

**PARTICIPATION
AND
EXPLORATION AGREEMENT**

THIS PARTICIPATION and EXPLORATION AGREEMENT ("Agreement") is made and entered into this 1st day of August, 2005, to be effective as of June 1, 2005 (the "Effective Date") between **Century Exploration Houston, Inc.** (formerly Century Onshore Exploration Company) ("Century"), a Delaware corporation, **RAAM Global Energy Company** ("Century's Parent"), a Delaware corporation, **RAAM Exploration Company** ("RAAM"), a Kentucky corporation and **TechXplore, L.P.** ("TechXplore"), a Texas limited partnership. Together, Century and TechXplore are each sometimes referred to individually herein as "Participant" and collectively as "Participants". Century's Parent and RAAM join in this Agreement for certain limited purposes which are set forth herein.

RECITALS

WHEREAS, the Participants have been jointly engaged in the exploration and production business in the Exploration Area (as hereinafter defined) since January 1, 2003 pursuant to that certain agreement between them dated May 9, 2003, as amended (the "May 9, 2003 Agreement");

WHEREAS, by its terms the May 9, 2003 Agreement would expire on December 31, 2005, however, the Participants desire to terminate the May 9, 2003 Agreement as of the Effective Date and enter into this Agreement to provide for a new financial arrangement and structure for the conduct of Exploration Activities (as hereinafter defined) in the Exploration Area;

WHEREAS, the Participants shall continue to acquire, process and evaluate certain three dimensional seismic data ("3D Data") in order to further identify and delineate particular geologic or geophysical anomalies or other geologic or geophysical conditions favorable to the accumulation of Hydrocarbons (as hereinafter defined) onshore Texas and Louisiana (individually a "Prospect" and collectively "Prospects"), as outlined on the plat attached hereto in Exhibit "A" (the "Exploration Area");

WHEREAS, Prospects shall be developed and designated from time to time within areas of mutual interest in accordance with this Agreement, the Participants shall obtain leases, farmout agreements, or other arrangements, and shall thereafter conduct drilling operations on the Prospects (the "Exploration Activities") to explore for, produce and develop oil, gas and other liquid or liquefiable hydrocarbons (the "Hydrocarbons");

WHEREAS, as consideration for their respective Percentage Interests (as hereinafter defined) in the Prospects to be developed hereunder, the Participants shall fulfill their respective

obligations pursuant to this Agreement; and

WHEREAS, Century's Parent and RAAM shall become parties to this Agreement to the extent of the provisions herein that are specifically applicable to each.

NOW THEREFORE, in consideration of the promises, mutual covenants and obligations herein contained, it is agreed as follows:

Section 1. Contributions of Each Participant. As consideration for the Percentage Interest to be received by each Participant hereunder, as described in Section 2 herein, each of the Participants agrees to the following:

(a) Contribution of Century.

(i) Seismic Data. Pursuant to the following: (A) agreements dated December 13, 2002, March 28, 2003 and November 19, 2003, between Century's Parent and Seitel Data, Ltd.; (B) an agreement dated June 22, 2004 between Century's Parent and Echo Geophysical Corporation; (C) the acquisition of 3D seismic data in Jasper, Orange and Newton Counties, Texas by Eagle Geophysical, Inc. pursuant to an agreement with Century's Parent dated March 16, 2005 referred to as the JASPO project; and (D) the purchase of 3D seismic data from Seismic Exchange, Inc. in the Bayou Carlin area in St. Mary Parish, Louisiana pursuant to an agreement between Century's Parent and Penn Virginia Oil & Gas Corporation ((A), (B), (C) and (D) collectively, the "Data Purchase Agreements"), Century's Parent has acquired licenses to certain 3D Data in Louisiana and Texas. Subject to any restrictions contained in the Data Purchase Agreements, Century's Parent shall make available to Century, which shall in turn make available the 3D Data licensed pursuant to the Data Purchase Agreements for TechXplore's analysis and interpretation for purposes of this Agreement. In addition, Century may elect to make available during the term of this Agreement, additional 3D Data to which it owns non-exclusive licenses, which will also be designated as Data Purchase Agreements for the purposes hereof at the time the same are made available by Century.

(ii) Seismic Reprocessing. Subject to management review and approval and in accordance with the company's normal budgeting process, Century shall cause the 3D Data described above to be reprocessed at a reasonable cost and on a reasonable schedule, consistent with the recommendations of TechXplore. All expenditures shall be subject to the availability of capital allocated, for the foregoing purpose, as determined by Century. From time to time, as the reprocessing by third party contractors is completed,

the reprocessed 3D Data shall be delivered to Century for calibration and interpretation in a manner to be agreed to by the Participants.

