

CANNABIS SCIENCE, INC.

FORM 8-K/A (Amended Current report filing)

Filed 09/02/08 for the Period Ending 08/28/08

Address	6946 N ACADEMY BLVD., SUITE B # 254 COLORADO SPRINGS, CO 80918
Telephone	1-888-889-0888
CIK	0001024626
Symbol	CBIS
SIC Code	1311 - Crude Petroleum and Natural Gas
Industry	Biotechnology & Drugs
Sector	Healthcare
Fiscal Year	12/31

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

FORM 8-K/A

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d)

of the

SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): August 26, 2008

Gulf Onshore, Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

01-28911

(Commission File Number)

91-1869677

(IRS Employer Identification Number)

4310 Wiley Post Rd., Ste. 201, Addison, Texas 75001

Address of principal executive offices)

972-788-4500

(Registrant's telephone number, including area code)

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

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

Item 1.01 Entry Into a Material Definitive Agreement.*Revised and Restated Promissory Note and Security Agreement*

On June 6, 2008, the Gulf Onshore, Inc. entered into a Stock Purchase Agreement with South Beach Live, Inc., to purchase 100% of the common shares of Curado Energy Resources, Inc. The transaction was closed on June 10, 2008, and the Company issued South Beach a promissory note for \$250,000, payable in 1 year at 10% interest, with certain conversion provisions.

On August 26, 2008, the Company agreed to revise and restate the promissory note, granting South Beach a security interest in the shares and assets of Curado, and providing for Curado's guarantee of the Company's obligation. Gulf Onshore agreed to the requested revision and restatement to obtain South Beach's agreement that it would not exercise its conversion rights under the original promissory note at prices less than \$.25 per share until the note was due.

Copies of the Revised and Restated Promissory Note, Security Agreement and Guarantee Agreement are attached hereto.

Extension of Roboco Contract

On September 2, 2008, Gulf Onshore and Roboco Energy, Inc. agreed to extend the closing date of their contract concerning the Jarvis Dome properties in Anderson Co., Texas to October 13, 2008. The Company agreed to issue Roboco an additional 10,000 shares of restricted common stock as consideration for the extension.

Item 3.02 Unregistered Sales of Equity Securities.

On August 26, 2008, Gulf Onshore, Inc. issued 490,000 shares of its \$.001 par value common stock to South Beach Live, Inc., a Florida corporation, pursuant to the terms of an October 4, 2007, Promissory Note. Under the terms of the Note, the Company was released from \$49,000 of the principal obligation under the Note in exchange for issuance of these shares. Provisions of the Note are fully disclosed in the Company's Form 10-KSB, filed on April 10, 2008.

On September 2, 2008, the Company issued 10,000 shares of its \$.001 par value common stock to Roboco Energy, Inc. as consideration for a closing date extension on their agreement concerning the Jarvis Dome properties in Anderson Co., Texas.

Item 8.01 Other Events

On August 26, 2008, the Company received a its Fair Value/Reserve Report covering its Throckmorton Co. and Shackelford Co., Texas oil and gas properties. The Report was prepared by a qualified reservoir engineer in accordance with SEC Regulation S-X Part 210.4-10 (a), as clarified by subsequent Commission Staff Accounting bulletins, and in conformity with Financial Accounting Standards Board Statement No. 69 requirements. A copy of the summary report is attached hereto.

Item 9.01 Financial Statements and Exhibits

Exhibits

10.1/21 Material Contract (Promissory Note, Security Agreement, Guarantee Agreement)

99.1 Reserve Report

SIGNATURES

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

August 26, 2008

Gulf Onshore, Inc.

/s/ Jeffrey Joyce

Jeffrey Joyce, President

AMENDED AND RESTATED CONVERTIBLE SECURED PROMISSORY NOTE

\$250,000.00 (USD)

Dallas, Texas
August 19, 2008

FOR VALUE RECEIVED, Gulf Onshore, Inc., a Nevada corporation ("MAKER"), promises to pay, in lawful money of the United States of America, to the order of South Beach Live, Inc. a Florida corporation, ("HOLDER"), at 16928 Club Hill Dr. Dallas, TX 75248, or at such other place as Holder shall from time to time direct, the principal amount of Two Hundred and Fifty Thousand and 00/100 U.S. Dollars (\$250,000.00) (the "PRINCIPAL"), together with accrued interest on the unpaid Principal (the "INTEREST"), as it exists from time to time, at the rate of ten percent (10%) per annum (the "INTEREST RATE"), calculated from the date hereof until paid in full in accordance with the following terms and conditions:

1. PURCHASE MONEY SECURITY INTEREST. The funds due South Beach Live, Inc. are for payment of the contracted purchase price for all the shares of Curado Energy Resources, Inc. by Gulf Onshore, Inc. To secure the payment of the amounts due, Gulf Onshore, Inc. and Curado Energy Resources, Inc., respectively, hereby grant to South Beach Live, Inc. a security interest in all of the shares of Curado Energy Resources, Inc., as well as all of its assets. Furthermore, Curado Energy Resources, Inc. guarantees the payment of amounts due to South Beach Live, Inc. from Gulf Onshore, Inc., such guarantee is secured by a security interest granted in all of the assets of Curado Energy Resources, Inc. The parties have executed a Security Agreement and Guarantee Agreement, which are incorporated herein.

2. MATURITY. The entire unpaid Principal, together with accrued and unpaid Interest, if any, and all other charges due hereunder, if any, shall be due and payable, unless sooner paid, on the first (1st) anniversary of the date of this Note; provided, however, upon the written agreement of Maker and Holder, such due date may be extended by up to one (1) year (as applicable, the "MATURITY DATE").

