, any other indemnification rights any member of the Board of Directors or the Committee may have.

10.4 Other Benefits. Participation in the Plan shall not preclude the Holder from eligibility in any other stock or stock option plan of the Corporation or any Subsidiary or any old age benefit, insurance, pension, profit sharing, retirement, bonus or other extra compensation plans that the Corporation or any Subsidiary has adopted or may, at any time, adopt for the benefit of its Employees. Neither the adoption of the Plan by the Board of Directors nor the submission of the Plan to the stockholders of the Corporation for approval shall be construed as creating any limitations on the power of the Board of Directors to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options and the awarding of stock and cash otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

10.5 Exclusion from Pension and Profit-Sharing Compensation. By acceptance of an Award (whether in Stock or cash), as applicable, each Holder shall be deemed to have agreed that the Award is special incentive compensation that will not be taken into account in any manner as salary, compensation or bonus in determining the amount of any payment under any pension, retirement or other employee benefit plan of the Corporation or any Subsidiary. In addition, each beneficiary of a deceased Holder shall be deemed to have agreed that the Award will not affect the amount of any life insurance coverage, if any, provided by the Corporation or a Subsidiary on the life of the Holder that is payable to the beneficiary under any life insurance plan covering employees of the Corporation or any Subsidiary.

10.6 Execution of Receipts and Releases. Any payment of cash or any issuance or transfer of shares of Stock or other property to the Holder, or to his legal representative, heir, legatee or distributee, in accordance with the provisions hereof, shall, to the extent thereof, be in full satisfaction of all claims of such persons hereunder. The Committee may require any Holder, legal representative, heir, legatee or distributee, as a condition precedent to such payment, to execute a release and receipt therefor in such form as it shall determine.

10.7 Unfunded Plan. Insofar as it provides for Awards of cash and Stock, the Plan shall be unfunded. Although bookkeeping accounts may be established with respect to Holders who are entitled to cash, Stock, other property or rights thereto under the Plan, any such accounts shall be used merely as a bookkeeping convenience. The Corporation shall not be required to segregate any assets that may at any time be represented by cash, Stock, other property or rights thereto, nor shall the Plan be construed as providing for such segregation, nor shall the Corporation nor the Board of Directors nor the Committee be deemed to be a trustee of any cash, Stock, other property or rights thereto to be granted under the Plan. Any liability of the Corporation to any Holder with respect to a grant of cash, Stock, other property or rights thereto under the Plan shall be based solely upon any contractual obligations that may be created by the Plan and any Award Agreement; no such obligation of the Corporation shall be deemed to be secured by any pledge or other encumbrance on any property of the Corporation. Neither the Corporation nor the Board of Directors nor the Committee shall be required to give any security or bond for the performance of any obligation that may be created by the Plan.

10.8 No Guarantee of Interests. The Board of Directors, the Committee and the Corporation do not guarantee the Stock of the Corporation from loss or depreciation.

10.9 Payment of Expenses. All expenses incident to the administration, termination or protection of the Plan, including, but not limited to, legal and accounting fees, shall be paid by the Corporation or its Subsidiaries; *provided, however,* the Corporation or a Subsidiary may recover any and all damages, fees, expenses and costs arising out of any actions taken by the Corporation to enforce its right to purchase Stock under this Plan.

10.10 Corporation Records. Records of the Corporation or its Subsidiaries regarding the Holder's period of employment, termination of employment and the reason therefor, leaves of absence, re-employment, and other matters shall be conclusive for all purposes hereunder, unless determined by the Committee to be incorrect.

10.11 Information. The Corporation and its Subsidiaries shall, upon request or as may be specifically required hereunder, furnish or cause to be furnished, all of the information or documentation which is necessary or required by the Committee to perform its duties and functions under the Plan.

10.12 Corporation Action. Any action required of the Corporation shall be by resolution of its Board of Directors or by a person authorized to act by resolution of the Board of Directors.

10.13 Severability. If any provision of this Plan is held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions hereof, but such provision shall be fully severable and the Plan shall be construed and enforced as if the illegal or invalid provision had never been included herein. If any of the terms or provisions of this Plan conflict with the requirements of Rule 16b-3 (as those terms or provisions are applied to Eligible Individuals who are subject to Section 16(b) of the Exchange Act) or Section 422 of the Code (with respect to Incentive Options), then those conflicting terms or provisions shall be deemed inoperative to the extent they so conflict with the requirements of Rule 16b-3 or Section 422 of the Code unless the Committee has determined that the Plan should not comply with such requirements. With respect to Incentive Options, if this Plan does not contain any provision required to be included herein under Section 422 of the Code, that provision shall be deemed to be incorporated herein with the same force and effect as if that provision had been set out at length herein; provided, further, that, to the extent any Option that is intended to qualify as an Incentive Option cannot so qualify, that Option (to that extent) shall be deemed a Nonstatutory Option for all purposes of the Plan.

10.14 Notices. Whenever any notice is required or permitted hereunder, such notice must be in writing and personally delivered or sent by mail. Any such notice required or permitted to be delivered hereunder shall be deemed to be delivered on the date on which it is personally delivered, or, whether actually received or not, on the third Business Day after it is deposited in the United States mail, certified or registered, postage prepaid, addressed to the person who is to receive it at the address which such person has theretofore specified by written notice delivered in accordance herewith. The Corporation or a Holder may change, at any time and from time to time, by written notice to the other, the address which it or he had previously specified for receiving notices. Until changed in accordance herewith, the Corporation and each Holder shall specify as its and his address for receiving notices the address set forth in the Award Agreement pertaining to the shares to which such notice relates.

10.15 Waiver of Notice. Any person entitled to notice hereunder may waive such notice.

10.16 Successors. The Plan shall be binding upon the Holder, his legal representatives, heirs, legatees and distributees, upon the Corporation, its successors and assigns, and upon the Committee and its successors.

10.17 Headings. The titles and headings of Sections and Paragraphs are included for convenience of reference only and are not to be considered in construction of the provisions hereof.

10.18 Governing Law. All questions arising with respect to the provisions of the Plan shall be determined by application of the laws of the State of Nevada except to the extent Nevada law is preempted by federal law. Questions arising with respect to the provisions of an Award Agreement that are matters of contract law shall be governed by the laws of the state specified in the Award Agreement, except to the extent Nevada corporate law conflicts with the contract law of such state, in which event Nevada corporate law shall govern. The obligation of the Corporation to sell and deliver Stock hereunder is subject to applicable laws and to the approval of any governmental authority required in connection with the authorization, issuance, sale, or delivery of such Stock.

10.19 Word Usage. Words used in the masculine shall apply to the feminine where applicable, and wherever the context of this Plan dictates, the plural shall be read as the singular and the singular as the plural.