(iii) Office Space, Equipment and General and Administrative Expenses. During term hereof, Century or Century's Parent shall make available at no cost to TechXplore office space and equipment to be used by the personnel of Century and TechXplore dedicated to the Exploration Activities hereunder. This shall include (i) office space; (ii) standard business equipment and the expenses associated with daily operations, including, phone, fax, internet, copiers, office supplies, furniture, and (iii) computer hardware, software, work stations and other equipment used to process, interpret and map the 3D Data and generate Prospects. The level of the foregoing expenditures for each year shall be set in accordance with Century's normal budgeting procedure as may be in effect from time to time. Any expenditure above the commitment set forth above shall be subject to the availability of capital as determined by Century. Century's approval shall be required for any expenditure greater than \$2,000 prior to such expense being incurred.

(iv) Century Dedicated Personnel and Professional Services. Century shall dedicate the following professional personnel to the Exploration Activities contemplated under this Agreement: Clifton R. Naylor, Jr., Susan Siemann-Gartmann, Richard A. Jackson, and Chris Lipari. Each of these personnel shall enter into employment agreements with Century in the form attached as Exhibits "B-1", "B-2", "B-3" and "B-4", respectively, for the term of this Agreement.

(b) Contributions by TechXplore. TechXplore shall dedicate the following professional personnel to the Exploration Activities and other performance contemplated by TechXplore under this Agreement: Wayne L. Adams, Russell E. Wilson and John A. Gambill. In this connection, it is acknowledged that such persons have heretofore rendered similar services pursuant to the May 9, 2003 Agreement under employment agreements with Century. As of the Effective Date the prior employment agreements between each of them and Century shall terminate and they shall enter into new employment agreements in the form attached as Exhibits "B-5", "B-6 or "B-7" hereto, respectively, for the term of this Agreement.

Section 2. Percentage Interests. In consideration for the performance of each of the Participants set out above, but subject to the other provisions of this Agreement, including, without limitation, Sections 7 and 11 herein, each Participant shall earn the right to participate in the Exploration Activities and bear all of the costs thereof

in the following percentages ("Percentage Interests"):

Century	75%
TechXplore	25%

In addition to the proportionate costs of each Prospect, TechXplore will pay to Century its proportionate share of a Prospect fee equal to \$200,000 per Prospect for the 8/8ths interest for any Prospect drilled to a true vertical depth of 5,000 feet or greater and \$100,000 for the 8/8ths interest for any Prospect drilled to a true vertical depth of less than 5,000 feet. The Prospect fee is intended to be a partial reimbursement to Century for general and administrative costs, geological and geophysical costs and seismic acquisition and reprocessing. The Prospect fee shall attach to all Prospects generated pursuant to this Agreement, including all Prospects lying within the boundaries of the JASPO 3D AMI (as hereinafter defined); provided, however, that the amount of any such Prospect fees paid by TechXplore with respect to Prospects lying within the boundaries of the JASPO 3D AMI shall reduce the aggregate amount of costs incurred by Century which are to be recovered by it in determining "Payout", as provided in subsection 7(c) herein.

Section 3. Designation of Areas of Mutual Interest. The May 9, 2003 Agreement and this Agreement establish two types of areas of mutual interest (individually, an "AMI" and collectively "AMI's") within the Exploration Area, and the parties have further delineated them on the plats which are attached hereto, and in the aggregate constitute Exhibit A. The categories of AMI's that are shown are: (i) the current exterior boundaries of all the 3D Data surveys which Century has licensed under the Data Purchase Agreements and other data which Century is to contribute pursuant to this Agreement, together with the exterior boundaries of any other 3D surveys under Data Purchase Agreements which the Participants may acquire during the term of this Agreement (each, a "3D AMI"); and (ii) an outline of each Prospect designated under the May 9, 2003 Agreement or as may be designated during the term hereof (each, a "Prospect AMI"). If new areas beyond any particular AMI are to be explored within or outside (if mutually agreed by the Participants) the Exploration Area by the Participants, they shall designate a new 3D AMI or Prospect AMI, as the case may be, to include these areas during the term hereof by amending the Exhibit "A" hereto to include such AMI's. Thus Exhibit "A" will be a compilation of the various plats constituting the AMI's designated from time to time hereunder as follows: Exhibit "A-1" shall be the Exploration Area plat, Exhibit "A-2" shall be the various 3D AMI plats, and Exhibit "A-3" shall be the various Prospect AMI plats.

The term of each 3D AMI shall be in accordance with Sections 12, 13 and 14 herein, as applicable. If this Agreement terminates and any 3D AMI is still effective, either Participant may acquire leases or other contractual interests within such AMI (except within an existing Prospect AMI, the provisions for which shall be governed by the appropriate JOA, as such term is hereinafter defined) to create a new Prospect and Prospect AMI. Upon completion of the acquisition of leases or other contractual interests, the acquiring Participant shall notify the non-acquiring Participant of the details of such acquisition and the non-acquiring Participant shall have thirty (30) days from

receipt of such notice to acquire up to its Percentage Interest in the acquiring Participant's interest in the leases or other contractual interests. If the non-acquiring Participant elects to acquire an interest, it shall reimburse acquiring Participant for the actual costs incurred by the acquiring Participant in such acquisition, proportionately reduced to the percentage acquired. The Participants shall then enter into a mutually acceptable JOA that governs the operations on the leases for such Prospect AMI. If Century owns at least a twenty-five percent (25%) interest in such interests, Century may elect to be operator pursuant to the JOA.