3. PAYMENTS. All unpaid Principal and accrued and unpaid Interest shall be due and payable on the Maturity Date.

4. MANNER OF PAYMENTS. Principal and Interest, and all other charges due hereunder, if any, shall be payable in U.S. Dollars at the office of Holder set forth above, or at such other place as Holder from time to time may designate in writing, without deduction or setoff.

5. ASSIGNMENT/ENDORSEMENT. The Holder may, from time-to-time, assign or endorse some or all of this Note, and any related conversion rights, but not rights under the Security Agreement, to a creditor, obligor or other purchaser, upon notice, but without approval of, the Maker. The Maker shall have the right to prepay this Note to Holder prior to such assignment or endorsement, by tendering all amounts due to Holder within one (1) business day of receipt of such notice. In the event Holder assigns or endorses only a portion of the Note, the assignee or endorsee shall have the right to demand that Maker draft and execute such

additional number of Notes so as to reflect such transfer, canceling the original Note and replacing it with as many Notes in as may be required, in the form of this Note, each of which shall be binding on Maker.

6. CONVERSION.

(a) The Maker will also authorize the issue of One Million (1,000,000) shares of its common stock (hereinafter called "The Stock") and will authorize the issuance of and reserve for such purchase such a number of additional shares of common stock (hereinafter called the "Conversion Stock") as may from time to time be the maximum number required for issuance upon conversion of the Note pursuant to the conversion privileges hereinafter stated.

(b) A. The Holder of any of the Notes at any time up to and including the maturity date (or, as to any of the Notes to which notice of prepayment shall have been given, at any time up to the close of business on the third business day prior to the day fixed for prepayment) but not thereafter may convert the Notes in whole or in part into as many fully paid and nonassessable shares of Common Stock of the Maker as the principal amount of the Note so converted in a multiple of Twenty Five Cents (.25) per share, or such lesser amount as may be provided under subsection D of this paragraph, and upon surrender of the certificate representing the Notes to the Maker at its principal office in the City of Addison, Texas. If any of the Notes shall be converted in part, the Maker shall, at Holder's option and without charge to the Holder, either (i) execute and deliver to the Holder Notes for the balance of the principal amount so converted, or (ii) make notes hereon as to the principal of the amount converted.

B. Upon conversion of any of the Notes, all accrued and unpaid interest on the principal amount converted shall be paid to the Holder by the Maker.

C. The Maker shall take all necessary steps to maintain the registration for the shares held subject to the conversion privilege as described in this section.

D. In the case the Maker shall issue or sell any share of its Common Stock (other than the Stock Shares issued upon conversion of any of the Notes) without consideration or for consideration per share less than the conversion price of Twenty Five Cents (.25) per share, then forthwith upon such issuance or sale, the conversion price shall be adjusted to that price paid, or \$.001 (par value) if no consideration is paid or given. Holder agrees that it will not seek conversion at any price less than Twenty Five Cents (.25) per share prior to the Maturity Date.

E. In case the Maker shall at any time divide its outstanding shares of Common Stock into a greater number of shares, the conversion price in effect immediately prior to such subdivision should be proportionately reduced, and, conversely, in the case outstanding shares of Common Stock of the Maker shall be combined into a smaller number of shares, the actual conversion price in effect immediately prior to such combination shall be proportionately increased.

F. In case the Maker shall declare a dividend or make a distribution of any Stock of the Maker payable in Common Stock or in Convertible Securities, the aggregate maximum number of shares of Common Stock issuable in payment of such dividend or distribution, or upon conversion of or in exchange for such Convertible Securities issuable in payment of such dividend or distribution, shall be deemed to have been issued or sold without consideration.

G. No fractional share of Common Stock shall be issued upon conversion of any of the Notes. If any Holder of the Notes shall have converted all the Notes held by him other than a principal amount so small that less than a whole share of Common Stock would be issuable upon conversion thereof, the Maker may elect to prepay such balance, with interest accrued thereon to the date fixed for prepayment, or leave the same outstanding until the maturity of the Note.

H. In any reclassification or change of outstanding shares of Common Stock issuable upon conversion of the Notes (other than a change in stated value) or in the case of any consolidation or merger of the Maker with any other corporation, or in the case of the sale and conveyance to another to another corporation or person of the property of the Maker in its entirety or substantially as an entirety, the Maker shall, as a condition precedent to such transaction, cause effective provisions to be made that each Holder of the Notes then outstanding shall have the right thereafter to convert the Notes into the kind and amount of shares of Stock and other securities and property receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a Holder of the number of shares of Common Stock in the Maker into which such Notes might have been converted immediately prior to such reclassification, change, consolidation, merger, sale or conveyance.

7. PREPAYMENT. The Principal may be prepaid, in full or in part, at any time and from time to time, without premium or penalty; provided, however, all accrued and unpaid Interest must be concurrently paid at the time of such prepayment of Principal.

8. DEFAULT. Maker shall be in default under this Promissory Note upon the occurrence of any of the following events (each, a "DEFAULT"):

(a) Maker fails to make any payment of Principal or Interest when due, or fails to perform any of the terms, conditions or obligations hereunder, and such failure continues for a period of fifteen (15) calendar days after receipt by Maker from Holder of written notice thereof;

(b) Maker shall file or have filed against it, voluntarily or involuntarily, a petition for its winding up, or shall procure or suffer the appointment of a receiver for any portion of its properties or assets, or shall make an assignment for benefit of its creditors, provided same is not cured within thirty (30) calendar days of such event occurring;

(c) Maker ceases operations, is dissolved, or terminates its existence; or

(d) any change of control of Maker, such that it would be obligated to file a Form 8-K with the Securities and Exchange Commission.

Upon a Default, the entire unpaid Principal, together with accrued and unpaid Interest, and all other charges due hereunder, if any, shall immediately become due and payable and Holder may proceed at once to exercise any or all remedies available to Holder under this Promissory Note or at law or equity. At such time as a judgment is obtained for any amounts owing under this Promissory Note, interest shall continue to accrue on the amount of the judgment at the Interest Rate.

9. **OTHER OBLIGATIONS.** Maker agrees to pay all costs of collection if suit be brought. Costs of collection include, without limitation, reasonable attorneys' fees if this Promissory Note is placed in the hands of attorneys for collection (whether or not suit is brought to collect the amount past due), together with all court costs, investigative costs and other expenses incurred in the prosecution of any suit.

10. **REMEDIES CUMULATIVE.** All remedies herein given to Holder are cumulative and not alternative, are in addition to all of the same which are available to Holder under all statutes at law or in equity, and may be exercised in any order or simultaneously, at Holder's sole election. Any forbearance or delay by Holder in exercising the same shall not be deemed to be a waiver thereof, and the exercise of any right or partial exercise thereof shall not preclude the further exercise thereof, and the same shall continue in full force and effect until specifically waived by an instrument in writing executed by Holder.

11. **SEVERABILITY.** If any provision of this Promissory Note is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Promissory Note shall remain in full force and effect and shall be liberally construed in favor of Holder in order to effect the provisions of this Promissory Note.

12. **WAIVER OF ERRORS.** Maker hereby waives and releases all errors, defects and imperfections in any proceedings instituted by Holder under the terms of this Note, as well as all benefit that might accrue to Maker by virtue of any present or future laws providing for any stay of execution to be issued on any judgment recovered on this Promissory Note, and Maker agrees that any real or personal property that may be levied upon pursuant to a judgment obtained by virtue hereof, on any writ of execution issued thereon, may be sold upon any such writ, in whole or in part, in any order desired by Holder.

13. **WAIVER OF NOTICES.** Maker hereby waives diligence, presentment for payment, demand, notice of demand, notice of nonpayment or dishonor, protest and notice of protest of this Promissory Note, and all other notices in connection with the delivery, acceptance, performance, default, or enforcement of the payment of this Promissory Note, and agrees that Maker's liability hereunder shall not be affected in any manner by any indulgence, extension of time, renewal, waiver or modification granted or consented to by Holder. Maker consents to any and all extensions of time, renewals, waivers, or modifications that may be granted by Holder with respect to the payment or other provisions of this Promissory Note, with or without substitution.

13. NO WAIVER. Holder shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by Holder, and then only to the extent specifically set forth in the writing. A waiver in one event shall not be construed as continuing or as a bar to or waiver of any right or remedy to any subsequent Default, or, in the event of continuance, of any existing Default.

14. APPLICABLE LAW. This Note shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the choice of law rules of that State.

15. AMENDMENT. This Note shall in no event be amended or modified, except by an instrument in writing executed by the party to be bound thereby.

16. NUMBER AND GENDER. Whenever used, the singular number shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders, and the words "Holder" and "Maker" shall be deemed to include the respective successors and assigns of Holder and Maker.

17. CAPTIONS. The captions set forth in this Note are for convenience only and do not comprise a part of this Note.

IN WITNESS WHEREOF, this Note has been executed as of the date first hereinabove written.

"MAKER"
Gulf Onshore, Inc.

By: _____

Name: _____

Its: President

"HOLDER"
South Beach Live, Inc.

By: _____

Name: _____

Its:Its:

SECURITY AGREEMENT

1. Grant. On the 10th day of June, 2008, Gulf Onshore, Inc., a Nevada corporation with its principal place of business at 4310 Wiley Post Rd., Ste. 201, Addison, TX 75001 (hereinafter called "**Debtor**"), entered into a Convertible Promissory Note in favor South Beach Live, Inc., a Florida corporation with its principal place of business at 16928 Club Hill Dr. Dallas, TX 75248 (hereinafter called "**Secured Party**") which is incorporated herein as if set forth here in entirety. Subsequently, on August 19, 2008, Debtor and South Beach Live, Inc entered into an Amended and Restated Convertible Promissory Note, in similar term and amount, and as part of the valuable consideration therefore, receipt whereof is acknowledged by Debtor, Debtor granted to South Beach Live, Inc. a security interest in, and mortgages to Secured Party, the following described property and interests in property of Debtor (hereinafter called the "**Collateral**"):

All of the Shares of Debtor's wholly-owned subsidiary, Curado Energy Resources, Inc., and all of the Assets of Curado, including specifically any in any oil, gas or mineral lease held by Curado in Throckmorton or Shackelford Co., Texas

to secure payment of the following obligations of Debtor to Secured Party (all hereinafter called the "**Obligations**"):

All obligations and liabilities of Debtor to Secured Party (including without limitation all debts, claims and indebtedness) whether primary, secondary, direct, contingent, fixed or otherwise, heretofore, now and/or from time to time hereafter owing, due or payable, however evidenced, created, incurred, acquired or owing and however arising, or by oral agreement or operation of law or otherwise, including but not by way of limitation, the Amended and Restated Convertible Promissory Note.

2. Warranties and Covenants of Debtor. Debtor warrants and covenants that:

(a) Except for the security interest granted hereby and the security interest granted to Secured Party, Debtor is the owner of the Collateral free from any adverse lien, security interest or encumbrance; and Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

(b) No Financing Statement covering any of the Collateral or any proceeds thereof is on file in any public office, except in favor of Secured Party. The Debtor shall immediately notify the Secured Party in writing of any change in name, address, identity or corporate structure from that shown in this Agreement and shall also upon demand furnish to the Secured Party such further information and shall execute and deliver to Secured Party such financing statements and other documents in form satisfactory to Secured Party and shall do all such acts and things as Secured Party may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Obligations, subject to no adverse liens or encumbrances; and Debtor will pay the cost of filing the same or filing or recording this agreement in all public offices wherever filing or recording is deemed by Secured Party to be necessary or desirable. A carbon, photographic or other reproduction of this agreement is sufficient as a financing statement.