Section 4. Prospect Development and Designation, Generally. The Participants shall develop Prospects in the 3D AMI's in the Exploration Area by utilizing TechXplore and Century dedicated personnel to generate Prospects by working the 3D Data acquired and made available by Century and /or Century's Parent under the Data Purchase Agreements.

Pursuant to the May 9, 2003 Agreement the Participants have previously designated the following Prospects: E. Grosse Isle, N. Vatican, S. Cankton, S.E. Cankton, Mallard, Wood Duck, Bayou Postillion North, Bayou Postillion South, Ebby, Falcon, Axelrod, Ibis, Robin, Stock, Perfecto, Muldoon, Marvin, Lagavulin, Ardborg and Highland Park. Each of such Prospects is also depicted as a Prospect AMI on Exhibit "A-3".

Section 5. Data Interpretation. During the term hereof TechXplore and Century dedicated personnel shall continue to analyze, interpret and utilize the 3D Data to identify geologic leads and develop Prospects in each 3D AMI. Following the development of Prospects in any particular 3D AMI, the Participants shall meet for the purposes of receiving and reviewing the Prospects, and for priority ranking and further evaluation. Thereafter, there will occur additional meetings for the purpose of identifying drillable Prospects within each AMI that fit the criteria of the Participants. At the time that each Prospect is formally designated in accordance with Section 6 herein, the same shall be depicted as a Prospect AMI on an amended version of Exhibit "A-3".

Section 6. Drilling Prospect Proposal. Following each meeting of the Participants pursuant to Section 5 herein, the Participants shall formally designate each new Prospect by written agreement, which shall contain the following information:

- (a) a comprehensive sufficient legal description of the portion of the Exploration Area included in the Prospect together with a plat thereof of sufficient detail so that it can be used as a Prospect AMI and utilized as an addition to Exhibit A;
- (b) the exploratory well location, the primary objective formation and any secondary formations, together with technical justification for the Prospect, containing merits and risks, with reasonable support data;
- (c) a summary setting forth the commercial terms of conducting the

Exploration Activities on the acreage included within a Prospect, including without limitation (i) description of the leases over the Prospect acreage, and all agreements pertaining thereto, (ii) the working and net revenue interests in the Prospect, (iii) in the case of a farmout agreement, any contractual conditions, covenants or restrictions, such as acreage or depth limitations, continuous drilling requirements, reversionary rights or similar anticipated terms; and (iv) in the case of a lease, anticipated stipulations imposing obligations regarding archeological, cultural or other surveys, reports or similar requirements;

(d) an estimate of expenses incurred to date by the Participants in negotiating and obtaining the appropriate farmout agreement or leases;

(e) an estimate of the cost of drilling, completing and operating the exploratory and development wells proposed for each Prospect;

(f) the number of potential well locations on the Prospect, and range of potential reserves;

(g) an integrated time or depth structure map at the primary objective and, if applicable, one seismic amplitude map at the primary objective; and

(h) copies of other available pertinent information.

To the extent possible, Participants will attempt to prioritize the Prospects and make decisions for drilling each Prospect. For each Prospect which is proposed to be drilled, Century shall be the operator for the Exploration Activities to be conducted under this Agreement and the Participants shall enter into a Joint Operating Agreement, substantially in the form attached hereto as Exhibit "D" (each, a "JOA") for each Prospect for which Exploration Activities are undertaken (unless prior commitments under a farmout agreement otherwise dictate that another operator or other form of operating agreement will be used).

Section 7. (a) Ownership of Pre-existing Prospects. All Prospects named in Section 4 herein shall be subject to the terms and conditions of this Agreement, including, without limitation, Section 11 herein, except for Bayou Postillion, for which ownership is more particularly set out in subsection 7(c) herein.

(b) **After Payout Overriding Royalty.** TechXplore shall be entitled to receive an after Payout (as hereinafter defined) overriding royalty interest in and to each Prospect (the "APO ORR") that becomes subject to this Agreement. The APO ORR shall be granted at the time that the assignments of working interest in each Prospect are conveyed, as described in Section 9 herein. The APO ORR shall be the equivalent of 1.5% on all leases in the Prospect in which the assigned net revenue interest is 75% or more, and shall be the equivalent of 1.0% on all leases in the Prospect in which the assigned net revenue interest is

less than 75%. For purposes hereof, Payout shall be calculated on a well by well basis and refer to that point in time at which all of Participants' costs to drill, complete, hook-up, equip and operate each well on the Prospect, and for the first well on the Prospect, the Participants' leasehold acquisition costs for the Prospect, have been recovered by the Participants out of the production from that particular well, after payment of royalties, other lease burdens created prior to the time that the Participants acquire their interests therein, and severance taxes. TechXplore acknowledges and agrees that an additional overriding royalty interest will be simultaneously assigned to other employees of Century's parent ("Century's APO ORR"). Century's APO ORR will be equal in all respects to the APO ORR. The total of both overrides will apply to the combined interests of all the parties to this agreement and each party will bear its proportionate share of both the APO ORR and Century's APO ORR.