(c) Debtor will not sell or offer to sell, assign, pledge, lease or otherwise transfer or encumber the Collateral or any interest therein, without the prior written consent of Secured Party.

(d) Debtor shall keep the Collateral at all times insured against risks of loss or damage by fire (including so-called extended coverage), theft and such other casualties as Secured Party may reasonably require, including collision in the case of any motor vehicles, all in such amounts, under such forms of policies, upon such terms, for such periods and written by such companies or underwriters as Secured Party may approve, losses in all cases to be payable to Secured Party and Debtor as their interests may appear. All policies of insurance shall provide that Secured Party's interest therein shall not be invalidated by the act, omission or neglect of anyone other than Secured Party and for at least ten days' prior written notice of cancellation to Secured Party. Debtor shall furnish Secured Party with certificates of such insurance or other evidence satisfactory to Secured Party as to compliance with the provisions of this paragraph. Secured Party may act as attorney for Debtor in making, adjusting and settling claims under and cancelling such insurance and endorsing Debtor's name on any drafts drawn by insurers of the Collateral.

(e) Debtor will keep the Collateral free from any adverse lien, security interest or encumbrance and in good order and repair, shall not waste or destroy the Collateral or any part thereof, and shall not use the Collateral in violation of any statute, ordinance or policy of insurance thereon.

(f) Secured Party may examine and inspect the Collateral at any reasonable time or times, wherever located.

(g) Debtor will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this Agreement or upon any note or notes evidencing the Obligations.

3. Additional Rights of Parties. At its option, Secured Party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may place and pay for insurance on the Collateral upon failure by the Debtor, after having been requested to do so, to provide insurance satisfactory to the Secured Party, and may pay for the maintenance, repair, and preservation of the Collateral. To the extent permitted by applicable law, Debtor agrees to reimburse Secured Party on demand for any payment made, or any expense incurred by Secured Party pursuant to the foregoing authorization. Until default Debtor may have possession of the Collateral and use it in any lawful manner not inconsistent with this agreement and not inconsistent with any policy of insurance thereon.

4. Events of Default. Debtor shall be in default under this agreement upon the occurrence of any of the following events or conditions, namely: (a) default in the payment or performance of any of the Obligations or of any covenants or liabilities contained or referred to herein or in any of the Obligations; (b) any warranty, representation or statement made or furnished to Secured Party by or on behalf of Debtor proving to have been false in any material respect when made or furnished; (c) loss, theft, substantial damage, destruction, sale or encumbrance to or any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon; (d) dissolution, termination of existence, filing by Debtor or by any third party against Debtor of any petition under any Federal bankruptcy statute, insolvency, business

failure, appointment of a receiver of any part of the property of, or assignment for the benefit of creditors by, Debtor; (e) any change of control of Debtor, as that term is used for purposes of SEC Regulation S-K, or (f) the occurrence of an event of default in any agreement between Debtor and/or Secured Party.

5. Remedies . UPON DEFAULT AND AT ANY TIME THEREAFTER, SECURED PARTY MAY DECLARE ALL OBLIGATIONS SECURED HEREBY IMMEDIATELY DUE AND PAYABLE AND SHALL HAVE THE REMEDIES OF A SECURED PARTY UNDER THE UNIFORM COMMERCIAL CODE OF TEXAS, including without limitation the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as Debtor can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Uniform Commercial Code of Texas); and the Secured Party shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Debtor's right of redemption in satisfaction of the Debtor's Obligations as provided in the Uniform Commercial Code of Texas. Secured Party without removal may render the Collateral unusable and dispose of the Collateral on the Debtor's premises. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party for possession at a place to be designated by Secured Party which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor at least 5 days' notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor shown at the beginning of this agreement at least ten days before the time of the sale or disposition. Secured Party may buy at any public sale. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and the reasonable attorney's fees and legal expenses incurred by Secured Party, shall be applied in satisfaction of the Obligations secured hereby. The Secured Party will account to the Debtor for any surplus realized on such disposition and the Debtor shall remain liable for any deficiency.

The remedies of the Secured Party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Uniform Commercial Code of Texas shall not be construed as a waiver of any of the other remedies of the Secured Party so long as any part of the Debtor's Obligation remains unsatisfied.

6. General . No waiver by Secured Party of any default shall operate as a waiver of any other default or of the same default on a future occasion. All rights of Secured Party hereunder shall inure to the benefit of its successors and assigns; and all obligations of Debtor shall bind its successors or assigns. If there be more than one Debtor, their obligations hereunder shall be joint and several. This agreement shall become effective when it is signed by Debtor.

All rights of the Secured Party in, to and under this agreement and in and to the Collateral shall pass to and may be exercised by any assignee thereof. The Debtor agrees that if the Secured Party gives notice to the Debtor of an assignment of said rights, upon such notice the liability of the Debtor to the assignee shall be immediate and absolute. The Debtor will not

set up any claim against the Secured Party as a defense, counterclaim or set-off to any action brought by any such assignee for the unpaid balance owed hereunder or for the possession of the Collateral, provided that Debtor shall not waive hereby any right of action to the extent that waiver thereof is expressly made unenforceable under applicable law.

If any provision of this agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this agreement.

Secured Party :

Debtor :

By: _____

By: _____

Its:

Its:

Curado Energy Resources, Inc.

By:

Its:

ASSIGNMENT

FOR VALUE RECEIVED, the Secured Party sells, assigns and transfers to _____, its successors and assigns with recourse, all right, title and interest in, to and under the foregoing agreement and in and to the Collateral therein described, with authority to take either in its own name or in the name of the Secured Party, but for its own benefit, all such proceedings, legal or equitable, as the Secured Party might have taken but for this assignment.

The Secured Party warrants that the foregoing agreement represents a valid security agreement as provided under the laws of the State of _____.

* _____

By: _____

Its:

Guaranty Agreement

This Guaranty Agreement is entered into by Curado Energy Resources, Inc., a Texas corporation, in favor of South Beach Live, Inc., a Florida corporation, to guarantee an obligation of Gulf Onshore, Inc., a Nevada corporation. Gulf Onshore purchased all of the shares of Curado from South Beach, providing a Promissory Note as consideration. Curado acknowledges that it has and will receive substantial benefit from its acquisition by Gulf Onshore, and in furtherance of this transaction provides this guarantee.

For value received, and in consideration of, and in order to induce South Beach to accept a promissory note from Gulf Onshore in exchange for all of the shares of Curado, Curado hereby unconditionally guarantees to South Beach the full and prompt performance by Gulf Onshore of all obligations under the promissory note that Gulf Onshore presently or hereafter may have, and under any other agreement related to it, including but not limited to, the Security Agreement in favor of South Beach.

Curado furthermore agrees to indemnify South Beach against any losses it may sustain and expenses it may incur as a result of any default by Gulf Onshore under the promissory note and/or as a result of the enforcement or attempted enforcement by South Beach of any of its rights against Gulf Onshore or Curado under the promissory note or Security Agreement.

Curado expressly waives all defenses which might constitute a legal or equitable discharge of a surety or guarantor, and agree that this guaranty shall be valid and unconditionally binding upon it regardless of:

1. Reorganization, merger or consolidation of Gulf Onshore or Curado into or with another entity, corporate or otherwise, or the sale or other disposition of all or substantially all of the capital stock, business or assets of lessee to any other person or party, or
2. The dissolution of Gulf Onshore or Curado, or
3. The voluntary or involuntary bankruptcy (including a reorganization in bankruptcy) of Gulf Onshore or Curado.

South Beach waives notice of and consent to Curado or Gulf Onshore's operation of and receipt of any and all revenues derived from any of the assets of Curado, including any oil and gas production, or payment for lease, sublease or farmout of any oil and gas properties, as well as the disposition or assignment of any interest in non-producing oil or gas wells. South Beach does not waive notice of the sale or disposition of any producing oil and gas leasehold interest, and reserves the right to purchase such property at the offered price.

The parties agree that this guaranty shall remain and continue in full force and effect notwithstanding any renewal, modification or extension of the promissory note, and Curado expressly waives all notice of and consent to any such renewal, modification or extension and to the execution by Gulf Onshore of any documents pertaining to it.

Curado further agrees that its liability under this guaranty shall be absolute primary and direct, and that South Beach shall not be required to pursue any right or remedy it may have against Gulf Onshore under the promissory note or otherwise (and shall not be required to first commence any action or obtain any judgment against Gulf Onshore) before enforcing this guaranty against Curado, and that Curado will upon demand, pay South Beach any and all amounts due under the promissory note in the event that Gulf Onshore defaults under any provision of the promissory note.

Curado agrees furthermore that the failure of South Beach to insist in any one or more instances upon a strict performance or observance of any of the terms, provisions or covenants of the promissory note or Security Agreement, or to exercise any of its rights under them, shall not be construed or deemed to be a waiver or relinquishment for the future of any such terms, provisions, covenants or rights, but such terms, provisions, covenants and rights shall continue and remain in full force and effect.

No assignment or other transfer by South Beach of any interest, right or obligation under the promissory note shall extinguish or diminish the unconditional absolute primary and direct liability of Curado under this guaranty. Curado consents to and waives all notice of any such assignment, transfer or assumption. Furthermore, any such assignee or transferee shall have all of the rights of South Beach and may enforce this guaranty against Curado with the same force and effect as if this guaranty were given to such assignee in the first instance. This guaranty shall inure to the benefit of South Beach, and its successors and assigns, and shall be binding upon Curado and its successors and assigns.

This guaranty shall be governed as to validity, interpretation, effect and in all other respects by the laws and decisions of the State of Texas. The undersigned do submit to the jurisdiction of any court (federal, state or local) having situs within the State of Texas, expressly waiving personal service of process and consent to service by certified or registered mail, return receipt requested, directed to the last known address of the undersigned, which service shall be deemed completed within 10 days after the date of mailing.

In witness, the undersigned have executed this guaranty this 26th day of August, 2008.

Curado Energy Resources, Inc.

By: _____

Its: _____

Gulf Onshore, Inc.

By: _____

Its: _____

South Beach Live, Inc.

By: _____

Its: _____



N O V A R E S O U R C E , I N C .

CERTIFIED PETROLEUM GEOLOGISTS *REGISTERED PROFESSIONAL ENGINEERS* CERTIFIED PETROLEUM
EOPHYSICISTS

Oil & Gas Exploration and Production * Certified SEC Reserves Valuations

P. O. Box 743324
Dallas, Texas 75374
Tel/Fax(972)530-3930
novapet@tx.rr.com

August 20, 2008

page 1 of 9

Gulf Onshore, Inc.
4310 Wiley Post Rd.; Ste 201
Addison, Texas 75001

RE: Nova Resource, Inc's Certified SEC Oil and Gas Reserves Evaluation of PDP, PDNP and
PUD Reserves and Valuation of Gulf Onshore, Inc's Selected Oil and Gas Leases
located in Throckmorton and Shackelford Counties, Texas.