(c) **Ownership of Bayou Postillion.** Century shall own 100% of the Percentage Interest of the Bayou Postillion Prospect located in Iberia Parish, Louisiana, subject to a reversionary interest after Payout of 7.5% in favor of TechXplore. For purposes of this subsection 7(c) only, "Payout" shall refer to that point in time at which Century has recovered from the production from Bayou Postillion, after payment of royalties, other lease burdens created prior to the time that the Participants acquired their interests therein, the APO ORR and the Century APO ORR, and severance taxes (i) Century's share of all the costs of the well(s) thereon, including but not limited to lease costs, drilling, completion, equipping, hook-up, and operating the well(s) together with (ii) all of Century's share of said costs associated with the dry holes at the South Needville and Bayou Rambio Prospects, and (iii) 25% of the costs of the JASPO 3D shoot referred to in clause (i) of subsection 1(a) herein (less (y) the amount of any Prospect fees paid by TechXplore pursuant to Section 2 herein with respect to Prospects lying within the boundaries of the JASPO 3D AMI, and (z) 25% of any cash sales or cash proceeds received by Century from third parties for the sale or license of the data from the JASPO 3D shoot, other than seismic contributions from farmout participants on any well, which contributions shall not be included in this reduction). When Payout occurs for Bayou Postillion, TechXplore shall be assigned a 7.5% working interest therein in the form attached as Exhibit "E", and a license to the JASPO 3D seismic data. Once TechXplore has received said license it shall be entitled to 25% of the proceeds associated with any sales or license of the JASPO 3D shoot seismic data. The JASPO 3D will be subject to the AMI provisions set out in Sections 3, 14, and 15 herein. In the event that Century's interest in any well at Bayou Postillion is reduced by virtue of unitization or otherwise, the 7.5% working interest to be assigned to TechXplore will be reduced in the same proportion. Notwithstanding the foregoing provisions of this subsection 7(c), TechXplore will be entitled to receive its APO ORR on a well by well basis in respect of Bayou Postillion pursuant to subsection 7(b) herein.

Section 8. New Prospect Proposal by Participant. In addition to Prospects designated pursuant to Section 6 herein, either Participant may give notice to the other and make a proposal (which shall include the information required in a designation made under Section 6) herein with respect to a potential Prospect within any 3D AMI but outside of the portion of the 3D AMI covered by an existing Prospect AMI. The other Participant shall have thirty (30) days from its receipt of that notice to elect whether or not to participate in that Prospect in accordance with the terms hereof. The new Prospect will also be depicted on a Prospect AMI on an amended version of Exhibit "A".

Section 9. Response to Proposals for Operations.

(a) When both Participants agree to participate with respect to a particular Prospect, Century shall commence the acquisition of leases within the Prospect AMI. When lease acquisition for the drill site area is substantially completed, Century will assign TechXplore its Percentage Interest therein by means of an assignment substantially in the form of Exhibit "F" (the "Assignment"). Subject to the provisions of Section 11 herein, TechXplore shall have thirty (30) days, commencing with the date the Assignment is delivered to TechXplore along with an invoice for TechXplore's share of such costs, to pay for its proportionate share of such lease acquisition. Following such payment, the parties shall enter into a JOA for such Prospect, in which Century shall be named as operator and, thereafter, all activities with respect to the Prospect shall be conducted pursuant to that JOA (unless prior commitments under a farmout agreement or otherwise dictate that another operator or other form of operating agreement will be used). The Parties will record a memorandum of the JOA at the time the Assignment for the Prospect is recorded.

(b) Any Participant that elects not to proceed in any Prospect (or, subject to Section 11 herein, does not pay its portion of the land costs in the time required) shall not be entitled to participate in, or receive any information, data or revenue from, any well drilled on that Prospect and shall be relieved of any further costs attributable thereto, including future acquisition costs, if any, and costs attributable to any such well; and the declining Participant shall not impair, impede or compete with any actions undertaken by the remaining Participant, at its sole, cost, risk and expense, with respect to that Prospect. Subject to the terms of Section 11 herein, in the event that TechXplore does not timely pay Century for its share of lease acquisition costs as provided for in subsection 9(a) herein, TechXplore shall either return the unrecorded assignment to Century or TechXplore shall re-assign its leasehold interest to Century in the event that the assignment has been recorded.