Dear Sirs,

As per your request and authorization of Nova Resource, Inc., Nova has performed its SEC reserves analysis and valuation of your oil and gas properties and hereby supplies Nova's certified SEC SX-10 reserves analysis and valuation report regarding the proven primary oil and gas reserves remaining to be recovered from your leases as shown in this report.

LEASES:

The thirteen (13) selected oil and gas leases referenced in this report are described as follows: Leases known by you and hereby described by Lease Name and Railroad Commission of Texas Lease ID # as the:

- 1) Putnam, J. H. Lease (RRC ID # 25781) of Throckmorton Co, Tx; the
- 2) Putnam "A" Lease (RRC ID # 17374) of Throckmorton Co., Tx; the
- 3) Putnam, J H Lease (RRC ID # 24255) of Throckmorton Co., Tx; the
- 4) Putnam, J.H. Lease (RRC ID # 29194)of Throckmorton Co., Tx; the
- 5) Morris, J.P. Lease (RRC ID # 03544) of Shackelford Co., Tx; the
- 6) Fort Griffin Lease (RRC ID # 29357) of Shackelford Co., Tx.; the
- 7) Putnam, T. R. Lease (RRC ID # 08575) of Throckmorton Co., Tx; the
- 8) Putnam, J. C. Lease (RRC ID # 10814) of Throckmorton Co., Tx; the
- 9) Putnam "M" Lease (RRC ID # 27328) of Throckmorton Co., Tx; the
- 10) Comeback Lease (RRC ID # 27330) of Throckmorton Co., Tx; the
- 11) Harrell Lease (RRC ID # 29140) of Throckmorton Co., Tx; the
- 12) Putnam, Joe Lease (RRC ID # 29287) of Throckmorton Co., Tx; the
- 13) Treadwell Lease (RRC ID # 29361) all of Throckmorton County, Texas.

Nova/Gulf Onshore, Inc's: RE: Nova Resource, Inc's Certified SEC Oil and Gas Reserves
Evaluation of PDP, PDNP and PUD Reserves and Valuation on Gulf Onshore, Inc's
Selected Oil and Gas Leases located in Throckmorton and Shackelford Counties, Texas.

August 20, 2008
page 2 of 9

PARAMETERS :

Nova used in this analysis the SEC required parameters and SX-10 definitions as exist as of the date of this report; all available data and information supplied regarding the leases by the operator Curado Energy Resources, Inc.; available data and information derived from the Railroad Commission of Texas and other public information sources; and information and data from selected private sources. The described parameters and sources of information were used to derive the calculated proven remaining recoverable oil and gas reserves volumes and their valuations shown in this report.

RESERVE TYPES :

Nova determined the Proven Developed Producing (PDP), the Proven Developed Non-Producing (PDNP), and the Proven Un-Developed (PUD) reserves from these leases using present SEC definitions of these reserves types.

* PDP RESERVES Definition:

PDP is defined as existing producing Proven Developed Producing oil and /or gas wells as per SEC requirements.

* PDNP RESERVES Definition:

PDNP is defined as Proven Developed Non-Producing oil and/or gas reserves from existing PDP wellbores that by analysis have proven oil and or gas reserves remaining to be recovered from proven reservoirs as per SEC requirements and commonly known as behind pipe reserves remaining to be produced.

* PUD RESERVE Definition:

PUD reserves have been determined as proven reserves to be recovered from reservoirs in wells to be drilled defined as Proven Un-Developed wells as per SEC requirements.

PRODUCTIVE RESERVOIRS :

A geologic analysis of the reservoirs present in your leases indicated that various multiple productive reservoirs exist under your leases. The Mississippian age Algal Reefs, the Strawn, Cook Lime, Flippen Sand, Bluff Creek Sand, Tannehill Sand, Dothan Lime, Palo Pinto Lime, Dog Bend, Capps Lime, Caddo Lime, Sedgwick Lime, and Coleman Junction reservoirs are all

Nova/Gulf Onshore, Inc's: RE: Nova Resource, Inc's Certified SEC Oil and Gas Reserves
Evaluation of PDP, PDNP and PUD Reserves and Valuation on Gulf Onshore, Inc's
Selected Oil and Gas Leases located in Throckmorton and Shackelford Counties, Texas.

August 20, 2008
page 3 of 9

productive reservoirs throughout the region. All of the leases have at least several of the listed productive reservoirs either producing (PDP), behind pipe (PDNP in existing wellbores with proven productive reservoirs remaining to be produced), or Proven Un-Developed (PUD proven well locations as per SEC Definition remaining to be drilled).

RECOVERABLE RESERVES BY RESERVOIR:

(Note: not all reservoirs are present in all leases) :

Recoverable reserves from the various reservoirs in and around your leases using today's recovery technologies (results will vary depending upon recovery techniques used) over the economic life of the wells using today's prices of \$ 115 per barrel of oil and \$ 9.01 per mcf of gas are calculated to be up to the follows:

Mississippian:	50,851 Bbbls per well
Caddo Limestone:	6,911 Bbbls per well
Cook:	4,322 Bbbls or 40.1 MMcfg per well
Flippen:	4,919 Bbbls per well
Bluff Creek:	5,120 Bbbls per well
Strawn:	40 MM CFG per well
Palo Pinto:	5,009 Bbbls per well
Dog Bend:	4,508 Bbbls per well
Capps:	4,814 Bbbls or 48.3 MMcfg per well
Dothan:	2,801 Bbbls
Tannehill:	9,101 Bbbls per well
Sedgwick:	3,121 Bbbls per well
Coleman	30.2MMcfg (High H2S content)

Junction:

Nova/Gulf Onshore, Inc's: RE: Nova Resource, Inc's Certified SEC Oil and Gas Reserves
Evaluation of PDP, PDNP and PUD Reserves and Valuation on Gulf Onshore, Inc's
Selected Oil and Gas Leases located in Throckmorton and Shackleford Counties, Texas.

August 20, 2008
page 4 of 9

WATERFLOOD DATA :

Some of your leases have been waterflooded in the past with the waterflood having been stopped. Several of these waterflooded leases have not been waterflooded for at least twelve years and have recent indications that the reservoirs have at least partially recharged due to migrations of hydrocarbons back into the reservoirs. None of your leases are presently being waterflooded. There is potential for not only producing remaining amounts of primary hydrocarbons from existing wellbores (PDP), from behind pipe reservoirs (PDNP), and from new wells to be drilled and produced (PUD) but also for the recovery of secondary hydrocarbons by the initiation of a new waterflood using modern techniques, materials, and technologies on several of the leases. Tertiary recovery of additional hydrocarbons also exist on these same leases. Secondary waterflood recovery volumes and tertiary recovery of hydrocarbons are NOT included in the reserves or their valuations in this report. Only primary recovery of hydrocarbons are calculated and shown in this report.

SEC PRIMARY REMAINING PDP, PDNP, AND PUD RESERVES BY LEASE :

The following is Nova's determination of the remaining SEC SX-10 primary hydrocarbon reserves and their valuations to be recovered from the listed leases using SEC requirements under SX-10 rules using the operator's supplied NRI's, LOE's, and cost to drill and complete new wells (AFE). The parameters used were confirmed by review of data and by analogues to existing, adjacent, and surrounding leases producing from similar reservoirs as of the date of this report.

Definitions:

B or BBls = Barrels of Oil; M or Mcf = Thousand Cubic Feet of Natural Gas; Cum. Prod. = Cumulative Produced Oil (Bbls) and/or Gas (Mcf) volume; RRC ID # = Railroad Commission of Texas Lease Identification Number; O/G = Oil or Gas; Wls = wells; SI = Shut-In well; Inj. = well converted to inject water; DH = Dry hole = non-productive well; T = Throckmorton Co. Tx; S = Shackleford Co., Tx.; SX-10 = Declining balance 10% discount rate as per SEC requirement; SEC = Securities and Exchange Commission; CapEx = Capital Expenditure in U. S. Dollars; k or K = 1000's; Co. = County; TX = Texas; SEC Net Reserves Volume = Net (after royalty) Barrels of Oil or MCF to lease owner; SX-10 Valuation = present SX-10 value in U. S. Dollar; AFE = Authority For Expenditure

Nova/Gulf Onshore, Inc's: RE: Nova Resource, Inc's Certified SEC Oil and Gas Reserves
Evaluation of PDP, PDNP and PUD Reserves and Valuation on Gulf Onshore, Inc's
Selected Oil and Gas Leases located in Throckmorton and Shackleford Counties, Texas.

August 20, 2008
page 5 of 9

Lease Name & ID	Co. of TX	RRC ID #	# of Wls (PDP)	# of Wls (PDNP)	# of Wls (PUD)	Lease from 1/1970 Cum. Prod.	Lease Total CapEx & Reserves & Valuation
-----------------	-----------	----------	----------------	-----------------	----------------	------------------------------	--

1) PUTNAM, J.H .	25781						
T							
Present SEC Proven Wells		0	0	0			0
CapEx:		0	0	0			0
SEC Net Reserves Volumes:		0	0	0			0
SX-10 Valuation:		0	0	0			0

2) PUTNAM "A"	17374					44,914 Bbls	
T							53,695 Mcf

Present SEC Proven Wells:	1	1	1	
CapEx:	0	50k	165.6k	\$215,600
SEC Net Reserves	3,566B	10,719B	23,003B	37,288Bbls
Volumes:				
SX-10 Valuation:	90,529	256,546	596,443	\$943,518

3) **PUTNAM, J.H.** 24255

T				
Present SEC Proven Wells	0	0	0	0
CapEx:	0	0	0	0
SEC Net Reserves	0	0	0	0
Volumes:				
SX-10 Valuation:	0	0	0	0

4) **PUTNAM "A"** 29194 3,673 Bbls

T				
Present SEC Proven Wells	1	1	1	
CapEx:	0	20k	50k	\$70,000
SEC Net Reserves	3,208B	2,331B	10,063B	15,602B
Volumes:				
SX-10 Valuation:	92,341	61,304	391,096	\$544,741

5) **Morris, J.P. S** 03544 662,081 Bbls

Present SEC Proven Wells	7	7	10	
CapEx:	0	140k	576k	\$716,000
SEC Net Reserves	37,892B	42,775B	85,551B	166,218B
Volumes:				
SX-10 Valuation:	1,114,825	1,844,843	3,393,670	\$6,353,338

Nova/Gulf Onshore, Inc's: RE: Nova Resource, Inc's Certified SEC Oil and Gas Reserves Evaluation of PDP, PDNP and PUD Reserves and Valuation on Gulf Onshore, Inc's Selected Oil and Gas Leases located in Throckmorton and Shackelford Counties, Texas.