Section 10. Meetings. Participants shall, from time to time, conduct meetings to discuss activities undertaken pursuant to this Agreement. Participants shall hold a meeting as frequently as both Participants deem necessary, but in no event less than at least once every calendar month to discuss activities undertaken under this Agreement

since the date of the prior meeting, including the general status of developing Prospects or the designation and approval of one or more new Prospects. Notice shall be provided to each Participant at least five (5) business days in advance of the meeting, which shall specify the date, time, location and agenda for the meeting. If, as a result of any meeting, the Participants authorize any activity not previously contemplated herein, TechXplore shall circulate a letter agreement and authorization for expenditure specifically authorizing that action within three (3) business days of the conclusion of the meeting.

Section 11. Drilling of Prospects; Farmout. Following the agreement to proceed with operations on any existing Prospect listed in Section 4 herein, TechXplore shall commit to farm out its full interest in each such Prospect to RAAM in accordance with the Farmout Agreement, the form of which is attached hereto as Exhibit "C". Pursuant to the terms of said Farmout Agreement TechXplore shall not be responsible for the repayment to Century of any land costs and/or Prospect fee associated with any Prospect listed in Section 4 herein.

As consideration for TechXplore committing to farm out the Prospects listed in Section 4 herein to RAAM, Century agrees to carry all of the costs associated with TechXplore's 6.25% after casing point working interest with no interest until June 30, 2006. Century may recover these costs owed but not paid by TechXplore from 100% of TechXplore's share of the production from any well drilled on the Prospects listed in Section 4 herein. These costs will be shown on Century's Joint Interest Billing Statements, which will be supplied to TechXplore monthly. Any outstanding balance still owed by TechXplore must be paid in full on or before June 30, 2006. TechXplore may elect to pay off these costs at any time, after which all future billing practices will be handled pursuant to the JOA's described in Section 16 herein.

In the event that the Participants agree pursuant to Section 9 herein to proceed with a new Prospect developed hereunder, TechXplore shall have the option to elect to participate in accordance with Section 9 herein, or to farm out its Percentage Interest in such Prospect in accordance with the following: TechXplore shall offer to farm out the Prospect to RAAM on deal-specific terms, not necessarily those appearing in the Farmout Agreement attached as Exhibit C. RAAM shall have the first right of refusal for a period of thirty (30) days after receipt of TechXplore's offer to farm in the Prospect under the offered terms. If RAAM declines to farm in on the offered terms, then TechXplore shall have one hundred twenty (120) days to place the Prospect, but only on terms no less favorable than those offered to RAAM. During such one hundred twenty (120) day period TechXplore's obligation with respect to land costs shall be abated. In the event that TechXplore is unable to place the Prospect or pay its land costs within the one hundred twenty (120) day period, the provisions of subsection 9(b) herein above shall apply to it.

Section 12. Term. Subject to Sections 13 and 14 herein, this Agreement shall continue in full force and effect from the Effective Date to December 31, 2008.

Section 13. Automatic Extension of Term. The term of this Agreement shall automatically be extended for one additional two-year period until December 31, 2010, unless Century, in its sole discretion, elects to eliminate this extension by giving written notice of its intent to do so to TechXplore on or before October 1, 2008. If Century so elects, the Agreement shall terminate on December 31, 2008, but each 3D AMI shall be extended and remain in force and effect as described in Section 14 herein.

Section 14. Term of 3D AMI's If this Agreement is extended until December 31, 2010, then the term of each 3D AMI shall be extended as follows:

(a) If TechXplore has elected to acquire the license to the 3D Data under the Data Purchase Agreements as set forth in Section 15 herein, then the term of each 3D AMI shall be extended until December 31, 2012.

(b) If TechXplore has elected not to acquire the license to the 3D Data under the Data Purchase Agreements as set forth in Section 15 herein, then the term of each 3D AMI shall be extended until December 31, 2010.

If, however, Century has elected not to extend the term of this Agreement then this Agreement shall terminate on December 31, 2008, but the term of each 3D AMI shall be extended and will survive the termination of this Agreement as follows:

(a) If TechXplore has elected to acquire the license to the 3D Data under the Data Purchase Agreements as set forth in Section 15 herein, then the term of each 3D AMI shall be extended until December 31, 2012.

(b) If TechXplore has elected not to acquire the license to the 3D Data under the Data Purchase Agreements as set forth in Section 15 herein, then the term of each 3D AMI shall be extended until December 31, 2009.

Notwithstanding anything contained herein to the contrary, if Century elects not to extend the term of the Agreement as set forth in Section 13 herein, then the Percentage Interests of the Parties within each 3D AMI shall be amended to be Century 50% and TechXplore 50%. All other provisions of Section 3 herein shall remain the same. This change in the Percentage Interests of the Participants shall be effective on January 1, 2009 and shall not affect or change the Percentage Interests within any Prospect AMI created prior to January 1, 2009, or change the working interest of the Parties in any oil and gas lease or other contractual interest entered into or created prior to January 1, 2009.

Section 15. Ownership of Data; Option To Acquire Separate License. It is acknowledged that the 3D Data procured pursuant to the Data Purchase Agreements and thereafter reprocessed is proprietary to Century by virtue of the Data Purchase Agreements. In this connection, the Participants further acknowledge that certain of the Data Purchase Agreements further provide that an additional license to such 3D Data may be acquired for the benefit of TechXplore if Century exercises its rights thereunder

to so acquire such license(s) on or before February 1, 2007. Century hereby grants TechXplore an option to acquire such additional license by TechXplore's tender of the agreed consideration for such additional license(s) to Century on or before said date. If TechXplore exercises such option, then at the end of the term of this Agreement or the extension thereof, Century shall make available all reprocessed versions of the seismic data, field tapes (if in Century's possession), interpretation and all other versions of hard copies of the media containing the 3D Data for reproduction by TechXplore at its cost. Such 3D Data shall be held and used by TechXplore subject to the terms of this Agreement.

Section 16. Joint Operating Agreement. All leases jointly owned by Century and TechXplore acquired under the terms of this Agreement shall be subject to the JOA for the Prospect. A JOA shall be executed for each Prospect, and shall name the appropriate party (being either a Participant or a farmor) as Operator. All operations conducted on any acreage or lease(s) included within a Prospect shall be conducted pursuant to the JOA and if there is a conflict between this Agreement and the JOA, the provision of the executed JOA shall control for each Prospect.

Section 17. Preferential Right to Purchase Producing Properties. Should TechXplore desire to sell all or any part of its interest in a producing accumulation of oil, gas or other liquid hydrocarbons discovered pursuant to this Agreement, it shall give written notice to Century together with full information concerning the interests proposed to be sold. Century shall have a right for a period of thirty (30) days after receipt of such notice to negotiate a cash purchase of such interests. In the event TechXplore is satisfied with Century's cash offer, the parties shall proceed with the closing of such a transaction within a period of sixty (60) days. In the event that TechXplore is not satisfied with the offer, it shall have a period of one hundred eighty (180) days to attempt to conclude a sale with a third party, so long as any third party sale is concluded for a cash price in excess of that offered by Century. Century agrees to keep its original cash offer open for such one hundred eighty (180) day period. The provisions of this Section 17 apply only to the contemplated sale of producing properties and are not meant to give Century any claim to the potential sale by TechXplore to the Prospects generated pursuant to this Agreement.

Section 18. Audits. TechXplore shall have the right to conduct audits of Century's account and records relating to this Agreement. Any such audit shall be conducted in accordance with the procedures provided for in the COPAS Addendum to the form of JOA attached hereto.

Section 19. Other Business Opportunities. Participants are free to pursue business opportunities affecting acreage outside of the Exploration Area independently or with third parties. However, within the Exploration Area it is understood that any such opportunities involving Exploration Activities, the acquisition of 3D or 2D seismic or the acquisition of producing Hydrocarbon properties shall be shared, on a first right of refusal basis, between the Participants in accordance with their Percentage Interests, as follows: When such an opportunity is brought to one or the other of the Participants, it shall give the other written notice of all of the particulars, including the financial requirements and

time constraints for evaluation and investment. If the Participants agree to jointly pursue any such opportunity, the Participants shall be required to fund any such opportunity in accordance with their respective Percentage Interests. It is understood and agreed that any acquisition of 3D data and or the acquisition of new speculative seismic purchases to be undertaken during the term hereof shall be presented to the Century Board for approval in its sole discretion.

Section 20. Participant Representations. Each Participant (a) is duly organized in the State of its organization; and (b) shall be qualified to do business in and is in good standing in all jurisdictions where appropriate for the conduct of their respective businesses, including the business conducted hereunder; and (c) has fulfilled all necessary corporate or other prerequisites for the execution and delivery of this Agreement and the performance of its respective obligations hereunder.

Section 21. No Partnership. Notwithstanding anything contained in this Agreement, or in any document executed in connection with or pursuant to this Agreement, the Participants acknowledge that this Agreement, and the documents which may be executed in connection herewith or pursuant hereto, are not intended, and shall not be construed to, create a partnership, joint venture, agency relationship, or other fiduciary relationship among the parties hereto within the meaning of any applicable law. The Participants expressly agree that neither party shall be responsible for the obligations of the other party, each party being severally responsible only for its obligations arising hereunder and liable only for its allocated share of the costs and expenses incurred hereunder. It is not the purpose or intention of this Agreement to create, and this Agreement should never be construed as creating, a relationship whereby either of the parties shall be held liable for acts of the other party hereto.

Section 22. Notices. All notices, proposals, requests, consents, communication, reports, bills, calls or demands for payment or other document required or permitted hereunder shall be deemed to have been received by the party to which they are addressed where properly mailed by first class United States mail, postage prepaid or if sent by e-mail, overnight courier, or facsimile with an answer back addressed to each party as follows, unless provided for differently within this Agreement.