August 20, 2008

page 6 of 9

Lease Name & ID	Co. of TX	RRC ID #	# of Wls (PDP)	# of Wls (PDNP)	# of Wls (PUD)	Lease from 1/1970 Cum. Prod.	Lease Total CapEx & Reserves & Valuation
-----------------	-----------	----------	----------------	-----------------	----------------	------------------------------	--

6) **Ft Griffin S** 29357

Present SEC Proven Wells	0	0	0	
CapEx:	0	0	0	0
SEC Net Reserves	0	0	0	0
Volumes:				
SX-10 Valuation:	0	0	0	0

7) **PUTNAM T.R.** 08575 176,779 Bbls

T				
Present SEC Proven Wells	3	3	3	
CapEx:	0	60k	216k	\$276,000
SEC Net Reserves	24,037B	5,262B	46,043B	75,342B
Volumes:				
SX-10 Valuation:	467,618	106,079	1,237,191	\$1,810,888

8) **PUTNAM J.C.** T 10814 107,090 Bbls
Present SEC Proven Wells 4 4 4
CapEx: 0 80k 288k \$368,000
SEC Net Reserves 1,663B 8,355B 24,274B **34,292B**
Volumes:
SX-10 Valuation: 24,305 375,305 1,392,624 **\$1,792,234**

9) **PUTNAM "M"** T27328
Present SEC Proven Wells 1 1 1 58,365 Bbls
CapEx: 0 20k 111.6k \$ 131,600
SEC Net Reserves 13,841B 2,193B 26,114B **42,148B**
Volumes:
SX-10 Valuation: 412,355 49,200 942,160 **\$ 1,403,715**

10) **Comeback** T 27330 34,157 Bbls
Present SEC Proven Wells 3 0 3
CapEx: 0 0 172.8k \$172,800
SEC Net Reserves 17,662B 0 16,444B **34,106B**
Volumes:
SX-10 Valuation: 329,557 0 281,595 **\$611,152**

Nova/Gulf Onshore, Inc's: RE: Nova Resource, Inc's Certified SEC Oil and Gas Reserves
Evaluation of PDP, PDNP and PUD Reserves and Valuation on Gulf Onshore, Inc's
Selected Oil and Gas Leases located in Throckmorton and Shackleford Counties, Texas.

August 20, 2008
page 7 of 9

Lease Name & ID	Co. of TX	RRC ID #	# of Wls (PDP)	# of Wls (PDNP)	# of Wls (PUD)	Lease from 1/1970 Cum. Prod.	Lease Total CapEx & Reserves & Valuation
-----------------	-----------	----------	----------------	-----------------	----------------	------------------------------	--

11) **Harrell** T 29140 2,219 Bbls
Present SEC Proven Wells 1 1 1
CapEx: 0 20k 169.2k \$189,200
SEC Net Reserves 3,146B 2,227B 5,790B **11,163B**
Volumes:
SX-10 Valuation: 86,196 52,300 44,619 **\$183,115**

12) **Putnam, Joe** T 29287 138Bbls
Present SEC Proven Wells 0 0 0
CapEx: 0 0 0 0
SEC Net Reserves 0 0 0 0
Volumes:
SX-10 Valuation: 0 0 0 0

13) **Treadwell** T 29361 3,435 Bbls
Present SEC Proven Wells 1 1 1
CapEx: 0 20k 165.6k \$185,600
SEC Net Reserves 5,259B 3,508B 11,401B **20,168**

Volumes: **B**
 SX-10 Valuation: 136,620 90,719 194,237 **\$421,576**

This
 Space
 Left
 Blank
 Intentionally

Nova/Gulf Onshore, Inc's: RE: Nova Resource, Inc's Certified SEC Oil and Gas Reserves
 Evaluation of PDP, PDNP and PUD Reserves and Valuation on Gulf Onshore, Inc's
 Selected Oil and Gas Leases located in Throckmorton and Shackleford Counties, Texas.
 August 20, 2008
 page 8 of 9

The resultant totals for all of the referenced leases at \$ 115 oil and \$ 9.01 gas are as follows

S U M M A R Y
 of all PDP & PDNP & PUD referenced leases

Lease Name & ID	Co. of TX	RRC ID #	# of Wls (PDP)	# of Wls (PDNP)	# of Wls (PUD)	Lease from 1/1970 Cum. Prod.	Lease Total CapEx & Reserves & Valuation
-----------------	-----------	----------	----------------	-----------------	----------------	------------------------------	--

ALL LEASES (Net to Revenue Interest)
 @ \$ 115 Oil and \$ 9.01 Gas

Number of wells	22	19	25				
CapEx:	0	410k	1,914.8k				\$2,324,800
SEC Net Reserves	110,274B	77,370B	248,683B				436,327Bbls
Volumes:							
SX-10 Valuation:	2,754,346	2,836,296	8,473,635				\$14,064,277

All oil and gas ventures contain a degree of risk. Nova has not included risk in this analysis. Nova does not guarantee or warrant, by expression or omission, the presence of all or any hydrocarbons in or from any oil and gas lease based upon any information supplied by any operator or owner. Nova has used the information available to generate this reserves evaluation using existing SEC requirements. All parties are advised to seek their own third party advice and council before investing in any oil and gas venture.

Nova is acting as an independent consultancy retained by Gulf Onshore, Inc. to analyze, evaluate, and value the remaining primary recoverable hydrocarbons from Gulf Onshore, Inc's leases using present SEC requirements and definitions.

Nova/Gulf Onshore, Inc's: RE: Nova Resource, Inc's Certified SEC Oil and Gas Reserves
 Evaluation of PDP, PDNP and PUD Reserves and Valuation on Gulf Onshore, Inc's
 Selected Oil and Gas Leases located in Throckmorton and Shackleford Counties, Texas.
 August 20, 2008
 page 9 of 9

Nova was paid prior to analyzing these properties and generating this report.

Nova does not have or retain any interests in the referenced leases.

If you have any questions please feel free to contact Nova Resource, Inc. at (972) 530-3930 or by e-mail at novapet@tx.rr.com.

Thank you for this opportunity to be of service to you and your company.

We look forward to being of service to you in the future.

Respectfully,

Nova Resource, Inc.

Joseph V. Rochefort
CPG # 3358; CPGP # 90
SIPES # 1901; QRE CT51-101

Encl: Invoice

GOI SEC SUMMARY RESERVES REPORT 8-20-2008