If to Century's Parent: RAAM Global Energy Company
1537 Bull Lea Road, Suite 200
Lexington, Kentucky 40511
Attn: Howard Settle
Telephone: 859-977-1563
Telecopier: 859-233-7471
E-mail: Howard.Settle@raamglobal.com

If to Century: Century Exploration New Orleans, Inc.
Three Lakeway Center, Suite 2800
3838 North Causeway Blvd.
Metairie, Louisiana 70002
Attn: Michael Willis
Telephone: 504-932-3750
Telecopier: 504-932-3760
E-mail: Michael.Willis@CenturyX.com

If to TechXplore: TechXplore, LP
10210 Grogan's Mill Road, Suite 300
The Woodlands, Texas 77380
Attn: Wayne Adams
Telephone: 281-362-7121 x114
Telecopier: 281-362-7124
E-mail: Wayne.Adams@CenturyX.com

If to RAAM: RAAM Exploration Company
1537 Bull Lea Road, Suite 200
Lexington, Kentucky 40511
Attn: Howard Settle
Telephone: 859-977-1563
Telecopier: 859-233-7471
E-mail: Howard.Settle@raamglobal.com

The address of any party may be altered by such party's notice in writing, directed to the other parties.

Section 23. Assignment. This Agreement, and the rights, duties and obligations hereunder, may not be assigned, in whole or in part, by either Participant, without the prior written consent of the other. Any assignment made in violation of this Section 23 shall be void as between the assigning party and the other party hereto; and (a) the assigning party shall remain liable to the other party for the discharge of its duties and obligations arising under this Agreement and (b) the remaining party shall (i) have no obligation to communicate with, or accept performance by, anyone other than the assigning party, and (ii) not be deemed to have consented to, ratified or adopted an assignment in violation of this Section 23 by any act or omission other than the issuance of the written consent specified above.

Section 24. Governing Law. This Agreement shall be governed by the laws of the State of Texas and shall be subject to all applicable State and Federal laws, rules and regulations of public bodies having jurisdiction over the AMI's. In the event any provision of this Agreement is, or the operations contemplated hereby are found to be, inconsistent with or contrary to any such laws, rules, or regulations, the latter shall be deemed to control. Thereafter, this Agreement shall be regarded as modified accordingly,

and, as so modified, shall continue in full force and effect

Section 25. Confidentiality. All data (including, the 3D Data), information and materials procured, furnished, or otherwise available, by or to either Participant shall be kept confidential among the parties to this Agreement and may not be disclosed to third parties, except (i) to the extent required by law or governmental regulation, (ii) by a Participant to its bank or other financial institution in connection with its financing of such party's Exploration Activities, or (iii) by a Participant to a bona fide purchaser of petroleum reserves or a partner with such Participant in Exploration Activities, or (iv) as both Participants may agree. In the case of parties such as are described in (ii) or (iii) in the preceding sentence, such third party will sign a non-disclosure agreement before receipt of any confidential information. The Participants shall cooperate with each other in the preparation of press releases or public announcements (other than information which may be required to be disclosed to the public pursuant to any regulatory agency in the United States, or other jurisdiction, or pursuant to the rules of any stock exchange in which the stock of any party or its parent corporation are publicly traded).

Section 26. Dispute Resolution.

(a) **General**

(i) If a dispute arises among the parties arising out of or relating to this Agreement or the activities undertaken pursuant to it, the Participants will use the procedure described in this Section 26.

(ii) The procedure provided in this Section 26 is a compromise negotiation for purposes of the Federal Rules of Evidence and state rules of evidence. The entire procedure is confidential, and no record shall be made of the proceedings. All conduct, statements, promises, offers, views and opinions, whether oral or written, made in the course of the proceedings by any of the parties, their agents, employees, representatives or other invitees and by any mediator are confidential and shall, in addition and where appropriate, be deemed to be work product and privileged. Such conduct, statements, promises, offers, views and opinions shall not be discoverable or admissible for any purpose, including impeachment, in any litigation or other proceeding involving the parties, and shall not be disclosed to anyone not an agent, employee, expert, witness, or representative of either of the parties; provided, however, that evidence otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in the proceedings.

(b) **Negotiation.** Any party may demand that all parties meet to discuss and negotiate concerning the dispute by sending to all other parties a notice specifying that the meeting is being called pursuant to this Section 26 and briefly describing the nature of

the dispute and the notifying party's claim. Upon delivery of the notice, each party shall promptly meet at a mutually agreeable time, date and place, and attempt to negotiate a resolution of the dispute.

(c) **Mediation**

(i) If the parties have not succeeded in negotiating a resolution of the dispute within 30 days after the meeting held pursuant to subsection 26(b) herein, either party may submit the dispute to non-binding mediation in accordance with the Commercial Mediation Rules of the American Arbitration Association by so notifying the other party in writing.

(ii) Promptly after delivery of the notice contemplated by subsection 26(b) herein, the parties will jointly appoint a mutually acceptable impartial mediator with proper training and experience to consider the issues in dispute. If the parties are unable to agree upon a mediator within that time, either party may, on behalf of both parties, jointly request the American Arbitration Association to supply within ten (10) days a list of potential mediators. Within ten (10) days of the receipt of the list, the parties shall independently rank the proposed candidates, shall simultaneously exchange rankings, and shall select as the mediator the individual receiving the highest combined ranking who is available to serve.

(iii) In consultation with the parties, the mediator shall promptly designate a mutually acceptable time and place for the first scheduled mediation session, which shall be not later than thirty (30) days after the selection of the mediator.

(iv) If either of the parties has substantial need for information in the possession of the other in order to prepare for the mediation, the other party shall provide for the expeditious delivery of such information, with the help of the mediator if required.

(v) Not later than seven (7) days prior to the first scheduled mediation session, each party shall deliver to the mediator and the other party a concise written summary of its view on the matter in dispute.

(vi) In the mediation, each party may be represented by an authorized individual or by counsel. In addition, each party may bring any additional person as needed to respond to questions, contribute information and participate in negotiations, the number of additional persons to be agreed upon in advance, with the assistance of the mediator if necessary.

(vii) The mediator, in consultation with the parties, will specify a format for the meetings, designed to assure that both the mediator and the parties

have the opportunity to hear an oral presentation of each party's views on the matter in dispute, and attempt to negotiate a resolution of the matter in dispute, with or without the assistance of counsel or others, but with the assistance of the mediator. The mediator is authorized to participate in both joint meetings among the parties and in separate private caucuses with any party. The mediator will keep confidential all information learned in private caucus with any party unless specifically authorized by the party to make disclosure of the information to the other party.

(viii) The mediator (i) shall, unless requested not to do so by all parties, provide his opinion to all parties on the probable outcome should the matter be litigated, and (ii) shall, if requested to do so by all parties, make one or more recommendations as to the terms of a possible settlement, upon any conditions imposed by the parties. The mediator shall base his opinions and recommendations on information then available to all parties, excluding such information as may be disclosed to him by the parties in confidence. The opinions and recommendations of the mediator shall not be binding on the parties, unless otherwise agreed by all the parties.

(ix) The parties agree to participate in the mediation procedure to its conclusion as determined by the mediator (which conclusion shall occur not later than ten (10) days following the first scheduled mediation) and not to terminate negotiations concerning resolution of the matters in dispute until at least ten (10) days after such conclusion. Notwithstanding any other provision of this Agreement to the contrary, however, any party may commence litigation within ten (10) days prior to the date after which the commencement of litigation could be barred by an applicable statute of limitations or in order to request an injunction to prevent irreparable harm, in which event the parties agree, subject, however to the advice of their respective litigation counsel, to nevertheless continue to participate in the mediation to its conclusion.

(x) The fees of the mediator shall be paid by the Participants jointly. The mediator shall be disqualified as a witness, consultant, expert or counsel for any party with respect to the matters in dispute and any related matters.

Section 27. Miscellaneous.

(a) This Agreement constitutes the entire agreement between the parties and supersedes any and all other written or oral agreements or understandings between the parties concerning the subject matter hereof. No modification or amendment of the terms and provisions of this Agreement shall be effective unless in writing and signed by the party against whom enforcement is sought.

(b) Any rights and remedies provided for herein and any JOA executed pursuant hereto shall be cumulative and not exclusive, unless the conflict between such provisions renders enforcement of any rights and remedies under any of the operating agreements executed pursuant hereto impossible.

(c) This Agreement may be executed in any number of counterparts, each of which, when so executed, shall be deemed an original, and such counterparts, when taken together, shall constitute one and the same instrument.

Witness the execution hereof on the date appearing at the head of this Agreement, but effective as of the first day of June, 2005.

CENTURY EXPLORATION HOUSTON, INC.

By: Howard A. Settle
Name: Howard A. Settle
Title: President

TECHXPLORE, L.P.

By: TechXplore Operating, L.L.C.,
General Partner

By: Wayne L. Adams
Name: Wayne L. Adams
Title: President

RAAM GLOBAL ENERGY COMPANY

By: Howard A. Settle
Name: Howard A. Settle
Title: President

RAAM EXPLORATION COMPANY

By: Howard A. Settle
Name: Howard A. Settle
Title: President

EXHIBITS TO PARTICIPATION AND EXPLORATION AGREEMENT

- Exhibit "A" - Plat of AMIs (A-1 through A-3)
- Exhibit "B" - Employment Agreements (B-1 through B-7)
- Exhibit "C" - Form of Farmout Agreement
- Exhibit "D" - Joint Operating Agreement
- Exhibit "E" - Form of Assignment (Bayou Postillion only)
- Exhibit "F" - Form of Assignment (pursuant to Section 9)